

Success Story: Rezidor Hotel Group

Discovering Gold – identifying and retaining high-value members earlier

The challenge



The Rezidor Hotel Group is one of the fastest growing hotel companies in the world, and operates five brands including Radisson and Park Inn.

Rezidor engaged us to undertake some exploratory analysis of their loyalty program (Goldpoints) database with a view to understanding who their customers are and to assess whether there were ways to use the data intelligently to drive retention and incremental revenue.

This led to two analytical deliverables:

Segmentation



We created a multi-dimensional 'Pen Portrait' segmentation model that drew data from 4 different sources as follows; historical transaction data, profile data, market research data and 3rd party socio-demographic overlays.

The four data sources were pooled and modelled down to a customer level and then segmented across a number of factors (frequency, value, travel patterns, socio-demographics and competitor behaviour amongst others) before being distilled into eight distinct (and manageable) consumer segments.

These segments were then worked up into visuals using interesting imagery and key supporting figures to bring the characteristics of each segment to life.

Predictive Modeling



Premium tier card-holders are extremely valuable customers and it is important to recognise their contribution. Rezidor wanted to see if it was possible to predict which Goldpoints members were likely to be the high value ones, and therefore start recognising their potential high contribution even before they have started making it.

We carried out some exploratory analysis using historical data, and found that two key variables did indeed suggest high value at a very early stage in the first membership year.

A model was then created using SAS software that scores each new member according to potential value which was tested, again using historical data.

The test showed that the prediction is accurate in 80% of cases and the model was made operational.

All new members are now scored according to their value potential, and segmented communication streams are applied to each customer depending on the predicted score.

THE
REZIDOR
HOTEL GROUP

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