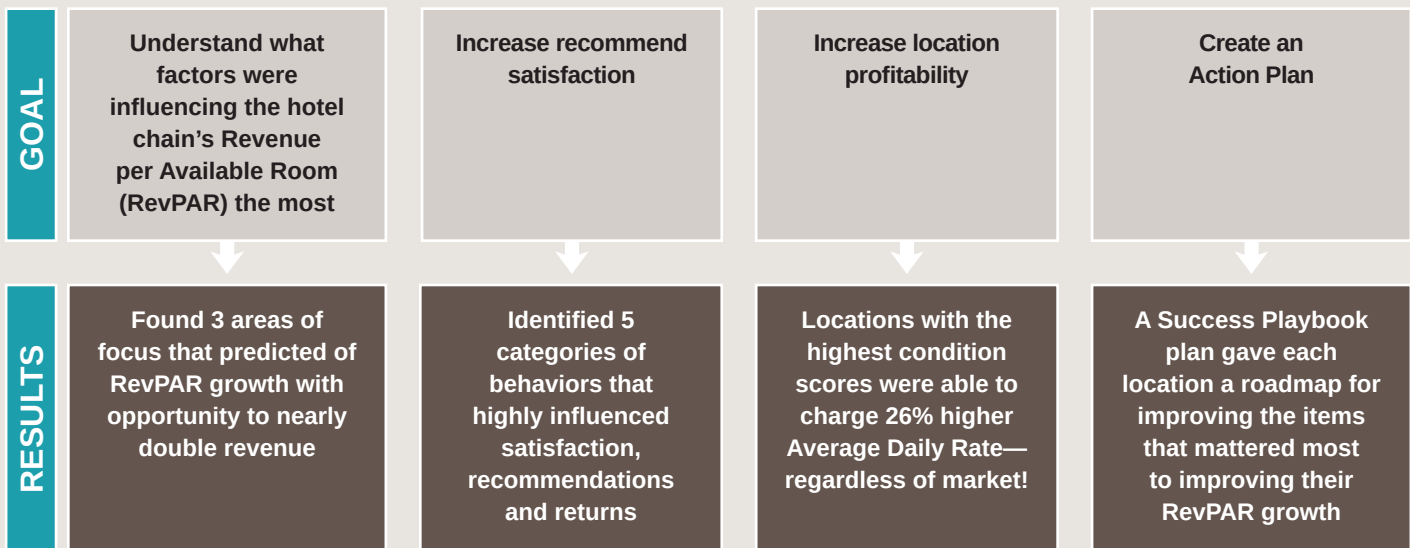


Hotel Chain

A welcome change in RevPAR

KEY RESULTS



A MAJOR HOTEL CHAIN HAD ALWAYS BEEN A STRONG BELIEVER in the importance of customer care. The chain asks guests to give them feedback on their stay through a variety of sources, including customer satisfaction surveys, complaints coming to the call center, and information collected by an internal audit team that thoroughly assesses each location's performance. The company also collects data about each property's unique characteristics, financial data, and even industry benchmark data. And they have a wealth of data on their loyalty guests and the nights they spent with the brand.



The problem? All that data wasn't helping the hotel chain drive up their revenue per available room. The management team knew that the data contained a wealth of insight into how each location could increase revenue per available room (RevPAR), but weren't sure how to get to those key insights.

SEEING THE FOREST FOR THE TREES

Market Force Information® tackled the problem using statistical modeling techniques. They pulled in all the data and then applied various algorithms and models to determine which operational behaviors and customer perceptions impacted year-over-year growth in RevPAR. Each individual datastream contained a piece of the puzzle, and by combining all the datastreams a single story emerged.

What first became apparent was the wide distribution of growth across locations, from negative single digit growth to positive double digit growth. Could the data reveal some of the strong predictors for that growth and the variability?

Market Force began by looking at one of the richest data sources—the survey data. The Market Force Ph.D. team began by looking at the key drivers of customer satisfaction and likelihood to return to a specific location. Five core experience drivers explained a portion of growth in RevPAR, including components like the perceptions of the quality of the service, the condition of the room, and even the condition and speed of the Internet service. Market Force was able to quantify the lift in customer satisfaction when none, some, or all of the drivers had high ratings.

The team then turned to looking at the drivers of RevPAR, combining all of the datastreams in the analysis. Three components emerged as being highly important drivers of RevPAR. These components were above and beyond the delivery of the basics of a good check-in experience and making sure rooms were clean. The three attributes related to the quality of breakfast food, the ability of the location to ensure that the brand experience was truly represented and delivered to its loyalty members, and ensuring that no guest had a reason to complain. When locations delivered on the basics as well as these three differentiators, year-over-year RevPAR growth could increase by up to 4.5 points by commanding a higher average daily rate and with higher occupancy rates.

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The findings that Market Force provided have been pivotal to creating a location-level blueprint for accelerating RevPAR growth. Market Force unlocked the key insights hidden in a vast quantity of data.

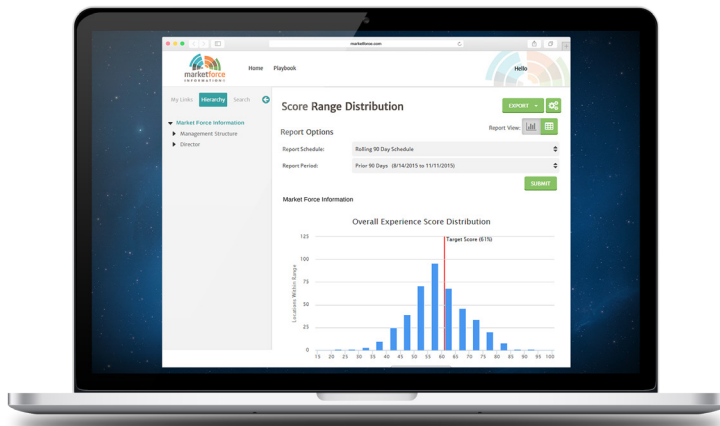


PULLING IT ALL TOGETHER: SUCCESS PLAYBOOK

All that data and all that modeling yielded powerful insights for the hotel chain as a brand. But the next critical step was to enable every location to create their own RevPAR business improvement plan using the brand level insights and overall goals set by the hotel chain. The Market Force team created a Success Playbook that each location could use as their blueprint. The Playbook includes current location-level performance with clear gap to goal visualizations; a simulator for determining how much RevPAR could grow if specific drivers improved; and a set of tools for improving those drivers. This blueprint for success will drive incremental change at the location level, helping every hotel manager and franchisee maximize their financial success.

Market Force Analytics helped the company focus its efforts on the items that matter most to their guests.

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