



Mystique, a Luxury Collection Hotel, Santorini

Luxury MAU Email Review: August 2021

September 13, 2021

data
axle

MARRIOTT INTERNATIONAL LUXURY BRANDS

EDITION™

THE
LUXURY
COLLECTION

STREGIS

THE RITZ-CARLTON

W
HOTELS

JW MARRIOTT

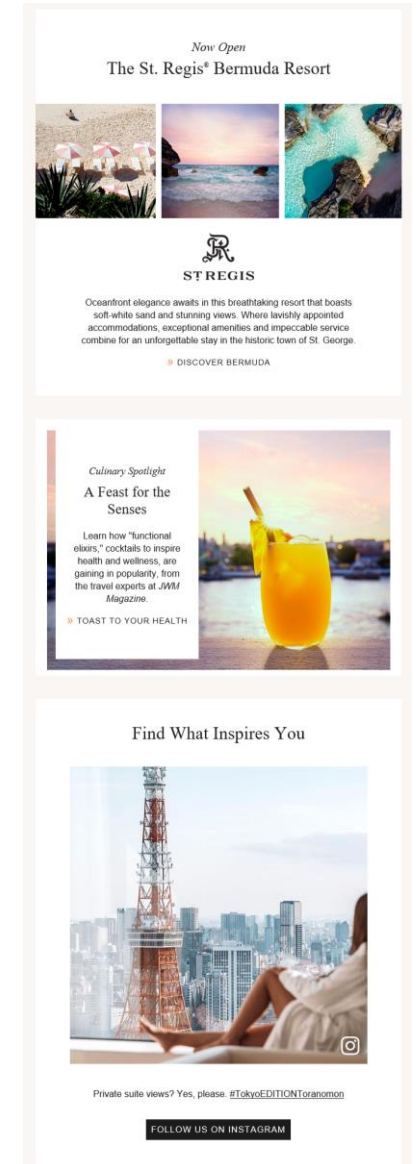
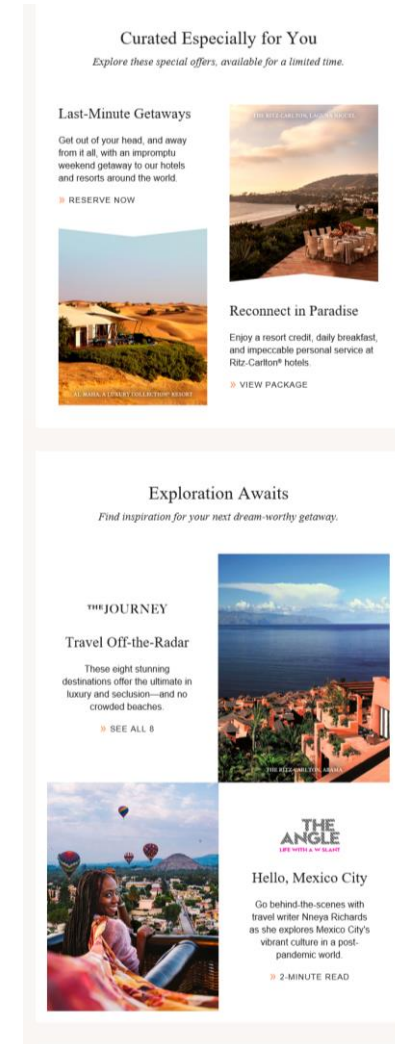
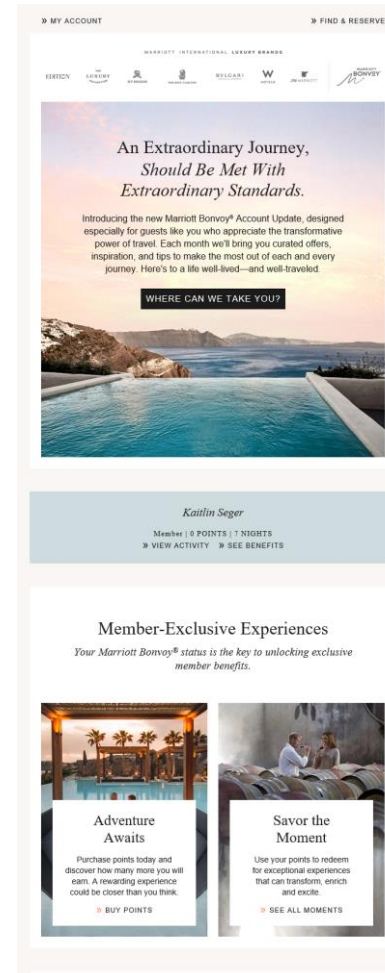
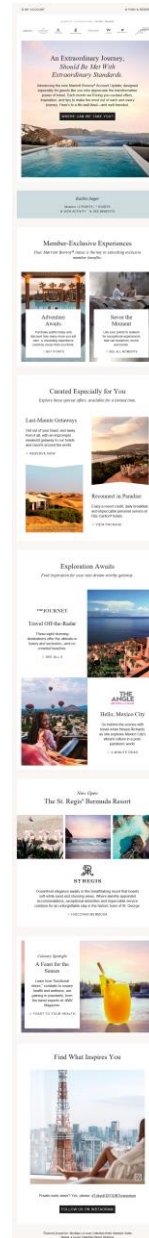
Luxury MAU: August 14, 2021

Subject Line:

Your NEW Member Account Update: Welcome
to Extraordinary, Cindy

Pre-Header:

INSIDE: New Bermuda Hotel Opening, 25% Off
Last-Minute Getaways, Plus Mexico City in a
Post-Pandemic World

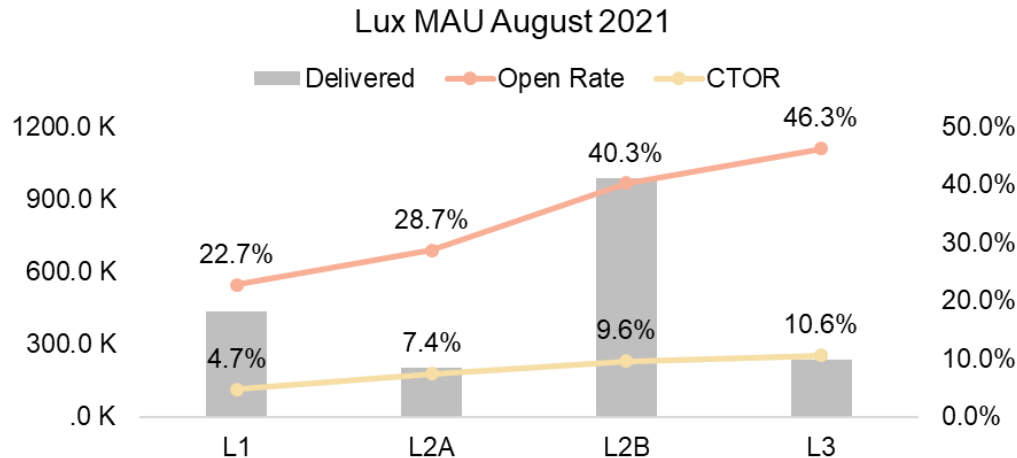
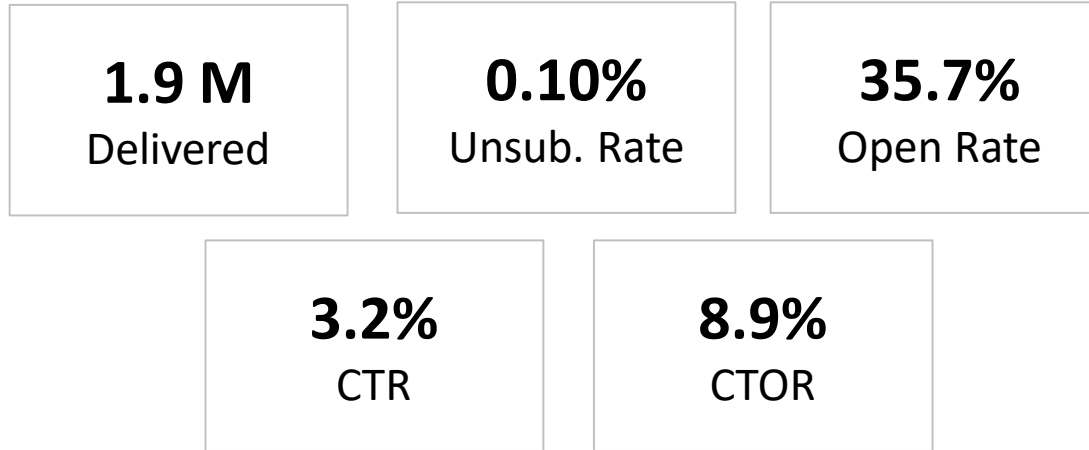


Creative: Member Version

Performance Summary: August 2021

- August newsletter generated above average open and click engagement compared to Bonvoy averages
- Luxury audiences responded favorably to email with open rates higher than other luxury communications
- A disproportionate amount of revenue to luxury brands supports tailored luxury communication efforts
- Readers engaged with account information, hero, offers, and property features; engagement was similar for those who received Core MAU (account box and offers)

Above Average Performance From Launch Email



Observations:

- First luxury newsletter launched on Aug 14th to 1.9M luxury customers, member & non-member
- 25% of member segment was included in control group and received Core MAU
- Luxury MAU email engagement was above Bonvoy Aug '21 averages across all metrics
- Open and click engagement increased from segment L1 to L3, and unsub rates improved

Recommendations:

- Establish benchmarks after 3 months for comparison against future mailings; evolve to rolling 12-month average

Bonvoy Aug '21 Average:

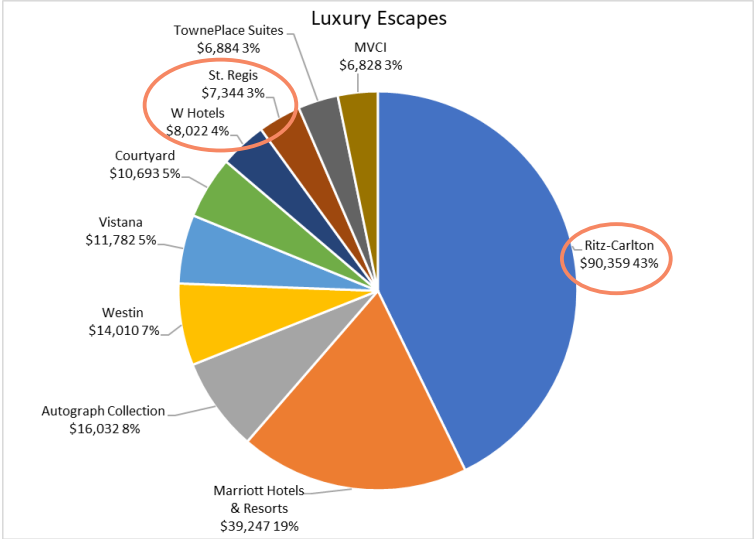
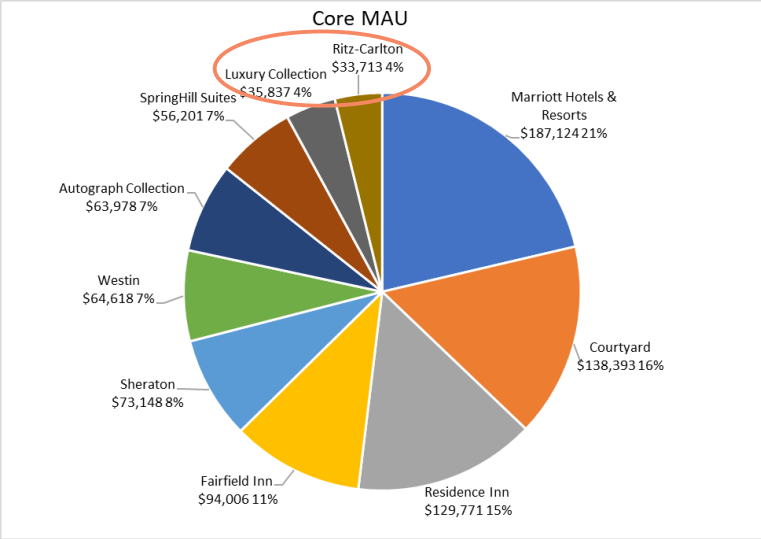
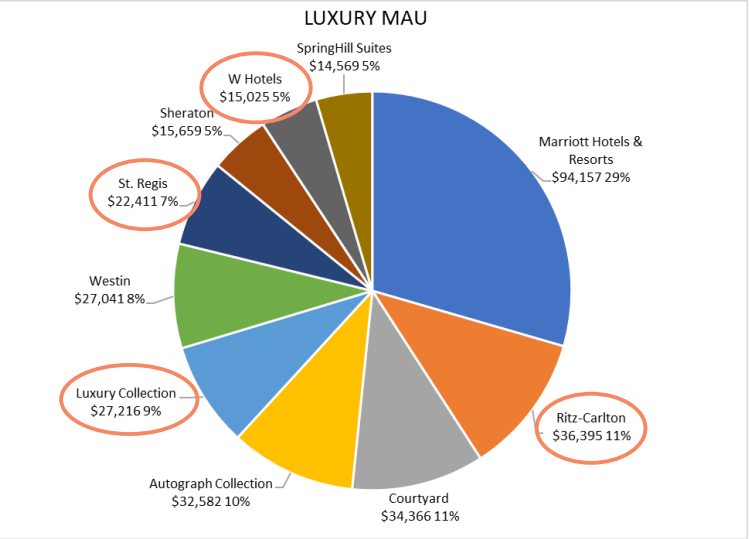
- Open rate: 25.6%
- CTR: 1.3%
- CTOR: 5.2%
- Unsub. Rate: 0.17%

Higher Revenues and Contribution to Luxury Brands

- 25% luxury brand revenue contribution supports communication efforts
- 4 of the top 10 brands booked in Lux MAU were luxury brands; more than Core MAU and Lux Escapes
- A disproportionate amount of revenue to luxury brands consistent with previous Ritz eNews tracking
 - For ex, Aug ‘21 revenue = 67% to Ritz brand (74% to luxury brands)

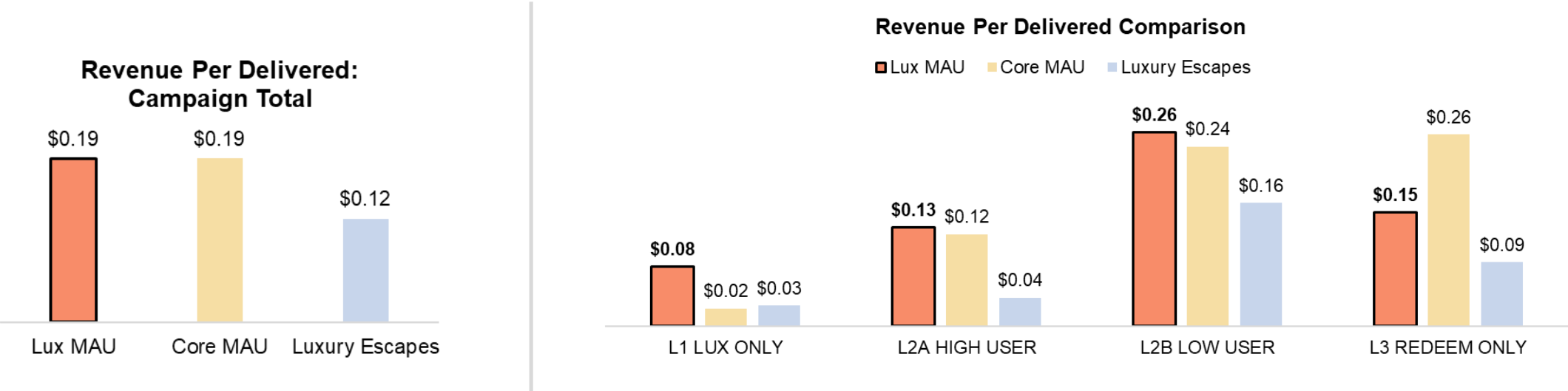
| Campaign | Total Revenue | % to Luxury Brands |
|----------------|---------------|--------------------|
| Lux MAU | \$362,648 | 25% |
| Core MAU | \$114,608 | 8% |
| Luxury Escapes | \$204,987 | 44% |

Brand Revenue Top 10



Consistently Higher Rev/Delivered For Most Segments

- Overall Lux MAU rev/del. was the same as Core MAU at \$0.19, but engagement was higher at the segment level for most
- L3 segment engagement was significantly higher in Core MAU; possible impact from Q3 Points promo offer in Hero
- Continue to monitor revenue trends for each segment and set benchmarks after 3 months



Lux MAU vs. Core MAU: A/B Test Results

Hypothesis:

Sending a more tailored, relevant email to a targeted luxury audience will increase engagement

Approach:

Conducted member-only A/B test; Lux MAU as test (75%) & Core MAU as control (25%); non-members received Lux MAU

Results:

- Overall, the Lux MAU version captured more openers than Core, but click activity was lower in comparison
- All results were statistically significant
- 67% of luxury segment clicks in the Core MAU version went to the Q3 Points promo hero; engagement varied by segment – higher with L2B and L3
- Additional data needed to understand engagement differences at the segment level

| Metrics | Test Group (Lux MAU) | Control Group (Core MAU) | Lift |
|-----------|-------------------------|-----------------------------|------------|
| Delivered | 1,751,963 | 602,638 | |
| Open rate | 36.7% | 27.4% | +9.3 pts. |
| CTR | 3.4% | 6.2% | -2.8 pts. |
| CTOR | 9.2% | 22.5% | -13.4 pts. |

Recommendations:

- Consider versioning Lux MAU content by segment for increased personalization
- Develop test & learn roadmap for ongoing optimization
- Continue to monitor engagement of other luxury communications and apply insights to Lux MAU



Stronger Open Rates Than Ritz & Escapes; Click Activity Varied

- Overall, the Lux MAU had stronger open rates when compared to other luxury mailings in August '21; consistently for all segments except for L1 – Luxury Escapes had higher open rate
- Subject line and pre-header included high performing words and content, like “New”, “Welcome”, and called out new openings and key offers; also used recognizable “Account Update”
- Consider optimizing subject lines and pre-headers to test other branding tactics to lift engagement higher
- Click activity was mixed – higher when compared to Luxury Escapes, but lower than Ritz eNews; consistent engagement at segment level
- Continue comparisons for next 3 mailings to look for engagement patterns; also monitor at segment levels

Data for Luxury segments only

| Metrics | Lux MAU Aug 14 | Ritz eNews Aug 7 | Luxury Escapes Aug 18 |
|----------------|-------------------|---------------------|-----------------------------|
| Delivered | 1.9 M | 1.0 M | 2.1 M |
| Open Rate | 35.7% | 26.9% | 29.6% |
| CTR | 3.2% | 4.1% | 1.5% |
| CTOR | 8.9% | 15.1% | 5.0% |
| Unsub. Rate | 0.10% | 0.12% | 0.08% |

Top Performing Content: Account Box, Hero, Offers, Hotel Feature

#1

Kaitlin Seger

Member | 0 POINTS | 7 NIGHTS

» VIEW ACTIVITY » SEE BENEFITS

#2

An Extraordinary Journey,
Should Be Met With
Extraordinary Standards.

Introducing the new Marriott Bonvoy® Account Update, designed especially for guests like you who appreciate the transformative power of travel. Each month we'll bring you curated offers, inspiration, and tips to make the most out of each and every journey. Here's to a life well-lived—and well-traveled.

WHERE CAN WE TAKE YOU?

#3

Curated Especially for You

Explore these special offers, available for a limited time.

Last-Minute Getaways

Out of your head, and away from it all, with an impromptu weekend getaway to our hotels and resorts around the world.

» RESERVE NOW

Reconnect in Paradise

Enjoy a resort credit, daily breakfast, and impeccable personal service at Ritz-Carlton® hotels.

» VIEW PACKAGE

#4

Now Open

The St. Regis® Bermuda Resort

Discover Bermuda

#5

| Modules | Content | Clicks | CTR |
|-------------------|------------------------------|--------|-------|
| Account Box | View Activity + See Benefits | 24.4 K | 1.31% |
| Hero | An Extraordinary Journey | 12.5 K | 0.67% |
| Offers | Last-Minute Getaways | 6.5 K | 0.35% |
| Hotel Spotlight | The St. Regis Bermuda Resort | 6.4 K | 0.34% |
| Offers | Reconnect in Paradise | 5.1 K | 0.27% |
| Brand Inspiration | Travel Off-the-Radar | 4.4 K | 0.23% |
| Loyalty | Savor the Moment | 2.8 K | 0.15% |
| Loyalty | Adventure Awaits | 2.0 K | 0.11% |
| Brand Inspiration | Hello, Mexico City | 928 | 0.05% |
| Culinary | A Feast for the Senses | 492 | 0.03% |



Heat Map

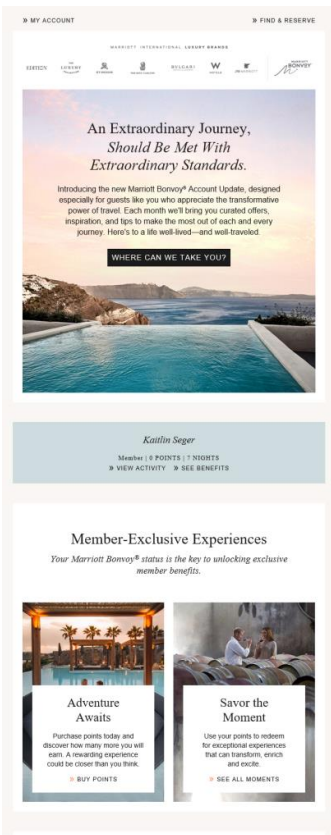
- Top 3 most clicked modules: **Account Box**, **Hero**, and **Offers**
- Readers engaged with Hotel Spotlight placed lower in the email; strong clicks and bookings
- Continue including offers to help lift engagement and bookings
- Geo-targeting luxury offers and property features can help lift click activity; a proven personalization tactic

Header:
5.7% clks.
28.5% bkg.

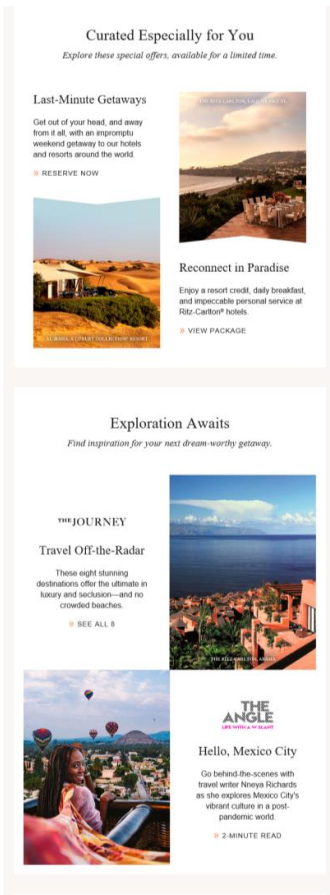
Hero:
17.5% clks.
27.6% bkg.

Account Box:
34.0% clks.
30.9% bkg.

Loyalty:
6.8% clks.
0.53% bkg.

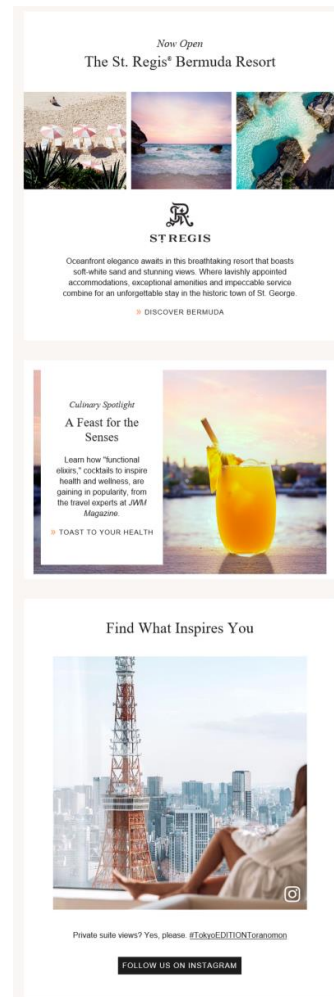


Offers:
16.1% clks.
3.6% bkg.



Brand Inspiration:
7.37% clks.
0.67% bkg.

Hotel Spotlight:
8.9% clks.
7.7% bkg.



Culinary:
0.69% clks.
0.13% bkg.

Instagram:
0.98% clks.
0.0% bkg.

Recommendations

- Establish benchmarks after 3 months for comparison against future mailings; evolve to rolling 12-month average
- Consider versioning Lux MAU content by segment for increased personalization
- Develop test & learn roadmap for ongoing optimization
- Continue to monitor engagement of other luxury communications and apply insights to Lux MAU
- Consider optimizing subject lines and pre-headers to test different tactics and better understand engagement impacts
- Continue comparisons for next 3 mailings to look for engagement patterns; also observe at the segment level
- Continue including offers to help lift engagement and bookings
- Geo-targeting luxury offers and property features can help lift click activity; a proven personalization tactic

2021-2022 Luxury Newsletter Roadmap

Goal: Grow revenue contribution and overall engagement from luxury segmentation through thoughtful content curation and an elevated marketing experience

| | Q3 2021 | | | Q4 2021 | | | Q1 2022 | | |
|-------------------------|---|-----|-----|--|-----|-----|--|-----|-------|
| | July | Aug | Sep | Oct | Nov | Dec | Jan | Feb | March |
| Launch | <ul style="list-style-type: none"> - Define Lux MAU email strategy & approach (July) - Document content & creative strategies (July) - Create control groups for A/B test (July) | | | | | | | | |
| Tracking & Segmentation | <ul style="list-style-type: none"> - Set-up segmentation tracking (Sep) - Monitor & track segment level engagement | | | <ul style="list-style-type: none"> - Establish email benchmarks (Oct) | | | <ul style="list-style-type: none"> - Look for opportunities to expand segmentation (refresh segments, leverage 3rd party data) | | |
| Testing & Optimization | <ul style="list-style-type: none"> - A/B Test Lux MAU & BAU MAU (Aug.) - Start subject line / pre-header testing (Sep.) | | | <ul style="list-style-type: none"> - Ongoing subject line & pre-header optimization - Test creative elements: images, CTAs, headlines - Test geo-targeting and versioning content | | | <ul style="list-style-type: none"> - Ongoing subject line & pre-header optimization - Test creative elements: images, CTAs, headlines - Test geo-targeting and versioning content | | |

Other goals: support luxury brand goals and loyalty program initiatives

Next Steps

1. Confirm schedule for remaining 2021 review meetings

- October 5 (Sep mailing)
- November 3 (Oct mailing)
- December 7 (Quarterly, Aug-Nov)

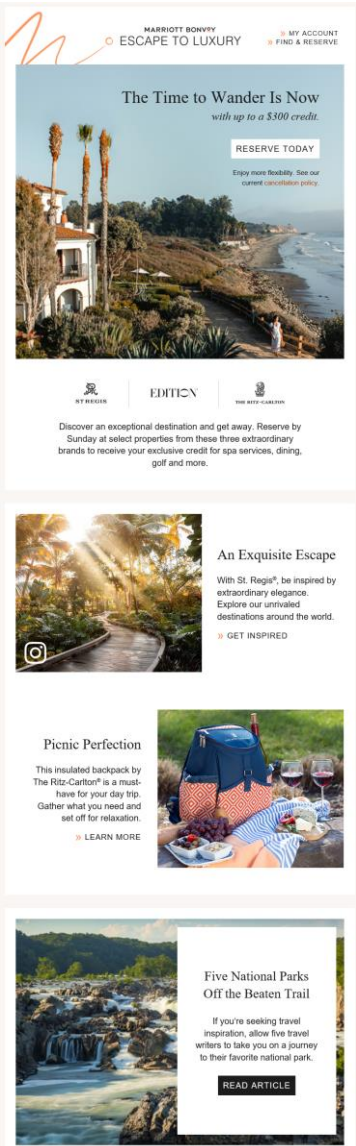
2. Develop detailed learning agenda to support roadmap

Appendix

Performance Metrics: **Luxury MAU, August 2021**

| Segment Code | Delivered | Opens | Open Rate | Clicks | CTR | CTOR | Unsub Rate | Bookings | Room Nts. | Revenue |
|-------------------------|--------------|----------------|--------------|---------------|-------------|-------------|--------------|------------|--------------|------------------|
| LUXURY - L1 LUX ONLY | 433.9 K | 98.6 K | 22.7% | 4.7 K | 1.1% | 4.7% | 0.22% | 85 | 189 | \$44.3 K |
| LUXURY - L2A HIGH USER | 203.0 K | 58.2 K | 28.7% | 4.3 K | 2.1% | 7.4% | 0.15% | 39 | 124 | \$26.8 K |
| LUXURY - L2B LOW USER | 988.2 K | 398.0 K | 40.3% | 38.3 K | 3.9% | 9.6% | 0.05% | 507 | 1.2 K | \$255.7 K |
| LUXURY - L3 REDEEM ONLY | 235.3 K | 108.9 K | 46.3% | 11.5 K | 4.9% | 10.6% | 0.05% | 120 | 300 | \$35.8 K |
| Total | 1.9 M | 663.6 K | 35.7% | 58.9 K | 3.2% | 8.9% | 0.10% | 751 | 1.8 K | \$362.6 K |

Performance Metrics: Luxury Escapes, August 18, 2021



| Segment Code | Delivered | Opens | Open Rate | Clicks | CTR | CTOR | Unsub Rate |
|----------------|-----------|---------|-----------|--------|------|------|------------|
| L1 LUX ONLY | 255.1 K | 61.6 K | 24.1% | 1.6 K | 0.6% | 2.6% | 0.17% |
| L2A HIGH USER | 153.2 K | 40.5 K | 26.5% | 1.4 K | 0.9% | 3.6% | 0.10% |
| L2B LOW USER | 1,032.6 K | 311.2 K | 30.1% | 16.2 K | 1.6% | 5.2% | 0.03% |
| L3 REDEEM ONLY | 262.1 K | 89.1 K | 34.0% | 5.7 K | 2.2% | 6.4% | 0.02% |
| Everyone Else | 363.7 K | 108.8 K | 29.9% | 5.4 K | 1.5% | 5.0% | 0.18% |
| Total | 2.1 M | 611.2 K | 29.6% | 30.4 K | 1.5% | 5.0% | 0.08% |

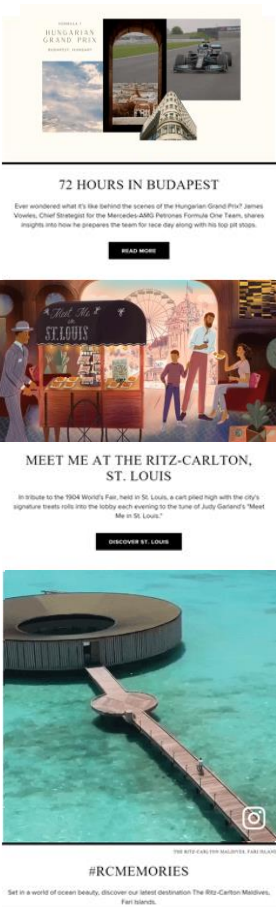
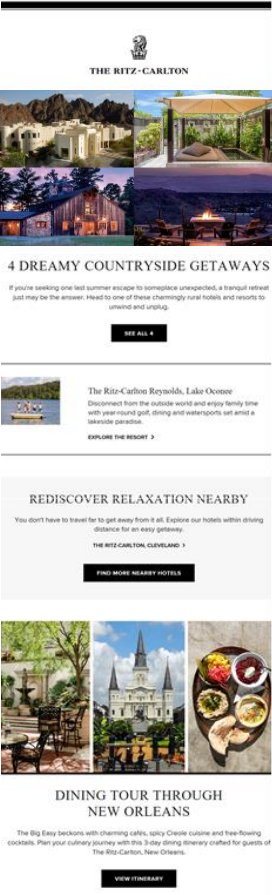
Subject line: Escape to Luxury

Pre-header: Take time to explore with up to a \$300 credit.



Performance Metrics: Ritz eNews, August 7, 2021

Creative: U.S. Version



| Segment Code | Delivered | Open Rate | CTR | CTOR | Unsub Rate |
|----------------|-----------|-----------|------|-------|------------|
| L1 LUX ONLY | 101,721 | 20.7% | 2.8% | 13.6% | 0.12% |
| L2A HIGH USER | 85,814 | 26.7% | 4.4% | 16.4% | 0.12% |
| L2B LOW USER | 675,171 | 27.2% | 4.1% | 15.1% | 0.11% |
| L3 REDEEM ONLY | 172,085 | 29.6% | 4.5% | 15.2% | 0.13% |
| Everyone Else | 1,811,880 | 30.2% | 3.2% | 10.7% | 0.19% |
| Grand Total | 1,034,791 | 26.9% | 4.1% | 15.1% | 0.12% |

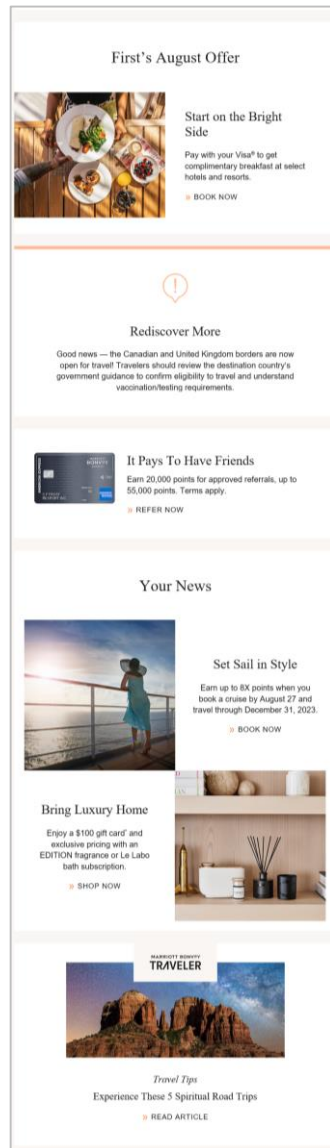
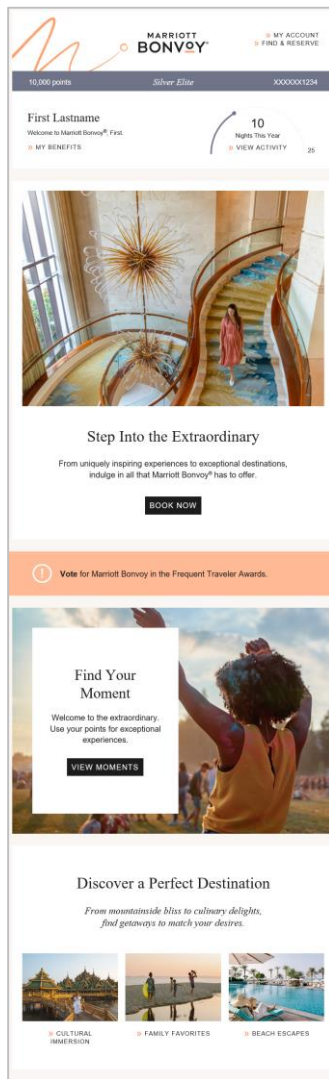
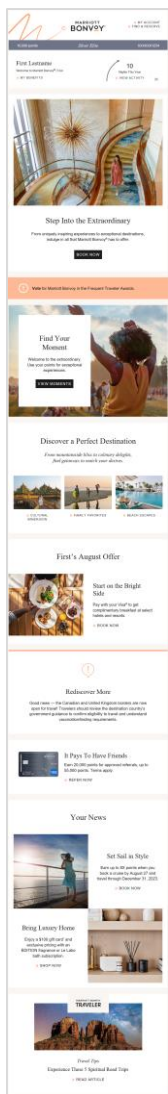
Subject Line (Used PCIQ Optimization):

- (List) INSIDE THE RITZ-CARLTON: 4 Dreamy Weekend Retreats
- (Authority) INSIDE THE RITZ-CARLTON: Your Guide to Dreamy Weekend Retreats
- (Intrigue) INSIDE THE RITZ-CARLTON: Ready for a Dreamy Weekend Retreat?
- (Solution) INSIDE THE RITZ-CARLTON: Where to Find a Dreamy Weekend Retreat
- (Urgency) INSIDE THE RITZ-CARLTON: Escape the City With a Rural Weekend Retreat

Pre-Header:

Plus, Romance Package in Turks & Caicos, Culinary Tours & More Inspiration for Your Wanderlust

Core MAU, August 14, 2021 – Heat Map



| Modules | Total | L1 | L2A | L2B | L3 |
|------------------------|--------|--------|--------|--------|--------|
| Header | 5.2% | 15.8% | 11.9% | 4.3% | 3.8% |
| Account Box | 14.5% | 23.4% | 23.5% | 13.7% | 12.3% |
| Hero - Q3 Points Promo | 67.3% | 40.1% | 49.8% | 70.0% | 70.5% |
| Alert Message | 0.4% | 0.1% | 0.2% | 0.4% | 0.5% |
| Moments | 1.8% | 2.7% | 2.4% | 1.8% | 1.6% |
| Leisure | 2.0% | 4.3% | 2.9% | 1.8% | 2.1% |
| Offers | 3.0% | 2.2% | 2.2% | 3.1% | 3.0% |
| Cobrand | 2.8% | 1.1% | 1.7% | 2.6% | 4.1% |
| News | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% |
| Traveler | 1.1% | 0.9% | 1.4% | 1.1% | 1.3% |
| Footer | 1.3% | 8.9% | 3.5% | 0.7% | 0.5% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

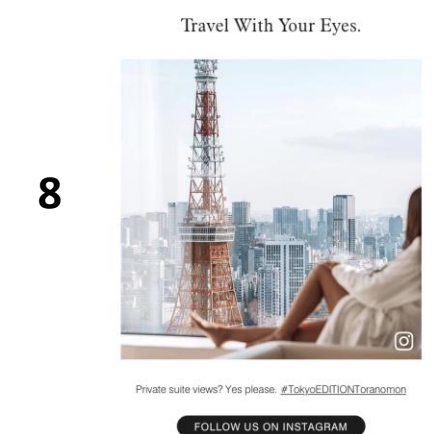
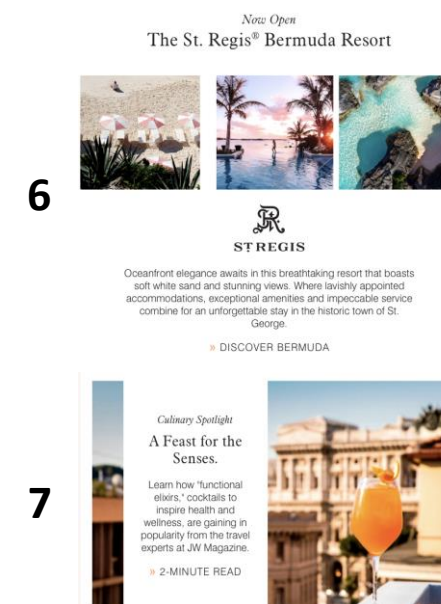
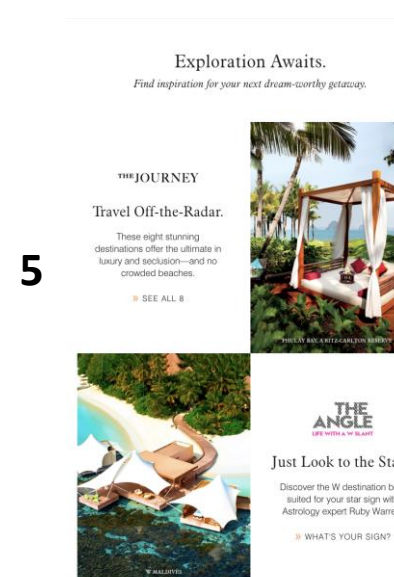
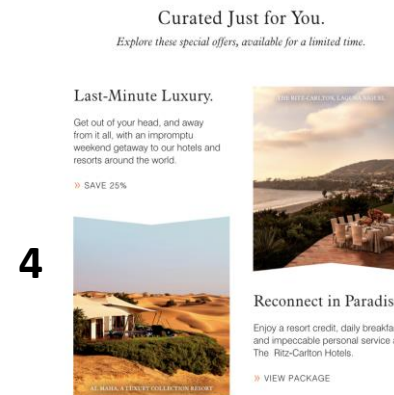
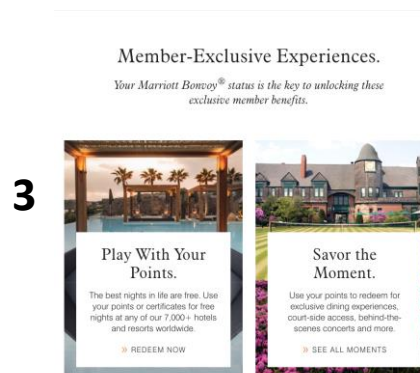
Luxury MAU Targeting Criteria

| Segment Name | Segment Description |
|--------------|---|
| L1 | All stays are luxury |
| L2A | $\geq 50\%$ of stays are luxury |
| L2B | $< 50\%$ of stays are luxury |
| L3 | All luxury stays are paid by bonus points |

LUX MAU Email Template

Goal: Develop standard, elevated content modules across all monthly campaigns that train the reader on what to expect each month including:

1. Hero Module
2. Member/Non-Member Status
3. Loyalty Content
4. Offers
5. Branded Inspiration
6. New Hotels/Hotel Spotlight
7. Culinary
8. Instagram



LUX MAU Content Strategy

Section Descriptions:

- 1. Hero Module**
Introduction for first month. Then promotion of best offer or content around a central theme.
- 2. Member/Non-Member Status**
Member account module or Non-Member join request
- 3. Loyalty Content**
Alignment with regular MAU on best of loyalty content
- 4. Offers**
Luxury-specific offers i.e. Escapes, Resorts
- 5. Branded Inspiration**
Editorial content from a variety of brands to provide travel inspiration and engagement
- 6. New Hotels/Hotel Spotlight**
New Hotel(s) when possible to drive engagement. Otherwise consider geo-targeted hotel spotlights.
- 7. Culinary**
Recipes, restaurants, dining experiences, Michelin-stars
- 8. Instagram**
Aligning with monthly theme, rotating brands, acts as regular book-end for each email