

Member Marketing 2016 Vision & Opportunities Review

Updated for Mar 3rd, 2016

What we'll be reviewing today

- ❖ 2016 Strategic House
- ❖ Key opportunities
- ❖ 2016 Communications Architecture vision
- ❖ Round 1 Roadmap

Email Program 2015 YTD accomplishments

Strong Reach: 16.3 M audience emailed globally

Frequent Contact: Delivered over 837 M messages

Revenue : More than 1.8 M EIR Bookings & \$663 M in EIR Revenue

Engagement : More than 201 M opens & 19 M clicks

Industry Recognition



Silver Award
Best Loyalty Marketing campaign



Program Highlights

- ✓ Increased member personalization with expanded lifecycle campaigns
- ✓ Continued to create a more consistent brand experience
- ✓ Significantly increased MegaBonus response
- ✓ Developed member events (YIR, Mid Year check-in), leveraging & developing content
- ✓ Primary channel for Project Orange messaging
- ✓ Generated actionable insights through Test & Learn roadmap

2016 Marriott Rewards Member Marketing Strategic House

Vision:

Drive lifetime loyalty through distinctive and valuable communications that enhance our member's travel experience.

Objectives:

Increase member engagement and awareness

Acquire & retain members while growing their value

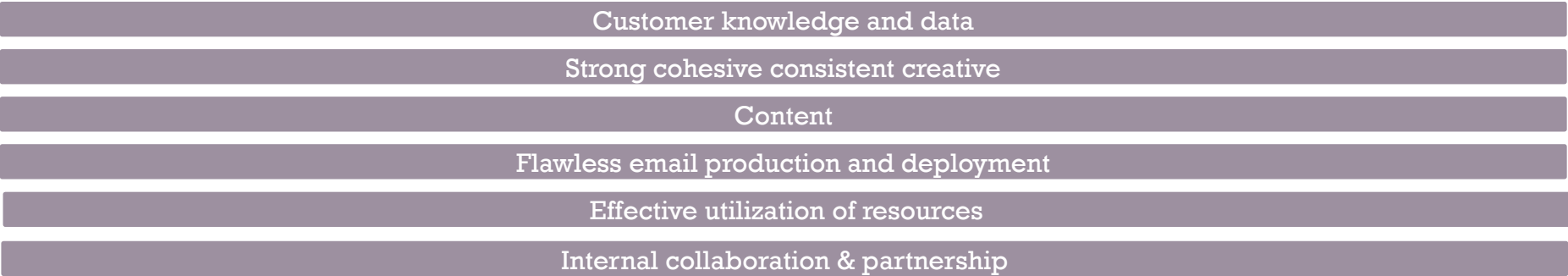
Communicate and elevate the evolving value of membership

Drive stays (bookings) and room nights

Messaging Strategies:

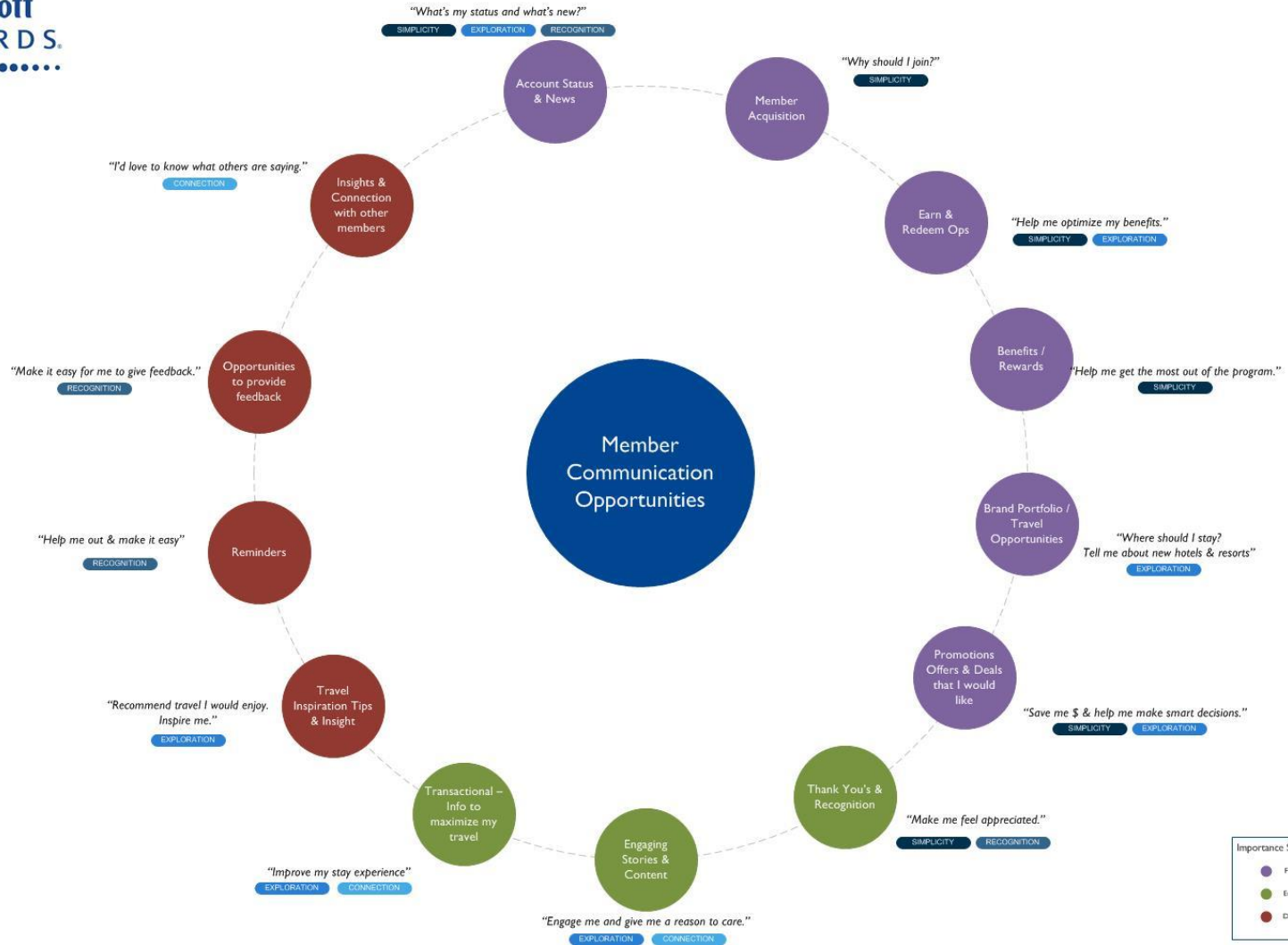


Enablers:



Suggested KPIs by objective

Objective	Goal	KPI
Increase member engagement & awareness	Increase awareness & engagement	<ul style="list-style-type: none"> # unique openers & responders
Communicate & elevate the evolving value of membership	Elevate perception of member value	<ul style="list-style-type: none"> Survey – perception score
	Acquire new active members	<ul style="list-style-type: none"> # new members from prospects Increase # of emailable members
Acquire & retain members while growing their value	Acquire new high value members	<ul style="list-style-type: none"> # new WHPH, TSAT members
	Retain high value members	<ul style="list-style-type: none"> Retention target Share of wallet
	Grow member value	<ul style="list-style-type: none"> # nights / member Basic to Elite migration MRCC acquisitions
Drive bookings and room nights	Drive bookings & room nights	<ul style="list-style-type: none"> Bookings & room nights



Prioritizing communication opportunities

	Importance	Current State	Delta	
Booking/Stay Experience	10	3	7	1st level
Promotions, Offers & Deals	9	3	6	
PO Member Acquisition	8	3	5	
Brand Portfolio / Travel Opportunities	8	4	4	
“Thank You”s & Recognition	8	5	3	2nd level
Engaging Stories & Content	7	4	3	
Benefits / Rewards	9	7	2	
Earn & Redeem Ops	8	6	2	
Insights & Connection with other members	5	3	2	3rd level
Account Status & News	10	9	1	
Reminders	5	4	1	
Opportunities to Provide Feedback	3	3	0	
Travel Inspiration Tips & Insight	7	7	0	

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



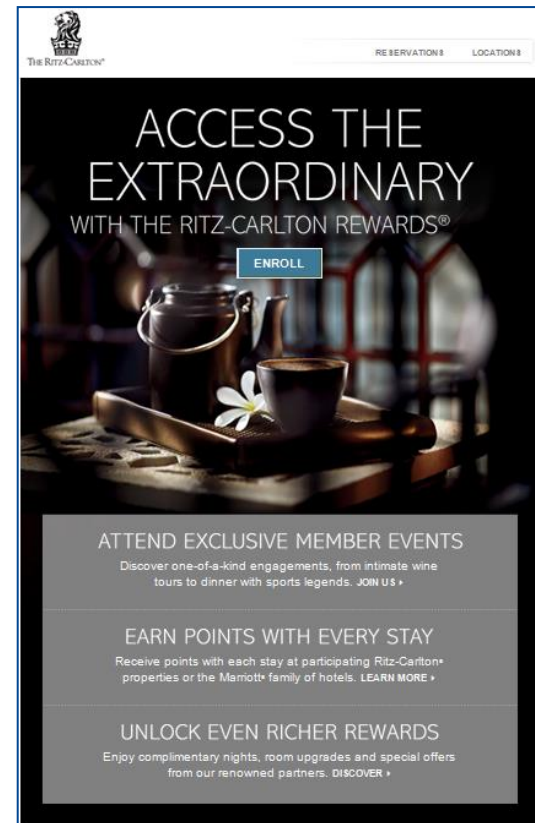
Project Orange Member Acquisition

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

- Develop automated communications to new nonmembers with stay activity
- Facilitate & motivate members to act as evangelists
- Be opportunistic to address nonmembers in ongoing communications
- Develop an ongoing, dedicated communication to educate & inspire PO prospects on membership benefits & rewards

Develop automated communications to new nonmembers with stay activity

- Deploy an enrollment message and/or incentive to nonmembers that have stayed at least 2 times since opt-in
 - Leverage Ritz-Carlton version
 - Target high-value Project Orange segments
 - Provide incentive



Facilitate & motivate members to act as evangelists

- Increase touchpoints regarding Refer-a-friend initiatives by increasing the number of dedicated communication & content
- Leverage YLM Customer generator to stimulate referral efforts & identify influencers
- Increase engagement by evangelists:
 - Highlight point sharing features
 - Increased incentives (e.g. additional share with friend bonuses)
 - Transparency (e.g. progress tracker and recruitment summaries)
- Share member stories on the rewards of membership
- Project Orange focus should spearhead efforts

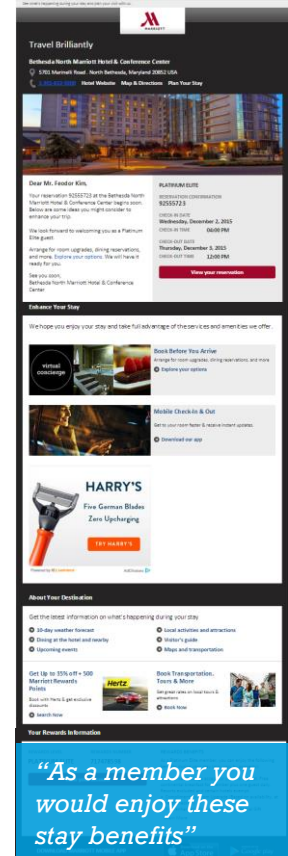
Jan '14 Refer a friend



Be opportunistic to address nonmembers in ongoing communications

- Dynamic content in Benefits & eNews
- Nonmember specific messaging leveraging potential rewards & benefits of membership as “missed opportunities”
 - Booking cycle modules
 - Onboarding
- Address unique nonmember scenarios; i.e. develop specific onboarding content for program migration
- Position member promotions as enrollment offers/bonuses
- Default opt-in to travel inspiration content; i.e. Destinations

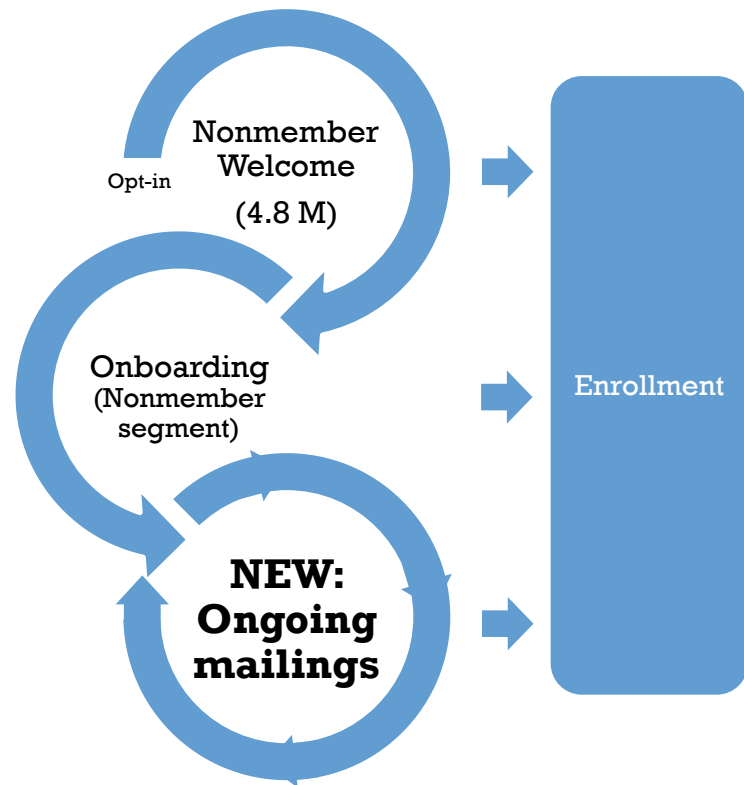
Pre-arrival



Develop an ongoing, dedicated communication to educate & inspire prospects on membership benefits & rewards

Highlight the evolving value of currency membership provides, such as:

- 1) Quarterly acquisition Solo
- 2) A nonmember version of eNews:
 - Targeted towards PO nonmembers, but not exclusive
 - Define opportunities for minimal investment of resources





Brand Portfolio & Travel Opportunities

Drive discovery & awareness of the breadth and variety of MR experiences

- Utilize/leverage halo properties & markets
- Dedicate content to showcasing new brand experiences
- Enhance existing Lifecycle communications by highlighting new stay opportunities

Persistently showcase new brand experiences across the portfolio of communications

1. Feature halo properties and markets
2. Leverage **eNews** & **Hotel Specials** modules
3. Integrate with travel inspiration content (i.e. **Destinations**) to further create awareness of new stay opportunities & experiences

Ways to introduce new brands & discover existing brands

“Because you stayed here you may like”

- Leverage member brand & experience preferences to provide similar recommendations

“Members like you enjoyed...”

- Leverage the community of member stories to share personal experiences at different brands & properties

“Discover something new”

- Focus on discovery by highlighting the illustrative & unique experiences that make each brand distinctive

Enhance existing Lifecycle communications by highlighting new stay opportunities

Direct audience to landing pages that feature new hotels & stay opportunities

- Avoid constant updates of triggered communications
- Future state: leverage stay history, Abandoned Search & propensity model logic to provide location and property recommendations

Renewers, Achievers &
Redemptions

Halo openings pull-through

Winback/Hello Again

New properties, destinations &
brand landing pages as new
reasons to engage



Promotions, Offers & Deals

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

- Increase focus on 2016 MegaBonus and key promotional campaigns
- Broaden the pool of quality offers featured in Hotel Specials
- Facilitate continued support of MEB offers by increasing relevancy

There will be increased focus on key promotions in 2016

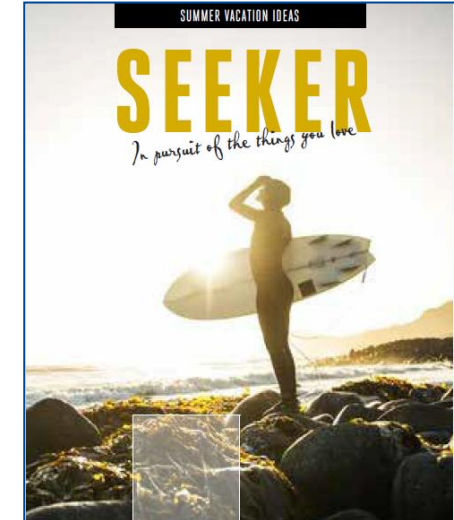
MegaBonus: Unlocking the Journey

- Universal base offer: Stay 2 nights, get 1
- Targeted offers: Stay X nights for X points &
- Unlocked bonus targeted offers: Additional nights, additional bonus points

Midyear promotion

- Entice select members to choose Marriott properties for their summer vacation
- Promotional details TBD but under consideration:
 - Bonus elite night credits
 - Temporary elite status upgrade for the summer

Campaigns should align with messaging and theme of these key promotions

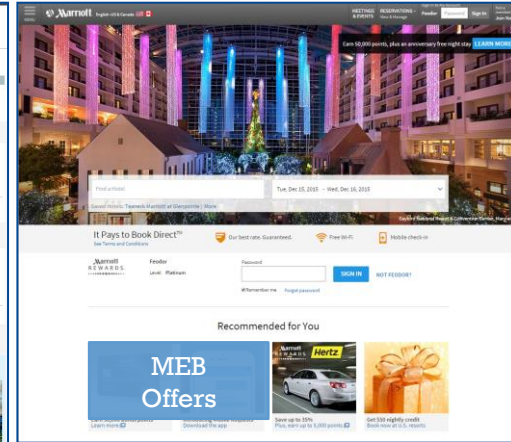
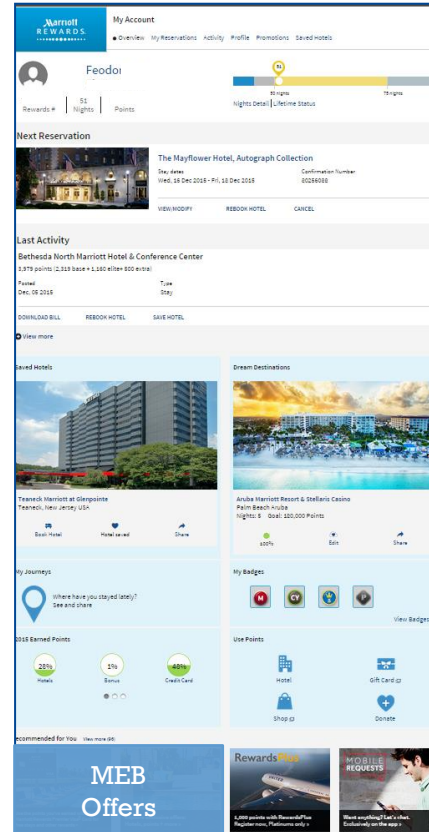


Broaden the pool of quality offers featured in Hotel Specials

- CMS migration will increase total pool of offers (April)
- Increase contributors to content
 - Global promotions
 - MRCC
 - More brands
- Improve propensity model for targeting (underway)

Facilitate continued support of MEB offers by increasing relevancy

- Feature radius-targeting MEB offers on account page
- Position as last minute local weekend getaways
- Limit availability to members to highlight as program benefit





Booking/Stay Experience

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

- Member marketing content modules within booking cycle messaging highlighting recommendations & opportunities
- Identify opportunities to leverage travel tips & insight content for upcoming trips
- Updates, confirmations, and summaries in eNews/Benefits account module

Member marketing content modules within booking cycle messaging highlighting recommendations & opportunities

- Elevate & integrate stay benefits into the “Enhance your stay” section
- Destination recommendations, travel tips & insight
- Reinforce awareness of current program news & features
- Personalize with redemption opportunities based on existing points



Identify opportunities to leverage travel tips & insight content for upcoming trips

Concepts

Develop a communication triggered against leisure travel booked well in advance to facilitate a more fulfilling travel experience

- Direct messaging related to trip
- “Things to do” recommendations & inspiration
- Property features highlight & upsell
- Travel preparation, tips & reminders

INTERNATIONAL TRAVEL CHECKLIST

The Most Important Things To Do & Bring With You

Use this to-do list as a guide before you set off on your international

Weeks Before You Go:



Check Your Passport's Expiration

Some countries require you to hold a passport that will be valid for 6 months prior to your intended departure date. Check to ensure your passport won't expire before you leave your destination.



Get Vaccinated:

Tell your doctor the countries you're planning to visit and ask if you need to get any vaccinations before you go.



Research & Purchase Insurance

Check to see if your existing health insurance will cover you in the country you're visiting. If it won't, research and buy an international health insurance package to protect you in case you get sick/hurt abroad.

Days Before You Go:

HOW'S THE WEATHER?

Research what the weather may be like while you're traveling. Set aside appropriate clothing.

PREPARE YOURSELF

Studies show that healthy habits, exercise, and slow adaptation of your sleeping habits can help prevent jetlag.

MAKE A PACKING LIST:

You're less likely to forget something if you make a list of everything you need to bring with you.

Keep Track Of Current Events:

Pay attention to the news to make sure your travels will be safe. This is especially important when traveling in politically unrest.

Keep Your ATM/Credit Cards Valid: Call your bank and credit card companies to tell them where and when you'll be traveling.

Final Packing List

Adapter Plug/Voltage Converter

Bring appropriate electrical converters with you if you want your phone, laptop, and other devices to work.

These Essentials!

PLACES WE LOVE

Austin: Live Music Capital

Discover what keeps Austin weird and why it's the live music capital of the world. Visit live music venues, unique art museums and eclectic shops.

1 The Broken Spoke

Practice your two-step at this authentic Texas honky-tonk where both locals and legends play live music.

2 Harty Ransom Center

See the Gutenberg Bible and the First Photograph on permanent display at the University of Texas.

3 Second Street District

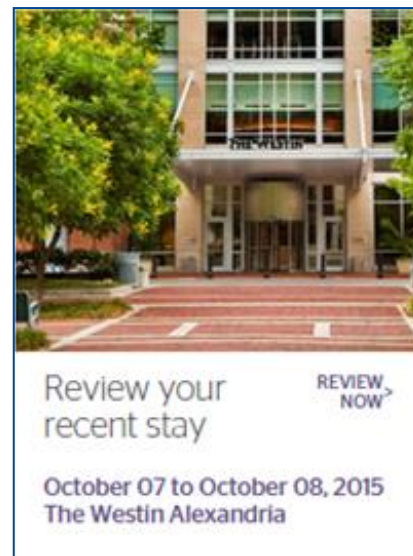
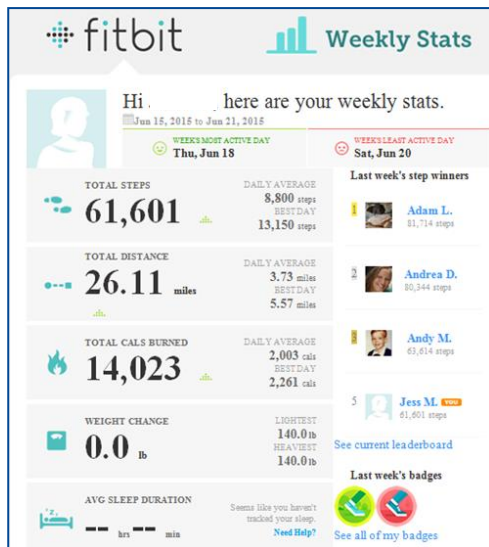
Explore the eclectic, locally-owned shops along a three-block stretch of Austin's entertainment district.



Updates, confirmations & summaries in eNews account module

Reiterate key travel information that reinforces our awareness of members' travel

- Confirmations & updates for upcoming stays
- Opportunities for upcoming stay (e.g. mobile check in for 1 M points sweeps)
- Summaries of recent stay activity





Updated 2016 Communications Architecture



Lifecycle Communications (Communications that address email and program lifecycle)



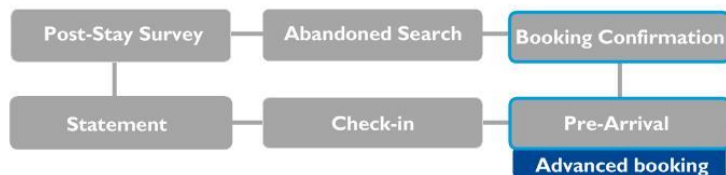
Elite Status Communications (Communications about member status)



Base Communications (Ongoing communications based on marketing calendar)



Booking Cycle Communications (Communications that revolve around booking activities)



Earnings & Redemptions (Communications addressing earning & redemption activities & opportunities)



Marriott Rewards Email Program 2016 Roadmap

Yes Lifecycle Marketing Communications Strategies – *Business Confidential*

	Q1 2016 Jan - Mar	Q2 2016 Apr - Jun	Q3 2016 Jul - Sep	Q4 2016 Oct - Dec
Quarterly Planning	<ul style="list-style-type: none"> - Q1 2016 Quarterly/Monthly Reviews - Q2 2016 Quarterly Planning 	<ul style="list-style-type: none"> - Q2 2016 Quarterly/Monthly Reviews - Q3 2016 Quarterly Planning 	<ul style="list-style-type: none"> - Q3 2016 Quarterly/Monthly Reviews - Q4 2016 Quarterly Planning 	<ul style="list-style-type: none"> - Q4 2016 Quarterly/Monthly Reviews - Q1 2017 Quarterly Planning - 2017 VOR Update
Member Marketing initiatives	<ul style="list-style-type: none"> - Orchestration/Abandoned Search - PO segment focus - Halo markets and hotels - Kick off: Future data requirements 	<ul style="list-style-type: none"> - Orchestration launch - New Positioning planning - SPG migration planning 	<ul style="list-style-type: none"> - Orchestration/PO - Adobe migration - SPG integration launch - New Positioning launch 	<ul style="list-style-type: none"> - Orchestration/PO - Adobe migration - SPG migration details - Achievement Framework launch
Strategy	<ul style="list-style-type: none"> - Project Orange strategy - 2nd stay Nonmember strategy - Account Module Phase II (Data) 	<ul style="list-style-type: none"> - SPG integration strategy - New Positioning strategy - Refer a friend PO strategy - Midyear promo PO and acquisition strategy 	<ul style="list-style-type: none"> - Year in Review Strategy - Fall MegaBonus PO and acquisition strategy - Achievement Framework strategy 	<ul style="list-style-type: none"> - Commemorative Solo strategies - BuyBack optimization - Anniversary optimization - Booking cycle content module planning
Campaign	<ul style="list-style-type: none"> - Destinations - eNews Account Module Phase I 	<ul style="list-style-type: none"> - Non-Member acquisition in PO Benefits - Midyear promo launch - Account Module for PO Benefits 	<ul style="list-style-type: none"> - New Template launch - SPG Integration launch - MegaBonus optimizations - Refer a friend PO campaign - Account Module Phase II (Data) 	<ul style="list-style-type: none"> - Year in Review (Solo, eNews) - Optimized Anniversary - Achievement Framework campaign - Lifetime Achiever - Commemorative Solo Phase I
Learning Agenda	<ul style="list-style-type: none"> - 2016 Learning Agenda update - Program KPI baseline & tracking - Destinations Top module test - Subject line test & roll on campaigns 	<ul style="list-style-type: none"> - Automated Lifecycle subj line test rollout 	<ul style="list-style-type: none"> - Automated Lifecycle subj line test rollout 	<ul style="list-style-type: none"> - Automated Lifecycle subj line test rollout

* Planning will include Orchestration, New positioning & SPG migration

Next Steps

- Team review & feedback
- Update for internal roadshow
- Conduct planning sessions for near term priorities
- Finalize roadmap v2
- Update Test & Learn agenda



Appendix

Assessment Framework Summary |

2016 MR Key Opportunities



Foundation: Knowledge, Data & Tools

- Define measureable KPIs related to program objectives
- Access to more customer data to improve offer, property & content relevancy
- **Lay groundwork for campaign orchestration**



Strategies & Campaigns

- Prioritize areas of focus against top program objectives
- Enhance Base communications
- Enhance Lifecycle triggers to feature stay opportunities
- Increase the value of Booking cycle communications with MR relevant content
- Develop nonmember-specific campaigns and communications



User Experience & Design

- Template optimizations to further align with objectives
- Redesign towards new brand positioning
- Stewards of ideal & comprehensive member experience
- Integrate with other channels and MR marketing initiatives
- Continue to leverage digital technologies to deliver innovative experiences

Measure performance by segments

Elite status tiers to define segments

Mailable	Nonmember	Basic	Silver	Gold	Platinum	Total
Active	N/A	2.80 M	1.08 M	522 K	317 K	4.73 M
Inactive	N/A	6.08 M	557 K	81 K	39 K	6.76 M
Total	4.82 M	8.88 M	1.64 M	603 K	356 K	16.31 M
Δ YoY*	-28.9 %	+12.8%	+0.1%	+30.7%	+11.7%	-4.5%

Next steps:

- Baseline performance of segments as well as monitor audience counts MoM & YoY
- Understand & monitor segment migration

* Notes

- Email capture on/off in 2014 & 2015 decreased YoY nonmembers and increased elite status members
- As of 10/15
- Active: members who have had a stay in the last 12 months

2016 Vision summary

Base Communications

- eNews: Evolve content towards program content & experiences
- Hotel Specials: Increase pool of offers
- Nonmember: Develop standalone, ongoing communication & refer a friend campaigns
- Destinations: Travel inspiration, stay opportunities & content
- Develop new member communication for MRCC recipients

Booking Cycle

- Leverage modules in Booking Confirmation & Pre-arrival
- Develop a Pre-arrival touch for advanced bookings

Lifecycle, Earning & Redemption

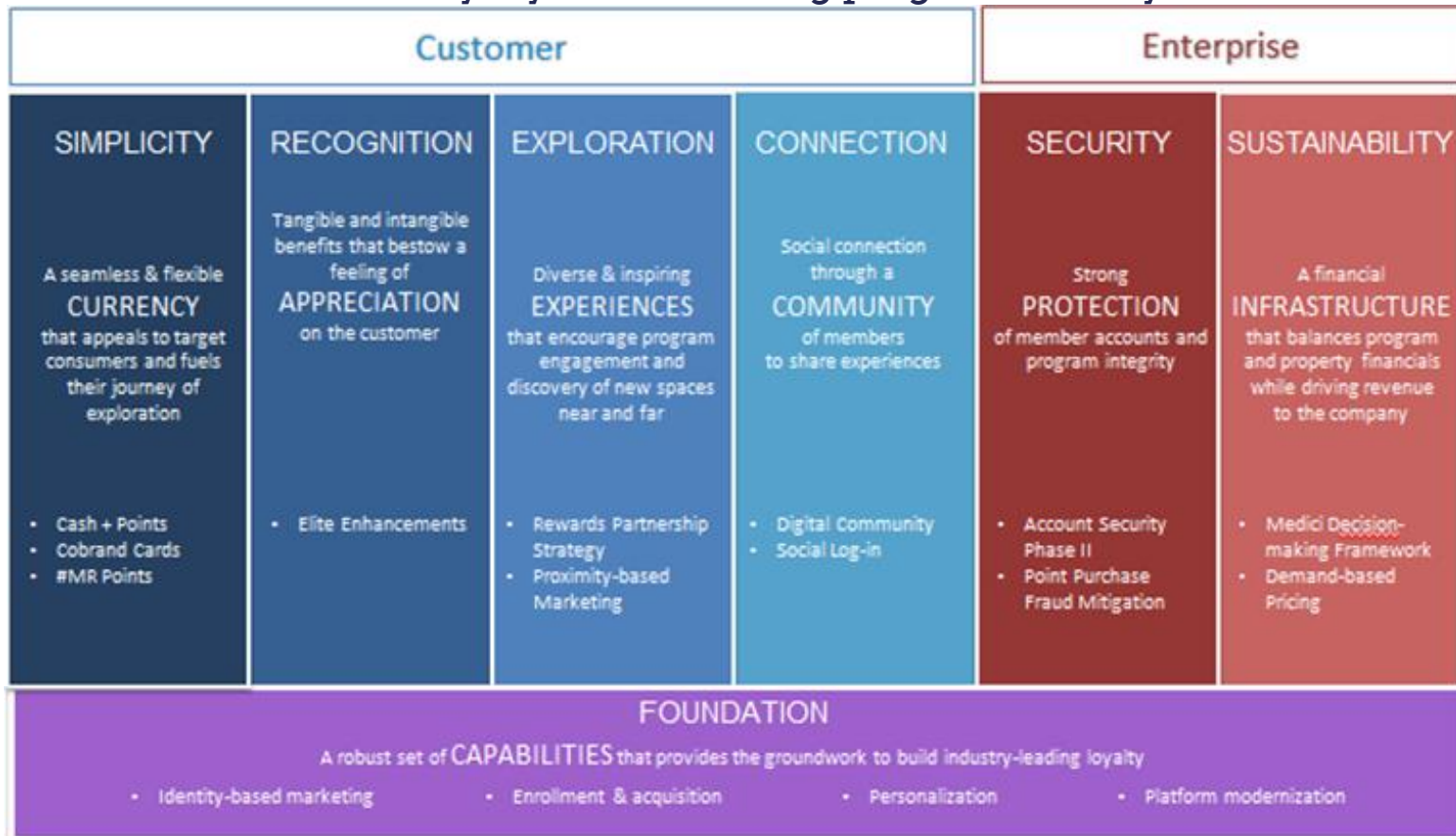
- Develop a triggered email to nonmembers with a 2nd stay
- Enhance Winback & Redemption communications with stay opportunity content
- Develop automated commemorative Solos

Elite Status

- Develop a Lifetime achievement recognition automated communication

Marriott Rewards 2016 Loyalty Strategy

To drive customer lifetime loyalty while ensuring program security and sustainability



Additional data requirements

Existing metrics help evaluate some campaign objectives & goals (bookings)

- Standard email KPIs

Additional metrics can provide a more comprehensive understanding of awareness & engagement

- Future currency usage
- Redemption type
- Program feature usage (Fab Four)
- Website engagement (Omniture data)
- Registrations
- Enrollment
- Credit Card
- Social share