A GLOBAL HOTEL CHAIN LEVERAGES ANALYTICS TO **IDENTIFY ADDITIONAL REVENUE OPPORTUNITIES**

Against the backdrop of a competitive business environment, a leading global hotel chain wanted to generate additional revenue from its loyalty program members. WNS recommended estimating the monetary value of the 'size of wallet'—the total number of nights that loyalty members would willingly avail of in any hotel chain—to identify additional revenue opportunities from existing members. WNS' analytics-led solution entailed mining data, identifying the variables impacting the size of wallet and deploying logistic regression techniques. Through the analysis, WNS accurately predicted loyalty member categories that could be targeted for generating additional revenue.

WNS

Extending Your Enterprise

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The Opportunity

The client, a leading global hotel chain with a multitude of hotels operating under separate brands, was running a profitable loyalty program. In the face of stiff competition, the hotel chain aimed to identify new opportunities that could generate additional revenue from its existing loyalty program members.

The WNS Solution

Traditionally, hotel chains emphasize estimating the 'share of wallet' in monetary terms. Share of wallet is a percentage of the total number of nights that loyalty members spend in the client's hotels compared to those of competitors. It helps identify loyalty program members who are highly responsive to promotional offers.

In contrast to this approach, WNS recommended estimating the 'size of wallet' in monetary terms. Size of wallet is the total number of nights that loyalty members would willingly avail of in any hotel chain. This would help identify additional revenue opportunities from existing loyalty program members.

WNS then implemented the following steps:

- Mined demographic and transactional data from multiple data sources such as the client, its competitors and WNS' proprietary resources

- Identified variables impacting the size of wallet, both positively and negatively

- Applied linear regression techniques to accurately determine the relationship between variables impacting the size of wallet

These steps enabled WNS to identify the client's loyalty program member categories with a large size of wallet.

The Outcome

Through the analysis, WNS accurately predicted loyalty member categories that could be targeted for generating additional revenue.

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