



▶ SUCCESS STORY

Choice Hotels International launches real-time Customer Data Integration (CDI) solution

Lodging franchisor giant provides enhanced services for its 15 million customers

Overview

- ▶ **Background:** Choice Hotels International® is one of the largest and most successful lodging franchisors in the world. Built on the foundation of the venerable Quality Inn® chain a pioneer in consistent mid-priced lodging, Choice Hotels® today is the worldwide franchisor of Comfort Inn®, Comfort Suites®, Quality®, Sleep Inn®, Clarion®, MainStay Suites®, Econo Lodge®, and Rodeway Inn® brand hotels.
- ▶ **Challenge:** Aggregate large amounts of customer data from multiple sources and thousands of facilities worldwide into a 360° view of the customer.
- ▶ **Solution:** Implement the Initiate Identity Hub™ software to support a real-time, trusted, single view of customer information across the enterprise to enable the ability to track guest loyalty and personalize hospitality experiences for hotel guests around the world.
- ▶ **Results:** A virtual and consolidated customer-centric information solution which integrates guest stay data and provides complete, accurate and up-to-the moment interaction history across brands. Relationships have been strengthened with over 15 million customers across 5,000 hotel properties which help increase occupancy rates, drive revenues and increase profits.

“With Initiate Systems’ CDI solution, we are able to manage and integrate customer data within our systems in real time, enabling us to demonstrate an appreciation for our guests and recognize them for their loyalty, regardless of which of our properties they visit.”

— Gary Thomson, Senior Vice President and CIO,
Choice Hotels International, Inc.

Choice Hotels International® is one of the largest and most successful lodging franchisors in the world. There are over 5,000 hotels, inns, all-suite hotels and resorts open and under development in 45 countries and territories and its brands are recognized in almost every household and by business travelers across the globe. To sustain its leadership position in the fast-paced, customer-driven service industry, Choice Hotels wanted a consolidated customer-centric information solution that would create a highly personalized hospitality experience for its guests. Furthermore, they were tracking only loyalty program participants, approximately 15 percent of their 15 million customers, leaving them unable to integrate information for the majority of their customers.

Choice Hotels required customer data integration technology that would allow quick and easy identification of guests at any of its points of service – the Internet, reservations lines, within facilities, guest services or frequency programs. The goal was to capture and integrate complete customer history, including needs and preferences, which would enable them to hand-tailor services to customers everywhere.

The organization faces large-scale, complex data integration challenges

The challenges facing Choice Hotels stemmed in part from the fact that customers have multiple identities; variations or discrepancies in names, addresses, phone numbers, numerical identifiers or other unique attributes – often residing in disparate systems that prevent enterprise initiatives from achieving a consolidated view.

Aggregating data that belongs together in a situation where there is not a consistent customer identifier could only be accomplished through integrating stay records from all properties and matching on demographic information. It was also particularly critical to seamlessly integrate information from Choice Hotel’s existing loyalty program, designed to track customer participation to earn points for free accommodations, and ultimately extend an even higher level of service through accurate identification of each customer including complete interaction history. Furthermore, to achieve effective deployment of both current and future CRM initiatives, it was mission-critical that the solution have the ability to link data maintained in all existing legacy systems.

Initiate Systems offers big-vision capabilities, real-world solutions

Through a strong past working relationship, Choice Hotels was aware of Initiate Systems' rich knowledge and experience with customer data integration, along with the flexibility to solve evolving issues throughout the implementation process. Choice Hotels turned to Initiate Systems based on its awareness that aggregating records with demographic matching is at the heart of Initiate Identity Hub™ software, the high performance technology that employs a matching algorithm based upon statistical decision theory whose parameters are directly estimated from the actual customer data.

Choice Hotels wanted all information to interface or flow through the existing frequency marketing system (employed by the loyalty program), and it would rely on Initiate Identity Hub™ analysis to determine the relevance and usefulness of all of the data.

Finally and critically, Initiate Systems understood Choice Hotels' big vision and how to integrate information from all of its central systems, including the frequency marketing, property management and reservations systems.

Collaboration and innovation are key drivers

This ongoing project has been a collaborative effort with strong team contributions from both organizations as demanded by the size and complexity of the challenges. Initiate Systems actively articulated choices and alternatives appropriate to the unique environment of Choice Hotels. The Initiate Systems team also made strong initial contributions through application of algorithms and statistical analysis.

The Initiate Identity Hub™ software provided the technology to address the major challenge of capturing interaction history for all guests by:

- Matching customers based on their demographic information, eliminating the old model of using only frequent stayer numbers, which inhibited data aggregation for most customers
- Using name, address and e-mail in addition to frequent stayer numbers provided by the customer at registration
- Integrating stay records received from properties and conducting queries with the demographic data. If a match is found, the stay information is added to the customer record in the data warehouse. If a match is not found, a new customer record is created.
- Keeping information up-to-date in the data warehouse for building intelligent, proactive reports that contribute to adding value to customers

Initiate Identity Hub™ software interfaces with other internal systems and queues, merges and delivers data that is pertinent to managing customers, filtering out unnecessary information. An additional advantage is that Initiate Identity Hub™ software uses industry standards, making the integration straightforward.

Putting Choice Hotels International ahead of the curve

Choice Hotels is well on its way to achieving its customer relationship management objectives. Initiate Systems has provided Choice Hotels the ability to integrate customer data maintained by its numerous legacy systems and create a comprehensive view of all its customers. By accurately linking their guest transaction and profile data, Choice Hotels is now able to find and track its best guests across multiple brands and properties, and use that information to show that they know and value those guests on each visit. To date, over 1 million stay transactions are processed each month, complete with a guest history. Through establishing a real-time customer data integration infrastructure, the necessary prerequisites for successful deployment of future CRM initiatives are now in place.

In the near term, Choice Hotels is working on complex design changes in the frequency marketing system and is installing a powerful new server. Once this is accomplished, through the partnership with Initiate Systems, they expect to be more competitive than other industry players by being able to offer a personalized hospitality experience; sophisticated, cardless loyalty programs; and ultimately, even a comprehensive understanding of the needs of franchise owners. Through the partnership with Initiate Systems, Choice Hotels International has gained a better understanding of its guests by incorporating customer data integration, CRM, marketing and data mining into its guest relations efforts.