JULY 2018 MARRIOTT REWARDS
EMAIL PROGRAM REVIEW

September 20, 2018

**yes**

# TODAY'S AGENDA:
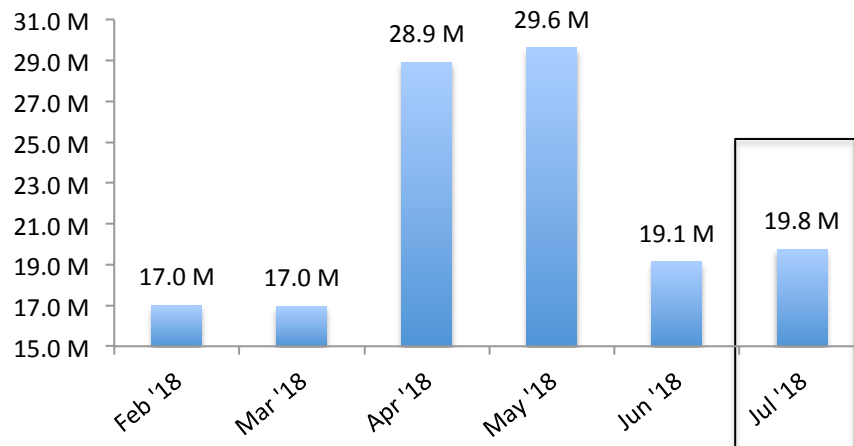
- Program Summary & Trends
- Key Storylines
- Testing Summary
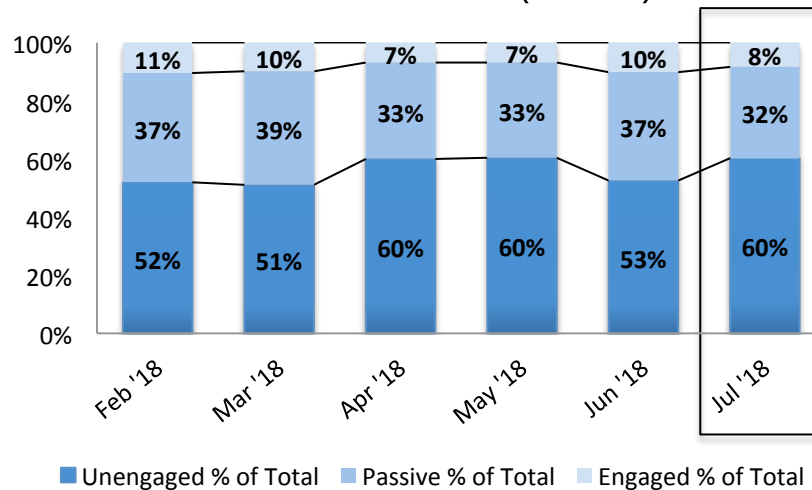- Actionable Insights

# EMAIL ENGAGEMENT REPORT

- 19.8M members received at least 1 email in July (up 4% MoM)
- 40% of members were engaged in MR emails (down 7 pts. MoM); a result of program support messaging and fewer Solo's

### # of MR Members Received 1+ Emails



### % of Email Interaction (MR Mbr)



■ Unengaged % of Total  ■ Passive % of Total  ■ Engaged % of Total
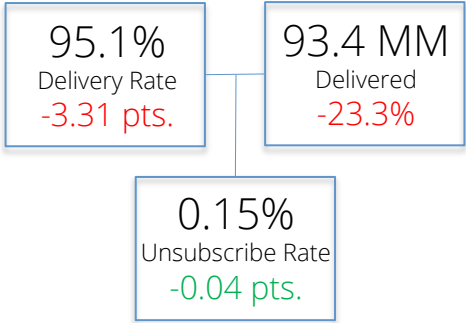
*Report Key:
 - Received: # of emails received during time period
 - Engaged: Received Opened and Clicked + Received not Opened but Clicked
 - Passive: Received Opened but not Clicked
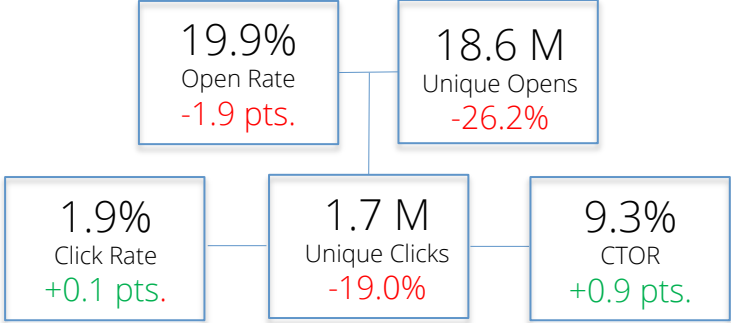 - Unengaged: Received not Opened and not Clicked

# JULY 2018 EMAIL PROGRAM PERFORMANCE

- Generated 141K bookings and $50M from July campaigns w/o MegaBonus, but financials down 20% vs. 12-mos. average
- Combination of sending fewer Solo's MoM (3 total: TBOP, Moments & MRCC Solo) and supporting key initiatives had visible impact on program KPI's, especially with eNews

## Audience

| | |
|---|---|
| **95.1%** Delivery Rate -3.31 pts. | **93.4 MM** Delivered -23.3% |

**0.15%** Unsubscribe Rate -0.04 pts.

## Engagement

| | |
|---|---|
| **19.9%** Open Rate -1.9 pts. | **18.6 M** Unique Opens -26.2% |

| | | |
|---|---|---|
| **1.9%** Click Rate +0.1 pts. | **1.7 M** Unique Clicks -19.0% | **9.3%** CTOR +0.9 pts. |

## Financial

| | | | | |
|---|---|---|---|---|
| **141.2 K** Bookings -21.0% | **328.6 K** Room Nights -19.6% | **$50.7 M** Revenue -20.2% | **8.2%** Conversion -0.4 pts. | **1.5** BPK 0.0% |

Comparison against 12-month average
Using EIR Financial Data

Marriott REWARDS | yes

| | | Hotel | | | | |
|---|---|---|---|---|---|---|
| | | eNews | Specials | Solo | Lifecycle | Destinations |
| **Audience** | Total Delivered | 15.4 M -0.9% | 9.8 M -3.0% | 25.6 M -41.0% | 7.1 M -4.8% | 14.3 M 2.8% |
| | Unsub Rate | 0.11% 0.0 pts | 0.15% 0.0 pts | 0.15% -0.0 pts | 0.27% -0.0 pts | 0.13% -0.0 pts |
| | Delivery Rate | 95% -4.2 pts | 95% -4.1 pts | 94% -4.0 pts | 97% 0.2 pts | 95% -4.5 pts |
| **Engagement** | Open Rate | 19.2% -2.4 pts | 15.4% -1.9 pts | 22.7% -0.7 pts | 22.9% -2.3 pts | 18.4% -1.6 pts |
| | Opens | 3.0 M -11.9% | 1.5 M -13.9% | 5.8 M -42.8% | 1.6 M -13.5% | 2.6 M -5.6% |
| | Click Rate | 1.6% -1.2 pts | 1.3% 0.0 pts | 2.4% 0.5 pts | 5.7% -0.0 pts | 1.7% 0.4 pts |
| | Unique Clicks | 0.2 M -42.3% | 0.1 M -5.2% | 0.6 M -25.5% | 0.4 M -5.3% | 0.2 M 35.8% |
| | Click to Open Rate | 8.4% -4.4 pts | 8.2% 0.8 pts | 10.4% 2.4 pts | 25.0% 2.2 pts | 9.1% 2.8 pts |
| **Financial** | Bookings | 23.1 K -45.9% | 10.2 K -1.7% | 62.4 K -19.9% | 22.7 K -8.6% | 12.0 K 20.1% |
| | RoomNights | 54.5 K -45.0% | 22.3 K -5.8% | 0.1 M -19.7% | 56.1 K -7.4% | 28.1 K 18.8% |
| | Revenue | $8.5 M -44.8% | $3.5 M -3.9% | $21.5 M -21.7% | $8.7 M -6.0% | $4.3 M 16.3% |
| | Conversion Rate | 9.3% -0.6 pts | 8.3% 0.3 pts | 10.3% 0.7 pts | 5.6% -0.2 pts | 5.0% -0.7 pts |
| | Bookings per Delivered(K) | 1.5 -45.4% | 1.0 1.3% | 2.4 35.7% | 3.2 -3.9% | 0.8 16.8% |

Executive Dashboard:

No MegaBonus promotion this month

eNews focused on program messaging and supporting co-brand 100K offer

Lifecycle delivered declines resulted in drops in total opens and clicks for select campaigns

Destinations themed series was of interest for members; generated 12K Bkgs.

- Calculated using Mailable Openers* from Active, Inactive, and Non Member Counts
- Total Mailable minus anyone who has not clicked/opened an email in past 15 months
- Using EIR Financial Data
- Month compared to 12-mo rolling avg.
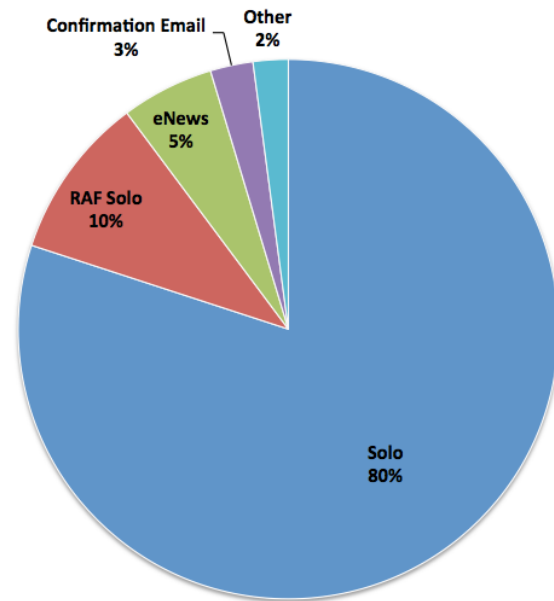
**Marriott REWARDS** | **yes**

# MRCC ACQUISITIONS 24% AHEAD OF GOAL

- 5K new accounts in July from Solo support (72% to 38K goal)
- Solo's drive 80% of accounts YTD; up 42% YoY
- Resends targeted for Q4 to support achieving goal; surplus applied to 2019 goals

### YTD '18 Accounts Growth by Month
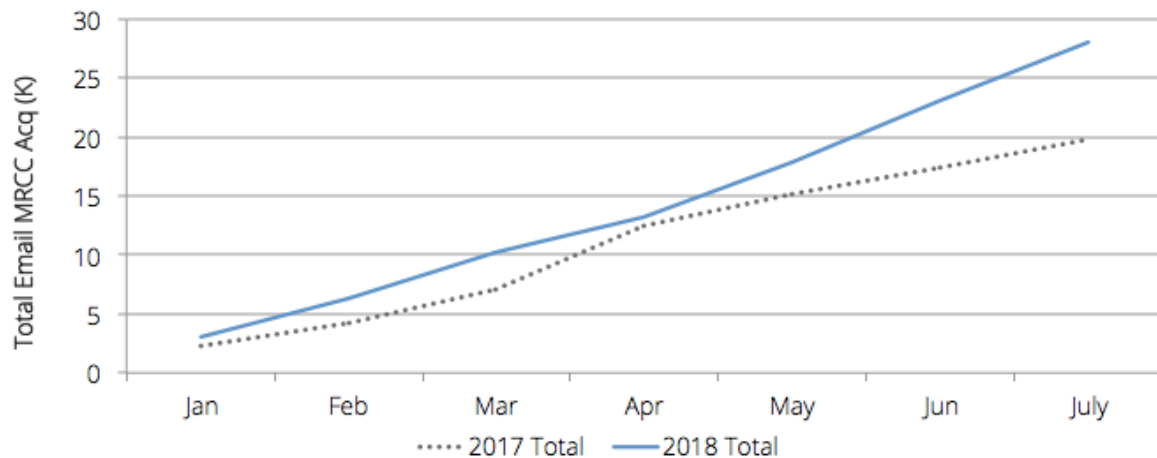


### Accounts by Category (YTD '18)

# KEY STORYLINES

1. eNews increased reach and awareness for key program initiatives
2. Destinations road trip theme continued to engage and inspire
3. Hotel Specials continued to hook deal-seekers but open declines mean waning interest
4. Personalization success continues with data-driven content and technologies
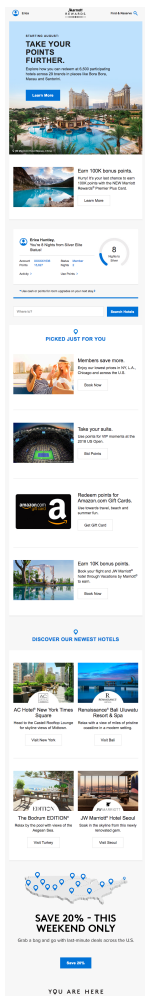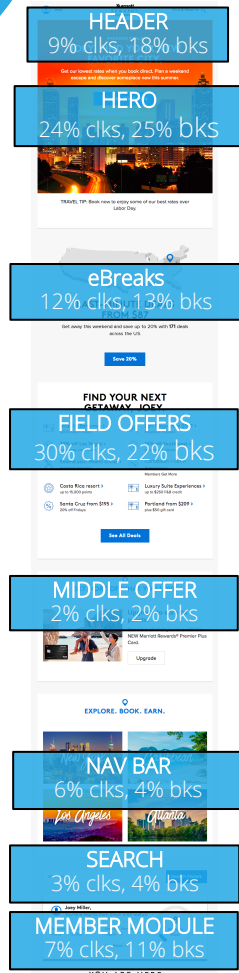
# ENEWS FOCUSED ON PROGRAM SUPPORT MESSAGING AND REACHED 15M

- Feature module supported program goals (22% of clicks)

- Last minute support for MRCC 100K offer in Top Offer 2 garnered 628 more accounts for co-brand; consider placement to support ECM upgrade messaging

- MVP/Rewards Amazon gift card promotion generated 967 orders the week eNews dropped (up 38% vs. prior week)
  o Orders dropped 24% the following week
  o Good content for Nov/Dec holiday shopping period

- Optimized eBreaks module drove 31% more clicks (Wylei web scrape pulled in geo-targeted content in real-time); investigate ways to use learnings & functionality in other campaigns

# DESTINATIONS: 2ND MONTH OF ROAD TRIP THEME



- So far, the road trip theme is successfully supporting campaign goals of travel inspiration YoY (June/July)
- Delivering 18% more emails increased open counts (awareness) by 8% and clicks (traffic) by 106% YoY
- Series holds the highest click rates since last summer (June '18 was #1; July '18 was #3)
- Tested carousel hero layout proven to increase CTOR for campaigns while driving engagement to other content
    - Combined CTR up 74% YoY and CTOR up 90%
- Open rates are down 8% YoY; subject line test and roll was not enough to lift engagement
- New 'featured destinations' module highlighting key markets; 4% of clicks on content show interest; consider targeting by region using Wylei optimization

HEADER
6% clks

HERO
64% clks

Upcoming Trip
2% clks

Stretchy Band
4% clks,

SEARCH
2% clks

Featured Destination
5% clks

Why We Travel
13% clks

HEADER
9% clks, 18% bks

HERO
24% clks, 25% bks

eBreaks
12% clks, 13% bks

FIELD OFFERS
30% clks, 22% bks

MIDDLE OFFER
2% clks, 2% bks

NAV BAR
6% clks, 4% bks

SEARCH
3% clks, 4% bks

MEMBER MODULE
7% clks, 11% bks

# HOTEL SPECIALS: DEAL-SEEKERS CONTINUE TO ENGAGE BUT OPEN DECLINES MEAN WANING INTEREST

- New layout meant to showcase top curated offers & eBreaks

- In spite of open rate declines, deal-seekers continue to engage; CTOR up 8%

- Deployment down 3% vs. 12 mos. avg. which leads to fewer total opens & clicks

- Open rate declines show need to improve offer quality; subject line test plan in place for remaining deployments

- eBreaks module generated 12% of clicks with prominent position; used web scrape to geo-target content

- Field Offers in lower position continue to hold highest engagement; Hero targeted by region generated 1 in 4 clicks & bookings

Marriott REWARDS | yes

# MR TBOP KEY DATES SOLO

Members will also receive information on how to capitalize on their redemption options between now and August 18. Dynamic content based on member attributes such as linked/non-linked accounts, cardholders, and members with SAP Concur affiliation.

Campaign performance:

- Reach: 14M
- Delivery rate: 95%
- Impressions: 2.9M
- Open rate: 21%
- Traffic: 301.6K
- CTR: 2.1%
- CTO rate: 10.3%
- Unsub. rate: 0.12%

SL: One Program Is Closer than Ever

Observations:

- Consistently higher engagement from linked account members across all levels compared to non-linked members
- 76% of clicks on dates module vs. 5% on hero; most of the date module clicks were on Free Night Award link; consider sending just this module as email without other modules....most valuable content

Header: 9%

Hero: 5%

ONE PROGRAM AHEAD
Our loyalty programs will become one on August 18. We're working hard toward a smooth transition. Here's everything you need to know.

Domes of Elounda, Autograph Collection, Crete, Greece

IMPORTANT DATES FOR WHAT'S NEXT:

TODAY—AUGUST 17
Maximize your redemption power.
- Check out the Free Night Award Chart and decide if you want to redeem before or after the new rates take effect.

AUGUST 18
One program goes live.*
- Enjoy new benefits and new Elite status levels.

Key Dates: 76%

- If you have a Rewards and an SPG® account, combine them into one to add up your points and Elite-nights balances. Then you'll have one profile and one account going forward.

*We are planning a temporary outage of our systems and sites on August 18 while we launch your new member experience.

Explore All August Updates

SAP Concur

Concur: 0.1%

Book all of our hotels, all in one place.
Starting August 18, use our updated site and app to book stays at any of our 6,500 participating hotels across 29 brands.

Contact/FAQ: 3%

Footer: 7%

# JULY TESTING & OPTIMIZATION SUMMARY

- eNEWS: 2$^{nd}$ time optimized eBreaks lifts section
- MRCC: shorter layout drove more engagement
- MOMENTS: Need-based Moments pulled in thru web scrape
- HOTEL SPECIALS: consistent lifts from destination optimization
- SUBJECT LINE TESTS:
  - MRCC: mixed results suggest retest
  - Destinations: short and sweet!

# 31% MORE CLICKS FROM GEO-TARGETED CONTENT
## EBREAKS WEB SCRAPE TEST 2

2nd month A/B testing the inclusion of web scrape content vs. control

Results:

- Test clicks up 31%
- Control rev$ up 36%

Optimized module delivers stronger results but not enough to improve overall campaign KPIs

## eNews Bottom Module:

Test: Geo-targeted Content



SAVE 20% – XX DEALS FOR YOU

Get away this weekend with XXX last-minute deals across the U.S. and XX for you.

Save 20%

Clicks
3.9K

Rev.
$77K

Control: Generic Content w/ Animation



SAVE 20% – THIS WEEKEND ONLY

Grab a bag and go with last-minute deals across the U.S.

Save 20%

Clicks
3.0K

Rev.
$104K

Marriott REWARDS | yes

# MRCC SOLO LAYOUT-B DROVE 2% MORE CLICKS

- Selected most clicked modules from past layout to create a more focused, streamlined email; A/B tested 2 versions
- Slightly higher click engagement with Layout B
- Recommend retest for patterns

Layout A      Layout B

|  | Layout-A | Layout-B | Layout: B vs. A (% change) | TOTAL |
|---|---|---|---|---|
| # Delivered | 7.1 M | 7.2 M | -- | 14.3 M |
| # Opens | 1.32 M | 1.31 M | -0.3% | 2.6 M |
| Open Rate | 18.4% | 18.3% | -0.6% | 18.4% |
| # of Clicks | 24.1 K | 24.6 K | 1.9% | 48.7 K |
| CTR | 0.3% | 0.3% | 1.7% | 0.3% |
| CTO Rate | 1.8% | 1.9% | 2.3% | 1.9% |
| Unsub Rate | 0.20% | 0.19% | -3.8% | 0.20% |
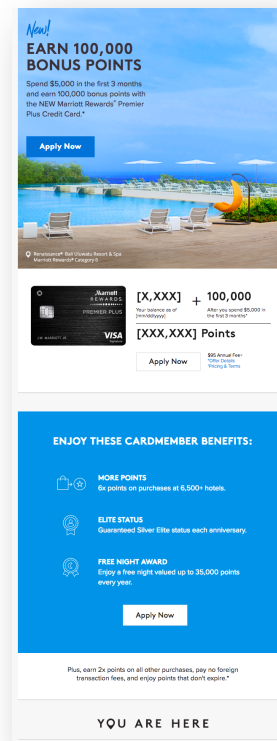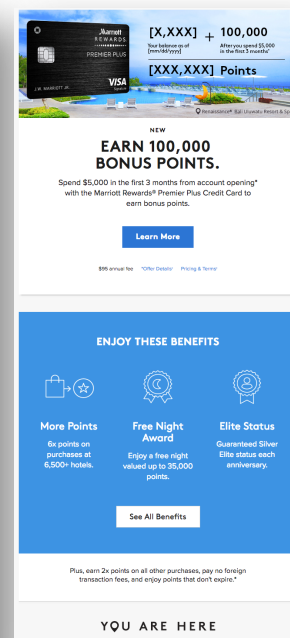
High group

# MOMENTS WEB SCRAPE

- Wylei pulls content prior to deployment
- Priority Moments are targeted by segment
- 4K clicks on content indicate interest
  - o 1% of clicks with bottom module for High group
  - o 2% of clicks with top module for Low group
- Consider using functionality for geo-targeting Moments, in addition to priorities at the bottom
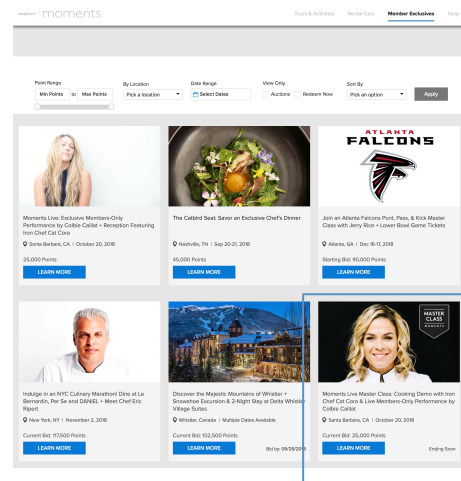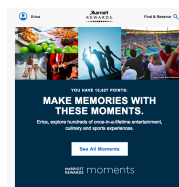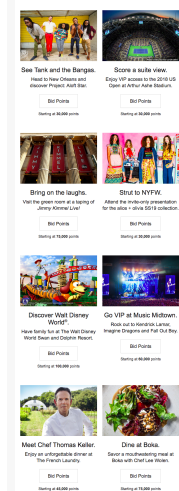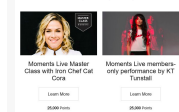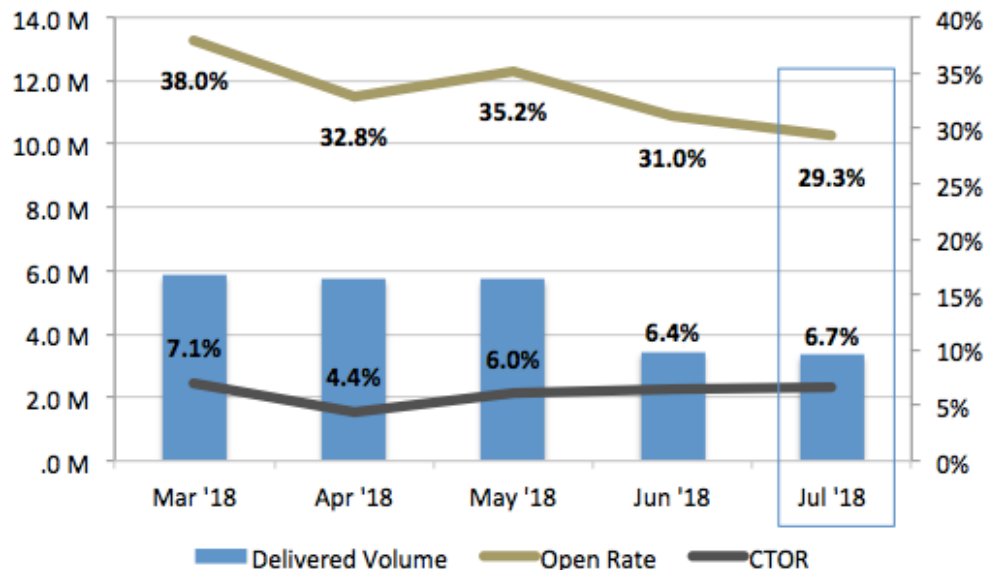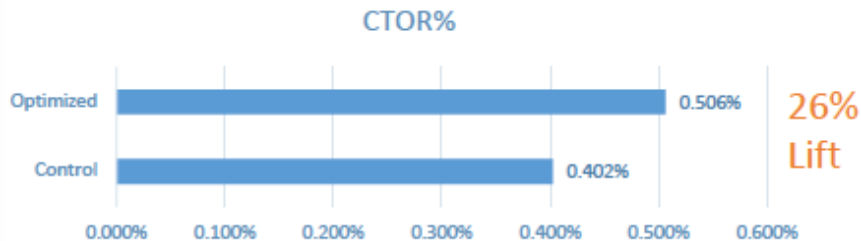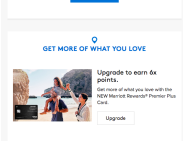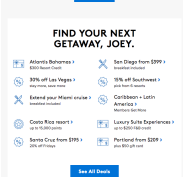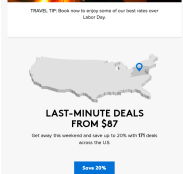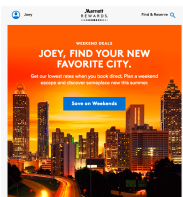
# JULY MOMENTS SAW 4% CTOR INCREASE MoM

Performance Summary:

- CTOR is on an upswing

- Open rate declines suggest testing varying styles to remain fresh
- Use listicle style subject line or name-drop top 2-3 Moments to capture attention

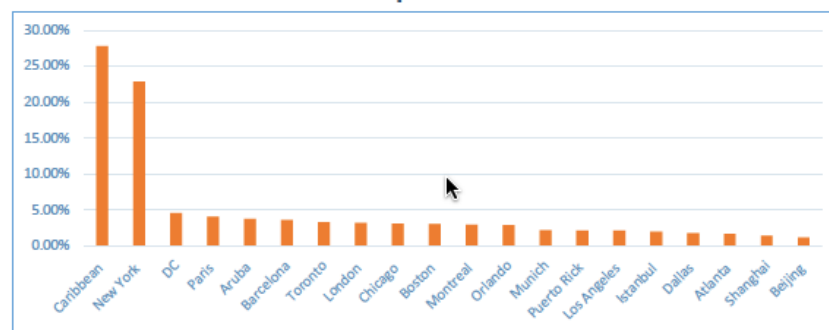# DESTINATION MODULE IN HOTEL SPECIALS GENERATED 26% CTOR LIFT FOR SECTION



**CTOR%**

| | |
|---|---|
| Optimized | 0.506% |
| Control | 0.402% |

**26% Lift**

**TOP 4 PERFORMING IMAGES**
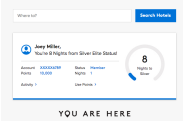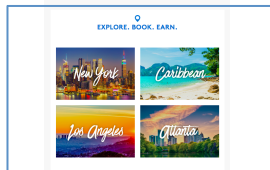
1. Caribbean
2. New York
3. DC
4. Paris

**Optimized**

# SUBJECT LINE TESTING

| Campaign/Subject Lines | Winner (% Pts. Inc.) | Description of Winner |
|---|---|---|
| MRCC Domestic Solo (ENG) – Version A<br>• **75,000 Bonus Points**<br>• Get more of what you love. | Winner +0.9 pts. | Led with offer, short and direct |
| MRCC Domestic Solo (ENG) – Version B<br>• **Get more of what you love.**<br>• 75,000 Bonus Points | Winner +0.8 pts. | Branded, short with subtle curiosity |
| Destinations<br>• 🚗 **4 Road Trips**<br>• 4 Road Trips You Don't Want to Miss<br>• The Open Road is Calling You! | Winner *data pulled too late* | Emoji with short, listicle style |

Marriott REWARDS | yes

# ACTIONABLE INSIGHTS

# RECOMMENDATIONS

- Investigate opportunities to leverage Hotel Specials web scrape learnings in other campaigns
  - Geo-target Moments in Solo for those with upcoming trip or present nearby events
  - Geo-target offers in MegaBonus confirmation email from Deals landing page
- Continue to optimize MRCC Solo layout through testing best content combination and layout
- Increase engagement and personalization of Moments Solo
  - Use listicle style subject line or name-drop top 2-3 Moments to capture attention
    - "Top 4 Moments Experiences This Month"
    - "Use Your 80,000 Points To See: Colbie Caillat, Chef Cat Cora, and PGA Pros Larry and Tony Zeigler"
    - Citi example: "MORE ACCESS: Jewel, 2018 New York Film Festival, Odell Beckham, Jr. and more!"
- Continue to leverage destinations module (SmartMatrix) in campaigns; refresh imagery seasonally and test into layout changes

Marriott
REWARDS. | yes

# ENEWS JULY '18

- eBreaks test using Wylei web scrape functionality
- Test #2 performance results:

| eBreaks Versions | Clicks | EIR Total Bookings | EIR Total Room Nights | EIR Total Revenue |
|---|---|---|---|---|
| Test (Wylei web scrape) | 3,985 | 291 | 547 | 77,062 |
| Control (static, generic copy) | 3,042 | 294 | 599 | $104,626 |
| % change | 31% | -1% | -9% | -26% |

# HOTEL SPECIALS JULY '18

| | July | 12m Avg. | % change |
|---|---|---|---|
| Delivered | 9,794,038 | 10,122,152 | -3% |
| Opens | 1,503,846 | 1,761,168 | -15% |
| Open% | 15.4% | 17.4% | -11% |
| Clicks | 123,290 | 133,118 | -7% |
| Click% | 1.3% | 1.3% | -1% |
| CTO% | 8.2% | 7.6% | 8% |
| Bookings | 10,235 | 10,750 | -5% |
| Conv% | 8.3% | 8.1% | 3% |

*12 month average (May '18-June '17) does not include layout A/B test month – June 2018

Marriott
REWARDS. | yes

# CONSIDER A FOCUSED, STREAMLINED EMAIL DESIGN

**59%** of clicks on Top Offer, Math, and Benefits sections

Create a focused design by:

- Capturing the most valuable, above the fold content
- Driving relevancy with personalization

Tested layouts A and B in July '18; preliminary results show no major differences – retest for patterns



Old Layout

HEADER
26% of clicks

TOP OFFER
43% of clicks

DO THE MATH
9% of clicks

BENEFITS
7% of clicks

PERKS
5% of clicks

CROSS-ACQUISITION
4% of clicks

FOOTER
7% of clicks

Layout A

Layout B