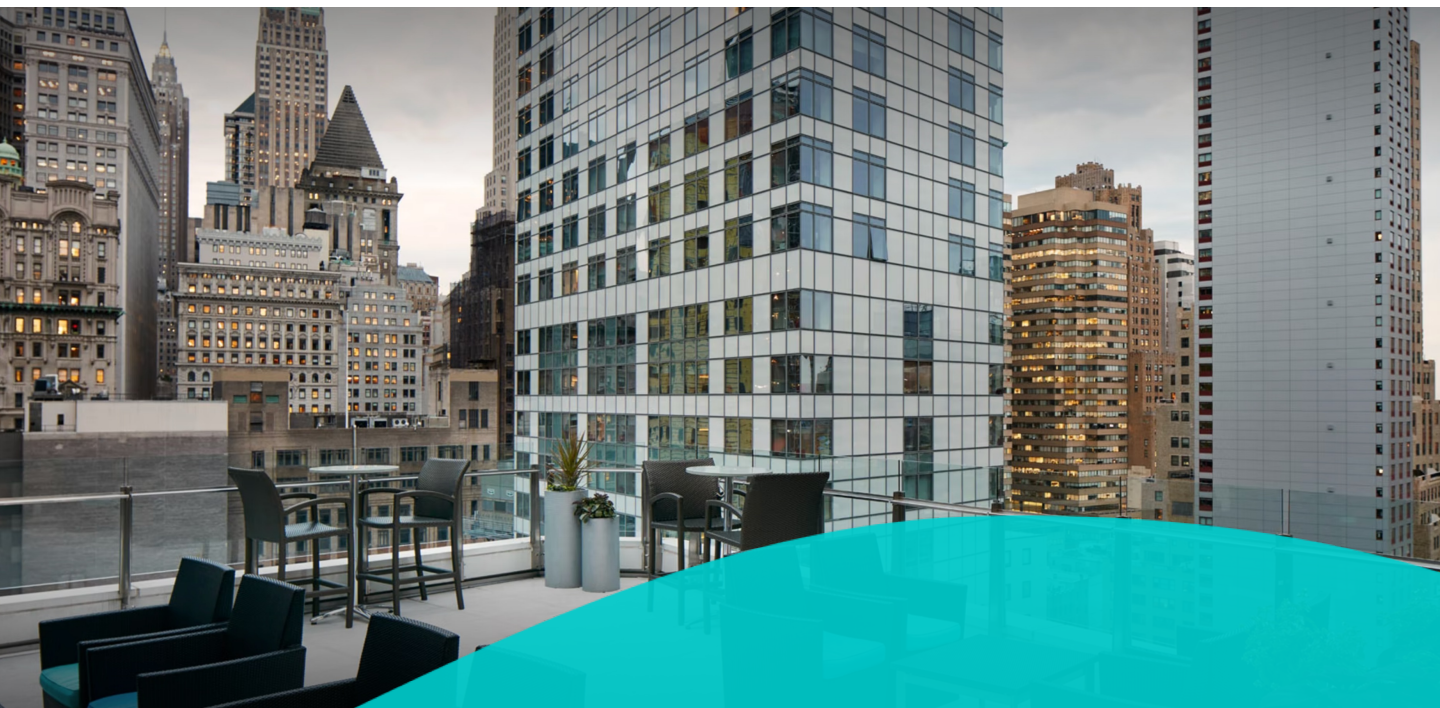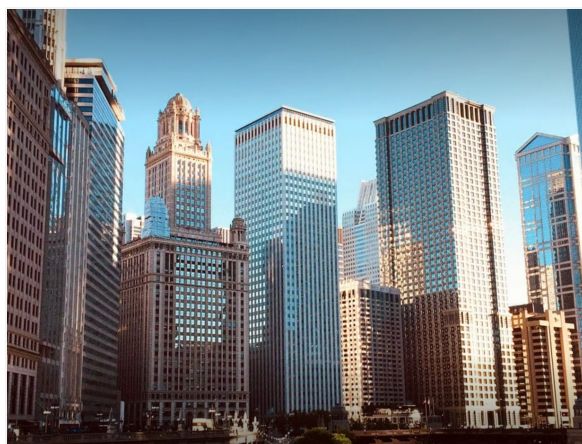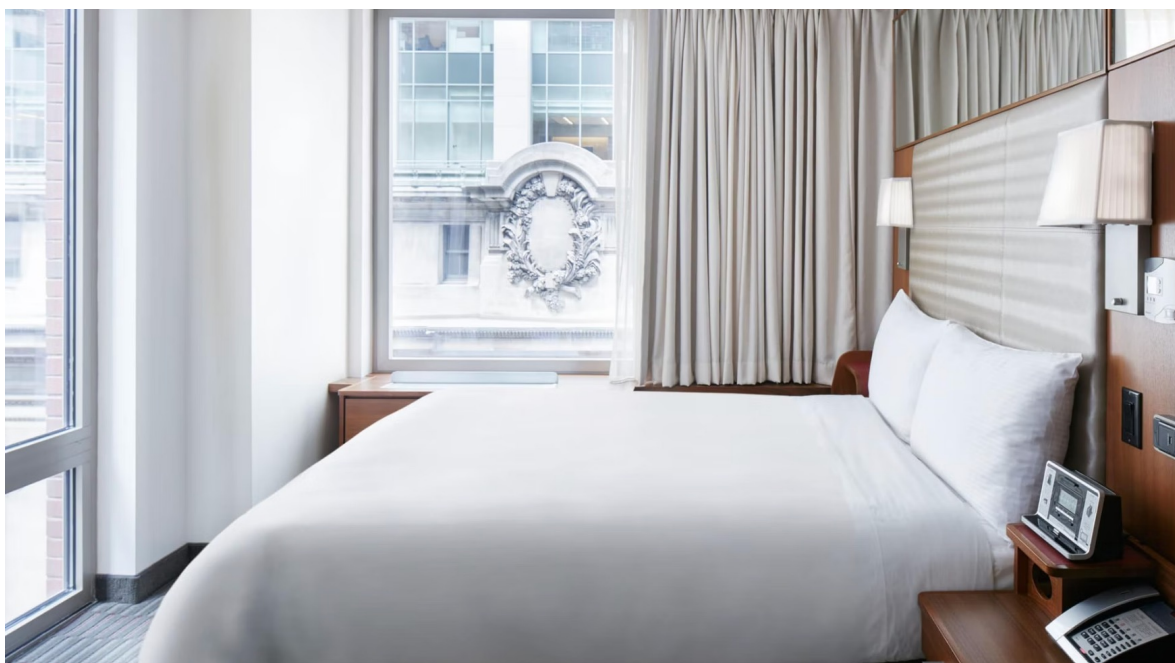# Club Quarters

The brand's winning strategy to boost direct reservations

About
Club Quarters

Club Quarters Hotels (CQ) are full-service hotels located in world-class cities in the U.S. and UK. Designed for business and urban travelers, CQ's innovative technology and personalized touches to accommodations, amenities and services provide business travelers with everything they need for a comfortable, productive and hassle-free stay. Known for their spacious guest rooms with flexible workstations, Club Living Rooms with collaborative workspaces, complimentary coffee, high-speed WiFi, and self-check-in/check-out kiosks, Club Quarters is a business traveler staple.

A Pivoted
Business Model

Club Quarters is a well-known and highly regarded hotel brand to business travelers for over 30 years; however, has been lesser known to the non-business traveler. During the pandemic as business travel declined, Club Quarters business model pivoted to attract leisure travelers who were visiting their destination cities. Part of the strategy was focused on website conversion, merchandising and personalization. During the pandemic, this group of people largely had to be reached digitally and then converted on their website.

The
Collaboration

Club Quarters turned to The Hotels Network (THN), with whom they have had a long-standing partnership to leverage targeting and personalization capabilities, and price compare widgets. When that proved to be successful, CQ and THN explored various new opportunities to drive incremental bookings at a minimal cost of acquisition. Both teams identified THN's AI-machine learning algorithm called Oraculo. (It is Spanish for Oracle.) The Hotels Network team conducted A/B tests to validate the power and cost-effectiveness of the technology.
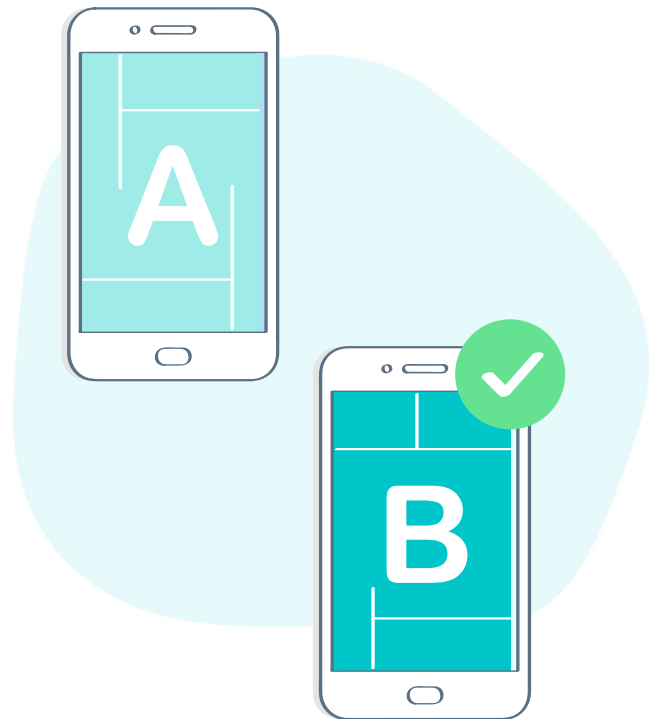
Test
Design

01

Script Installation

In this instance, the setup was very easy since the script they needed to run the test was already implemented as a part of The Hotels Network platform that provides benchmarking, conversion and personalization solutions to CQ. Any missing scripts were easily added to Google Tag Manager.
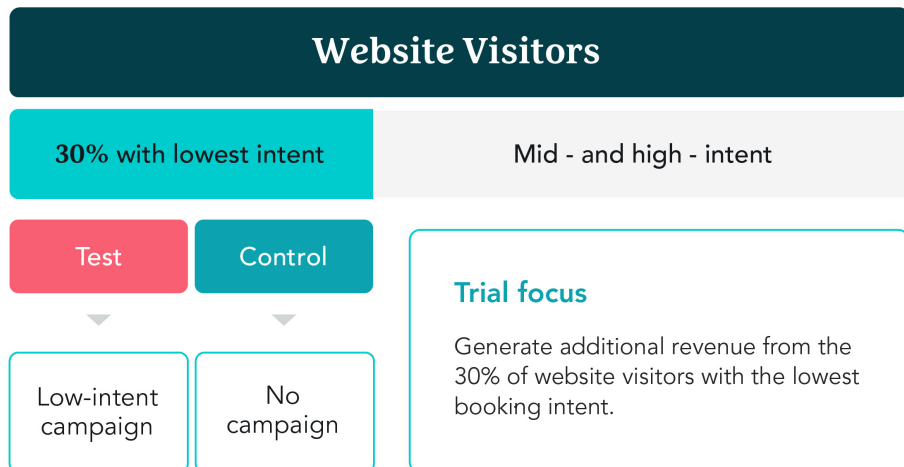
02

Protect ADR and Reduce Costs

CQ's goal was to protect their ADR and minimize cost of sales for bookings that they may have already received without The Hotels Network technology.

03

Targeted Users

THN offered opportunities to target high-intent users (those most likely to book to sell up to drive more revenue) or target low-intent users (those least likely to book a room) to try to get them to convert. CQ chose to target the low intent website visitors.

Website Visitors

30% with lowest intent	Mid - and high - intent

Test	Control	**Trial focus**
Low-intent campaign	No campaign	Generate additional revenue from the 30% of website visitors with the lowest booking intent.

Test
Design

04

CQ Low Intent Discount Offer

CQ created a discounted offer to attract website visitors to book. The offer was displayed as a pop-up message that would only be visible to low-intent travelers based on data segmentation and would drive users to the exclusive hidden promotion upon click.

05

A/B Split

Club Quarter's focus was on low-intent guests. They targeted the 30% least likely to book. That means 70% of the site traffic would not see the discounted offer message. Furthermore, of the identified 30% of low-intent website visitors, the test was designed to only show the discount to half of them to determine if the messaging influenced the likelihood that they would book a stay at Club Quarters.

06

Timing

Club Quarters ran the test for three months on three hotels to ensure they received clear and compelling data throughout the pandemic months.

07

Success Criteria

The decision was made to track three success criteria to determine whether the AI-Machine Learning campaign was driving results:

- o Overall bookings between the test and control group of the 30% low intent website visitors.

- o Number of bookings using the promo code.

- o Revenue generated in the control and test.

The Results
& Outcome

The test results were compelling for high ROI, incremental revenue, and saved costs.

The ROI of the Oraculo solution was well over 100%. With our usual benchmark of 15% as an indicator of success for marketing initiatives, this solution went significantly above and beyond our expectations regarding the time required to implement, ease of maintenance, and results.

CQ saw a 17.2% increase in bookings of people who saw the message as part of the test versus those who did not in the control group. The net incremental revenue driven by the test of this solution was $41,746.

17.2%
increase in bookings

$41,746
net incremental revenue

It is also important to note that the control groups confirmed that these low-intent users rarely 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 15% of users who saw the campaign 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 discount, which is a key finding across many other hotel brands using Oraculo Convert.

Moving
Forward

Based on the data collected, Club Quarters determined to make the Oraculo program available to all 16 hotels in the United States and the United Kingdom.

With the powerful, automated AI tool running in the background of all other CQ efforts, this allowed Kristin Collett, Global Director of Digital Marketing & Ecommerce, to focus on new ways to bring awareness and bookings to the Club Quarters brand in both the business and leisure travel space.
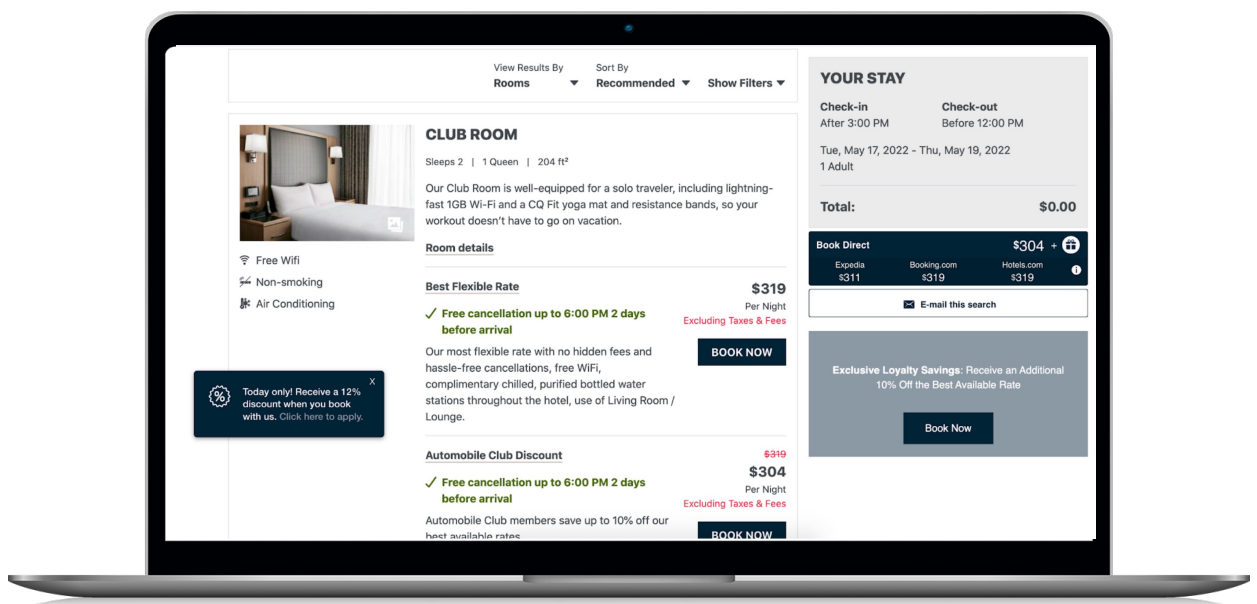
About
The Hotels Network

The Hotels Network is an innovative technology company working with over 14,000 hotels around the globe. Boasting an international team of experts, 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, THN's Oraculo product harnesses machine learning techniques to predict user behavior and then automatically personalizes both the message and the offer for each user. The company's latest innovation, BenchDirect, is the first benchmarking product for the direct channel, providing hotels with never-before-seen competitive data that that empowers smarter decision-making.

Our mission is to improve the online booking experience, grow direct bookings and strengthen the relationship between hotel brands and their guests.

Contact us today to find out more.
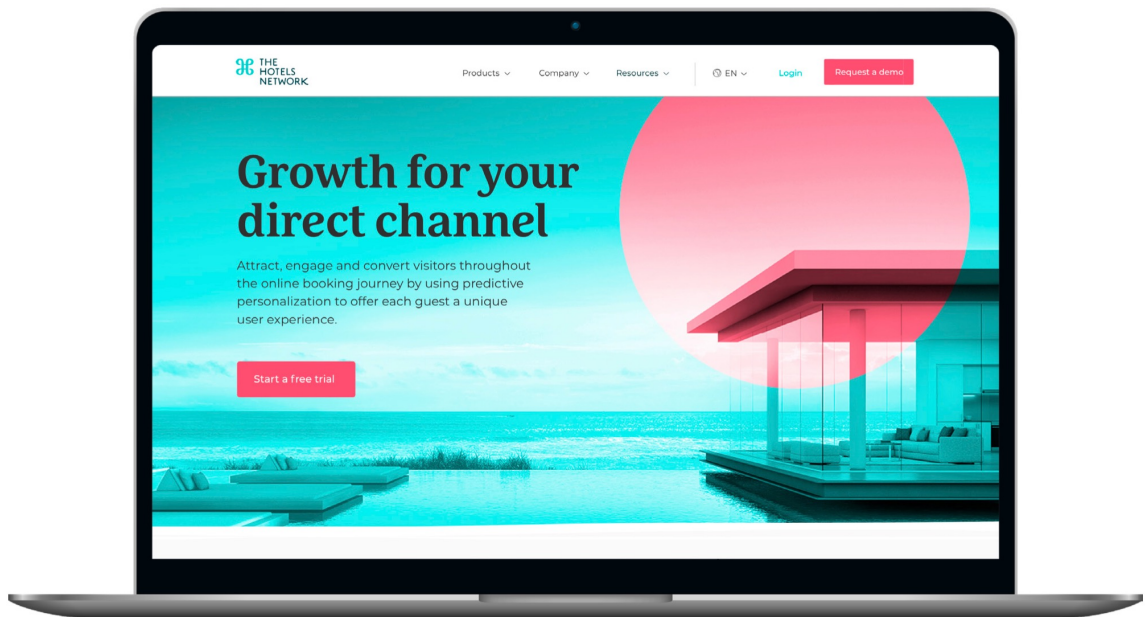
THE HOTELS NETWORK

www.thehotelsnetwork.com