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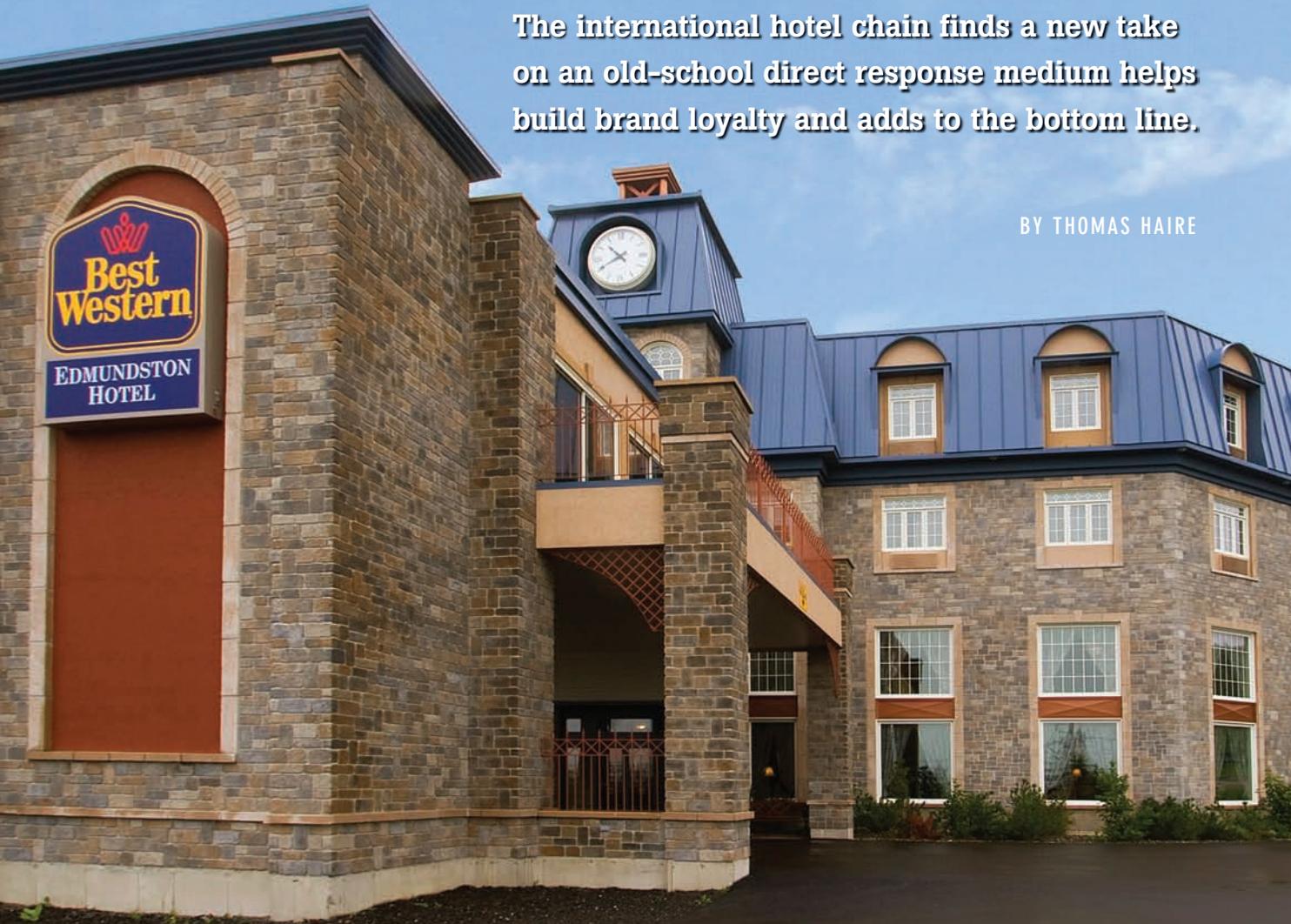


CORPORATE CASE STUDY

## Best Western Melds Old and New

The international hotel chain finds a new take on an old-school direct response medium helps build brand loyalty and adds to the bottom line.

BY THOMAS HAIRE





**T**ammy Lucas, managing director of marketing programs for Phoenix-based Best Western Intl. is not operating under any illusions when it comes to the image of the 4,000-location strong international hotel chain. “A lot of companies find themselves doing the same things over and over. At Best Western, we definitely test new marketing ideas to see what moves the needle,” she says. “That may surprise some people who think Best Western is just a ‘same-old’ brand. We’ve been looked upon as a stodgy brand, but we have spent a lot of time and effort in marketing to contemporize the brand.”

The 63-year old company, “The World’s Largest Hotel Chain,”<sup>®</sup> operates as a non-profit, member association hotelier, meaning all of its more than 4,000 locations in 80 countries are independently owned and operated. Best Western locations offer more than 305,000 guest rooms and employ more than 1,100 people. More than 1,000 of Best Western’s North American locations are three-diamond rated by AAA.

The size, scope and quality of the Best Western brand may surprise big city dwellers who are perhaps not used to traveling across “fly-over” America. However, Best Western, since its founding by veteran California hotelier M.K. Guertin in 1946, has become a part of the American — actually, the international — landscape for any traveler on lengthy driving or train journey.

It’s not a shock then that, as part of what the company has built, its loyalty rewards program is one of the strongest in the travel business. Recently re-dubbed Best Western Rewards, according to Lucas, the hotel’s loyalty program members are some of the most active and most invested around.

“When we talk about our direct response marketing programs, we are really talking about tapping into our loyalty customers,” Lucas says. “We do direct work on TV, online and in print, and the majority is directed to existing customers. The new name, Best West-

ern Rewards, is part of a re-vamp of the look and feel. And, this refreshed loyalty program is more contemporary, very targeted and offers more affinity programs, as well as better elite member benefits.”



Not only has Best Western contemporized its marketing efforts, but the 4,000-location strong hotel chain has also worked hard to update the look and feel of its properties.

Lucas, a native of Ottawa, Canada who operates out of the company’s Phoenix headquarters, says that Internet and E-mail marketing has played the biggest role in the success of the company’s loyalty program since she arrived in April 2004. The ability of Web-based marketing to “drill down” and “gain feedback” from customers has been a boon for Best Western. “E-mail has been the most cost-effective program, and we continue to build initiatives around that — including more targeting to our elite members, who really drive the loyalty program,” she says.

However, it was a recent direct response print media campaign that drove some of the most stunning success that Best Western has seen from its marketing programs in recent times. “While we have a variety of channels we tap into — we never put all our eggs in one basket — direct mail hasn’t been a key factor,” Lucas says. It is now.

### A New Style of Print

In working with the CMO Council, a 3,500-member group dedicated to high-level knowledge exchange, thought leadership and personal rela-



relationship building among senior corporate marketing leaders and brand decision makers, Lucas made contact with the team at InfoPrint Solutions Co., a joint venture between IBM and Ricoh. As part of the CMO Council's Precision Promotion campaign, Lucas says, "The InfoPrint team came with an initiative to test, as part of their TransPromo technique (which combines transactional data with promotional documents). And, as I said, we like to test a variety of programs."

For a hotel chain seen as old school and stodgy, yet whose marketing campaigns are high-tech and new media oriented, the idea of a print DR campaign may have seemed risky. But the way the concept was positioned by the team at InfoPrint, the campaign was actually an easy sell — aside from the fact that the InfoPrint team had just four weeks to finalize TransPromo creative before the test mailing went out. "Our rewards statements have typically been reporting, rather than response, vehicles," Lucas says. "With the help of InfoPrint and the CMO Council, we identified ways to expand our interaction with customers."

Directed to Best Western Rewards members, the eight-week pilot — conducted in fall 2008 — was designed to promote the Best Western-branded MasterCard among loyalty club members, while also encouraging members to upgrade their membership level through the "More Rewards, Faster" promotion for hotel room nights.

"We worked with InfoPrint to select 100,000 reward members for the pilot — 50,000 received the InfoPrint-redesigned loyalty member statement, while the other 50,000 received their normal statement and served as a control group," says Lucas. The "More Rewards, Faster" promotion encouraged loyalty members to book stays during a set time period that would allow them to earn double points or miles, which could then be used on free hotel nights, airline miles, gas cards and more.

At the same time, the redesigned

**Dear B.R.,**

Stay only 5 more nights to reach platinum level and begin enjoying benefits such as:

- 10% point bonus\*
- Exclusive Elite-only offers
- Purchase points for award redemption (1,000 points for \$10)\*

**Your transaction details continued**

Date	Description	Check-in	Check-out	Nights
08/06/2008	Transaction 06	08/01/2008	08/03/2008	1
08/07/2008	Transaction 07	08/02/2008	08/04/2008	2
08/08/2008	Transaction 08	08/03/2008	08/05/2008	1
08/09/2008	Transaction 09	08/04/2008	08/06/2008	2
08/10/2008	Transaction 10	08/05/2008	08/07/2008	1
08/10/2008	Transaction 11			
08/10/2008	Transaction 12			
08/10/2008	Transaction 13			
08/10/2008	Transaction 14			
08/10/2008	Transaction 15			
08/10/2008	Transaction 16			
08/10/2008	Transaction 17			
08/10/2008	Transaction 18			

**Summary Totals**  
198,535

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**B.R. - Your level at a glance**

Current Elite level: Gold  
YTD number of nights: 11  
Nights needed to reach Platinum level: 5

Beginning Balance	Points Earned	Bonus Points Earned	Points Deducted	Ending Balance
300,000	+ 133,000	+ 133,000	- 5	= 433,000

**Your transaction details as of 12/05/2008**

Date	Description	Check-in	Check-out	Nights	Points	Bonus Points	Total
08/01/2008	Best Western Inn, Topaka	08/01/2008	08/03/2008	1	1,000	1,000	2,000
08/02/2008	Transaction 02	08/02/2008	08/04/2008	2	10,000	10,000	20,000
08/03/2008	Transaction 03	08/03/2008	08/05/2008	1	100,000	100,000	200,000
08/04/2008	Transaction 04	08/04/2008	08/06/2008	2	2,000	2,000	4,000
08/05/2008	Transaction 05	08/05/2008	08/07/2008	1	20,000	20,000	40,000

**More Rewards, Faster.**

**B.R.,**  
Stay with us any 2 or more nights this fall and receive Double Points or Miles when paying with a MasterCard® card.

**For reservations (U.S. and Canada)**  
Call: 1-800-780-7234  
or  
Book online:  
www.bestwestern.com

**Earn Points faster with your Best Western MasterCard®.**  
Thank you for being a loyal Gold Crown Club member. Use your Best Western MasterCard® to pay for stays and earn an additional 10 Points for every \$3 you spend.

Learn more at www.bestwestern.com

The trial Best Western and InfoPrint worked on helped boost response, number and length of hotel stays, and applications for the Best Western-branded MasterCard.

statement promoted a co-branding effort with credit card giant MasterCard, urging members to apply for the Best Western-branded MasterCard.

How did it work?

- » The InfoPrint TransPromo statement boosted "More Rewards, Faster" registration by 15 percent during the first 30 days of the campaign
- » The InfoPrint statement produced 39-percent lift over the control group in number of stays, and 34-percent lift in number of nights stayed
- » This led to a 30-percent rise in revenue generated by the InfoPrint statement over the control group statement
- » Applications for the Best Western MasterCard among those receiving the InfoPrint statement outperformed applications from the control group by 500 percent.

"We are delighted in the results of this trial and our work with the CMO

Council and InfoPrint," Lucas says.

"This pilot really does underline our ongoing commitment to rewarding our loyal customers and our commitment to continually deepen our relationships with them."

Lucas has nothing but kind words for the InfoPrint team. "We really look for partners, not vendors, when seeking outside help on our marketing programs," she says. "We share our goals with those partners and then, as a group, discuss the best ways to achieve those goals. This is exactly what we did with InfoPrint. And they did a great job of executing."

Lee Gallagher, manager, direct marketing solutions at InfoPrint, adds, "This leading-edge pilot demonstrated not only the cost savings of moving from inserts — in this case, three-plus with each statement — to 'onserts,' but also has a strong environmental message. Reducing mailings by one-quarter is a huge decrease in carbon footprint."



**“ We are delighted in the results of this trial and our work with the CMO Council and InfoPrint. This pilot really does underline our ongoing commitment to rewarding our loyal customers and our commitment to continually deepen our relationships with them. ”**

— Tammy Lucas, managing director of marketing programs, Best Western Intl.

### **Relevance Builds Loyalty, Teamwork**

Of course, nothing saves paper faster than E-mail marketing. And, though Best Western plans to continue its relationship with the InfoPrint team for print DR projects, Lucas says that the company’s main direct response focus remains online.

“E-mail works best for us — I wish we had more addresses!” Lucas says. “It’s cost effective and we can send more relevant offers to our customers. E-mail has instant impact and measurability, while direct mail is slower to measure. You’re never absolutely sure when a direct mail piece hits. E-mail is easier to track and to get a response rate.”

The ability to track with direct response E-mail marketing is a key driver for Best Western’s capability to make sure all of its marketing messages are relevant to those receiving them. In fact, Lucas often returns to relevance

as a theme when discussing Best Western’s marketing. “One of the things we do best is learn from what other marketers are doing,” Lucas says. “It’s crucial for us to survey a lot of different examples of pieces from competitors as well as from our own department. Within that, we’ve found that sending more messages doesn’t mean better response. It’s about the materials we’re sending and their relevancy to the consumer. Consumer feedback is crucial in creating the most relevant messages.”

Testing and timing are key factors in determining relevancy and campaign success, as well. “Making sure we communicate at the appropriate times, capitalizing on promotions without inundating customers — these are of utmost importance,” Lucas says. “We try to keep our communications on 30-, 60- or 90-day cycles.”

Still, the success of the InfoPrint campaign was an eye-opener for Lucas

and her Best Western team. However, throughout her years of experience in sales and marketing operations in a variety of positions in the auto, home building, call center and financial services industries, Lucas has learned to never be too surprised — or to try new ideas, even if they sound a little old fashioned.

“You always want to have an open mind, especially in this economy,” she says. “That’s why it’s so important to have the dynamic team we do here at Best Western. The team I oversee on the loyalty program side has been able to double our properties’ revenues in the past two years.”

Lucas values her team’s success and how it positively reflects on her own career. “We’re extremely results-oriented and close-knit,” she says. “My goal is to always be an inspiring leader, and seeing the group here become a passionate, successful team since arriving is definitely fulfilling.” ■



InfoPrint Solutions Company