

CO-CREATION HELPS
ACHIEVE 28%
REVENUE GROWTH THROUGH
DIRECT CHANNEL
USING ANALYTICS

This is our story of co-creating a solution with
a leading hotel chain



WNS

AS WE KNOW...

The conventional distribution system compels hotels to give away 15-30 percent of revenues to Online Travel Agencies (OTAs). But when customers coming through distribution channels are targeted to use direct booking channels, the result for hotels is higher revenues, lower customer acquisition cost, and more loyal customers and advocates.

THE CHALLENGE FOR THE HOTEL CHAIN WAS...

Increasing customer bookings through its direct channels. It was difficult to ascertain why customers booked through distribution channels, which customers should be targeted and what will trigger them to book through the hotel's channels. The company also had to ensure that rooms were available to meet the demands of increased bookings through direct channels.



HERE'S WHAT WE CO-CREATED AS A SOLUTION...

WNS built a sophisticated analytics model to target customer segments with the highest propensity to book directly and to predict future demands from this group. The model used past transaction data of loyal members from disparate sources and factored in more than 200 variables across wallet share, loyalty tenure and demographic profile.

The model enabled the hotel to target specific customers with personalized and lucratively-bundled promotional offers. This was in addition to existing long-term communication plans to further engage with them. The propensity model predicted which customers could be targeted, and enabled the hotel chain to redistribute its room inventory to cater to the potential demands of direct bookings. It also helped the hotel design offers to motivate customers to extend their stay to generate incremental revenue.

The model, when tested post the campaign, confirmed a high level of accuracy. This was validated by:

- Customers who had registered for distribution channels' promotional offers were more responsive to the hotel's direct channel promotional offers
- The distribution channel bookings generating less nights and revenue compared to direct bookings

OUR LEARNINGS AND OUTCOMES FROM THE PROCESS OF CO-CREATION ARE...

That accurate insights from a strong predictive analytical model can propel a positive shift in customer behavior.

The analytics-led solution enabled the client to:

- Gain ~USD 5 Million incremental revenue with 11 percent lift in direct channel bookings, and achieve 28 percent revenue growth
- Achieve ~USD 773,000 savings in reduced distribution commissions
- In a single campaign alone, get 94,000 direct channel bookings that were generated from 16 percent registered members

The hotel chain now uses the model for periodic marketing campaigns. WNS continues to enable the client in propelling a shift in customers to engage with its direct channels.

Analytics offered accurate insights to enable more direct channel bookings



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