Cracking the Code of Personalization

TDS America | September 2014

Michael Bennett
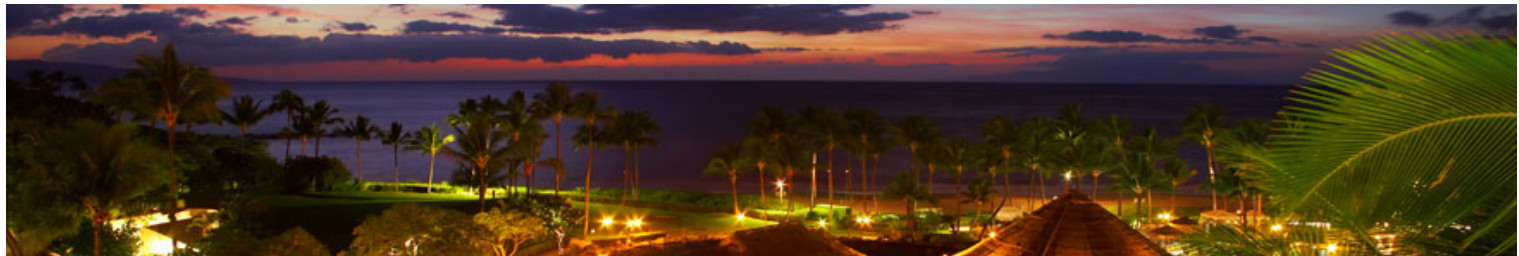Managing Director, Marketing & Strategy
KSL Resorts and Capital Partners

- 20+ years of digital/marketing/brand experience
- Worked with brands such as: Knight-Ridder, Kodak, The Nature Conservancy & White Lodging
- Owned and operated a digital/brand agency for 6 years
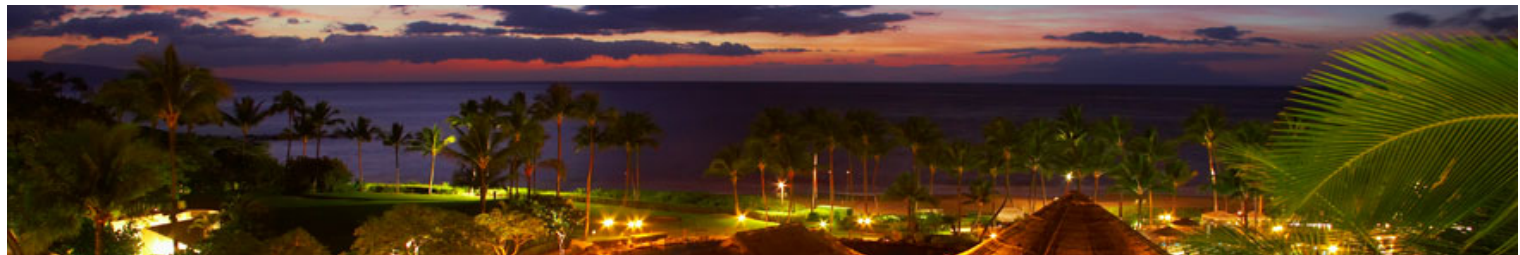
Cracking the Code… > **Who is KSL?**

Our private equity investments and asset management agreements range across travel and leisure businesses, such as hotels and resorts, clubs, fitness, ski and resort real estate.

Managed/Asset Managed

- Hotel Del Coronado
- Beach Village at the Del
- Arizona Biltmore
- Grand Waliea
- La Quinta Resort & Club
- PGA West

Owned/Managed

- Miraval
- Malmaison
- Hotel Du Vin
- The Belfry
- Squaw Valley
- The James South Beach
- JW Essex House
- ClubCorp
- St. Regis Monarch Beach

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Cracking the Code… > **The Challenge**

For 2014 the Hotel Del Coronado made a strategic decision to drive significant rate and eliminate all sales.

- **Replace customers that have been reliant on sales for the past decade**

- **Replace repeat customers that no longer can afford the new rates**

- **Understand we are going to have less occupancy at higher rate, thus increasing the demands on overall service**

- **Leverage digital to find these new customers and at the same time, launch a new web site**

- **Use PR to build the brand with a new audience**

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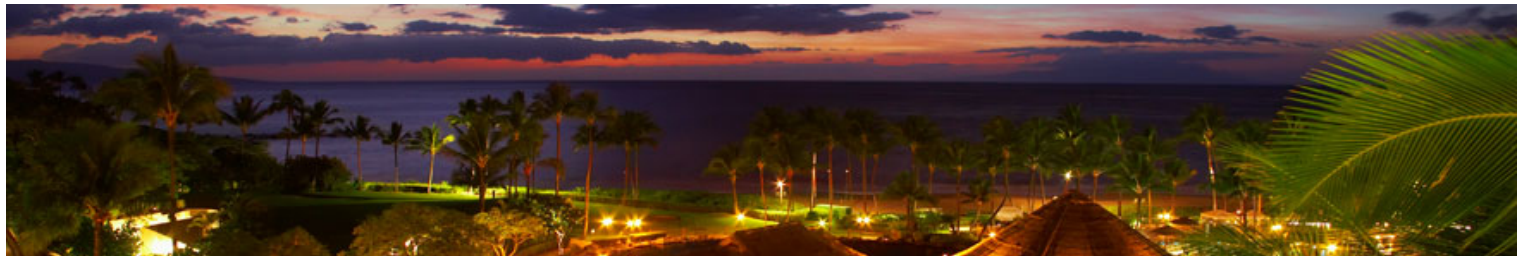
Cracking the Code… > **The Solution**

We analyzed the Hotel Del Internal Database to identify 3 audience types based on actualized purchases and historical purchase patterns

Stayed during the 2014 high season with a higher ADR than their past high season stay

531 guests | **197** appended*

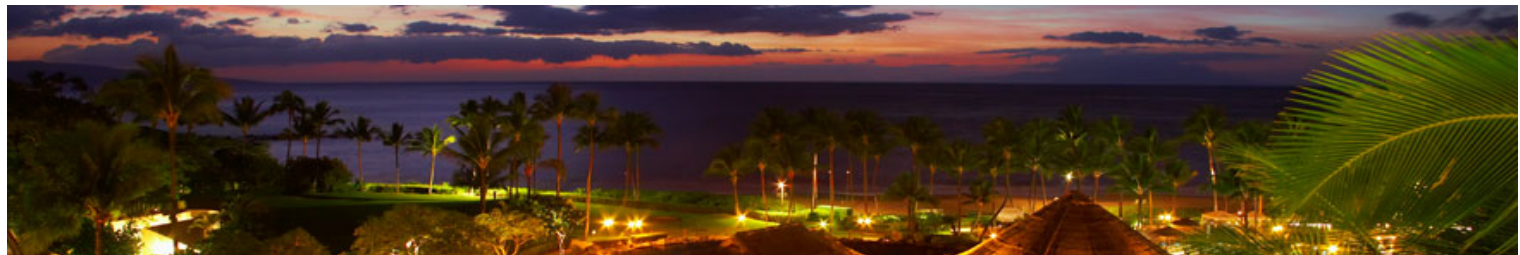Stayed during the 2014 high season with an ADR higher than $500 and had no previous stay

3,174 guests | **2,497** appended

Stayed during the 2013 shoulder season with an ADR higher than $500

21,693 guests | **8,504** appended

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Cracking the Code… > **The Solution**

Aggregate total of 3 segmented audiences

25,398 guests | **11,198** appended

Average Age: 51
64% of this audience falls between the ages of 42 to 61

Marital Status: Married
73.2% of this audience are married

Gender: Skews Male
61% of this audience is Male

Household Income: $150K+
45.4% of this audience earns $150K+
13.5% of this audience earns $100K-$124K

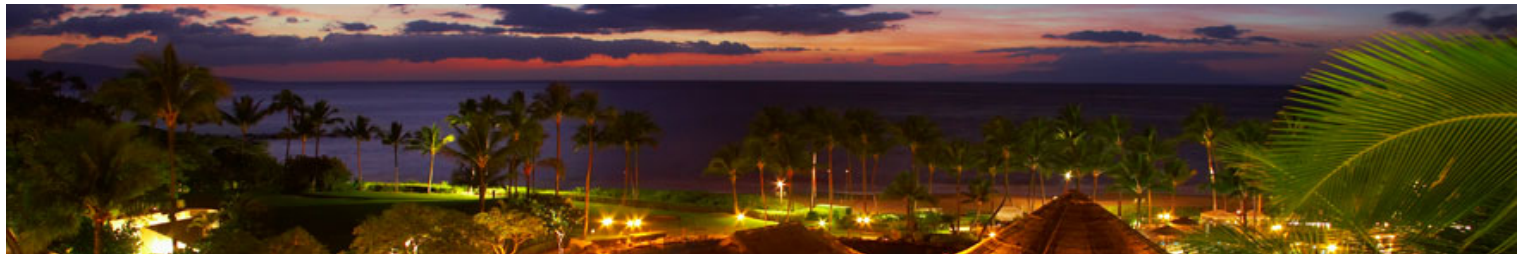**High Indexing Interests/Lifestyle:**
Gourmet Cooking
Investor
Sports and Leisure
Fashion
Domestic Travel
Art

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Cracking the Code… > **The Solution**

Demographics:
- Age: 38-61
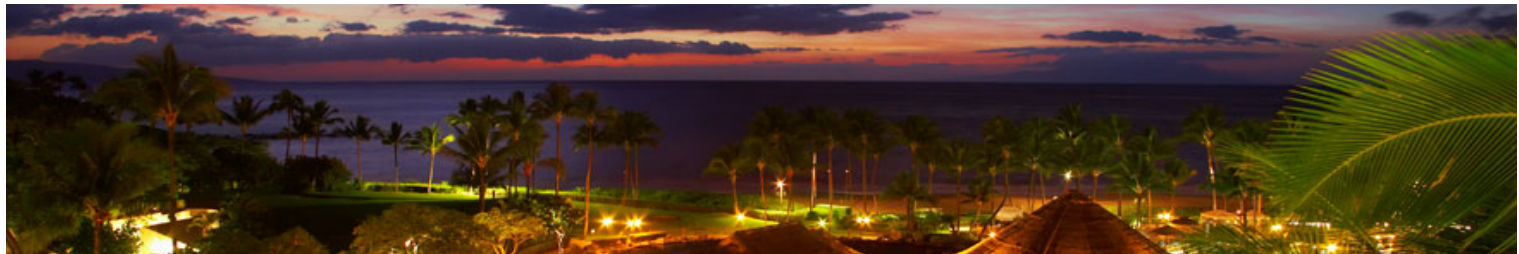- Income: $150K+
- Married

Geographic:
- Lives in one of Hotel Del's major markets

Behaviors + Interests:
- In market for a trip to San Diego
- Gourmet Cooking
- Sports and Leisure
- Investor
- Fashion
- Domestic Travel
- Arts
- Collectibles – Antiques
- Hunting/Shooting
- Golf
- Real Estate Investments
- Philanthropic

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Hotel Del High ADR Stayers

Demographics:
- Age 38+
- Income: $150K+
- Married

30 Day Reach:

506,800

Targeted Unique Users

9,800,000

Targeted Impressions

Geographic
- Lives in one of Hotel Del's major markets

Behaviors + Interests:
- In market for a trip to San Diego
- Sports and Leisure
- Investor
- Fashion
- Domestic Travel
- Antiquities and Liquor
- Hunting Shooting
- Golf
- Real Estate, Fine Home
- Philanthropic

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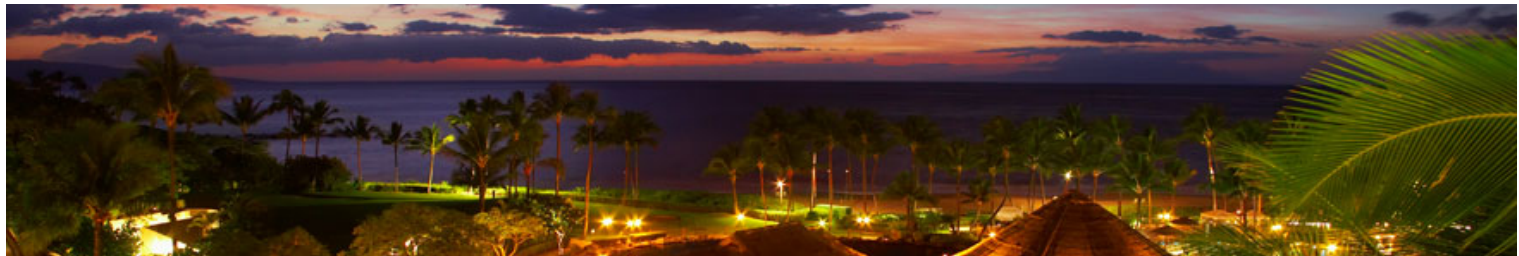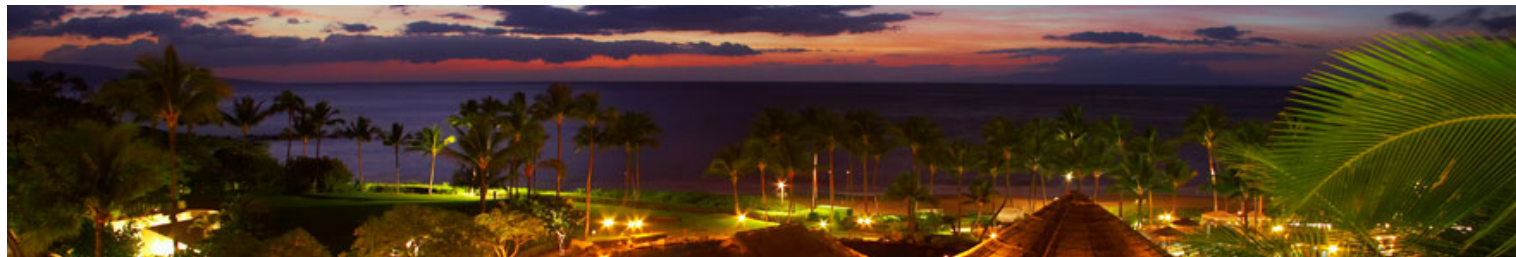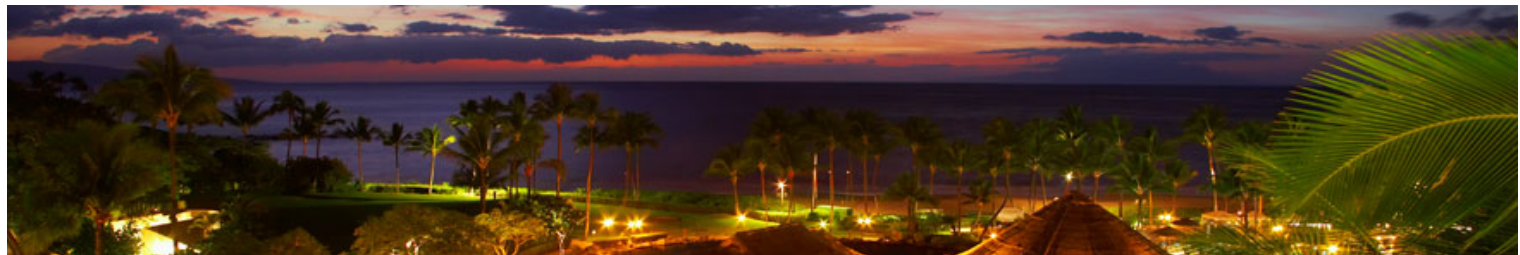
Cracking the Code… > The Solution

Exact Match Targeting

Pinpoint guests who have been identified as high ADR stayers within your internal database and reach those exact consumer as they browse

1st Party Audiences + Data

Visitors to Site

High Season High ADR Stayer
HHI: $200K
Interested in: Fashion
Database Match: Exact Match
Target with Display Ad

Shoulder Season High ADR Stayer
HHI: $175K
Interested in: Art
Database Match: Exact Match
Target with Display Ad

Match online guest profiles to segmented audiences within the internal database

Reach those exact segmented guests who are within your database

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Cracking the Code… > **The Solution**

Behavioral Look-a-like Targeting

Using 3rd party data to build an audience that represents the guests identified as high ADR stayers.

1st Party Audiences + Data

Look-a-like Audience Model built based of 1st Party Audiences + Data

Visitors to Site

High ADR Stayer Look a Like
HHI: $200K
Interested in: Investing
Database Match: High ADR
Target with Display Ad

High ADR Stayer Look a Like
HHI: $150K
Interested in: Gourmet Cooking
Database Match: High ADR
Target with Display Ad

Reach Look-a-like audience with targeted ads

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Cracking the Code… > **The Results**

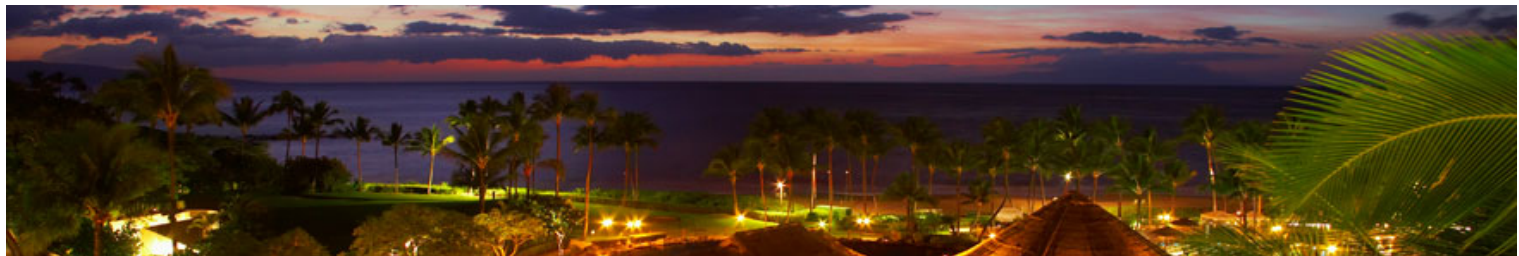The results of personalizing our digital display buys, a new audience, etc…

- **ADR Lift:**

    - **ADR of $610 – up $161 YoY**

- **Overall site traffic/call volume:**

    - **Site Traffic Down -12% YoY / Call volume up 9% from digital**

- **Funnel conversion:**

    - **YTD thru April – 1.55%**

    - **May 1 thru August MTD – 2.97% (Aug Trending 3.29%)**

- **Resort profitability:**

    - **YE Forecast up $6mm YoY**
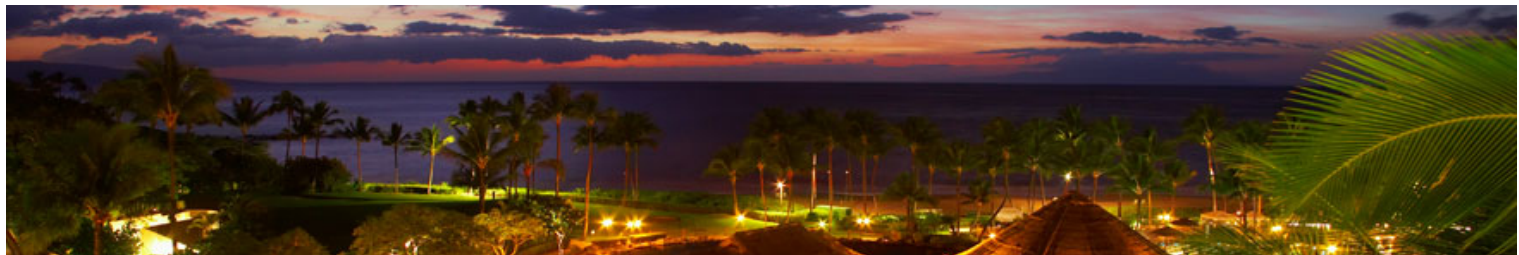
Cracking the Code… > **Additional Personalization**

It doesn't stop with advertising…

- **Custom pre-arrival emails with itinerary and upsell at 30, 14 and 7 days out along with a call from an experience planner**
- **On-property app complete with ability control guest experience and enhance experience with iBeacon technology**
- **Additional line-level staff hires to accommodate the "needs" of the more affluent guest**
- **Post-stay communication (survey, stay anniversary, birthday, membership, etc.)**

Thank You!