

IHG Case Study

Moving from Near-Time to Real-Time Email Marketing



InterContinental Hotels Group

IHG (InterContinental Hotels Group)

Atlanta, GA
www.ichotelsgroup.com

Industry

Hospitality

Employees

330,000 globally (includes IHG Corporate and Owned, Managed and Franchised hotel employees)

Customers

52 million Priority Club Rewards members

Return on Investment

- > Reduced email delivery costs
- > 75% reduction in external staffing requirements
- > Improved program performance

Key Benefits

- > Dynamic, one-to-one email marketing offers assembled and delivered in less than two seconds
- > 81% reduction in time to build and deploy dynamic emails
- > Reduced costs and streamlined processes
- > Centralized email marketing operations with improved local access for regions
- > Real-time access to customer response data allows other enterprise systems to operate more efficiently with a complete and current view of the customer
- > Tighter integration with Unica and Teradata drives advanced levels of targeting, segmentation, offer personalization, and analytics
- > Scalability to accommodate business growth

Products & Services

- > StrongMail® Message Studio
- > StrongMail Transactional Email Platform
- > StrongDelivery Tools
- > Managed Hosting Services
- > Strategic, Creative & Production Services

Integrated Business Systems

- > Unica Interact and Unica Campaign
- > Teradata Data Warehouse

IHG (InterContinental Hotels Group) [LON: IHG, NYSE: IHG (ADRs)] is the world's largest hotel group by number of rooms. Each year, more than 130 million guests visit one of the more than 4,500 hotels and 650,000 guest rooms that IHG franchises, leases, manages or owns in 100 countries around the world. With such popular brands as InterContinental® Hotels & Resorts, Hotel Indigo®, Crowne Plaza® Hotels & Resorts, Holiday Inn® Hotels and Resorts, Holiday Inn Express®, Staybridge Suites® and Candlewood Suites® under its umbrella, IHG also manages the world's largest loyalty program, Priority Clubs® Rewards, which has 52 million members.

Moving from Near-Time towards a Real-Time Marketing Organization

In order to better serve its customers and grow its business, IHG launched a strategic initiative to transition into a real-time marketing organization. The ultimate goal of moving away from batch marketing is to serve more relevant content to customers at the appropriate time. In order to accomplish this, IHG has been investing in a technology backbone combined with a focus on building the right processes and organization to support a different way of marketing.

"We needed to evolve because our customers were behaving in real-time, but IHG was still behaving in batch," said Lincoln Barrett, Vice President of Guest Marketing at IHG. "As we transition towards a real-time marketing organization, we can increasingly offer our guests a superior end-to-end hospitality experience, ultimately building customer loyalty and retention and increasing customer lifetime value. This is a competitive driver for IHG."

Components of a Real-Time Marketing Strategy

In order to make this critical transition to real-time marketing, IHG developed an approach that relied on focusing in the following areas:

Right-Time Marketing. Automate campaigns based on defined business rules that target guests at the "right time."

Non-Member Marketing. Initiate communications that target guests who are not Priority Club members, but are in IHG's customer database.

"Glocal" Marketing. Implement a new marketing operations structure that enables local communications

Campaign Extension. Apply lifecycle approach within promotional campaigns to extract the maximum value of tactical promotions.

Channel Synergy. Leverage guest information across channels to obtain an overall lift across marketing efforts.

“As we transition towards a real-time marketing organization, we can increasingly offer our guests a superior end-to-end hospitality experience, ultimately building customer loyalty and retention and increasing customer lifetime value. This is a competitive driver for IHG.”

Lincoln Barrett
 Vice President of Guest Marketing
 IHG (InterContinental Hotels Group)

Building Marketing Infrastructure for Success

After establishing the goals and strategy for its real-time marketing initiative, IHG quickly realized that its existing infrastructure couldn't support the changes that were required to deliver on this new vision. In order to be successful, IHG needed a strong marketing operations layer that was capable of presenting a unified customer experience across all touch points, and an email system that could seamlessly integrate with customer data to deliver one-to-one messages in real-time.

After a thorough investigation of available solutions, IHG decided to standardize on three core platforms to increase operational efficiencies: StrongMail for its marketing and transactional email platform, Unica for its campaign and offer management solutions, and Teradata for its data warehouse.

IHG had previously relied on two different email service providers for its marketing and transactional email and used this new initiative to consolidate down to one system in order to reduce costs and streamline operations. This strategic decision led the company to investigate the concept of owning their own email marketing system.

StrongMail emerged as the leading contender, offering an enterprise strength email marketing solution and flexible deployment options that would allow IHG to consolidate its global email marketing operations and better integrate customer databases to generate personalized, real-time email offers, with superior performance, reliability, and cost-savings. StrongMail was also the only company that provided dedicated infrastructure in a Managed Hosting deployment model, which gives them all the benefits of owning an in-house email system without having to rely on internal IT resources. With Managed Hosting Services, IHG's StrongMail system is hosted for them and StrongMail experts proactively manage all technical aspects of the solution.

“Performance and integration is always going to be better with a dedicated system than a hosted provider because it enables you to execute in real-time,” said Barrett. “Plus, we have the added benefit of being able to directly access our system, which provides us with added flexibility for optimizing deployments.”

The screenshot shows a personalized email or website interface for a guest named Jane Public. At the top, there are links for "Let us know how we did" and "View Mobile Website / Go to HolidayInn.com". The main header features the Holiday Inn logo and navigation links for "Reservations", "Locations", "Customer Care", and "Priority Club® Rewards".

The main content area is divided into several sections:

- Thank You for Staying with Us:** A message thanking the guest for their stay at Holiday Inn Stratford Upon Avon, with a link to "Let us know how we did" and a promise to make the next visit more comfortable. An image of a Holiday Inn sign is shown.
- Priority Club® Rewards:** A section showing the guest's membership details: "JANE PUBLIC", "Membership #: 123456789", "Membership Level: Gold", and "Reward Preference: Points". There is a "Log In" button and an image of a Priority Club Rewards card.
- Save with Advance Purchase:** A promotion offering a 20% discount on stays booked at least two weeks in advance. It includes a "FIND A ROOM NOW" button and an image of folded white towels.
- Exclusive Deals & Updates:** A section encouraging the guest to sign up for email updates to receive exclusive offers, sales, and specials. There is a "Sign Up" button and an image of a promotional flyer.

At the bottom, there is a footer with three columns:

- Holiday Inn:** Links to "Reservations", "Locations", and "Customer Care".
- Get Rewards Faster:** A message stating "Points & Cash helps you earn reward nights faster than ever." with a "Learn More" button.
- Lowest Internet Rate Guarantee:** A message stating "If you find a better rate for your room on another website, we'll match it." with a "Learn More" button.

Guests are sent individualized offers after a stay at an IHG property.

Ownership Has its Benefits

By switching to StrongMail and integrating it with Unica and Teradata, IHG's customer communications are now faster and more relevant, enabling them to send one-to-one emails on a large scale, in real-time. Integrating StrongMail with Unica has enabled IHG to achieve improvements in its dynamic content capabilities. For example, working with StrongMail, IHG created a dynamic email template for its reservation confirmation email that is populated with individualized, custom offers and delivered to each recipient immediately following a booking. This highly customized email has 31,680 versions and 7,000 URLs that are automatically generated and then served up to StrongMail for assembly, delivery and tracking. Each confirmation email is customized and delivered to the recipient in less than 2 seconds.

"Delivering highly personalized and targeted messages that are both expected and valued by our guests is a top priority for IHG," said Barrett. "In addition to providing us with real-time access to response data, StrongMail's platform offers us more integration capabilities to segment our lists based on individual customer preferences, behaviors and events. Using StrongMail and Unica together has unlocked a lot of opportunity for us and our click-through rates have increased accordingly."

StrongMail has streamlined and accelerated the entire process for creating and deploying IHG's customer emails. When IHG was working with previous Email Service Providers (ESPs), they used and maintained more than 400 email templates, and the process for building and deploying a new dynamic email took up to three weeks. Working with StrongMail, they have consolidated those 400 templates down to only one that is dynamically driven completely by the data pulled through Unica from Teradata. Additionally, they have cut the process of building and deploying a new dynamic template to four days – an 81% reduction in time to market.

IHG has also experienced the deliverability benefits of owning their own email marketing system. Going with StrongMail gave them the ability to own their sending IP addresses, which puts them in control of their deliverability. StrongMail's centralized solution gives IHG the ability to monitor and correct activities that could negatively affect deliverability. In addition, owning their IP addresses has served as added motivation for reviewing sending practices to help build and maintain a positive sender reputation across the organization.

StrongMail's unique ownership pricing model has also enabled IHG to reduce its email marketing costs. By purchasing StrongMail via a perpetual license, IHG has eliminated all ongoing, volume-based CPM fees. In addition to reducing its costs, this model gives IHG the fiscal flexibility to plan its mailing schedule based on business and market factors instead of cost restraints.

Finally, StrongMail's proven, enterprise-class technology ensures maximum up-time and speed of delivery, which is critical for service-based communications like its reservation confirmation email. Any failure or delay in delivering these messages can spur costly customer service calls. Owning their system with StrongMail also means they aren't subject to waiting in deployment queues or downtimes dictated by an ESP's scheduled maintenance requirements, which helps ensure that IHG's customers always receive their one-to-one confirmation email right after their purchase.

"As a global enterprise with a large customer database, we couldn't risk limiting performance due to the need to share resources at critical moments, like we would with a traditional email service provider," said Barrett. "During peak times, it's just as critical that our messages arrive instantly. StrongMail uniquely enables us to do this."

The screenshot shows a personalized email from InterContinental Concierge. At the top, it says "Welcome to Madrid | Your Reservation Confirmation 60210050" and includes links for "View with Images", "View Mobile Version", "View Mobile Website", and "Go to InterContinental.com". The main header is "INTERCONTINENTAL CONCIERGE." with a sub-header "Keep your itinerary close at hand" and a "Add to Calendar" button. Navigation links include "Reservations", "Locations", "Customer Care", and "Ambassador". A contact number "Reservations: 1 866 246 3446" is also present. The main content area is titled "Welcome to MADRID" and includes a personalized message from Juan Manuel Diaz, Chief Concierge, with his photo and signature. It provides contact information: "Phone: +34 91 700 73 32" and "MadridConcierge@intercontinental.com". A "Reservation Details" sidebar on the right lists: "Your Confirmation: 65232312", "Name: Mr. Frank Reynolds", "Membership Level: Platinum Ambassador", "Reward Preference: Points", "Number of Guests: 2", "Check-In: April 4, 2010", "Check-Out: April 8, 2010", and "Hotel Location: Paseo de la Castellana 49, Madrid, 28046, Spain". Action buttons include "PRINT CONFIRMATION", "MODIFY RESERVATION", "CANCEL RESERVATION", "VIEW ALL RESERVATIONS", "CUSTOMER CARE", and "MAKE A RESERVATION". A "Let Us Help You Explore the Area" section offers an "Insider: Madrid" video tour and a "Concierge Tour of Madrid" video. A footer navigation bar includes "InterContinental Hotels", "Meetings & Events", and "InterContinental Resorts". The bottom of the email features logos for IHG, InterContinental, Crowne Plaza, Indigo, Holiday Inn, Hilton, Hampton, Canopy, and Priority Club.

IHG has consolidated 400 templates down to 1 using StrongMail's dynamic messaging capabilities.





About StrongMail Systems, Inc.

StrongMail enables marketers to forge meaningful, profitable and long-lasting connections with their customers through email marketing and social media.

With our unique combination of technology and services, StrongMail takes a fundamentally different approach that offers many distinct advantages. StrongMail's dedicated solutions offer the lowest cost of ownership of any tier-one solution and easily connect with customer data for superior relevancy and performance. StrongMail's email and social CRM agency provides groundbreaking strategic and creative services to help marketers listen, learn, engage and influence best customers.

It's these differences that have led Fortune 2000 brands to switch to StrongMail.

To learn more about StrongMail, please visit www.strongmail.com.

Contact StrongMail Systems today.

800-971-0380
info@strongmail.com

StrongMail Systems, Inc.
1300 Island Drive, Suite 200
Redwood City, CA 94065
P 650-421-4200
F 650-421-4201

www.strongmail.com

"StrongMail has been instrumental in maximizing the ROI and performance of our entire portfolio of email marketing programs"

Lincoln Barrett

Vice President of Guest Marketing
IHG (InterContinental Hotels Group)

Digital Marketing Expertise and Award-Winning Creative

IHG also selected StrongMail for the strength and breadth of its services. Working closely with StrongMail's strategic and client services teams, IHG has made strategy and creative improvements that are helping ensure that their email programs continue to remain competitive in the industry and drive revenue. StrongMail's strategy experts are enabling IHG to create lasting, powerful and meaningful conversations that are effective at growing customer relationships and their business.

Since streamlining their email channel with StrongMail, IHG now has a consistent look at all email marketing communications touching their customers today and in the future. By taking advantage of StrongMail's resident email, travel and hospitality veterans, IHG has received invaluable guidance and tactical plans for applying industry best practices to their email programs.

"StrongMail has been instrumental in maximizing the ROI and performance of our entire portfolio of email marketing programs," said Barrett. "With StrongMail, we have a solid partner for optimizing our email programs, including providing us with the understanding and integration guidance that is required for taking advantage of emerging media."

StrongMail has also been effective at reducing the production requirements for IHG's email marketing programs. IHG has streamlined their email processes with StrongMail and taken advantage of StrongMail's full-service campaign distribution and management services. IHG has also been able to achieve minimal errors in coding and asset management, thanks to StrongMail's custom automation and validation tools.

"We've been impressed with the quality of StrongMail's capabilities and services, which are only enhanced by its ability to integrate with our Unica solution for true, one-to-one, real-time marketing," said Barrett. "In addition to driving more revenue and lowering our costs, StrongMail makes it easy to assess the results of our efforts in a way that generates strong support internally."

SM-CG20211

Copyright © 2011 StrongMail Systems, Inc. STRONGMAIL and the STRONGMAIL logo are registered trademarks in the United States, other countries or both. All Rights Reserved.

StrongMail Systems UK, Ltd is a company registered in England and Wales at 5 New Street Square, London EC4A 3TW. Reg. No. 6398867. VAT # GB 925 07 6228. Trading Address: Prospect House, Crendon Street, High Wycombe, Bucks HP13 6LA.

