

BUILDING LOYALTY Through Understanding

By Adam Kirby, Associate Editor

Many hoteliers automatically think of customer relationship management as primarily a marketing tool, and it most certainly is. Valuable direct marketing opportunities invariably arise from effective data mining and comprehensive customer information management. That said, the CRM paradigm is shifting, as the technology becomes increasingly viewed as an amenity for the guests—a way to impress them by knowing their favorite wine, for instance, or when their children's birthdays are. Loyalty programs are nice, but they mean little if they fail to also foster a personal connection between the guest and the brand.

citizenM is championing the CRM-as-amenity concept as a key component of the nascent hotel company's line of affordable luxury properties, set to launch this month. When the first citizenM hotel opens at Amsterdam's Schiphol Airport in November, it will be equipped with the latest CRM software from AltiusPAR. At the point of booking, guests will be able to determine not just preferred room type, but also details like lighting preferences, ideal television programming selections, target room temperature, and even what genre of music they want playing when they enter their rooms. The dynamic data is stored in a guest's digital profile. That profile is then linked to a personalized radio-frequency identification keyfob, which doubles as a room key and helps the property recognize the guest upon arrival at the property. Additionally, the keyfob relays guest preference information as it changes—if the guest alters the room settings, that information is stored for future reference.

As the guest's profile continues to grow and evolve, citizenM can increasingly individualize ▶

Customer relationship management goes beyond marketing to become an amenity in itself.



HOTELS **technology**



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the guest's stay. “The guest will feel that, in every aspect and element of our operations, they will be recognized,” says Michael Levie, CEO of citizenM, which had been preparing its brand launch under the name Onestariborn. “The thing that is important is that the guest does not even notice it. It is seamless.”

By tracking not just guest preferences, but actual in-room habits, citizenM is able to quantify just how much a particular amenity is actually driving guest satisfaction. With the industry-wide amenities race showing no signs of slowing, such tracking technology figures to become standard. Hoteliers will have a much easier time justifying an expensive flat-screen TV purchase if they have quantifiable evidence that it is increasing bookings, for instance.

Some larger hotel groups are turning to concierge outsourcing services, like Virginia-based VIPdesk Inc., to help strengthen the loyalty of their most important guests. Interval International, as well as a major worldwide chain that prefers to remain anonymous, include VIPdesk services as perks in the top levels of their loyalty programs. VIPdesk associates serve as virtual concierges for loyalty club members even when they are not on property or even heading to a hotel. If they merely want help scoring tickets to a big game or reservations to a top restaurant, VIPdesk can help with that—and the request is logged for future reference, of course. The guest in turn is grateful to the hotel company, and the hotel marketing folks get another helpful piece of guest data.

“Most people equate CRM with software,” says VIPdesk CEO Mary Naylor, “but it really

comes down to interacting with your guests. CRM should be viewed as the total guest experience.”

That is certainly the philosophy at The Rittenhouse Hotel in Philadelphia. The 5-star property uses Gold Key Solutions' Concierge Assistant application to help hotel staff keep detailed tabs on the personal traits of its frequent high-profile guests. Additionally, the customizable software allows for the storage of easily sortable and updatable concierge information like off-property events, destinations and phone numbers.

Since installing Concierge Assistant about three years ago, the Rittenhouse's concierge operation has become more effective and less cluttered. “In the old days, we would have an enormous amount of paper on the concierge desk. It was time-consuming, embarrassing, and obviously, it was not very efficient,” says General Manager David Benton. “It is also saving us time and giving us more time to spend with guests than with paperwork.”

Silver Legacy Resort Casino in Reno, Nevada, selected the Concierge Assistant software due to its events information storage. In a gaming city like Reno, it is critical that the concierge staff know what is going on where and when, which would be difficult to keep track of without the software, says Anne Osear, concierge services manager. “I just cannot say enough good things about Concierge Assistant, because there are no sticky notes on our concierge desk now,” Osear says. “I love when guests walk up and it is just a computer and a telephone.”

Engage Customers As Individuals, Not Market Profiles

Companies that use customer relationship management technology to create a one-to-one marketing approach can benefit through reduced customer churn, stronger brand identity and additional opportunities to increase wallet share. Jim Norton, Exstream Software's group vice president for travel and hospitality, offers some CRM-related marketing strategies to consider:

- A good hotel group possesses an amazing wealth of information about its customers. Use it to move away from marketing activities that rely on generalized information.
- Invest in software that allows you to pinpoint exactly where and how customers prefer to spend money. Use this information to create

communications that reflect these preferences.

- Develop a strategy to integrate customer data into every communication they receive from your company.
- E-mail, direct mail, catalogs, loyalty programs, brochure, or welcome kits—these communications should all show that you clearly understand your customers' interests and preferences.
- Create a Web portal where customers can request personalized materials online, based on what information is of interest to them.
- It is no longer considered okay to send your customers communications that are not relevant to their specific needs or wants. The bar has been raised—and it is your customers who are raising it.

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TravelClick reports central reservation system bookings for major hotel brands increase 6.9% in first quarter ... **Global Hyatt** selects **Birch Street Systems'** Application Suite as its standard e-procurement and back-office solution ... **NCR** launches Xpress Hotel enhanced self-service kiosk solution... **Tangerine Global** launches five new HDTV channels... **Spectrum Interactive** to provide WiFi to all Travelodge hotels until 2014... **Pegasus Solutions'** HotelBook.com is added to Europe travel search engine Orindo ... **Global Hotel Alliance** launches new central reservation system... **Otrum** debuts Face2 interactive TV system... **NEC Unified Solutions** debuts UnivergeUM8500 messaging platform ... **InterContinental Hotels Group** partners with **Passkey International** for Web-based group reservations ... **Newmarket International's** Daylight group sales and catering application integrates with **Cendyn's** eProposal and **Passkey Hotel Direct** ... **Radisson Edwardian** implements **EzRMS** Internet product suite at 13 UK properties ... **Hotel Concepts** releases two-way interface to the **SynXis RedX** Distribution Management system ... **IDeaS** named a preferred vendor of Preferred Hotel Group ... **StarCite** launches StarCite TV meeting planner Web center ... **MTech** teams with **MagiNet** for distribution of HotSOS throughout Asia, Middle East and Africa ... **HotelREZ** renews contract with Folio Hotel Group ... **Trust International's** Voyager Central Reservation System now interfaces with **Leonardo Media's** Digital Management Asset Platform ... **Voyages Hotels & Resorts** selects **TravelClick's** central reservations and Internet distribution solutions ... **Hiltons of Branson** selects **OSA International** as preferred provider of audiovisual services.

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CRM Still About Marketing

Even as the definition of CRM expands to further encompass specialized customer service, though, the marketing aspect remains a critical part. And sooner than later—perhaps even before the end of this decade—CRM software will become smart enough to predict a guest's lifetime value, based on past spending patterns and typical financial life cycles.

"That kind of data could actually be more valuable in the end than a hotel company's actual assets," says **Connie Rheams**, vice president of business development for **AltiusPAR**, which is in the process of developing such technology. "Imagine if the financial systems of the future say, 'Yes, that is actually an asset, that you can carry the future value of your customers on your books.'"

Axiom Corp., a customer data management firm that counts **MGM Mirage** and three of the world's five largest hotel groups among its clients, helps the lodging sector gain a better understanding of its guest base by compiling and crunching data from properties all over the world. Spending patterns and guest preferences are stored and sorted for a staggering 180 million individuals, providing hotel marketers strategies to reach potential guests—and make them loyal customers.

"Companies are coming to grips with the value of customer data," says **Bob Adams**, a travel industry analyst for **Axiom**. "There is a light bulb going off in the lodging industry, which has really transformed from being product-centric to service-centric to now being very customer-centric. Hoteliers are starting to understand how to use the customer data they have to gain deep insights."

And like most aspects of marketing these days, those insights are paired with e-mail technology to create highly targeted, highly relevant sales pitches that guests actually want to read. Since adopting **Micros'** newest **Opera** version five years ago, **Red Lion Hotels Corp.** has found that guests are significantly more open to marketing efforts, thanks to **Opera's** geo-social database filtering capabilities, says **Barry Hughes**, **Red Lion's** vice president for marketing and distribution.

Opera's reservations database "is like nirvana," **Hughes** says. "It enabled us from a CRM perspective to pinpoint our customer data. We are trying to maximize our revenue by identifying our best customers and using that information to understand their levels of loyalty, to make sure we are giving back to them a proper level of service."

Similarly, direct e-mail marketing firm **iPost** integrates with **Diversified Computer Corp.'s** **GuestWare** CRM platform to fire off automated,

segmented appeals on behalf of **Kimpton Hotels and Restaurants**, among other hotel groups.

iPost sorts **GuestWare** data and targets guests based on spend history, highlighting properties and amenities they would likely find interesting.

"We focus on up-sell opportunities based on past history," says **iPost CEO Russell McDonald**. "If you are booking at a particular hotel, we can include information on those amenities in the confirmation e-mail based specifically on the time you will be at the property."

The confirmation e-mail is going to be sent anyway, so it might as well include a marketing pitch targeted by CRM data, says **Max Starkov**, chief e-business strategist for **New York City-based Hospitality eBusiness Strategies**. It is an obvious chance to attempt to up-sell.

AmericInn International, which uses artificial intelligence-based CRM direct marketer **ZDirect Inc.** to execute its e-marketing campaign, does confirmation e-mail up-sell as well as any hotelier, **Starkov** says. "Their guests are getting a confirmation e-mail with a pre-arrival reminder about the weather, a list of happenings, and a 'Why don't you upgrade?' Just by some of those guests upgrading to a suite, **AmericInn** will generate hundreds of thousands in incremental revenue this year," **Starkov** says. ♦

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Read about a system that helps hoteliers treat guests like old friends.

Customer Relationship Management Vendors

(This is not a complete list of CRM providers.)

Alloy Software alloy-software.com
AltiusPAR altiuspar.com
Clairvoyix clairvoyix.com
Datavision Technologies datavisiontech.com
Enablez enablez.com
Epicor Software epicor.com
Extenway Solutions extenway.com
Gold Key Solutions goldkeysolutions.com
GuestWare guestware.com
iPost ipost.com
Micros Systems micros.com
M-Tech mtech.com
Multi-Systems msisolutions.com
Neudesic neudesic.com
Newmarket International newmarketinc.com
Northwind maestropms.com
PAR Springer-Miller springermiller.com
Softbrands Hospitality softbrands.com
Squirrel Systems squirrelsystems.com
SSA Global ssaglobal.com
Ungerboeck Systems ungerboeck.com
VIPdesk vipdesk.com
ZDirect zdirect.com