

LAKE DISTRICT HOTELS

↑ 34%

**bookings occur within a week
of receiving targeted marketing**

↑ 50%

**of the overall revenue
attributed to journeys**

About the client

Founded in 1983, Lake District Hotels is a collection of unique family-owned hotels in the heart of the Lake District. Their main marketing objective is to increase direct bookings and reduce third party commission whilst maintaining and increasing occupancy and revenue.

The problem

Like many hotel groups, Lake District Hotels had valuable guest information on legacy reservation systems with many incomplete or incorrect fields. For example, despite having a dog-friendly policy, they had no way of identifying if a visitor had brought their dog with them. The reservations database was not integrated with their general marketing database, so they did not have a detailed understanding of their guests' journey and overall lifetime value.

Sending personalised, targeted campaigns based on customer life-cycle journeys and previous behaviour was almost impossible. Cleaning the databases would have taken a significant amount of budget, time, and resource that was not available at the time.

In addition to email, Lake District Hotels also use direct mail as part of their overall mix. In common with many marketing teams, they had issues with accurately attributing revenue and ROI per marketing channel.

"We wanted to be able to access our reservations data easily in order to target our previous guests in a much more efficient and personalised manner."

James Pass, Online Manager

Lake District Hotels, like most accommodation providers, aim to maintain a minimum occupancy percentage. This requires promotions and discounts to generate demand to fill the distressed inventory.

They previously had no way to restrict the audience for these discounts and were then having to pacify unhappy guests who had booked at rack rate and then seen the lower rate or promotional discount.

This was obviously negatively impacting the average revenue per night and overall yield, and more importantly was putting a strain on customer relations along with the brand reputation.

How we solved it

The Hive Marketing Cloud Customer Success Team undertook a data integration process to ingest the Lake District Hotels booking and customer information as well as website traffic data into a Customer Data Platform (CDP).

This created a single view of the customer for marketing along with dynamic segmentation based on recency, frequency and monetary value as well as hotel preference, etc.

Several automated journeys were created to promote conversion from prospect to customer, grow customer loyalty and value, and targeting lapsed customers.

Finally, some standard reports and a dashboard were built so that James could monitor progress and analyse customer behaviour.

The results

Implementing Hive Marketing Cloud resulted in a 4% increase in overall direct bookings within the first six months. It also delivered an 8% reduction in third-party bookings while overall occupancy was maintained.

The ability to target rate reductions and promotions specifically without damaging existing booked revenue has resulted in a saving of over £10,000 per annum.

James has been able to optimise Lake District Hotel's customer journeys by implementing a further series of life-cycle automations.

James explains:

"We run various automations, including a welcome journey for new subscribers and

a lapsed booking journey for guests who haven't stayed with us 18 months.

We are also able to automate targeted campaigns for each of our hotels with specific offers, news and events. The Hive Marketing Cloud has enabled me to send the right message to the right guest, based on how they booked with us in order to convert direct bookings."

The value in this solution for James and Lake District Hotels is clear:

"From being able to personalise our messages and target specific segments with journeys which can go into so much detail is fantastic. The ROI of our email marketing has hugely increased.

Being able to use the solution for our offline marketing too has been a brilliant added extra benefit to us. The ability to create filters and journeys for direct mail has meant that we target guests much better, reducing mail returns and increasing conversions and ROI for that channel."

The system has now been in place for a number of years and in the last calendar year over a third of overall bookings occurred within 7 days of the target audience receiving a mailing. This accounted for just under half (48%) of the overall booking revenue.

Booking values are also noticeably higher, with the average order value (AOV) being 37% higher on bookings made as a result of receiving a targeted message in the week prior to the booking being made.

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