



Predictive Personalization

How machine learning & predictive analytics are revolutionizing direct bookings

Juanjo Rodriguez
Founder THN



Personalization is every CEO's priority

Arne Sorenson
CEO
Marriott

“ensure every guest anywhere in the world can receive truly **personalized** service.”



Herve Humler
Executive Chairman
The Ritz-Carlton

“We want to make sure that guests have a deeply **personalized** experience.”



James Liang
Executive Chairman
Ctrip

“Bring our users the most advanced, **personalized** and seamless customer experience.”



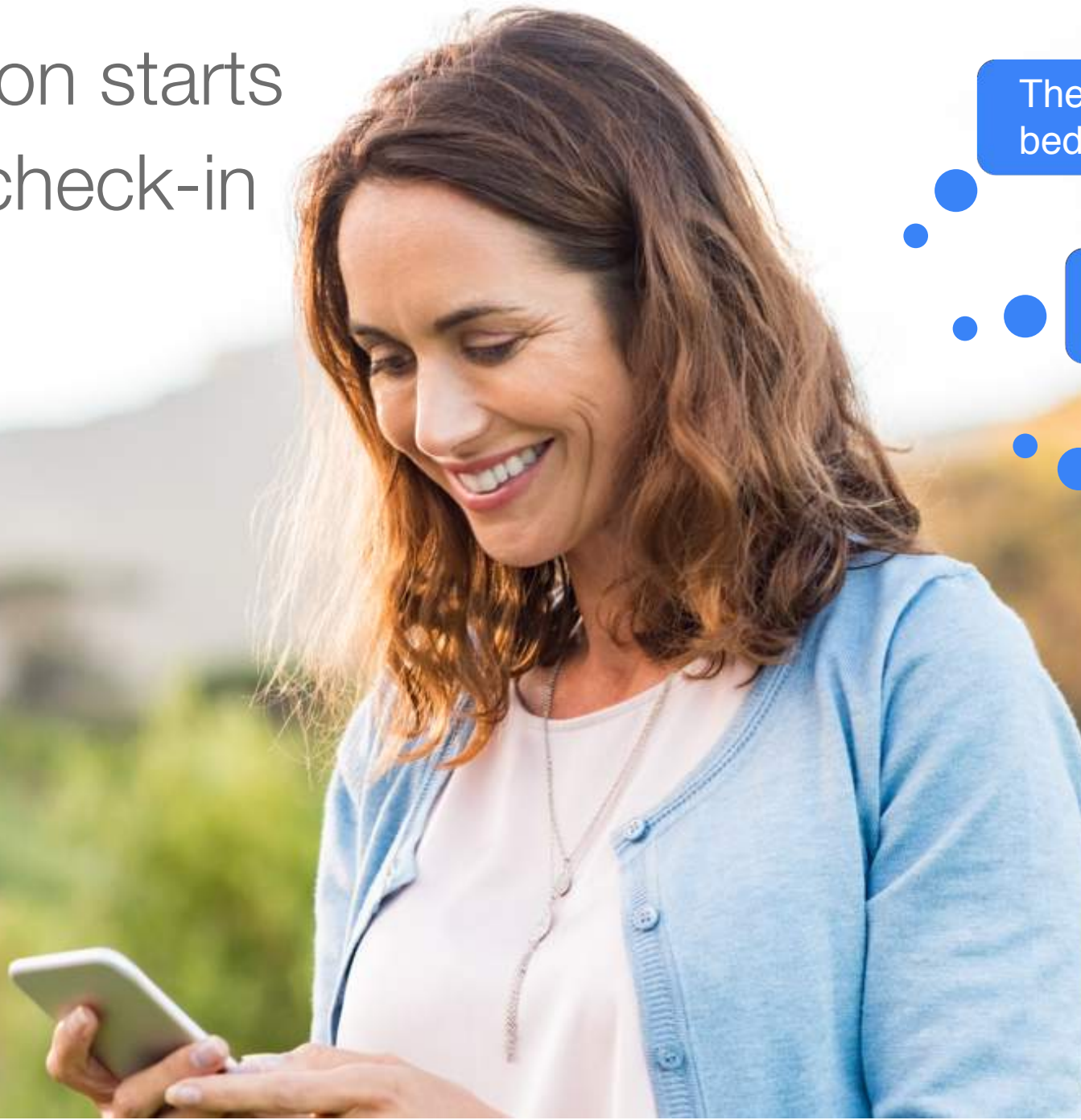
Personalization starts long before check-in



They have connecting bedrooms... perfect!

What's more, 5% discount if I book now...

Booked! 👍



Personalization: OTAs and hotels have different goals and approaches



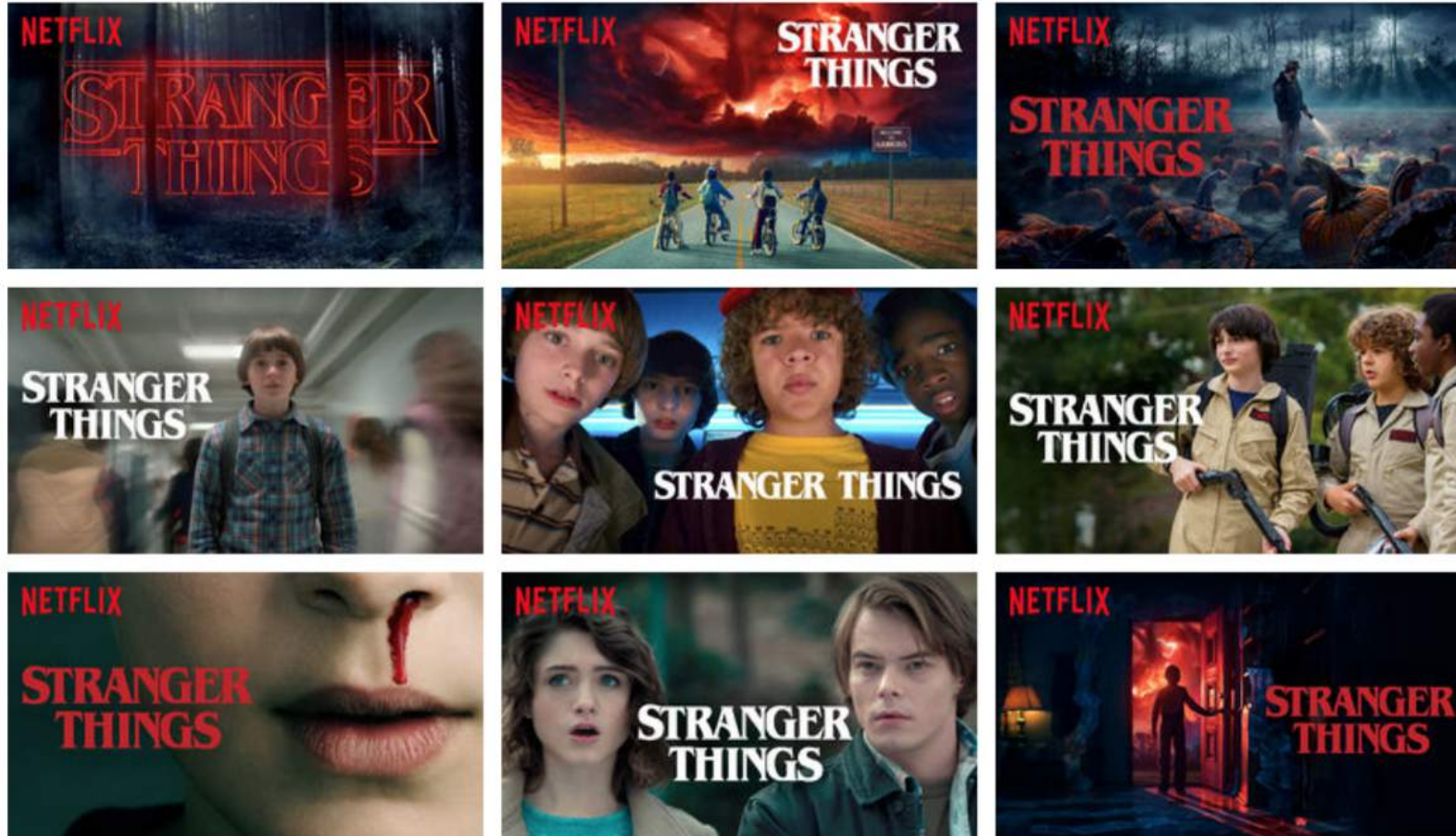
Discovery
Which hotel?



Offer
Room/Service/Price?



Machine learning to enable user-driven personalization



NETFLIX

Going beyond revenue management...



Setting a price
per room for
each date



Adding the
user into the
equation



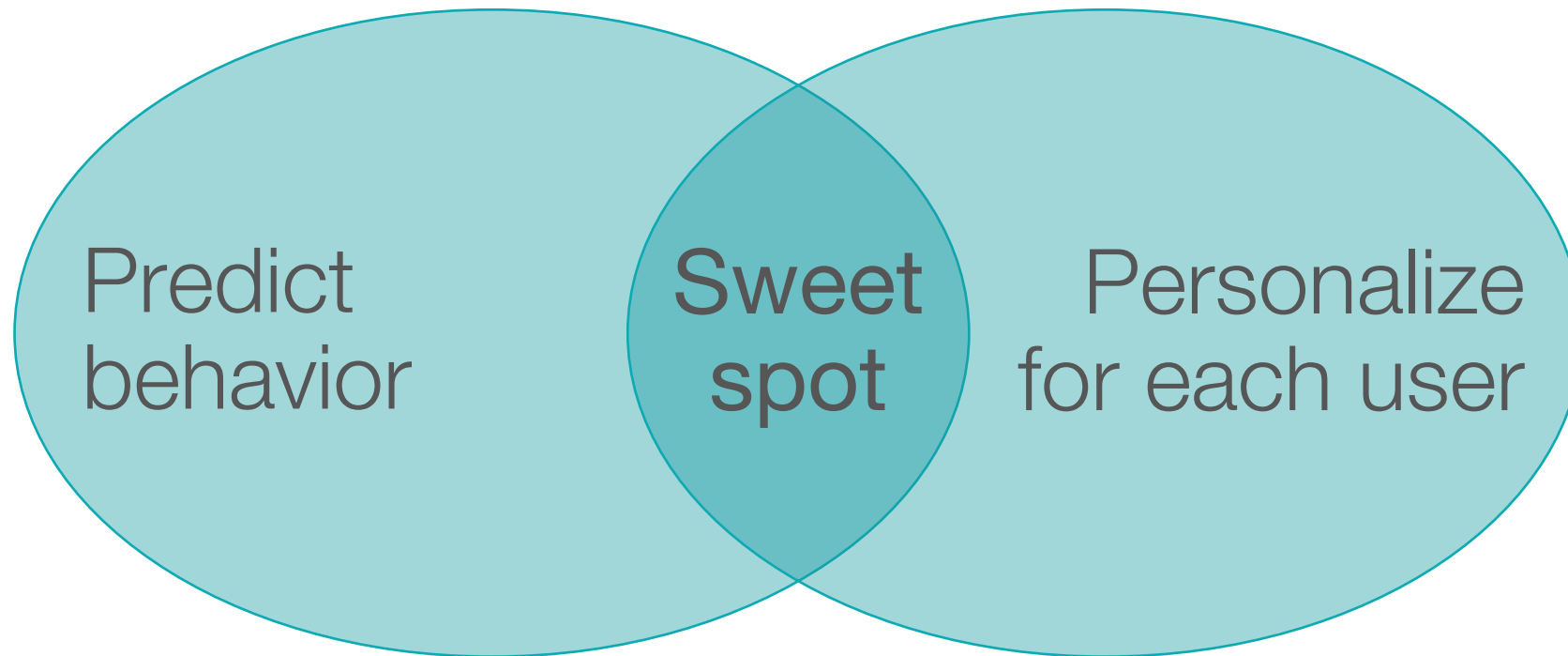
Beyond revenue management: Intent + Spend



Personalized Price:
Identify the ideal price for each customer



Predictive Personalization



To a traditional hotel website,
all users are the same



With predictive analytics,
every user is different



How Predictive Personalization Works

Algorithm

+

Campaign Manager

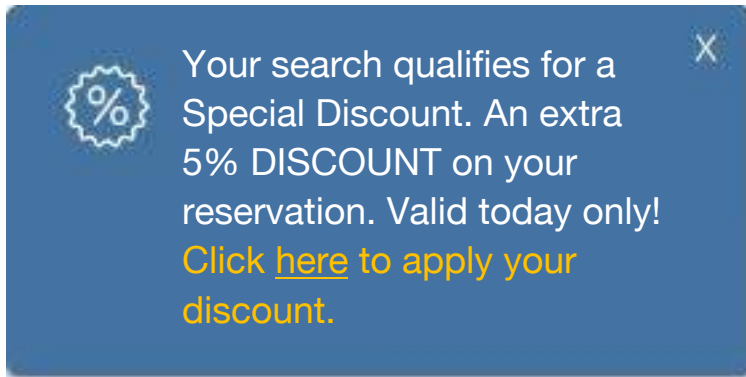
Uses machine learning to **segment users in real time** by predicting who will book, and who won't, before they do

Automatically shows campaigns based on **purchase intent** and **user spend** on the hotel website



How it works

Example: focus on low-intent users



● Target low purchase intent users with with a special offer (discount or benefit)

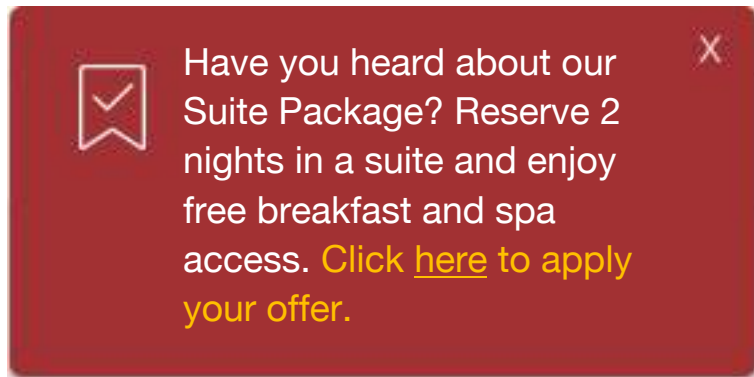
Get additional reservations from users who would otherwise have left the web without booking

Without cannibalizing the sales of users with high purchase intent



How it works

Example: focus on high-intent users



Target users with high purchase intent using incentives and relevant messages

"Push" them to upgrade to a suite or buy extra products (spa, golf, restaurant)

Increase the conversion rate and ADR of high value users



How it works

Combine Intent & Spend with any other Targeting Rule

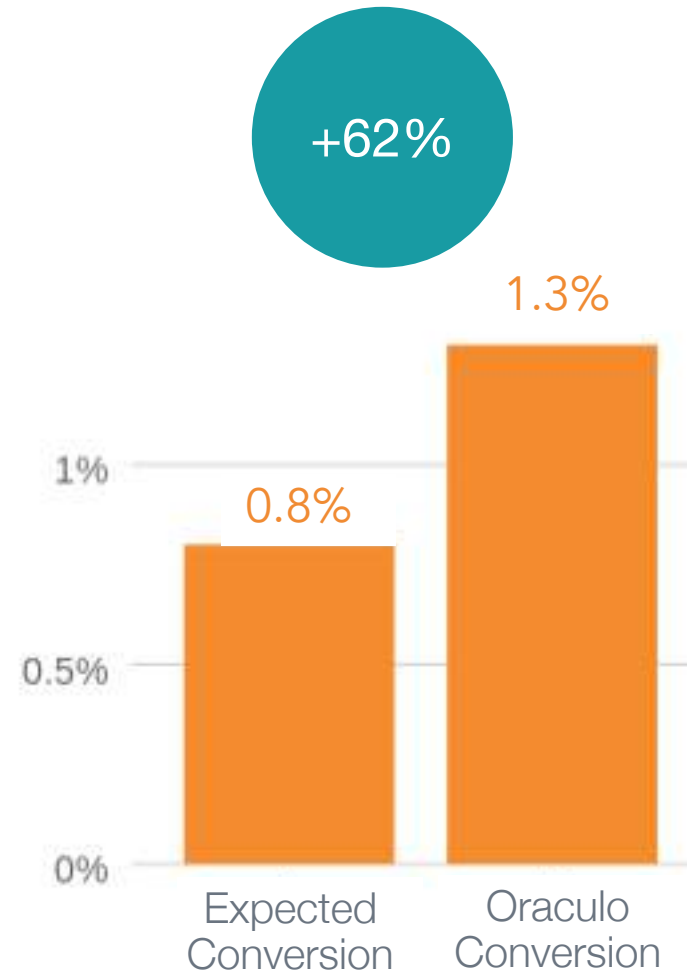


How it works

Measure the results

Compare the expected conversion with the new conversion in the target group

And measure the increase in conversion and the evolution of ADR



+62% conversion in target group

+26 additional bookings

+\$12,175 in revenue



Millions
of Users



Thousands
of Hotels



Hundreds of
Variables



PREDICTIVE ALGORITHM

Using machine learning and its proprietary dataset, THN has built a unique algorithm



The science behind Predictive Personalization

What are we tracking



Past Behavior

Before coming to the hotel website



Current Behavior

On the hotel website



THN Interactions

What they see, how they respond



External data

Market data on OTAs, competitors, etc.



Summary of Predictive Personalization



Machine learning algorithms predict user behavior



Combine intent and spend targeting to launch personalized campaigns



A/B testing optimizes the right offer for each hotel

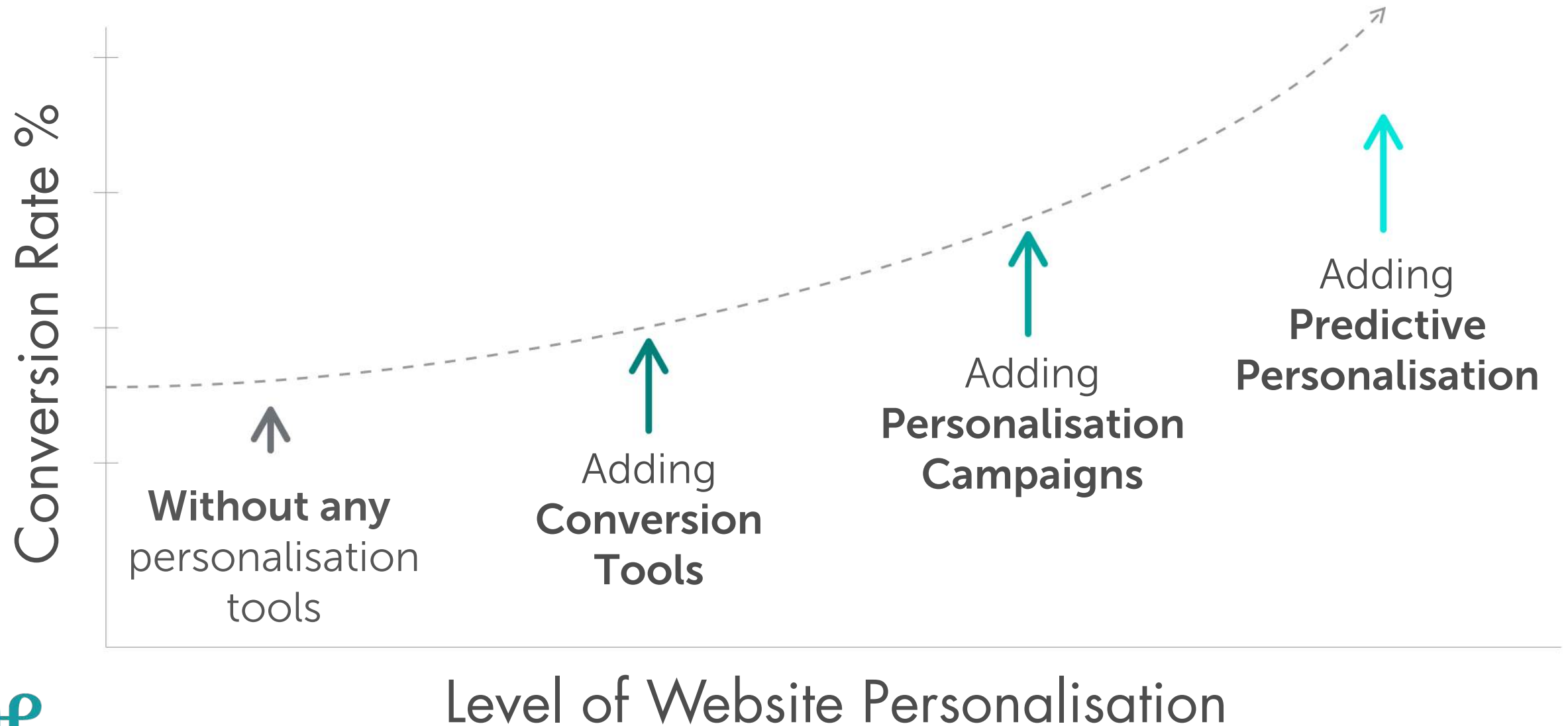


Artificial Intelligence

meets

Common Sense

3 Levels of ROI using website personalisation





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