

Case Study

PENTA HOTELS

A successful **direct**
channel growth
strategy in 6 stages



Case Study

The client

Representing a new generation of neighborhood lifestyle hotels, **Penta Hotels** offers modern-minded individuals and business travelers comfort and style in a relaxed atmosphere. With a guest-centric focus and a unique interior design and attitude, this pioneering lifestyle brand stands for true innovation and superior guest experiences, both online and on site.

Operating 26 properties across Europe and Asia, Penta Hotels is proud to welcome guests from all ages and cultures. The hallmark of the hotels is the **pentalounge**, a combination of lounge, bar, café and reception. Standing out thanks to its “living room” feel, the pentalounge provides guests with an inviting gathering space where they can meet other travelers or local residents and share their experiences.

PENTA HOTELS





“

The online experience plays a major role for consumers today, which is why the optimization of our branded channels such as our own website, app and social media channels are at the forefront of our priorities here. At Penta Hotels, we want to make sure our visitors understand our brand, what to expect and also enjoy a seamless experience whether making a booking or registering for one of our programs.

”

Heiko Rieder

Vice President Revenue Management
and Reservations, Penta Hotels



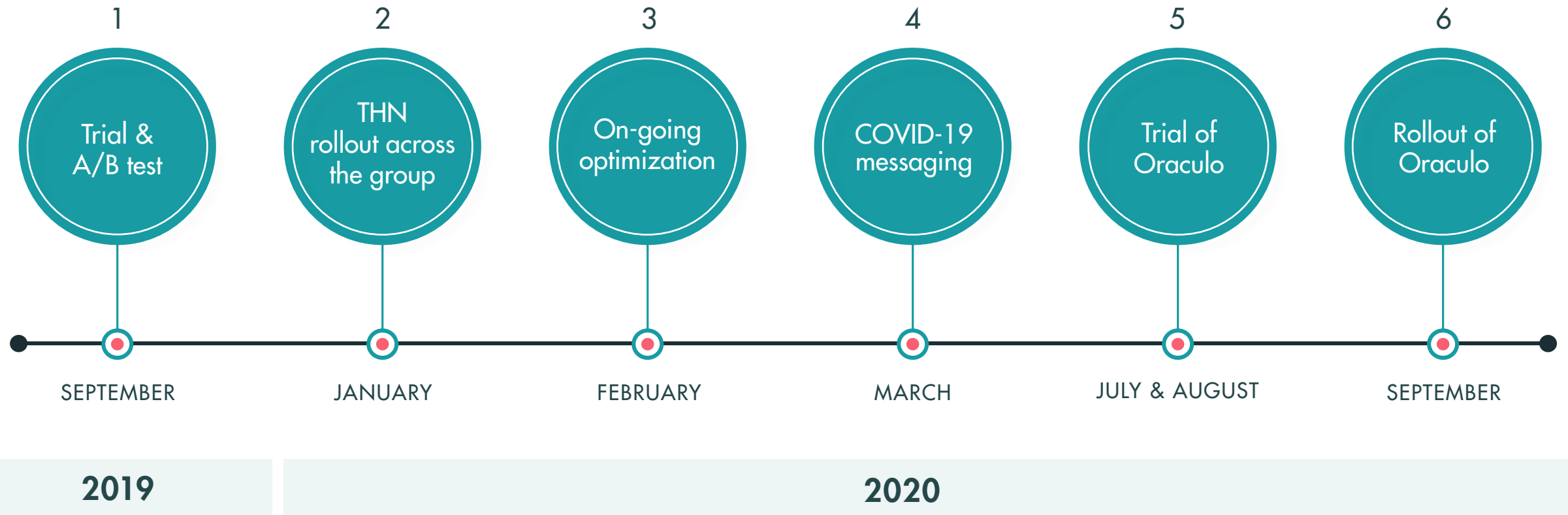
The partnership with THN

Penta Hotels have been working together with The Hotels Network (THN) since September 2019.

The brand truly believes in the importance of providing their guests with a superior experience and understands that this starts long before arrival at any property. Always on the lookout for new ways to innovate, the Penta team chose THN to support them on their mission of enhancing the online guest experience.

Inspired by THN's pioneering and customer-centric approach, the team's overall aim with the partnership was to boost conversion rates by improving the direct booking experience from the second the visitor lands on the hotel website.

The direct channel growth roadmap



Stage 1

Trial & A/B test

During the trial phase, Penta Hotels were able to test the impact of THN tools by running an A/B test on the website of a representative sample of six properties during one month. Supported by the THN Client Success team at every step, a series of four campaigns were activated for the trial:

On the property's homepage:

- Smart Note highlighting an existing offer to save 5% using a promo code.

Within the booking engine:

- Dynamic Smart Note highlighting how many people already booked today.
- Real-time Price Comparison widget.
- Exit Intent message reminding the user of the 5% discount for direct bookings.

Trial results

During the test, the website users were split into 2 groups to be able to measure the impact of THN tools on website conversion (group A saw the THN tools but they were hidden for the control group B). After one month, the test results showed **an average increase of 17% in website conversion rate** thanks to the THN campaigns running.



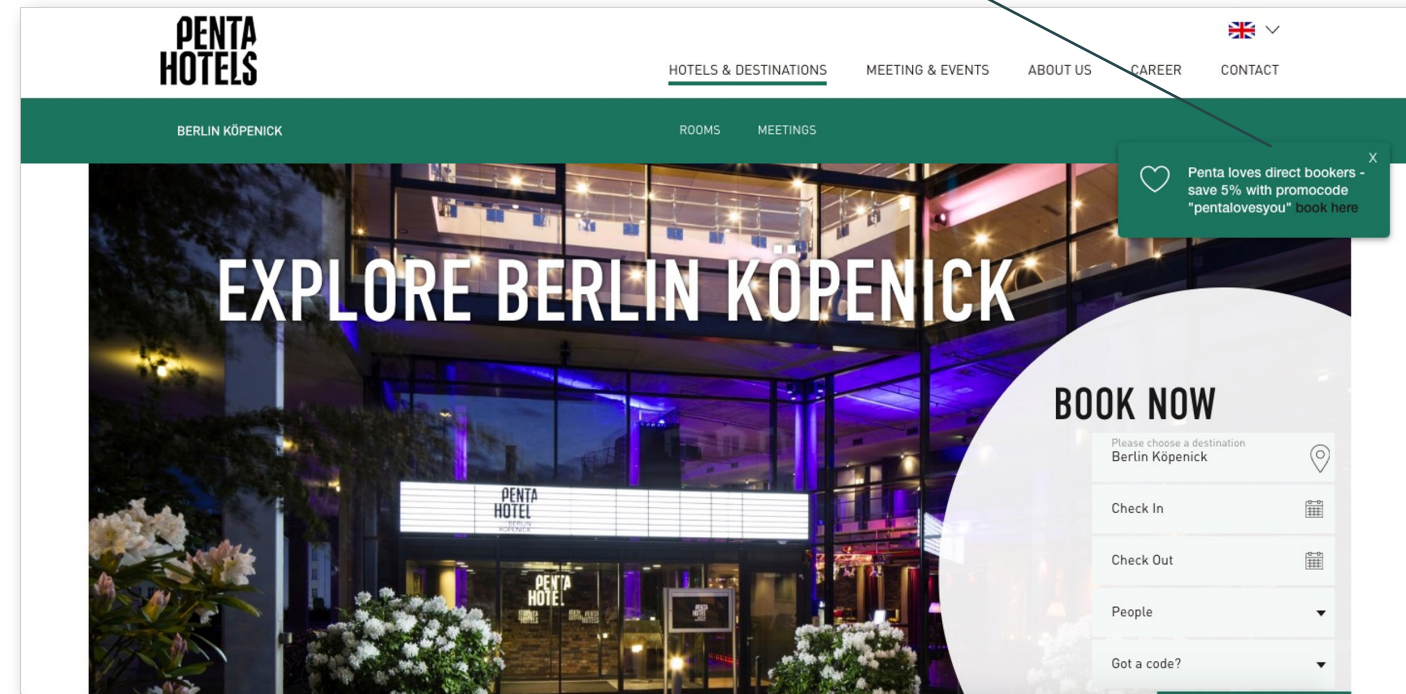
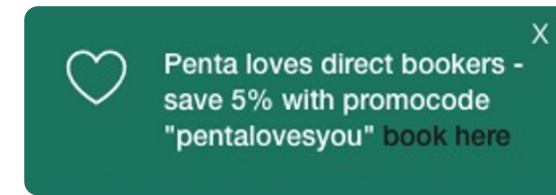
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Smart Notes

Nudging users down the funnel

In-web notifications are a simple yet highly effective way to create an engaging user experience and guide visitors through your website.

The **Smart Note** on the homepage, highlighting the 5% discount for direct bookings, included a “Book here” link to drive traffic to the booking engine. Once on the booking engine, a second dynamic **Smart Note** was displayed to create a sense of urgency by letting users know how many people had already booked today.



Smart Note drawing attention to an exclusive discount of 5%



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€€ Price Comparison

Making it clear they offer the best available rate

A key step to increasing direct conversions is to reassure visitors about the rates offered on the hotel website while providing them with a smooth booking experience. By including a **Price Comparison** widget in the booking engine, Penta Hotels are able to create price transparency and let potential guests see that they offer the best available rate compared to OTAs, without having to leave the website to check elsewhere.

Compare Prices	
Book Direct	127 €
+ Pentalounge access included	
+ Free Spa access	
+ Free Wi-Fi	
Booking.com	127 €
Hotels.com	127 €
Agoda	127 €
Expedia	127 €

[Learn more >](#)

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Agoda	127 €
Expedia	127 €

[Learn more >](#)

ADULTS & CHILDREN: 2/0 | DATES OF STAY: Oct 23-25 | ACCOMMODATIONS: Select | TOTAL: 0,00 € | ENGLISH (EUR)

[Add More Rooms](#)

ROOMS

Penta Standard Room

2 People | 1 Crb | 1 Double or Twin Beds | 25 m² / 269 ft²

There's nothing standard about our Standard Room. The zen-like ambience helps you de-stress on the tough days, and the free pay TV takes the relaxation to the next level. Enjoy a refreshing bottle of water with our compliments, and ...

[View Room Details And Enhancements](#)

Prepaid	126,65 €
Prepaid + Breakfast	146,65 €

149,00 € [BOOK](#)

Penta Plus Room

2 People | 1 Crb | 1 Double or Twin Beds | 25 m² / 269 ft²

What do we add to make our Plus Room so great? To start with, we give your room more, well... room.

Pay at the Hotel	159,00 €
Prepaid	135,15 €
Prepaid + Breakfast	155,15 €

[3 people have already booked today](#)

Price Comparison displayed on the booking engine

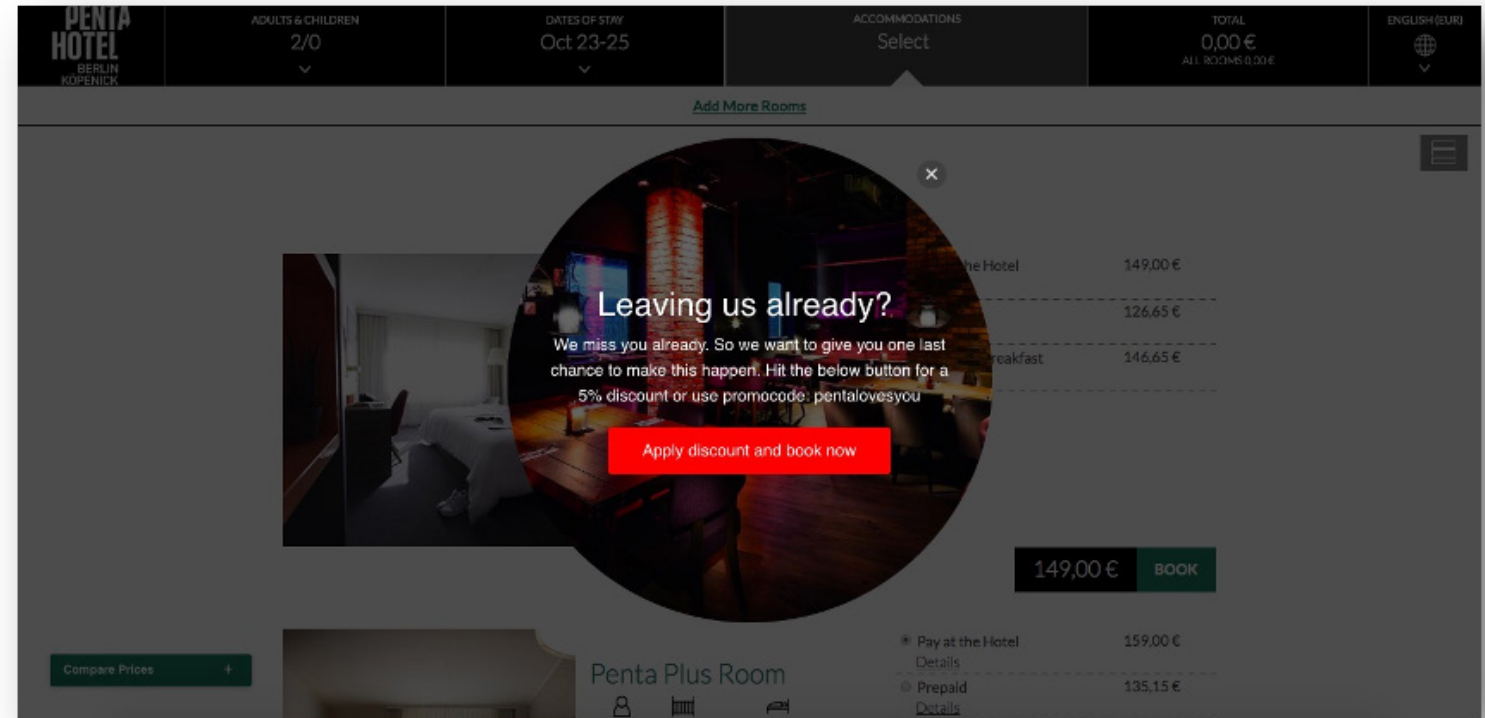


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Exit Intent

Persuading abandoning visitors to stay on the website

Aiming to capture the attention of those visitors about to abandon the website, Penta Hotels displayed an attractive **Exit Intent** on their booking engine. The message highlighted the exclusive 5% discount to tempt users who were still undecided to take the plunge and book a room. When clicking on the CTA, the discount was automatically applied, with everything set to finalize their booking – quick and simple!



Eye-catching Exit Intent to grab the attention of users about to leave

Exit Intent influenced 626+ bookings

Since activating the Exit message, this is the number of visitors who came back after seeing the offer and booked with the promocode, as well as those who booked right after seeing the offer.



Stage 2

Rollout of THN across the group

Following the strong results of the initial test, as well as the positive experience working with the THN team, the Penta team decided to rollout the campaigns across the entire group. During this second phase, the campaigns were adapted for each market and translated into multiple languages where necessary.



Stage 3

On-going optimization

Taking the time to understand the brand and their objectives, the THN Client Success team proposed a series of new features and campaigns to try. Based on best practices gathered from working with thousands of hotel clients around the globe, the team has been helping Penta Hotels to gradually implement more advanced campaigns to **optimize communication within the booking funnel** and offer visitors a personalized online experience.

Organization

Within the Penta Hotels team, the strategy with THN is managed centrally, with new initiatives being developed, evaluated and launched at group level. The view is that there are features aiming purely at conversion in the deeper end of the booking funnel, such as Price Comparison, which are equally important to all hotels. Whereas other tactics, such as personalized content or positioning of a message, are created in collaboration with each hotel individually.

“ We really appreciate how THN responded to the COVID outbreak. Once again, they have proven to be a proactive and innovative partner, reacting quickly to market trends and needs. ”



Heiko Rieder
Vice President Revenue Management
and Reservations, Penta Hotels

Response to the COVID-19 outbreak

The COVID-19 outbreak shifted priorities significantly for Penta Hotels but the team continued to believe in the importance of strengthening their direct relationship with guests. To support a steady recovery, the brand knew it needed to adapt its direct channel strategy and communication with visitors within the new hospitality landscape.

Clear communication on the hotel website became even more important than usual. Whereas before the focus using THN was to increase the website conversion rate, during COVID the platform was extremely useful to be able to update messages on the website within minutes, to keep visitors informed about the constantly changing situation.

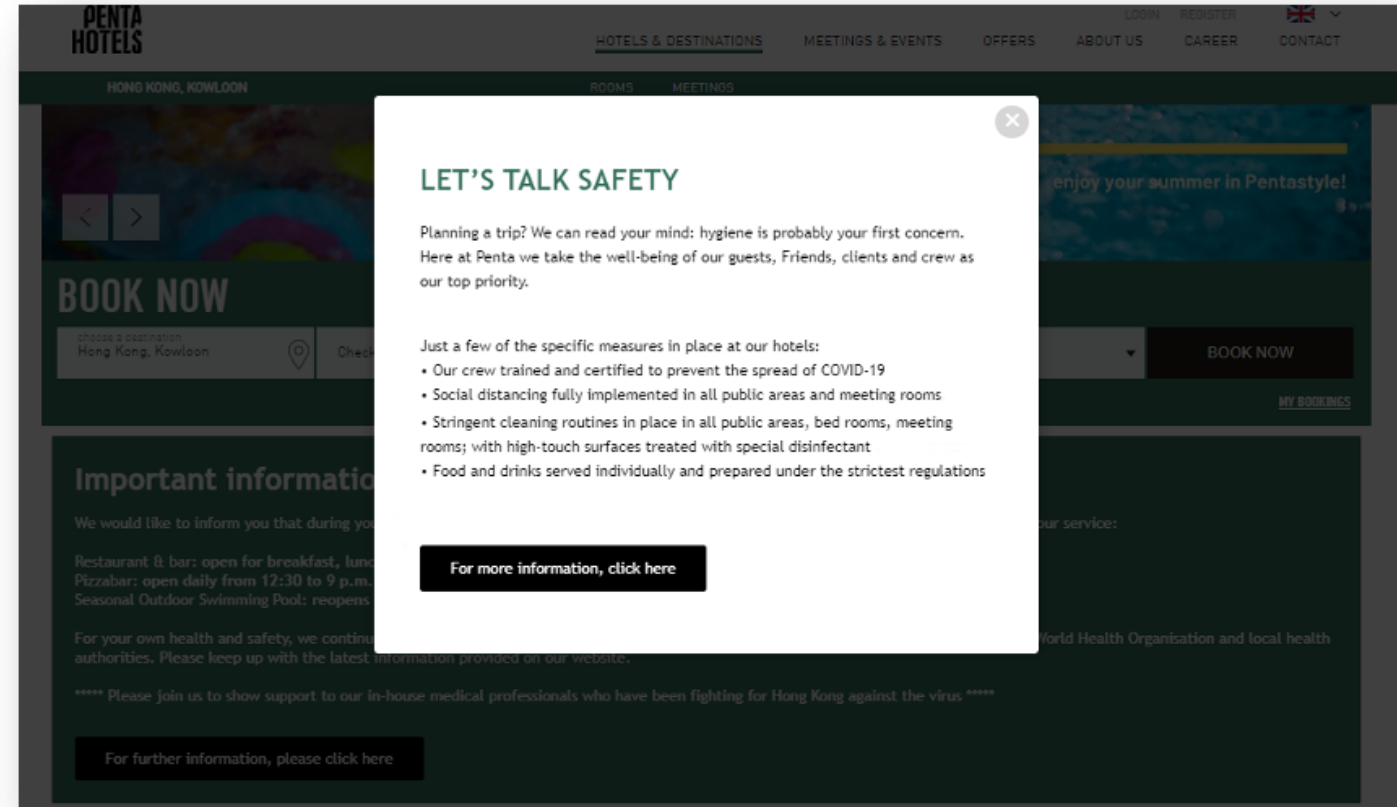
The THN and Penta teams worked closely together throughout, with the constant sharing of best practices and suggestions of tactics to try. Thanks to this hands-on approach, Penta Hotels were able to implement new campaigns and successfully adapt their direct channel strategy.

Case Study



Reassuring guests that their safety and comfort is the brand's priority

As hotels started to reopen, many visitors were and still are very concerned about their well-being and whether hotels are taking the right steps to keep their guests safe. To ensure that guests felt risk-free during their stay at Penta Hotels, the brand showcased a customized **Layer** on the homepage of their properties. By including a clear call to action (CTA) taking visitors to the "BetweenUs" page (where they communicate all the preventive measures being implemented) the brand was able to reassure potential guests and make them feel their safety is the brand's priority.



Welcome layer communicating hotel safety measures

Welcome layer click-through-rate (CTR) of 15%

This was the percentage visitors who clicked on the Layer to go to their dedicated COVID-19 information page to find out more details.

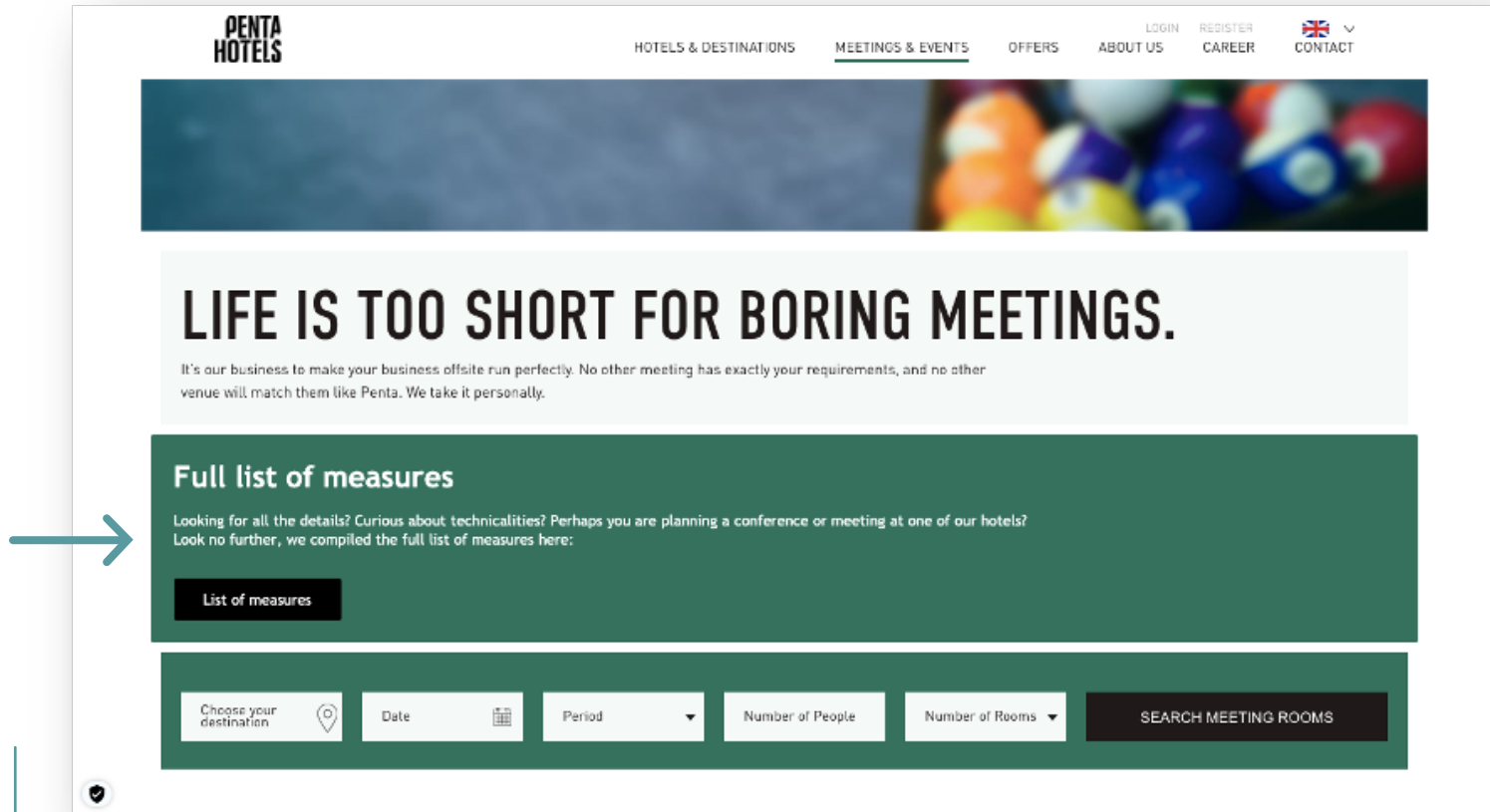


Case Study



Tailoring communication about meetings & events

Hosting meetings and events in a world affected by COVID-19 requires major adjustments, and Penta Hotels is clearly adapting to the situation. To communicate the actions they have in place, the brand included an **Inliner** in their Meetings & Events page. Integrated seamlessly into the page to avoid interrupting the user experience, the **Inliner** redirected to a PDF with a list of precautionary measures.



Inliner on Meetings & Events page showcasing measures put in place



Case Study

€€ Price Match

Fighting price disparities in real time

Taking Price Comparison one step further, the brand activated the **Price Match** option to help to fight real-time disparities and encourage more direct bookings. When a price disparity is detected, users are shown an offer to match it. With just one click on the special offer link, the discount is automatically applied to combat the lower OTA rate.

The image displays two examples of the 'Compare Prices' feature on a booking engine. Each example shows a dropdown menu with a 'Compare Prices' header and a downward arrow. The first example shows a 'Book Direct' price of 78 € (86 € with extras) and a 'Special offer available! Click here to get 8% off'. Below this, it lists OTA prices: Hotels.com at 79 € and Booking.com at 90 €. The second example shows a 'Book Direct' price of 94 € (110 € with extras) and a 'Special offer available! Click here to get 15% off'. Below this, it lists OTA prices: Expedia at 98 €, Hotels.com at 98 €, and Booking.com at 118 €. Both examples include a 'Learn more >' link at the bottom.

Price Match feature displayed on the booking engine



Trial of Oraculo Convert

In the first months of COVID-19, Penta Hotels used THN tools extensively to keep website visitors updated about the constantly evolving situation. In July, with the hospitality industry starting to show some positive signs of recovery, the brand decided to test some new initiatives in their quest to refocus on driving direct bookings. THN's predictive personalization tool, **Oraculo Convert**, was an obvious choice.

The aim of the trial using Oraculo Convert was to **generate additional revenue** from website visitors with a **very low probability of converting**, while reducing overall promotional spend. The trial was set up on the website of three properties within the group.



Case Study

How Oraculo Works

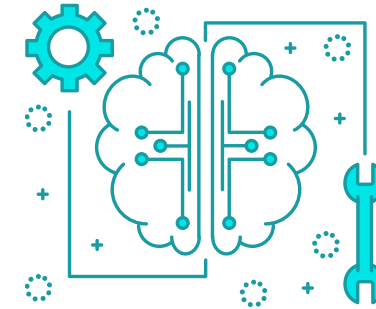
The concept of leveraging technology to optimize the user experience and increase hotel revenue simultaneously is what we call Predictive Personalization, the force behind Oraculo.

This unique product follows a **two-step process** comprised of a **predictive algorithm** and **website campaigns** managed by THN's experts. First, an algorithm using machine learning assigns a value score to each user in real time, based on their likelihood of completing a reservation. It then personalizes the user experience by automatically delivering the most suitable offers and content depending on this value score.

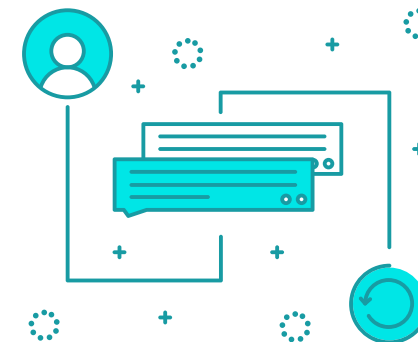
With Oraculo, hotels can easily adapt their commercial strategy on the fly, **creating value-targeted campaigns, increasing direct bookings** while **reducing promotional costs**.



1



2

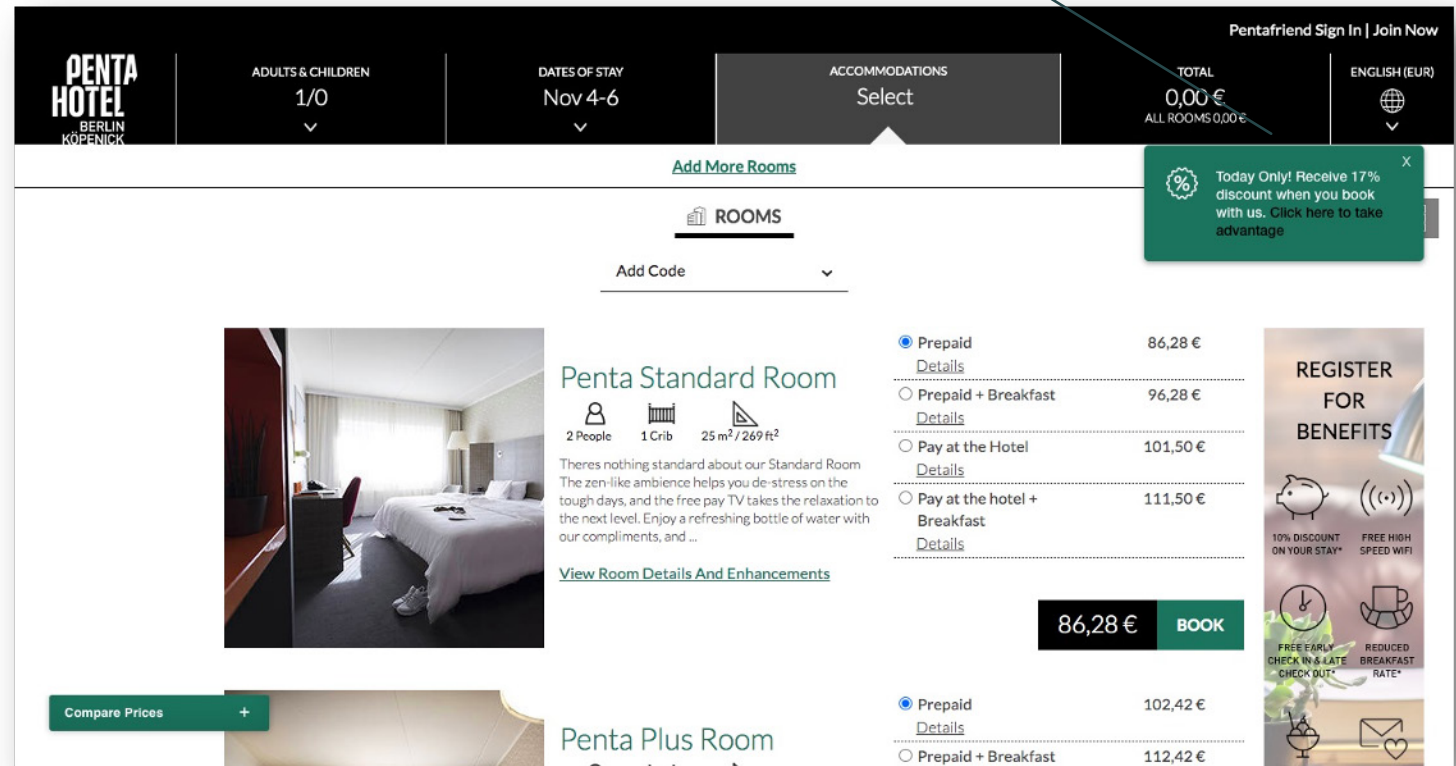
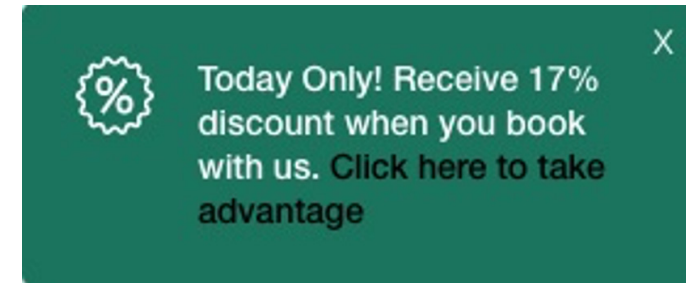


Case Study

Oraculo campaign for low-intent users

When Oraculo identified a website visitor as **low-intent**, a Smart Note was displayed in the booking engine highlighting a targeted incentive. The goal was to get extra bookings from visitors who would otherwise most likely have left the website without booking, without cannibalizing revenue from **high-intent** visitors.

In other words, by only showing the offer to those who really need an extra nudge, it is possible to boost the website conversion rate but keep promotional spend to a minimum.



The screenshot shows the Penta Hotel booking engine interface. At the top, there's a navigation bar with the Penta Hotel logo, search filters for 'ADULTS & CHILDREN 1/0', 'DATES OF STAY Nov 4-6', 'ACCOMMODATIONS Select', 'TOTAL 0,00 € ALL ROOMS 0,00 €', and 'ENGLISH (EUR)'. A 'Pentafriend Sign In | Join Now' link is also present. Below the navigation bar, there's a 'ROOMS' section with an 'Add Code' field. The main content area displays two room options: 'Penta Standard Room' and 'Penta Plus Room'. The 'Penta Standard Room' is selected, showing a price of 86,28 € and a 'BOOK' button. The 'Penta Plus Room' is partially visible below it. A 'REGISTER FOR BENEFITS' sidebar is on the right, offering incentives like '10% DISCOUNT ON YOUR STAY*', 'FREE HIGH SPEED WIFI', 'FREE EARLY CHECK IN & LATE CHECK OUT*', and 'REDUCED BREAKFAST RATE*'. A green Smart Note overlay is positioned in the top right corner, displaying a percentage icon and the text: 'Today Only! Receive 17% discount when you book with us. Click here to take advantage'. A line connects this Smart Note to the one shown in the separate image above.



Case Study

Oraculo testing setup

To measure the impact, a control group was added for the A/B test (90% of low-intent users saw the Oraculo campaign, 10% in the control group did not).

Trial period: 13.07.20 - 26.08.20



Case Study

Oraculo results summary

Results based on the performance of the campaigns on the websites of the three properties running the test can be seen here.

It is also important to note that the control groups confirmed that these low-intent users almost never converted without the additional incentive so the risk of diluting high-value bookings is minimal.

Another interesting observation from the test was that only around 30% of users that saw the campaign actually used the promo code when confirming their reservation. In other words, those users had been influenced by the campaign but booked using the public rate without any discount, which is a key finding across many other hotel brands using Oraculo Convert.

Trial period: 13.07.20 - 26.08.20

+244%

Uplift in conversion rate for low-intent users (versus the control group)

+ €11,7k

Additional revenue from bookings from low-intent users

95%

Overall statistical significance of the A/B test





Penta Hotels, Paris, CDG Airport

Stage 6

Rollout of Oraculo & next steps

Within today's context, the team at Penta Hotels is more convinced than ever about the importance of **personalizing the user experience** on the hotel website to connect with guests, increase engagement and ultimately drive more direct bookings.

Based on the results of the Oraculo Convert trial, the campaign for low-intent users has been rolled out to other properties within the group. The plan is also to **apply intent-based targeting** moving forward for any campaigns with discounts in order to make on-going savings on promotional spend.

In addition, the team is evaluating the possibility of using Oraculo Convert to **boost revenue from high-value users**. For example, it is possible to set up a campaign to encourage high-value users to book a higher room category, a longer stay or additional services at the hotel.

Finally, creating spaces to enable travelers to share their experiences has always been a focus for Penta Hotels and so it's no surprise that the brand aims to build a strong community of loyal guests. In the coming months, they plan to use THN tools to give more visibility on the website to their **loyalty program PENTAFRIENDS** and increase subscriptions by highlighting the exclusive benefits for members.

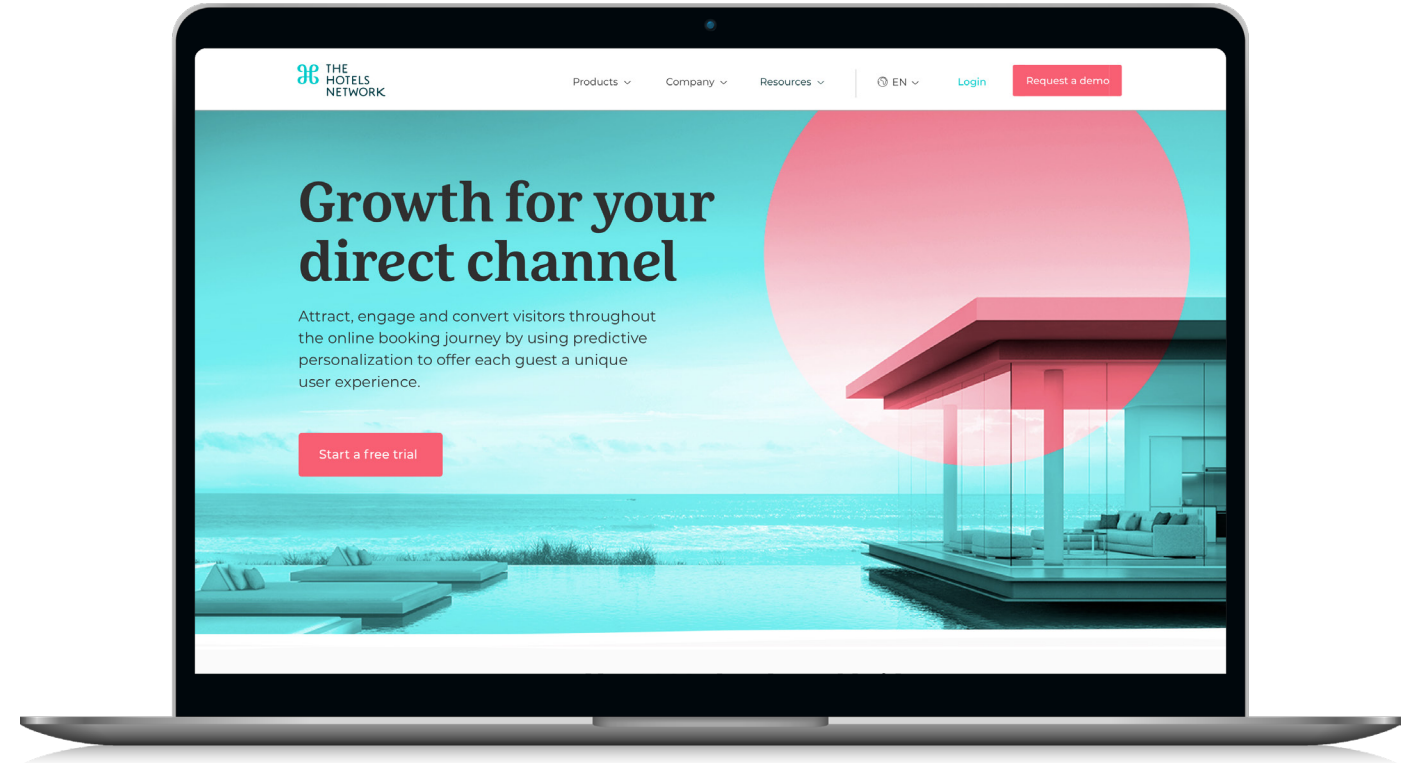


About The Hotels Network

The Hotels Network is an innovative technology company **working with over 10,000 hotels around the globe**. The company offers clients a full-stack **growth platform to power their direct channel**. By leveraging a series of integrated tools and analytics, hotel brands can attract, engage and convert guests throughout the user journey.

In addition to price comparison, reviews summary and a full suite of personalization options, the company's latest product innovation, Oraculo, is the world's first predictive algorithm for hotels.

The company's mission is to **improve the online booking experience**, grow direct bookings and strengthen the relationship between hotel brands and their guests.





thehotelsnetwork.com

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