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Q2 2016 Executive Summary

- **Support of a number of new program initiatives drove strong Q2 performance and moved program above forecast**

- **All elite status levels saw YoY increases in room nights**

- **Initial Project Orange reporting forecasting program to surpass EOY goals; however, PO segments showed no lift against global control in Q2**

- **Project Orange Nonmember acquisition efforts launched to a small audience and generated a low number of enrollments**

- **Learning Agenda focused on specific campaign optimizations**

Q2 2016 Learnings

- **Member engagement with eBreaks modules in Hotel Specials demonstrated the impact of aligning content with campaign objectives**

- **Increase in Destinations click engagement correlated with travel inspiration content & seasonally relevant travel themes**

- **Actively promoting brand portfolio awareness to PO segments correlated with lift in WHPH new brand stays in July**

- **Banner content module for Summer Promo generated significantly higher engagement than article module**

- **Targeting a small audience to drive PO enrollment drove low ROI**

- **We still need more data at a campaign level to properly evaluate and optimize against MBOs and drive insight**

Email program goals dashboard: YTD (as of 7/2)

Email MBOs	YTD	YoY	Goal	Against 2016 Goal
Bookings*	426 K	+22.5%	N/A	N/A
Room Nights*	948 K	+17.9%	1.7 M	+6.0%
MRCC Acquisitions	17 K	-	35,000	-1.2%

Customer Room nights*	Q2 YTD	Q2 YTD YoY	Q1 YTD YoY
All Members	889 K	+19.1%	+1.8%
Platinum	239 K	+11.5%	-17.8%
Gold	205 K	+9.7%	-11.1%
Silver	205 K	+23.4%	+18.8%
Basic	240 K	+34.1%	+26.3%
Non-member	30 K	+4.9%	+12.1%

Key Findings
**Email program continued to grow…**
- Highest quarterly email volume & bookings/room nights since Q1 '12

…and maintained program efficiency
- 5.5% above 2 year average booking per delivered (ROI metric)
- 2nd highest booking per delivered since Q2 '15

*Note: Bookings/room nights are Omniture

Significant number of supported initiatives in Q2'16

Room nights by week: YoY comparison

Significant Activity & initiatives

1. MegaBonus Preview MB Announcement
2. Freddie Award Solo Buyback
3. Starwood update eNews/Destinations MB reminder Member Rate Solo
4. eNews – Member Rates Destinations
5. Summer Promo New Elite Benefits Hotel Specials MB Report Card Instagram
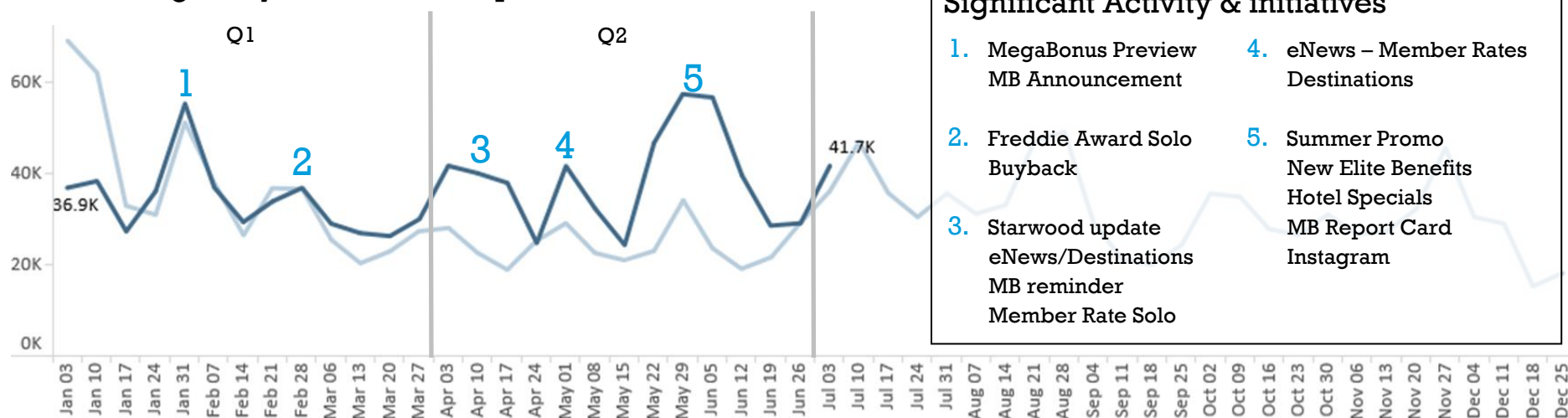
Key Findings

A strong Q2 overcame a slow January start

- Spring'16 MegaBonus launched Feb
- Significantly more initiatives supported in Q2'16 than Q2'15

Supporting initiatives and ongoing campaign optimizations increased campaign performance

6

Email program KPI dashboard: Q2 2016

	Q2 2016	YoY%	Q2 YTD	Q2 YTD YoY	Q1 YTD YoY
Mailable Members	17.2 M	+9.8%	17.2 M	+9.8%	+4.8%
Room nights	1.4 M	+76.2%	2.7 M	+27.0%	-1.8%
EIR Bookings	583 K	+82.2%	1.1 M	+31.1%	+1.0%
EIR Book/Delivered(K)	2.3	+15.3%	2.2	-8.8%	-23.5%
Emails Delivered	256 M	+58.0%	516 M	+43.8%	+32.1%
Open Rate	24.0%	+5.7%	23.6%	-3.0%	-9.6%
Click to Open Rate	9.3%	-0.7%	9.1%	-11.7%	-18.9%
Conversion Rate	10.3%	+9.9%	10.2%	+6.8%	+4.3%

All email KPIS have gained on YoY differences from Q1
- 2nd highest Quarterly Open rate since Q1'15
- Highest Quarterly Conversion rate since Q3 '14

MR program email KPIs are countering declining industry trends

MoM & YoY KPI's: 2013 to Q2 2016
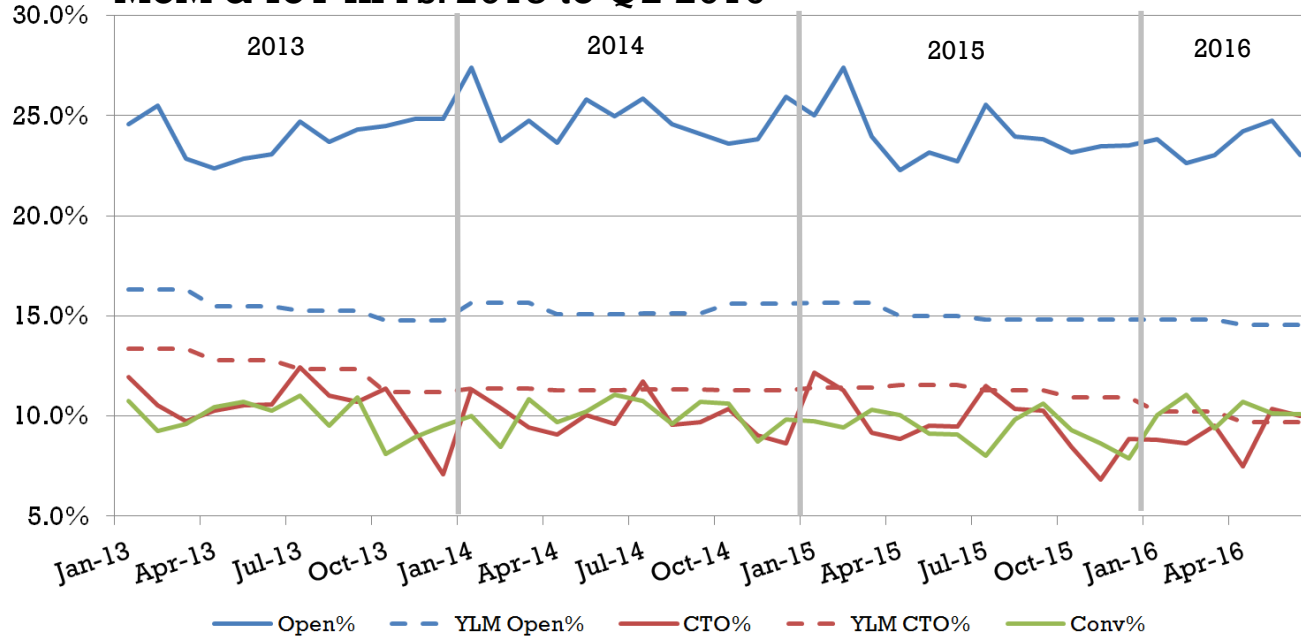
YLM 2016 Q2 hospitality/travel benchmarks vs MR			
Open Rate:	14.7%	Δ YoY:	-9.5%
MR:	24.0%	Δ YoY:	+5.7%
CTOR:	6.2%	Δ YoY:	-40.6%
MR:	9.3%	Δ YoY:	-0.7%

Legend: Open%, YLM Open%, CTO%, YLM CTO%, Conv%

YoY Q2 Open rate increased for MR program while hospitality sector & all Yesmail clients decreased
YoY Q2 Click to Open rate was flat while the hospitality sector & all Yesmail showed significant YoY decline

Project Orange Program Goals & measurement

Goals	Measurement
❖ **Increase new brand trial**	**% of customers with stays at a new brand**
❖ **Increase leisure stay**	**% of customers with one more leisure stay than last year**
❖ **Move members up Elite levels**	**% of segment that are elite status**
❖ **Convert non-members to active members**	**% of segment that are members**

Both segments forecasted to exceed EOY goals

Primary Goals	WHPH		TSAT	
	YTD	**Goal (vs '15)**	**YTD**	**Goal (vs '15)**
New Brand Trial % customers with trial	35.5%	> 28.9%	24.3%	> 22.3%
Leisure Stay % cust.with +1 stay YoY	37.0%	> 29.8%	25.1%	> 18.6%

Per Customer	WHPH		TSAT	
	Test	**Control**	**Test**	**Control**
Avg Bookings	6.504	6.511	2.037	2.046
Avg Revenue	$2,223	$2,239	$802	$800

Membership	WHPH		TSAT	
	YTD	**Goal(vs '15)**	**YTD**	**Goal(vs '15)**
% Elite status	60.9%	63.1%	24.7%	26.9%
% membership	89.6%	89.5%	77.7%	77.1%

Key Findings
- Both segments forecasted to exceed end of year goals
- No difference to control group

WHPH
- Projected to beat Leisure Stay goal by 7%
- Projected to beat New to You Brand goal by 6%

TSAT
- Projected to beat Leisure Stay goal by 7%
- Projected to beat New to You Brand goal by 2%

There was lift for WHPH against control in New Brand trial in July

+ Key Learnings

eBreaks was effective as content in Hotel Specials but less so in eNews

Legend:
- Hotel Specials
- TSAT HS
- WHPH HS
- Core eNews
- WHPH eNews
- TSAT eNews

eBreaks–Hotel Specials: Results positive & stable

eBreaks-eNews: Results low or trended low

Key Findings
- eBreaks was progressively featured in campaigns throughout Q2

Members' different engagement with eBreaks demonstrated the impact of aligning content with campaign objectives
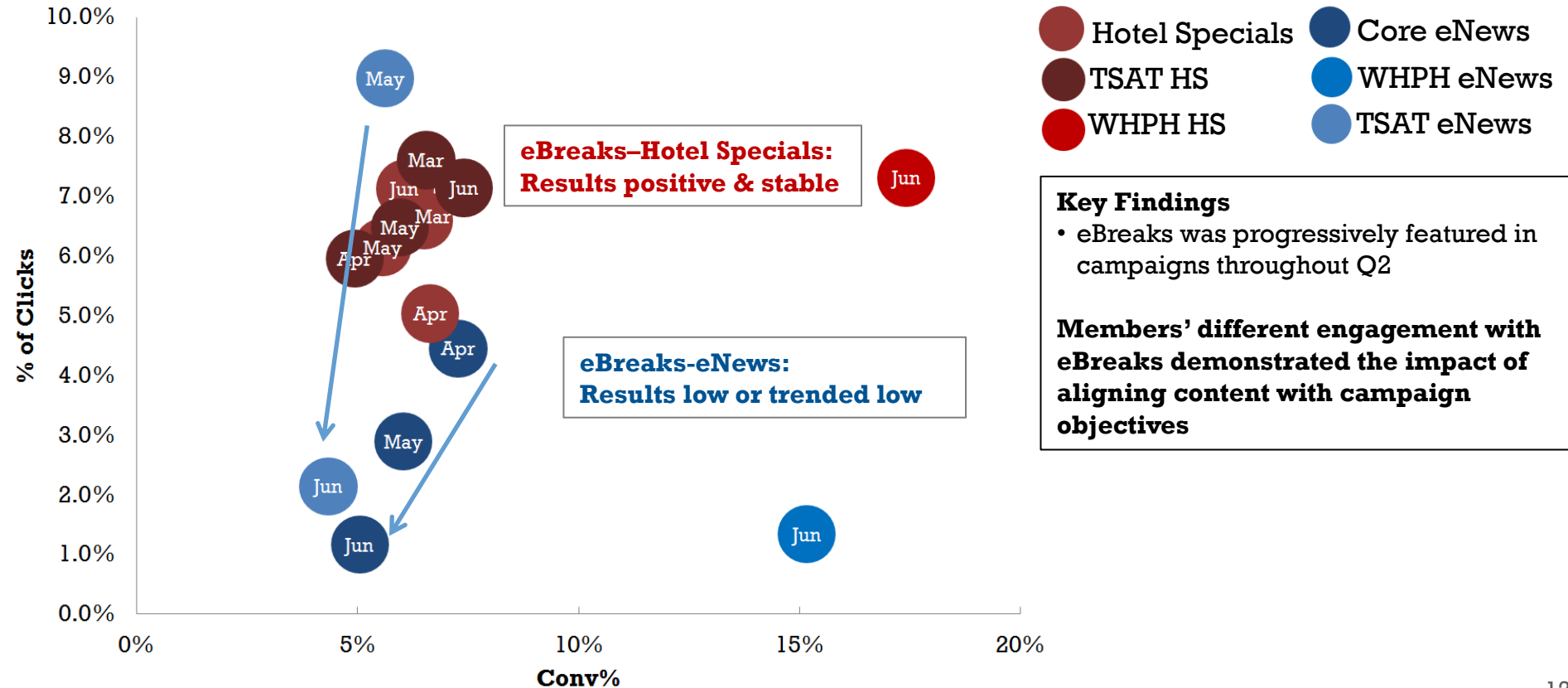
Increase in Destinations click engagement correlated with more focused travel content themes

Click Rate (Click / Delivered emails)

Chart labels:
- 2016 Travel Inspiration
- Leisure Experiences
- March travel ideas
- Travel type by budget
- Long weekend ideas
- Summer Road Trip

X-axis: Jan '16, Feb '16, Mar '16, Apr '16, May '16, Jun '16

Y-axis: 0.0%, 0.2%, 0.4%, 0.6%, 0.8%, 1.0%, 1.2%, 1.4%, 1.6%, 1.8%
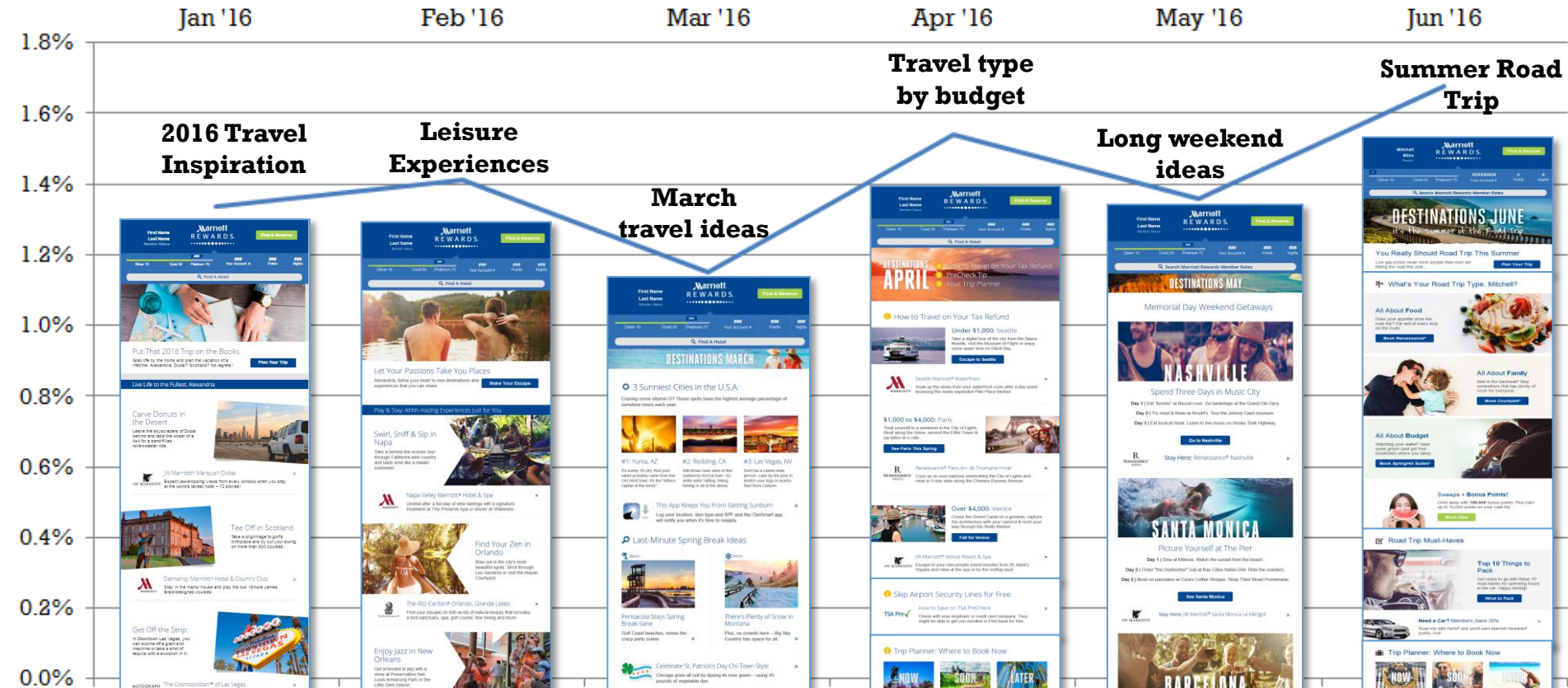
Non-hotel related travel content was among the most engaged content

April Destinations

June Destinations
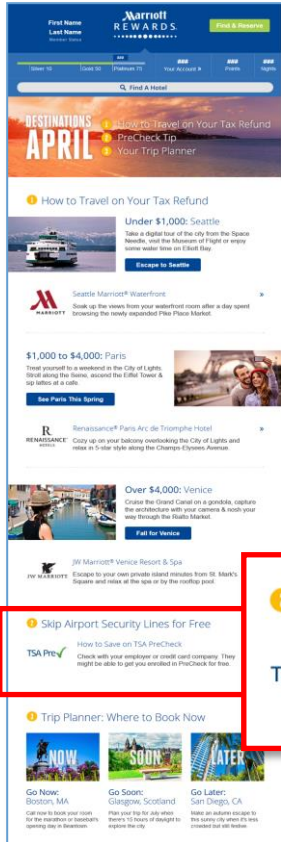
Key Findings

Content like TSA PreCheck tips & Top 10 Things to Pack (ft. in Marriott Traveler) drove among the highest click engagement

Moving to monthly mailing allowed for deeper collaboration and integrated content

Leverage content like Traveler to provide a stronger, more authoritative Marriott voice & continue to share out content

15-30% of Email clicks

~15% of Email clicks
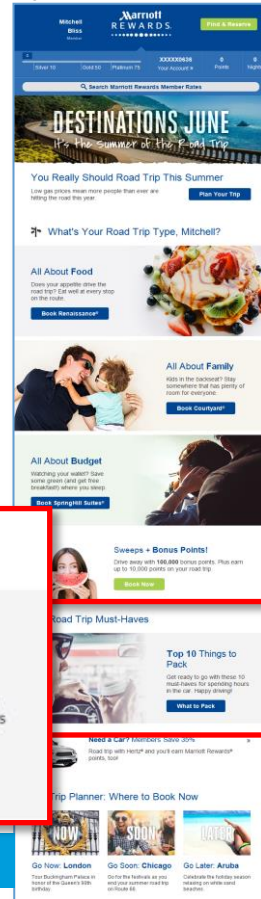
Brand portfolio awareness was greater in PO eNews than Core eNews throughout Q2

May Core eNews

May PO eNews
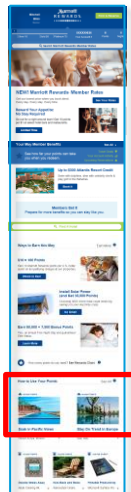
June Core eNews

June PO eNews
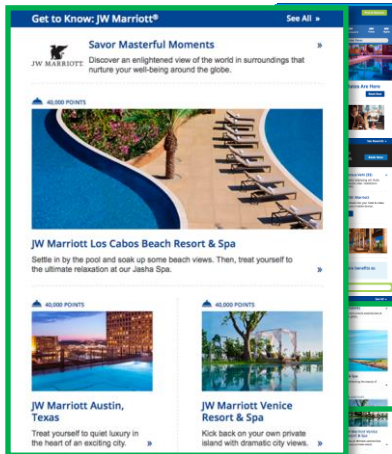
Key Findings

Brand portfolio content generated greater click share in PO eNews vs Core

- eNews Brand links averaged **4.2%** of total clicks
- WHPH Benefits averaged **6.9%**
- TSAT Benefits averaged **6.3%**

In July there was lift in WHPH New Brand Stay against control
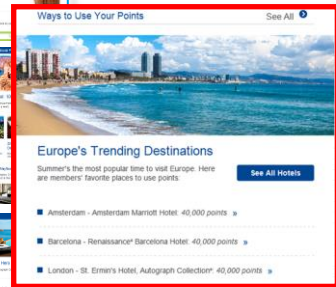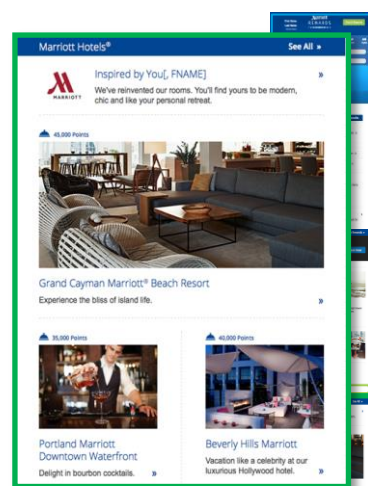
Banner content module may have generated higher click engagement than the article module

May Hotel Specials

June Hotel Specials

Article module

Headline Lorem Etiam (26)

Body copy lorem ipsum dolor amet consec tetuerse adipscing elit. Etiam lectus orci, vehicula in leo in, mollis mollis dolor. (125)

CTA Lorem Ipsum Elit (21)

196×129

Banner module

600×187

Headline Lorem Dolor Consecuter Dolor (38)

Body copy lorem ipsum dolor amet consec tetuerse adipscing elit sad diam ipsums adecie secuerit. (97)

CTA Lorem Elit (15)
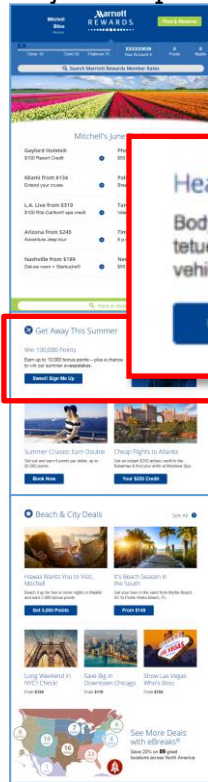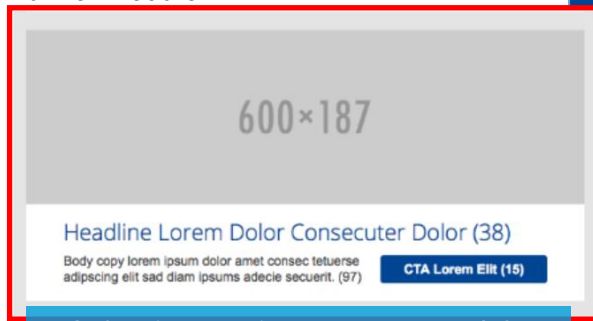
- 87% higher click engagement* & 90% more bookings
- Total MoM clicks increased by 23%

* % of total clicks
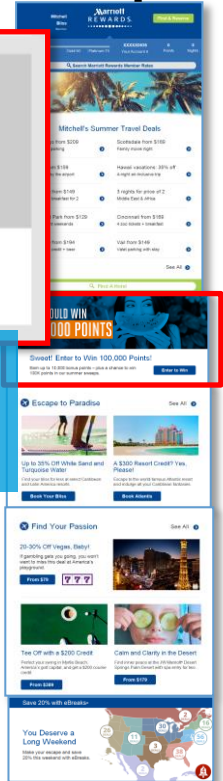
Key Findings

Email design can influence the degree of engagement with key initiatives
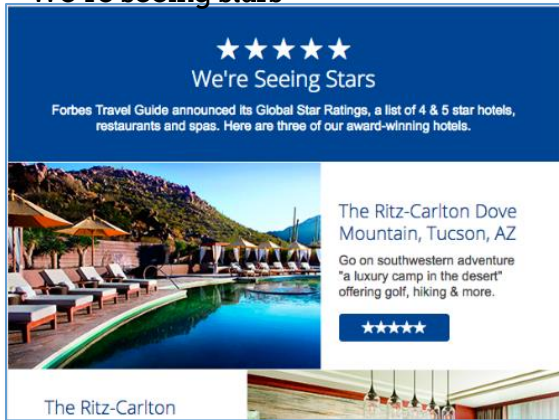
Trends like the above have influenced the evolution of the Learning Agenda to focus on understanding best practice design elements

Future testing to incorporate module testing

Q2 unique creative treatments

"We're seeing stars"

★★★★★
We're Seeing Stars
Forbes Travel Guide announced its Global Star Ratings, a list of 4 & 5 star hotels, restaurants and spas. Here are three of our award-winning hotels.

The Ritz-Carlton Dove Mountain, Tucson, AZ
Go on southwestern adventure "a luxury camp in the desert" offering golf, hiking & more.

★★★★★

The Ritz-Carlton

Checkerboard

GET MORE REWARDS +
You are who you are. You like what you like. And now you can get Rewards that are just like you.

EXPERIENCES MARKETPLACE +
Picture yourself at dinner with your favorite chef. Imagine going VIP to the biggest concerts. Now use points to be more you.

Explore Experiences

ELITE CONCIERGE SERVICE +
A select group of members will have access to an Elite concierge.

Color banding, text over image
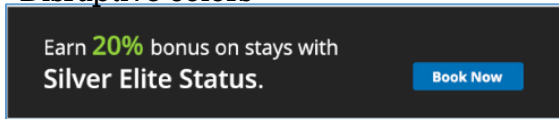
DESTINATIONS JUNE
It's the Summer of the Road Trip

You Really Should Road Trip This Summer
Low gas prices mean more people than ever are hitting the road this year.

Plan Your Trip

Chevron

Every Day.

PARIS

Disruptive colors

Earn 20% bonus on stays with
Silver Elite Status.

Book Now

Acquisition efforts to a small audience generated a low number of enrollments

WHPH Taste of Gold
5.6 K Emails sent
46 Enrollments
83.6% Enrollment Conversion
8.2 Enrollment/delivered email(K)

Free night Offer (WHPH)
5.1 K emails sent
16 Enrollments
62.5% Enrollment Conversion
3.1 Enrollment/delivered email(K)

**Nonmember Benefits** (WHPH, May)
5.9 K emails sent
N/A Enrollments
N/A Enrollment Conversion
N/A Enrollment/delivered email (K)

+ Learning Agenda

Learning Agenda

Evolving focus →

Q1

Increase click engagement
- Content
- Images tests

Q2

Campaign optimization
- Image
- Subject Line
- MRCC-segment targeting

Q3 & beyond

Email design best practices
- Header
- CTA
- Top Offer layout
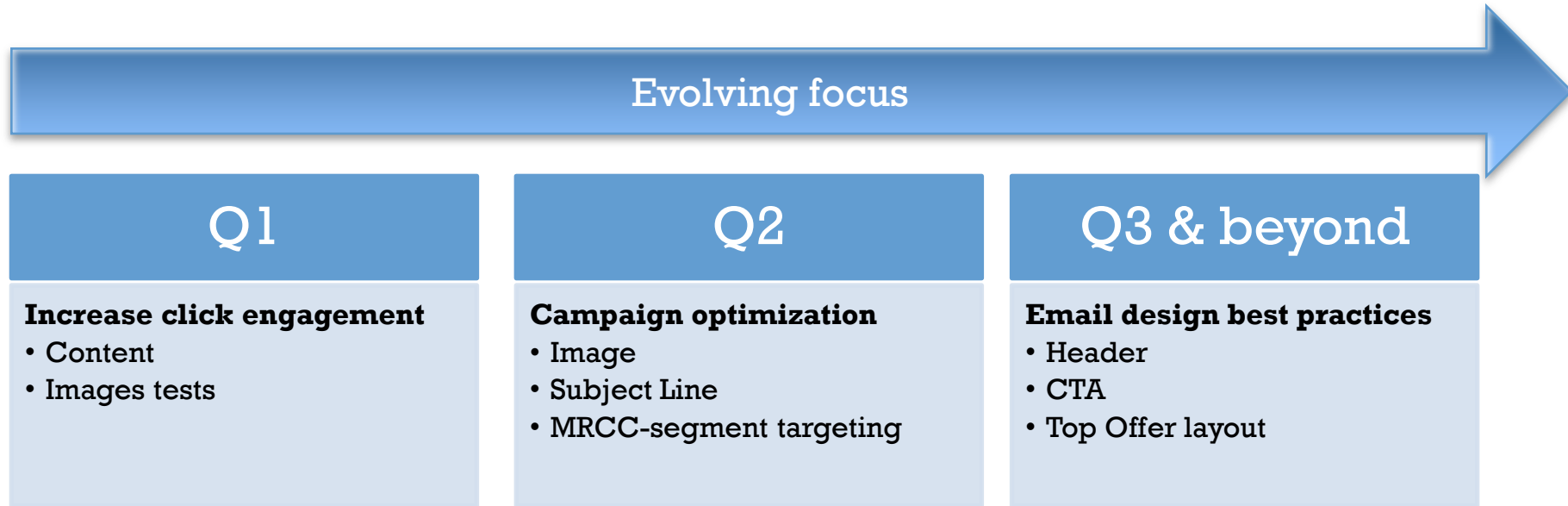
Q2 testing was primarily focused on incrementally improving campaign performance

Q2 learnings from campaign (image) testing

- Learnings have been developed that can help inform image selection
- Additional testing can help generate confidence
- There is an opportunity to apply different criteria to image type metadata classification

Segment	Color Affinity	People Affinity	Subject Affinity
• **TSAT** • **Basic**	Monochrome Blue (1.2)	Present (1.1)	+ Outdoors / Experience (1.6) - Emotion (0.9)
• **TSAT** • **Silver +**	Neutral (--)	Present (1.1)	+ Emotion (1.2)
• **WHPH** • **> 6 nights**	Full Color (2.6)	Present (1.1)	+ Emotion (1.2)
• **WHPH** • **<= 6 nights**	Monochrome Blue (2.2)	Present (1.1)	+ CityScape (12.3) + Emotion (1.1)
• **CORE** • **> 6 nights**	Monochrome Blue (1.3)	Present (1.1)	+ Emotion (1.2)
• **CORE** • **<= 6 nights**	Full Color (2.3)	Not Present (7.6)	+ Outdoors / Experience (7.0) - Emotion (0.1)

(Affinity Score) x times more likely to engage. All scores are statistically significant

Q2 learnings from campaign testing (continued)

Learnings were generated through consistent trends through Q2 campaign optimization

Subject line trends
- Simple, to the point for new member benefits announcements
- Dynamic insertion of first name's value is questionable
- **TSAT** prefer recommendation-oriented subject lines:
    - "…must see cities to visit…"
    - "Where to spend your…weekend"
    - "Why you should take…a trip"

PO Segment learnings
- **Trend: TSAT** continued to show click engagement preference to general navigation links;
- **Learning:** Ensure general navigation links throughout content (e.g. Account module, "See All" links, Category links)

- **Trend: WHPH** show high book intent on content they click
- **Learning:** Increasing content offered may increase incremental clicks and bookings (e.g. increase # of propensity modeled Field Offers in Hotel Specials, # of experiences & destinations)

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Key Takeaways

Opportunities from key learnings

Member engagement with eBreaks module in Hotel Specials demonstrated the impact of aligning content with campaign objectives

- Refresh eBreaks creative module; de-emphasize eBreaks in eNews
- Align support of Q4 Key initiatives with campaigns objectives & content

Increase in Destinations click engagement correlated with travel inspiration content & seasonally relevant travel themes

- Continue to expand deeper integration of additional Marriott curated content
- Continue to leverage Destination content across other channels

Actively pushing brand portfolio awareness correlated with new brand stays in July

- Continue to support Brand portfolio in PO base communications to validate July findings
- Targeted offers adjacent to Brand/property highlights in eNews
- Trial brand education module in Abandoned Search & Hotel Specials

Opportunities from key learnings

Banner content module for Summer Promo generated significantly higher engagement than article module

- Continue to support Q4 key initiatives through distinctive design
- 2016/2017 Learning Agenda to test best ways to present content
- Provide the same content & experience to all segments to create performance baseline (Planned for July & Aug Destinations)

Targeting a small audience to drive PO enrollment drove low ROI

- Acquisition efforts to all nonmembers may yield greater gains against enrollment MBOs

Apply learning from campaign optimization testing

- Maintain image and subject line testing as optimizations and derive learnings from trends
- Leverage Learning Agenda to construct specific tests to generate design best practices

Additional KPIs are required to more accurately gauge contribution of email

- **Customer-level engagement** with email campaigns, for example:
  - **% of unique members that open**
  - **Frequency of engagement**

- **MegaBonus program registration tracking for Fall'16**

- **Nonmember program enrollments against BAU campaigns**

- **Onboarding influencing a next stay within 6 months and increasing program engagement**

- **Destinations influencing future bookings**

- **MRCC acquisitions specific email campaigns drive**

- **Email campaign-level contribution to 2016 goals & objectives**

Summary of YLM KPI requests

Goals	Program	YTD Tracking	PO (WHPH & TSAT)	Email Contribution	Email Campaign Contribution
Room Nights	🟢	🟢	🟡	🟢	🟢
MRCC Acquisition	🟢	🟢	N/A	🟡	🟡
Email KPIs	🟢	🟢	🟢	🟢	🟢
WHPH/TSAT Acquisitions	🟢	🟢	🟢	🟡	🟡
Elite status migration	🟡	🟡	🟢	🔴	🔴
New Brand trial	🟡	🟡	🟢	🔴	🔴
Leisure stay	🟡	🟡	🟢	🔴	🔴

🟢 YLM has or can easily get

🟡 YLM could have, or is close to fully having, but not available today

🔴 Solution unknown or hasn't been explored

+ Thank You!

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Appendix

YoY Cumulative Bookings, RN, Revenue by Source

Date Start	Date End	Change Rewards Level:
1/1/2016	8/6/2016	All (Non-Member & Member)

|		Change Metrics:		Change Source Groups:
		All		No Groups

Sites by Sources

Total Web   AU Web   CN Web   DE Web   ES Web   FR Web   JP Web   UK Web   US Web

Device Type: All, Rewards: All (Non-Member & Member)

Source	Bookings		Room Nights		Revenue	
	YTD	YOY	YTD	YOY	YTD	YOY
Direct	8.13M	12.0%	18.6M	11.2%	$2.75B	13.3%
Natural Search	6.73M	1.1%	16.2M	1.0%	$2.64B	3.1%
Unpaid Referrer	1.16M	-9.8%	2.69M	-11.0%	$449M	-5.6%
Reslink	892K	17.5%	2.38M	17.3%	$349M	18.3%
Paid Search	593K	8.6%	1.43M	9.8%	$250M	19.4%
Email	512K	19.1%	1.13M	14.4%	$169M	14.5%
Referral Partner	394K	20.0%	908K	20.4%	$156M	16.2%
Econfo & Pre-Arrival Email	344K	-31.3%	828K	-32.5%	$122M	-31.0%
Affiliate	305K	57.4%	703K	52.0%	$112M	53.2%
Display	56.1K	77.1%	145K	87.6%	$27.5M	110.0%
Referral Engine	35.6K	-40.2%	88.9K	-44.2%	$15.9M	-41.7%
Social Media	21.3K	46.7%	49.0K	49.4%	$7.71M	54.7%
Other	39.5K	27.6%	92.6K	26.3%	$14.5M	25.7%
Total	19.2M	6.0%	45.3M	5.3%	$7.08B	7.5%

30

2013-2016 YoY YTD Cumulative Bookings
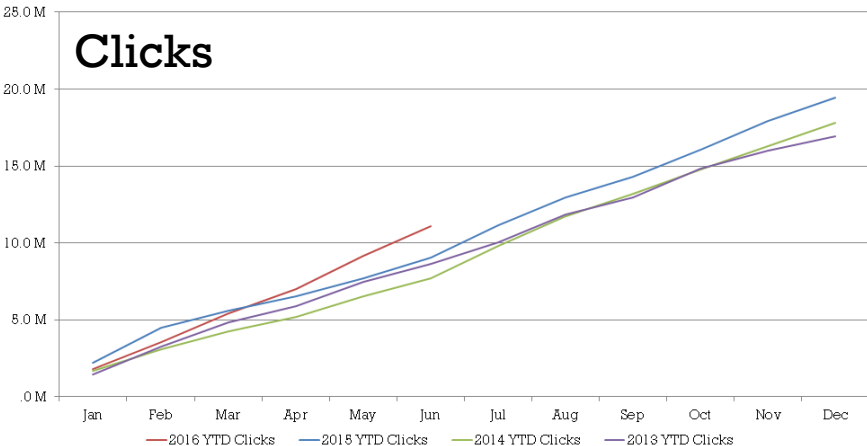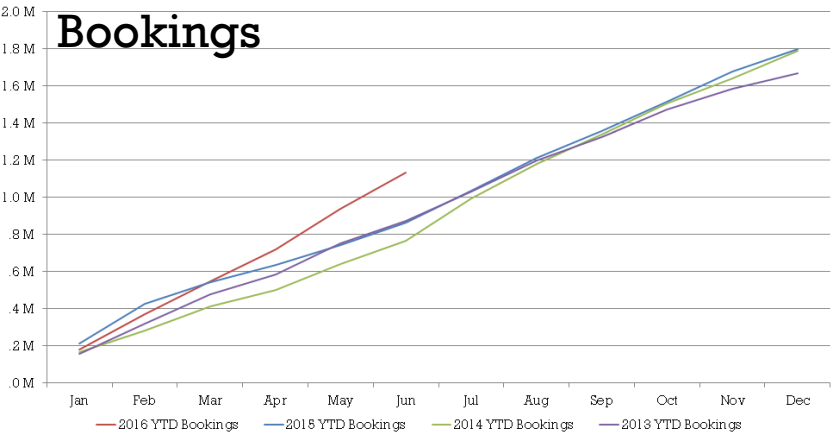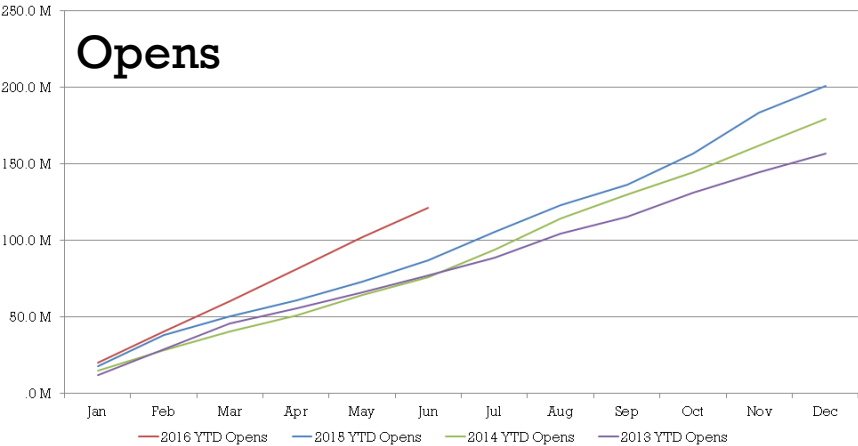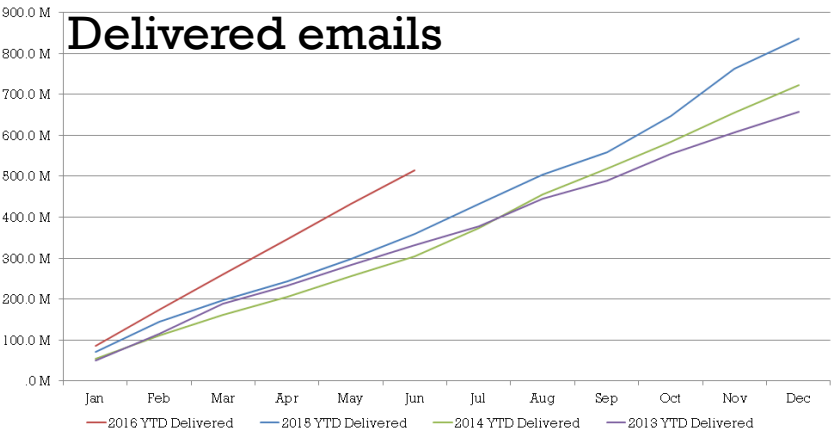
# Significant increase in the number of active emailable Gold members

	Basic		Silver		Gold		Platinum		Total	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Jan	2.6 M	2.8 M	1.0 M	1.2 M	550 K	465 K	320 K	339 K	4.5 M	4.7 M
May	2.8 M	3.0 M	987 K	956 K	557 K	627 K	291 K	310 K	4.6 M	4.8 M
Jan to May Net Change	149 K	190 K	(64 K)	(221 K)	7 K	162 K	(30 K)	(30 K)	62 K	101 K
Jan to May % change	+5.7%	+6.9%	-6.1%	-18.8%	+1.3%	+34.9%	-9.3%	-8.8%	+1.4%	+2.1%

Key Activities
- MRCC 80 K acquisitions throughout Q2 may boost Silvers to Gold
- Near Threshold banner in May & June eNews

per $1 at select hotel bars and restaurants.

Limited Time

[Name], Your Marriott Rewards   See Rewards »

[XX] You're [XX] nights to Silver Elite Status.   Book Now

Account Security Etiam Lectus Vehi (33)   »
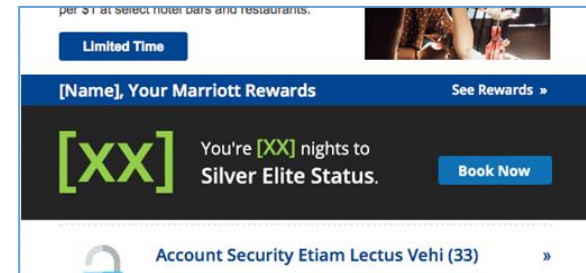
Campaign Summary: Apr-Jun 2016

|		Program	eNews + Benefits	HS + Offers	Solos	Lifecycle	MRCC	METT	eBreaks + Dest.
Audience	Total Delivered	255.7 M 58.0%	35.9 M 11.0%	30.7 M -1.6%	86.9 M 332.7%	13.4 M 72.5%	37.8 M 35.4%	17.8 M 1.2%	33.2 M 43.0%
	Unsub Rate	0.31% 0.1 pts	0.28% 0.2 pts	0.17% -0.0 pts	0.31% 0.2 pts	0.69% 0.2 pts	0.44% 0.2 pts	0.12% -0.0 pts	0.31% 0.1 pts
	Delivery Rate	98% -0.8 pts	99% 0.1 pts	97% -1.8 pts	99% -0.6 pts	97% 0.9 pts	98% -0.9 pts	95% -4.2 pts	100% 0.3 pts
Engagement	Open Rate	24.0% 1.3 pts	23.7% 0.2 pts	19.2% 0.3 pts	26.2% 1.5 pts	33.3% -0.6 pts	21.9% -0.4 pts	24.0% 0.7 pts	21.7% 0.5 pts
	Opens	61.4 M 66.9%	8.5 M 12.2%	5.9 M -0.3%	22.8 M 358.2%	4.4 M 69.4%	8.3 M 33.1%	4.3 M 4.1%	7.2 M 46.4%
	Click Rate	2.2% 0.1 pts	3.6% 0.1 pts	1.8% 0.0 pts	2.5% 0.9 pts	6.3% -1.3 pts	0.8% -0.3 pts	0.7% -0.3 pts	1.2% 0.0 pts
	Unique Clicks	5.7 M 65.8%	1.3 M 12.7%	562.7 K -4.0%	2.2 M 593.9%	847.1 K 43.1%	301.6 K -2.3%	132.6 K -27.2%	385.6 K 45.1%
	Click to Open Rate	9.3% -0.1 pts	15.2% 0.1 pts	9.6% -0.4 pts	9.5% 3.2 pts	19.1% -3.5 pts	3.6% -1.3 pts	3.1% -1.3 pts	5.4% -0.0 pts
Financial	Bookings	583.7 K 82.2%	133.2 K 23.4%	52.4 K 23.5%	253.1 K 541.1%	65.7 K 26.7%	30.2 K 9.8%	15.3 K -15.0%	33.8 K 18.2%
	Revenue	$213.9 M 77.1%	$49.3 M 17.6%	$18.6 M 20.4%	$91.8 M 513.7%	$26.5 M 23.0%	$9.6 M 3.5%	$5.6 M -14.7%	$12.4 M 33.5%
	Conversion Rate	10.3% 0.9 pts	10.3% 0.9 pts	9.3% 2.1 pts	11.7% -1.0 pts	7.8% -1.0 pts	10.0% 1.1 pts	11.5% 1.7 pts	8.8% -2.0 pts
	Bookings per Delivered(K)	2.3 15.3%	3.7 11.1%	1.7 25.5%	2.9 48.2%	4.9 -26.5%	0.8 -18.9%	0.9 -16.0%	1.0 -17.4%

Executive Summary: MoM campaign trends
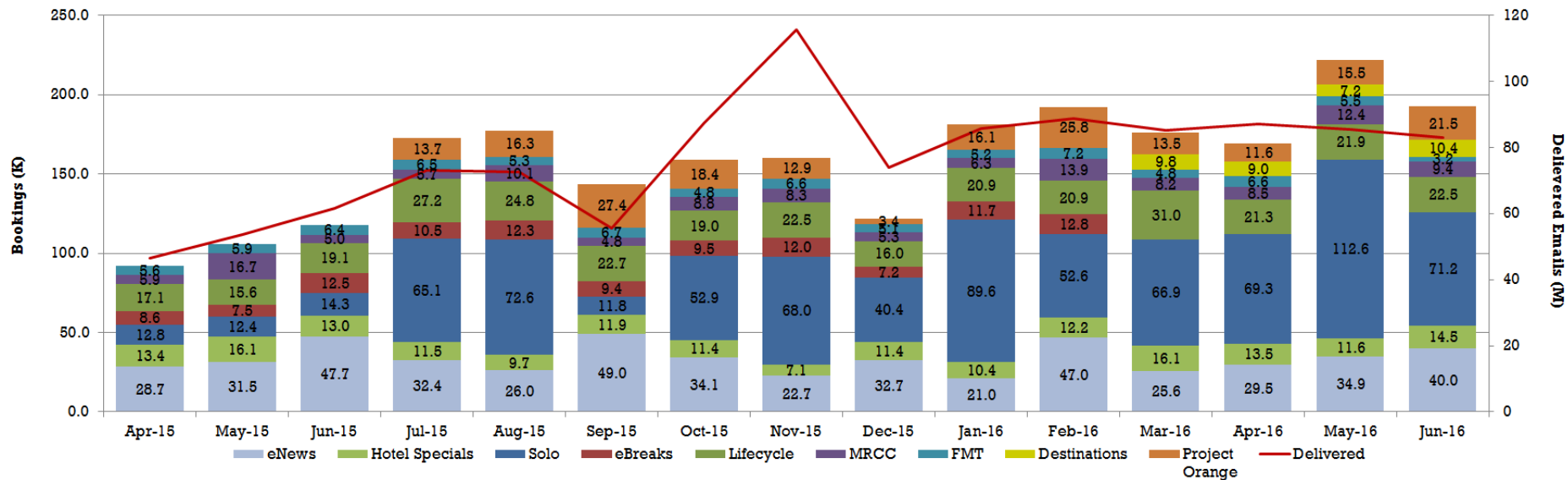
Observations:
Solos supporting member marketing initiatives generate incremental response and bookings

# Program MoM & YoY KPI trends: June 2016
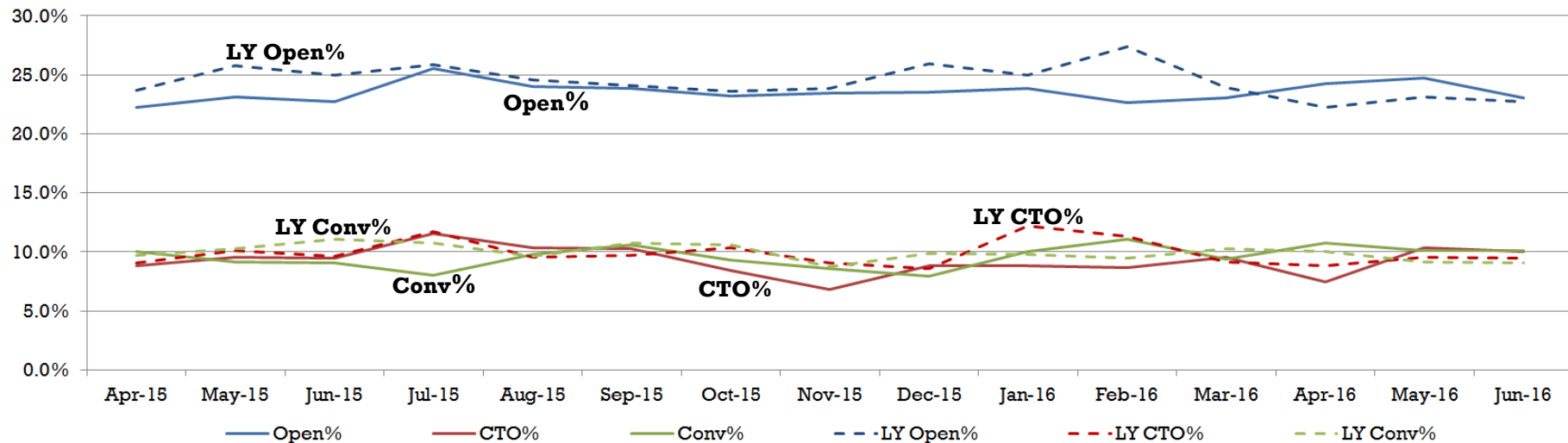
Observations:

All Email KPI's increased YoY & CTO% was the 2nd highest in 2016

Q2 VS Q1 Email KPIs by Reward Level

Q2

Member Status	Emails Delivered	EIR Bookings	EIR Revenue	Opens	Clicks	Open%	Click%	CTO%	Conv%	Unsub%	Bk/Del
Basic	170.0 M	126.7 K	$46.8 M	35.2 M	2.4 M	20.7%	1.4%	6.9%	5.2%	0.28%	0.7
Silver	32.7 M	126.2 K	$41.5 M	10.0 M	1.3 M	30.7%	4.0%	13.0%	9.7%	0.15%	3.9
Gold	15.0 M	137.6 K	$47.7 M	5.6 M	804.3 K	37.0%	5.3%	14.5%	17.1%	0.13%	9.1
Platinum	8.9 M	169.2 K	$67.0 M	3.6 M	589.8 K	40.8%	6.6%	16.3%	28.7%	0.11%	19.0
Total	**226.6 M**	**559.7 K**	**$202.9 M**	**54.4 M**	**5.1 M**	**24.0%**	**2.3%**	**9.5%**	**10.9%**	**0.24%**	**2.5**

Q1

Member Status	Emails Delivered	EIR Bookings	EIR Revenue	Opens	Clicks	Open%	Click%	CTO%	Conv%	Unsub%	Bk/Del
Basic	165.4 M	111.9 K	$40.7 M	32.8 M	2.2 M	19.8%	1.3%	6.7%	5.1%	0.26%	0.7
Silver	34.8 M	131.6 K	$44.9 M	10.3 M	1.3 M	29.5%	3.8%	13.0%	9.9%	0.15%	3.8
Gold	13.4 M	127.2 K	$45.3 M	4.8 M	738.3 K	36.1%	5.5%	15.2%	17.2%	0.12%	9.5
Platinum	8.8 M	154.1 K	$62.9 M	3.4 M	540.1 K	38.6%	6.1%	15.9%	28.5%	0.10%	17.5
Total	**222.4 M**	**524.8 K**	**$193.9 M**	**51.3 M**	**4.8 M**	**23.0%**	**2.2%**	**9.4%**	**10.9%**	**0.23%**	**2.4**

% Diff

Member Status	Emails Delivered	EIR Bookings	EIR Revenue	Opens	Clicks	Open%	Click%	CTO%	Conv%	Unsub%	Bk/Del
Basic	2.8%	13.2%	14.8%	7.4%	11.7%	4.5%	8.6%	4.0%	1.4%	6.9%	10.1%
Silver	-6.0%	-4.1%	-7.7%	-2.2%	-1.6%	4.1%	4.7%	0.6%	-2.6%	5.7%	2.1%
Gold	11.9%	8.2%	5.2%	14.8%	8.9%	2.6%	-2.7%	-5.1%	-0.6%	9.3%	-3.3%
Platinum	1.0%	9.7%	6.5%	6.7%	9.2%	5.6%	8.1%	2.4%	0.5%	7.8%	8.6%
Total	**1.9%**	**6.6%**	**4.6%**	**6.1%**	**7.3%**	**4.2%**	**5.3%**	**1.1%**	**-0.6%**	**7.1%**	**4.7%**

Changes in Gold vs Silver suggests increase in Gold mailings are due to newly converted Silvers who are less engaged than typical Gold, leading to decreases in email KPIS

Q1 & Q2 2015 & 2016 active mailable Elite status level composition

January 2015

Basic 58%
Silver 23%
Gold 12%
Platinum 7%

January 2016

Basic 58%
Silver 25%
Gold 10%
Platinum 7%

May 2015

Basic 60%
Silver 22%
Gold 12%
Platinum 6%
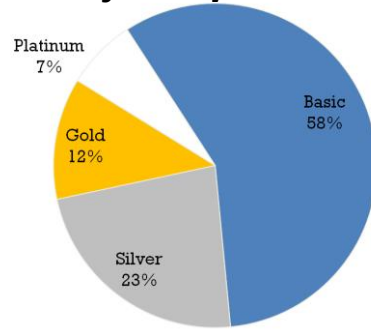
May 2016
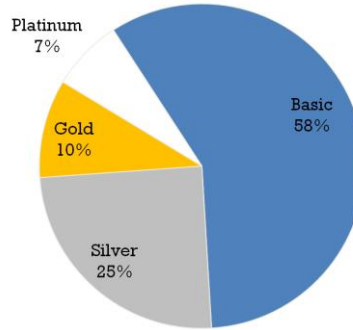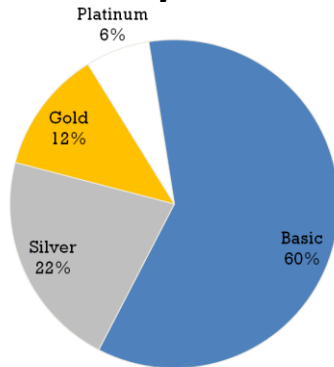
Basic 61%
Silver 20%
Gold 13%
Platinum 6%
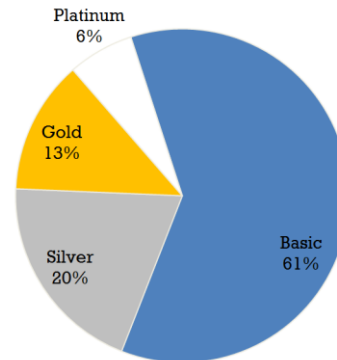
eNews PO vs Global control

Apr-Jun eNews/Benefits	Delivered	Opens	EIR Bookings	EIR Revenue	Open%	CTO%	Conv%	Bkngs/ Dlvd	Unsub%
TSAT eNews	199.9 K	54.1 K	1.0 K	$349.1 K	27.1%	19.8%	9.0%	4.8	0.17%
TSAT Benefits	1.9 M	535.1 K	6.5 K	$2.34 M	27.5%	12.8%	9.6%	3.4	0.17%
%△					1%	-36%	6%	-30%	
WHPH eNews	162.2 K	60.2 K	3.2 K	$1.22 M	37.2%	22.0%	24.4%	20.0	0.12%
WHPH Benefits	1.5 M	565.1 K	22.2 K	$8.41 M	37.2%	16.4%	24.0%	14.6	0.14%
%△					0%	-26%	-2%	-27%	

While Global control generated a higher Click to open rate this delta decreased each month:
- **June** CTO% decrease in Test vs Global Control:
   - TSAT: -17%
    - WHPH: -7%

Destinations PO vs Global control

Apr-Jun Destinations	Delivered	Opens	EIR Bookings	EIR Revenue	Open%	CTO%	Conv%	Bkngs/ Dlvd	Unsub%
TSAT Core	200.1 K	47.5 K	299	$90.2 K	23.7%	6.7%	9.3%	1.5	0.17%
TSAT PO	1.9 M	446.2 K	2.3 K	$828.7 K	22.9%	6.3%	8.2%	1.2	0.20%
%△					-4%	-6%	-12%	-21%	
WHPH Core	162.0 K	46.9 K	570	$201.2 K	28.9%	6.1%	19.9%	3.5	0.14%
WHPH PO	1.5 M	434.7 K	4.8 K	$1.77 M	28.6%	5.7%	19.6%	3.2	0.15%
%△					-1%	-7%	-1%	-9%	

Aside from Conversion rate delta for TSAT there was no statistical significance between Control and test groups

June '16 Email overview & MoM trends

June Project Orange	Delivered	EIR Bookings	EIR Revenue	Open%	CTO%	Conv%	Bk/Del (K)	Unsub%
WHPH	**1.5 M**	**16.6 K**	**$6.1 M**	**31.8%**	**16.5%**	**21.5%**	**11.3**	**0.15%**
Benefits	505.0 K	11.7 K	$4.3 M	39.1%	27.3%	21.6%	23.1	0.1%
Destinations	504.6 K	1.7 K	$576.8 K	28.7%	6.1%	19.5%	3.4	0.2%
Offers	458.0 K	3.2 K	$1.2 M	27.2%	11.7%	22.3%	7.1	0.1%
NM Solo	5.1 K	1	$5.9 K	28.3%	1.8%	3.8%	0.2	0.4%
TSAT	**2.0 M**	**4.9 K**	**$1.6 M**	**24.4%**	**12.6%**	**8.1%**	**2.5**	**0.20%**
Benefits	655.1 K	2.7 K	$912.6 K	28.0%	18.5%	8.0%	4.1	0.2%
Destinations	657.4 K	888	$281.5 K	23.8%	6.8%	8.3%	1.4	0.2%
Offers	612.7 K	1.3 K	$445.5 K	21.0%	12.0%	8.5%	2.1	0.2%
NM Solo	38.4 K	1	$300	28.3%	2.2%	0.4%	0.0	0.4%
Total	**3.4 M**	**21.5 K**	**$7.7 M**	**27.6%**	**14.5%**	**15.6%**	**6.3**	**0.18%**

Bookings by Month

Email KPI's by Month

Observations

- 3rd highest monthly bookings to date, CTO% & booking/delivered
  - All campaigns featured the Summer promo
- Benefits generated 2nd highest clicks and 3rd highest bookings to date
- Destinations generated the 2nd highest bookings and 3rd highest clicks to date (highest YTD)
- Offers generated highest bookings to date and 2nd highest clicks to date
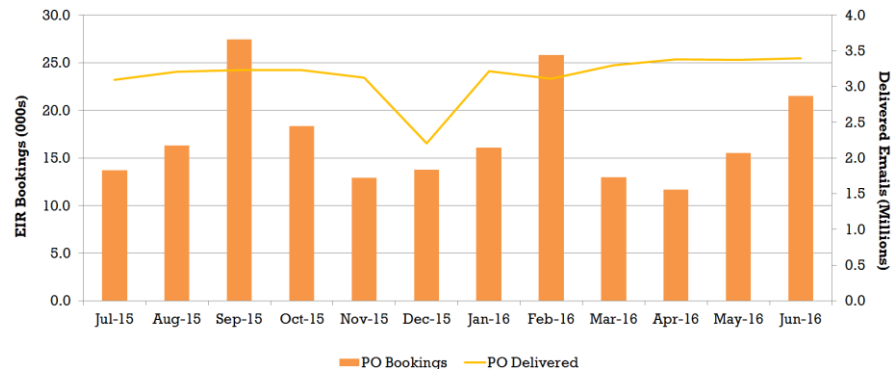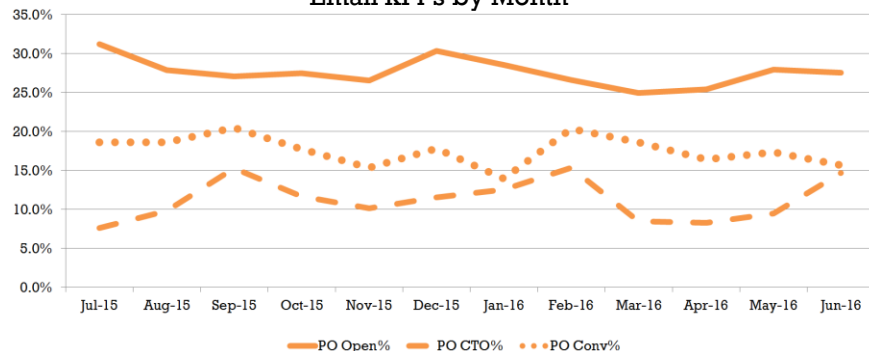
Paid Media MoM trends overview

TSAT Bookings vs Impressions by segment
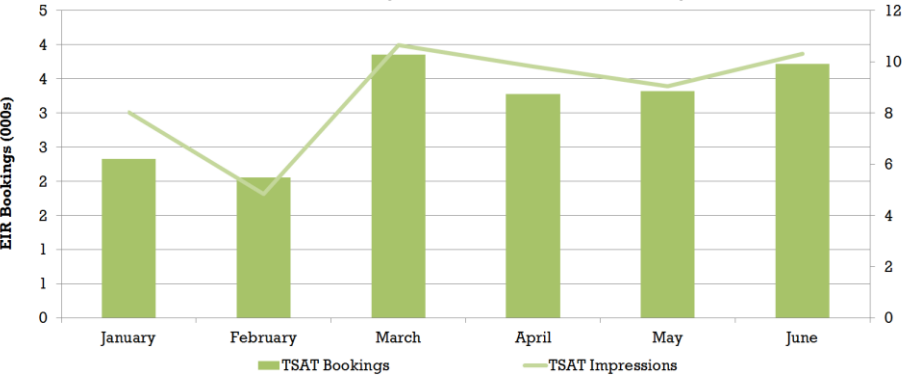
WHPH Bookings vs Impressions by segment
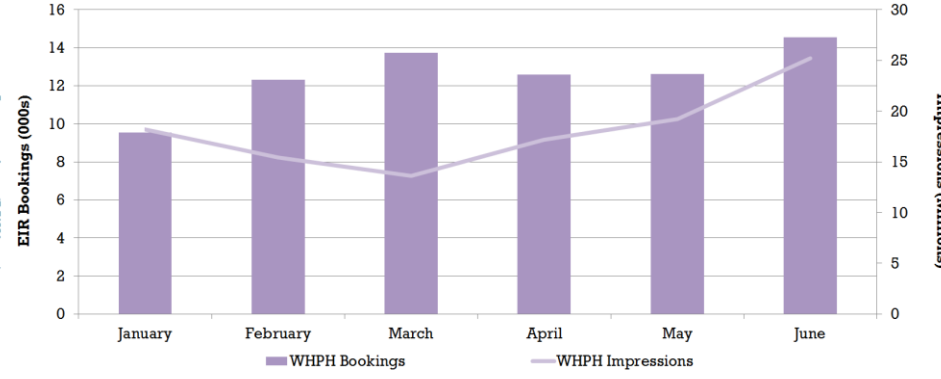
TSAT Search/Display KPI's by Month
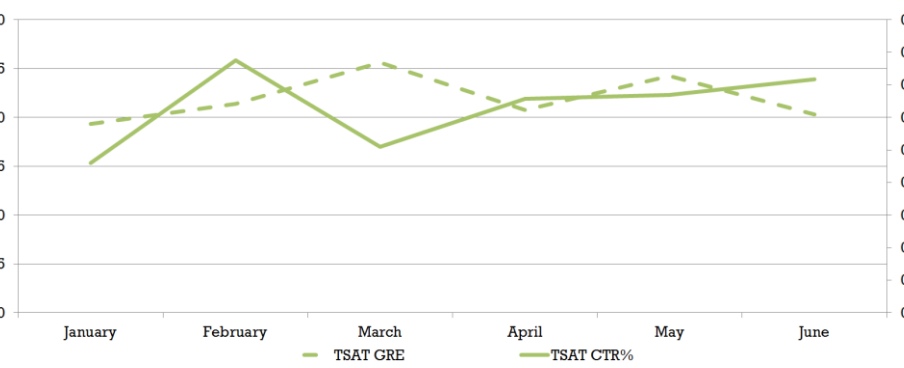
WHPH Search/Display KPI's by Month
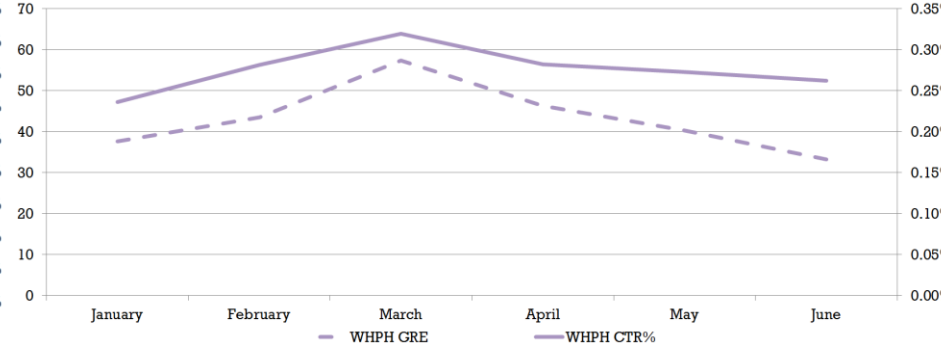
Homepage monthly bookings as a proxy for seasonality

Average m.com Homepage % Change in Bookings & Revenue

Month	Average of Percent Difference	Average of Percent Difference Revenue
Jan	26.80%	49.43%
Feb	-7.89%	-10.31%
Mar	15.28%	13.44%
Apr	-6.56%	-5.89%
May	-0.96%	-1.26%
Jun	3.51%	1.81%
Jul	5.36%	4.37%
Aug	-12.13%	-12.87%
Sep	-1.59%	2.63%
Oct	2.73%	-0.71%
Nov	-3.92%	-8.82%
Dec	-5.31%	-7.57%

Image testing: Content Metadata Analysis

Subject:
Emotion

People:
Present

Color:
Monochrome Blue

Subject:
Interior

People:
Not Present

Color:
Full Color

Image testing: Content Metadata Points

Color Treatment

Monochromatic Blue

Full Color

Presence of People

Present
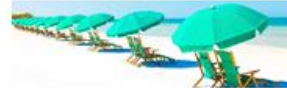
Not Present

Subject

CityScape

Beach / Pool

Interior

Outdoors / Experience

Emotion

Image testing: Segment Affinities (Profile Data Only)

Segment	Color Affinity	People Affinity	Subject Affinity
• TSAT • Basic	Monochrome Blue (1.2)	Present (1.1)	+ Outdoors / Experience (1.6) - Emotion (0.9)
• TSAT • Silver +	Neutral (--)	Present (1.1)	+ Emotion (1.2)
• WHPH • > 6 nights	Full Color (2.6)	Present (1.1)	+ Emotion (1.2)
• WHPH • <= 6 nights	Monochrome Blue (2.2)	Present (1.1)	+ CityScape (12.3) + Emotion (1.1)
• CORE • > 6 nights	Monochrome Blue (1.3)	Present (1.1)	+ Emotion (1.2)
• CORE • <= 6 nights	Full Color (2.3)	Not Present (7.6)	+ Outdoors / Experience (7.0) - Emotion (0.1)

(Affinity Score) x times more likely to engage. Statistical significance testing is applied. All scores are statistically significant.

Competitive Landscape

April-Starwood Emails

Marriott Merger Announcement
SL: Here's the Latest on the Starwood and Marriott Merger

Nearly five months ago we shared the news that Starwood Hotels & Resorts is joining with Marriott International to create the world's biggest and best hotel company — with 5,500 hotels and resorts in more than 100 countries. Today we're pleased to announce that the shareholders of each company have approved the merger.

Since the original announcement, our members have asked many questions about the future of Starwood Preferred Guest® (SPG®). Soon we will begin the long journey to integrate the very best of SPG and Marriott Rewards®. Through this process, your perspective will help guide these discussions as we consider the following:

- How do we continue to deliver the unique experiences, benefits and rewards you've come to expect both in and out of our hotels and resorts?
- How do we take full advantage of the extraordinary new range of hotels, resorts and destinations that will be the hallmark of a combined Starwood and Marriott to add new recognition and benefits for you?
- How do we protect the value of your currency and status, whether your Starpoints® balance, lifetime status or membership level?

Getting answers to these complicated, important questions will take time. In fact, we don't anticipate launching a newly combined program until 2018. This means SPG will continue to run separately until then. In the meantime, we're actively exploring ways to build bridges between the two programs to further enhance your experience.

In addition, we are not standing still. Among other things, we're bringing you new access to one-of-a-kind hotels from Tribute Portfolio™ and Design Hotels™, plus exciting new **SPG Moments™** experiences through our unique partnerships with Major League Baseball®, Mercedes AMG Petronas and more.

Know that we're listening to your feedback, and we value your input. Our merger is on track to close midyear, and as we have more news to share, we will reach out to you. You can also find the latest updates at **spg.com/updates** and via Twitter (**@spg**). Our members are at the core of everything we do, and that will not change. We remain at your service wherever you need us — in our hotels, at spg.com, on the SPG apps or via our Customer Contact Centers.

Thank you for sharing your travels with SPG.

Thomas B. Mangas
Chief Executive Officer,
Starwood Hotels & Resorts

Chris Holdren
Senior Vice President,
Starwood Preferred Guest

Read the press release

More merger news.

To read additional information about the merger between Starwood and Marriott, visit our website.

GET UPDATED

SPG Moments
- Top feature, SPG members with celebrity chef
- Use points for sporting, cultural, and musical moments

Starpoints Purchase Offer
- Tiered savings based on amount of points
- Spend points on free nights, SPG moments, flights, or merchandise

3 Steps to Getting Started
1) Direct book for best rates
2) Optin to marketing comms
3) Check out 'welcome site'
- Features SPG App
- Customize new member card
- Credit card offer

WELCOME TO THE STARWOOD PREFERRED GUEST® PROGRAM.
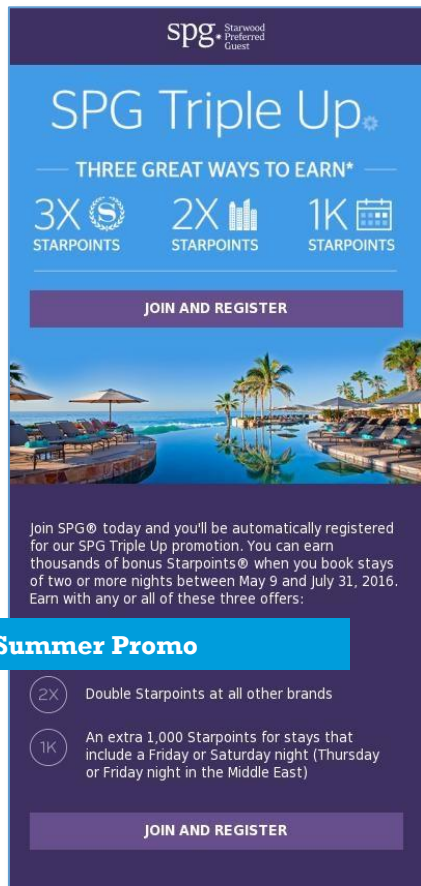
Your SPG® member number is **4489**...

Get ready to enjoy exclusive benefits at more than 1,200 hotels and resorts across our 11 distinctive brands — including St. Regis®, W® and Westin® — in nearly 100 countries. Simply follow the steps below to get started:

1. **Book online with SPG to get exclusive benefits.**
Best Rate Guarantee, Starpoints® and free in-room Internet.
BOOK NOW >

2. **Opt in to communications.**
Be sure to opt in for emails to receive SPG communications and special offers.
OPT IN >

3. **Check out our welcome site.**
Get important information to help you get

May-Starwood Emails

New SPG eStatement Account Box
- *SL: SPG-Your May eStatement, Redesigned*
- Includes link to Benefits, SPG Dashboard, and Account Alerts

June-Starwood energy moments

April-Spring break & Mother's Day themes

Spring Promotion
- Stay 2 nights & save up to 35%

Spring Break Offers
- Breakfast for 4 and Wi-Fi

Mother's Day Offer
- Purchase FTD flowers, earn 3K pts
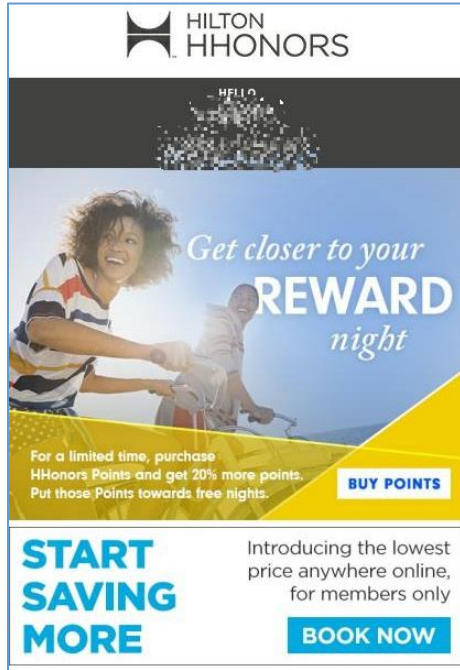
Memorial day
- Stay during memorial day, up to 20% off

Hilton Flash Sale
- Dynamic time-sensitive message
- 72 hour extension

April featured point purchase incentives

Hilton point purchase offers
- 20% & 100% bonuses for point purchases

Starpoints Purchase Offer
- Tiered savings based on amount of points
- Spend points on free nights, SPG moments, flights, or merchandise

April saw increased promotional activity

Carlson
- 50 K point promotion Breaks down actions required for reward tiers
- "Register Now" CTA

IHG
- Book stay in 90 days, earn 3K bonus points
- Presented as a 'personalized bonus offer'

Hyatt
- Earn up to 75K points
- Reward tiers broken out in table

April-Hilton promotes 'HHonors Dining'

Program allows members to link their Hilton account to a credit card and can earn points when dining in their 11K restaurant/bar network

April-Hilton partner offer emphasis

"Just for you", partner-centric Email may be a regularly featured communication

- LifeLock (Wyndham also partners)
- Score Big
- FTD
- NRG
- Direct TV

Partner Solo
- Switch to DIRECTV, get 2-night stay

May-New Account Boxes

SPG eStatement
- *SL: SPG-Your May eStatement, Redesigned*
- **Includes link to Benefits, SPG Dashboard, and Account Alerts**

55

May-Summer Promotions

May-Mother's & Memorial Day energy moments

June-Hilton Big World Sale

Offers

Solo

30% instead of 25%

Reactivation

Registration Reminder

New Location

Survey Request

METT

YOUR ADVENTURE STARTS HERE - UP TO 25% OFF IN DOWNTOWN AUSTIN.
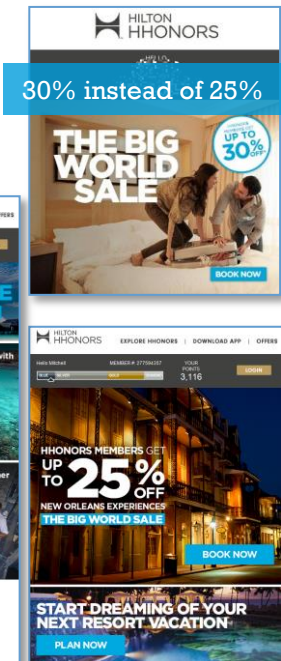
Take advantage of the Hilton Big World Sale this summer and save up to 25% on select dates in downtown Austin. Visit the state capitol for a free tour, rent a kayak to see Lady Bird Lake from the water, and hit the shops and restaurants in the SoCo area. With so many summer activities happening in Austin, you'll want to book now for the best savings!

BOOK NOW >

OR, BUNDLE & SAVE WITH THE TRIPLE PLAY

Our bestselling summer package is also available, offering discounted Breakfast (for two), Parking in our downtown garage, and in-room Wi-Fi access. A $60 value for just $40!

BOOK NOW >
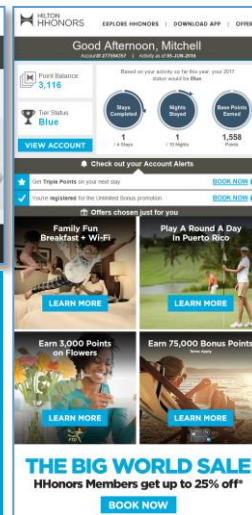
Solo

Unlimited Bonus = Big World Sale (same landing page)

Same offer, but Unlimited Bonus includes 2X points on top of 25%

Newsletter

June featured Member best/lowest rates

Hilton Acquisition

Hilton Solo

IHG eStatment

- "Your Rate" Members get best rate
- Sent a reminder on eStatment

Hyatt Reactivation

- Details program features
- Stay More Play More promotion Member best rate guarantee

June - Hilton dedicated more real estate to program features/benefits

- Uber partnership/offer
- Highlight Mobile app integrated services

- Highlight mobile features
- Direct booking, re-booking
- Check in, choose room
- Arrival requests
- Digital Key
- Uber partnership

SPG Updates

2016 communication opportunities

Project Orange Member Acquisition

Provide PO nonmembers reasons to join & stimulate referral from existing members

Brand Portfolio & Travel Opportunities

Drive discovery & awareness of halo properties/markets & the breadth and variety of MR experiences

Promotions, Offers & Deals

Broaden awareness of available offers and utilize member data to deliver more relevant recommendations

Booking/Stay Experience

Provide members with relevant content to enhance their stay and get more from their membership during their travel