

CASE STUDY: FAIRMONT HOTELS & RESORTS

Fairmont Hotels & Resorts recently invested in a guest database. Fairmont wanted to leverage the information in this database to increase the efficiency and profitability of their marketing programs.



“We were seeing a response rate of maybe .5 percent... Now they are up to about 2 percent...it is so much more efficient.”

*Sean Taggart, Executive Director, Marketing Services
Fairmont Hotels & Resorts, Corporate Marketing*

Summary

CHALLENGE

In order to stay ahead of the intense competition in the hospitality industry, Fairmont Hotels & Resorts needed to utilize their customer data to make better marketing decisions and support the development of resorts and hotels in the locations best suited to their customers

SOLUTION

Using MapInfo TargetPro and PSYTE, Fairmont was able to profile their best customers and use the profile to guide their target marketing and sales efforts to reach the market segments most inclined to stay at their hotels and resorts. Fairmont also used the profile to support their expansion efforts, picking the locations with the most appeal to their target customers.

Fairmont Hotels & Resorts® headquartered in Toronto, Canada, has a growing portfolio of 45 hotels and resorts. Regarded as the largest luxury hotel management company in North America, Fairmont offers its guests superior service in some of the world's most popular travel destinations. With resorts in Hawaii, Arizona and Banff, Alberta, as well as hotels in New York, Boston, Montreal, Dubai and London, the Fairmont clientele ranges from vacationers looking to play golf to business travelers looking for convenience.

Fairmont continuously strives for new ways to expand their offerings and services to better meet their guests' needs. As part of this customer focus, Fairmont developed an in-house database to warehouse basic information about their guests. The database included home addresses, which could be collected at check-in, and interests, which could be amassed by tracking guest activities like golfing, skiing, or spa.

Due to their multi-national guest base, Fairmont sought an expert in the consumer markets of Canada and the United States to help them capitalize on the information in their database. “We found a number of companies in the U.S. that had U.S. clustering systems, some of whom had experience with the hospitality industry... but for me it was more important that we had a partner that had both a U.S. and Canadian system. Fairmont is a Canadian owned company with the majority of our properties and our guest base residing in North America.” stated Sean Taggart, the executive director of the Fairmont Corporate Marketing Group.

Fairmont is constantly in the market for new hotels and resorts to add to their portfolio. However, they did not want to expand simply for expansion's sake. Fairmont sought to carefully build their portfolio to suit the interests of their core customers and to ensure the Fairmont identity and standards are represented at each property.

THE MAPINFO ADVANTAGE



Fairmont needed a solution provider with expert knowledge of consumers in both the U.S. and Canada. MapInfo is uniquely positioned to meet this need with the proven PSYTE Advantage segmentation system and unparalleled expertise in implementing predictive analytic solutions. While MapInfo's international capabilities attracted Fairmont, the scalable services MapInfo can offer, from attracting new customers, to mapping a plan for physical growth, to tailoring guest services at each property, gives MapInfo the advantage in the hospitality industry.

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Sean Taggart, Executive Director, Marketing Services, Fairmont Hotels & Resorts, Corporate Marketing

Result

Higher Marketing ROI

Fairmont used MapInfo TargetPro®, MapInfo PSYTE® U.S. Advantage and MapInfo PSYTE® Canada Advantage segmentation systems to create a profile of their customer base and identify differences between resort and hotel customers. “The resorts are much more about leisure, so the markets break down at a very high level in terms of business and leisure. There is a distinct difference in household income for the guests at the resorts and the city centers. The city hotels attract a wide array of customers, and we see a lot of business travelers,” commented Taggart.

Using the new MapInfo PSYTE profiles, Fairmont's direct marketing campaign response rates (actual bookings) increased 300 percent (from .5 percent to 2 percent). This increase in response rates was achieved by the use of mailing lists generated by matching their new guest profile to prospects across the U.S. and Canada. Commenting on the increased marketing efficiency using MapInfo PSYTE, Taggart said “When you think about it as purchase rates from the people we are targeting...it is so much more efficient.”

Expanded Marketing Outlets

The customer profiles created using MapInfo PSYTE® also provided Fairmont with the ability to find other interests or products that would appeal to their guests. Using this information, the Fairmont marketing team was able to validate current marketing partnerships, or develop new partnerships, that would help them to better reach their target audience. By partnering with companies that have similar customer profiles, Fairmont can cut marketing expenses while attracting the attention of potential customers in new and unique ways.

Targeted Portfolio Development

Fairmont prides themselves on their portfolio of properties in unique places around the world. Using their customer profile, Fairmont was able to determine the destinations that would have the greatest appeal to their customers. The profile indicated that Fairmont guests have a high index for the desire to travel to the United Kingdom and Mexico. This information led the Fairmont Development Team to these territories for investments and acquisitions. Fairmont used this data to help justify their purchase of the Savoy in London and the construction of Fairmont Heritage Place in Acapulco. These assets continue to define the allure of the Fairmont brand while offering new, but identifiable experiences for their guests.

Company-Wide use of MapInfo Products

Fairmont continues to find new uses for MapInfo technology each day. The scalability of the platform gives it the capability to be used in almost all parts of Fairmont's business. Fairmont also uses MapInfo PSYTE and MapInfo TargetPro to support their commercial sales team, guiding them to the regions, travel agencies, and companies with the greatest sales potential (which they tap using special deals and group offers). Fairmont is also considering using their guest profiles to tailor the services at each property to the guests' preferences—for example delivery of a favorite newspaper, or having a specific type or food or wine available to make each stay more enjoyable. As Taggart said, “Partly, the return on investment was getting the company excited about what you can do with data and information like this.”