

OCTOBER 2018 MARRIOTT REWARDS EMAIL PROGRAM REVIEW

December 13, 2018



TODAY'S AGENDA:

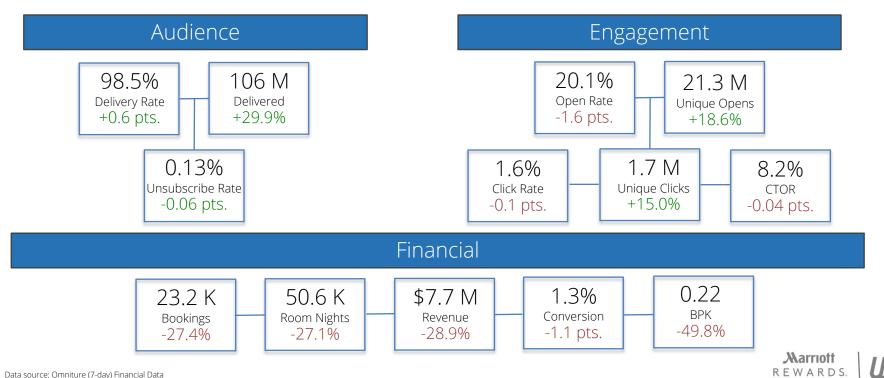
- Program Summary & Trends
- Key Storylines
- Testing Summary
- Actionable Insights

OCTOBER 2018 EMAIL PROGRAM SUMMARY

Comparison against rolling 12-month average

OCTOBER 2018 EMAIL PROGRAM PERFORMANCE

- Open & click counts up from increased delivered; rates remain steady vs. 12-month average
- Avg. open rate dipped 1.6pts. from increase; use subject line optimization to lift rate during busy months
- 54% more Solo's delivered vs. 12-mo avg, but less booking focused emails resulted in financial declines

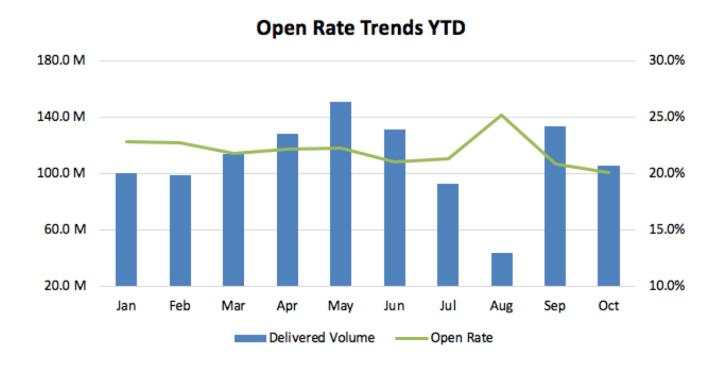


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SLIGHT DECLINE IN MONTHLY OPEN RATES

Open rates impacted by increase in delivered emails

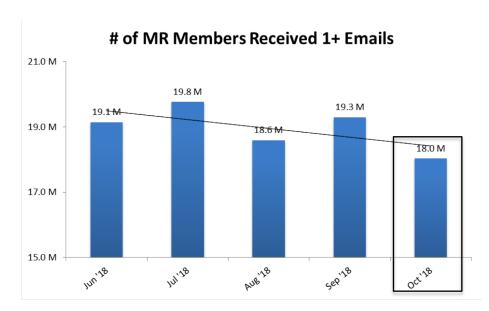
Use subject line optimization tools to combat declines

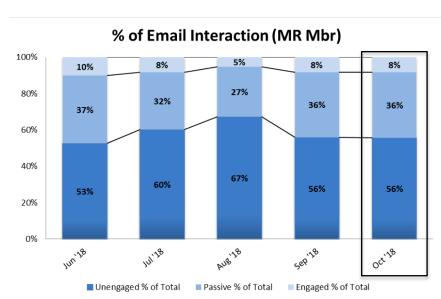




EMAIL ENGAGEMENT REPORT

- Delivery up 30% for overall program, but # of members receiving 1+ email down 7% MoM
- Engagement steady MoM despite increase in volume; watch for engagement rebounds post-OBOP





*Report Key:

- Engaged: Received Opened and Clicked + Received not Opened but Clicked
 Passive: Received Opened but not Clicked
- Unengaged: Received not Opened and not Clicked



⁻ Received: # of emails received during time period

	October 2018 vs 12 Month Avg.							
		Overall	eNews	Dest.	Solo	Lifecy.	MRCC	METT
}nd.	# Delivered	29.9%	59.7%	37.4%	53.9%	-30.5%	21.0%	68.4%
	Unsub Rate	-0.06 pts	0.00 pts	0.00 pts	-0.09 pts	-0.03 pts	-0.11 pts	-0.05 pts
1	Delivery Rate	0.6 pts	-0.9 pts	-1.9 pts	1.5 pts	-1.7 pts	2.3 pts	0.1 pts
Ħ	Open Rate	-1.6 pts	-1.3 pts	-0.2 pts	-3.5 pts	-0.8 pts	0.05 pts	-2.8 pts
neu	# Open	18.6%	47.8%	34.3%	28.3%	-36.7%	20.4%	54.2%
gen	Click Rate	-0.1 pts	0.3 pts	-0.6 pts	-0.3 pts	2.6 pts	0.3 pts	-0.04 pts
ga	# Click	15.0%	75.4%	-34.0%	18.7%	-3.8%	65.8%	69.8%
ū	CTO Rate	-0.04 pts	2.3 pts	-3.0 pts	-0.3 pts	12.1 pts	1.2 pts	0.2 pts
	# Bookings	-27.4%	62.1%	-29.3%	-43.9%	-74.8%	-66.2%	44.3%
cials	# Room Nights	-27.1%	62.7%	-32.7%	-44.8%	-74.4%	-65.1%	42.6%
anc	Revenue	-28.9%	58.9%	-35.5%	-47.5%	-75.9%	-65.2%	24.2%
Ë	Bkngs/Dlvd (K)	-49.8%	-6.1%	-46.1%	-67.7%	-67.4%	-74.4%	-32.9%
_	Conversion Rate	-1.1 pts	-0.5 pts	-0.01 pts	-1.6 pts	-1.3 pts	-2.6 pts	-1.2 pts

48% of program revenue from eNews; most KPI's are up vs. avg.; MegaBonus featured in hero helped

Several non-booking focused Solo's; support had impact on financials:

- RewardsPlus
- Hertz
- MegaBonus Game
- Moments

Paused Lifecycle emails with TBOP launch explain the category declines – first Welcome turned on Oct 10

*Hotel Specials pushed to early Nov launch

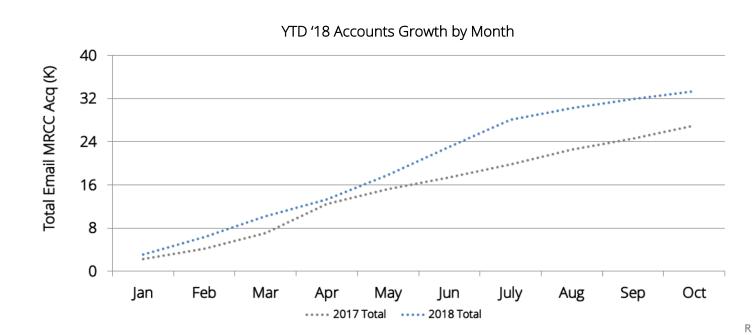


⁻ Data source: Omniture (7-day) Financial Data

⁻ Month compared to 12-mo rolling avg.

MRCC ACQUISITIONS AHEAD OF GOAL BY 3%

- 1.5K new accounts generated most from targeted Solo's
- October concluded at 87% of 38.8K goal and # of accounts up 24% YoY





KEY STORYLINES

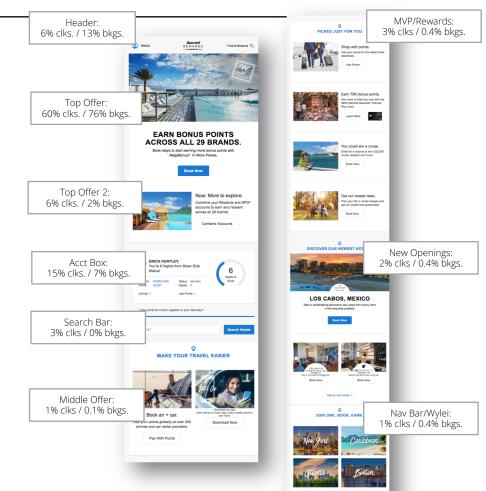
- As brand education is top priority next year, consider ways to marry support with campaign optimization
- 485K members played the MegaBonus game Go team!
- Personalization and optimization efforts lift campaign performance; define process for consistent Wylei testing



GLOBAL ENEWS

MegaBonus Top Offer led with brand/portfolio education; slight dip in open and click rates

- Open rate (20%) down 1.3 pts vs. 12-mos avg.
 - Branded-style subject line and pre-header
 - Used familiar "MegaBonus" promo name, but no reference to offer
- Lower engagement in Top Offer than previous MegaBonus messages that led with offer
 - Feb '18 was lowest (56% of clicks & 63% of bkgs)
 - Avg. % of clicks for MB content is 62% to 76%
 - Consider placing offer in eyebrow if headline is meant for brand ed. or place in headline & use body copy for brand ed.

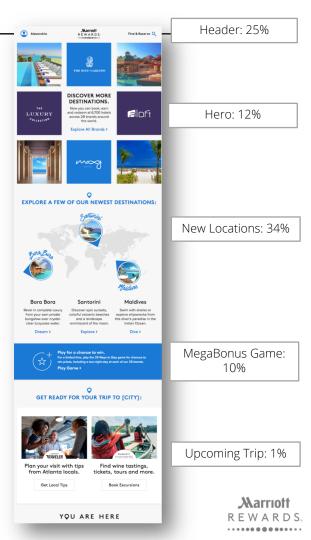


YOU ARE HERE

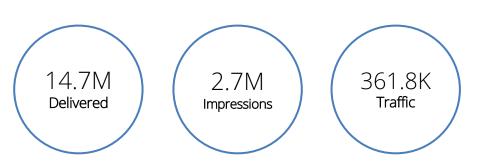
DESTINATIONS

Email focused on supporting loyalty program education goals and MegaBonus

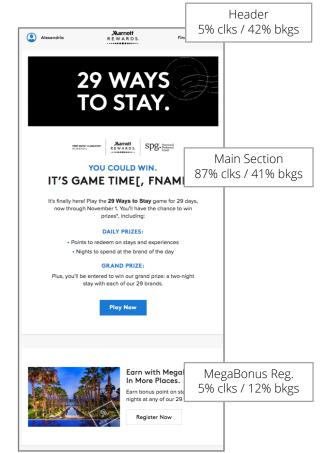
- Hero leveraged TBOP brand education animation and secondary module showcased new SPG locations
 - Locations module generated 34% of clicks; more than hero
 - Hero CTA may have been too subtle/overlooked; consider adding button instead of text link
- Oct delivered 7% more emails MoM, resulting in 8% more opens; unfortunately, there was fewer content that led to clicks being down 34%
- Open rate remained flat MoM at 19.4% (up ~1% MoM)



MEGABONUS 29 WAYS TO STAY GAME



- Supported game with two Solo's (initial & reminder) and linked to matching game landing page
- Combined open rate of 18% and CTOR of 14%
 - Above avg CTOR & low unsub rate of 0.09% shows interest in content
- \$800K in incremental revenue generated
- Header drove same amount of bookings as main module



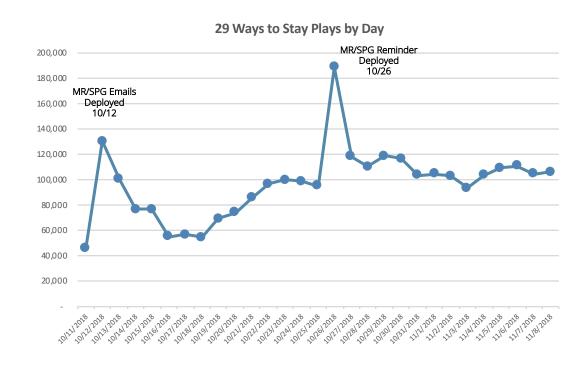
GAME PERFORMANCE

458K members played the game a total of 2,807,814 times over the course of 29 days

Avg. of 6 plays per member

Email campaigns were a significant contributor to performance

There were 920 members that played all 29 days





First mention

of offer

BOOST ENGAGEMENT BY ELEVATING PRIZE INFO

- Recommend leading with the grand prize to lift email open & clicks
- Mentioning the offer in subject line/pre-header <u>and</u> prominently in email copy have consistently proven to increase engagement



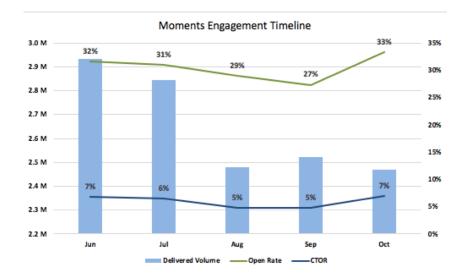
Initial Game Email

SL: Play Now: 29 Ways to Stay.

PH: You'll have the chance to win points, nights and more.

Marriott REWARDS

MR MOMENTS SOLO ENGAGEMENT REMAINS STEADY



Web scrape continues to drive traffic to last minute experiences

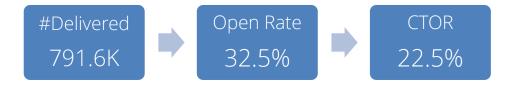
- Low segment = 2,474 clicks
- High segment = 3,943 clicks

High Points Version Heat Map

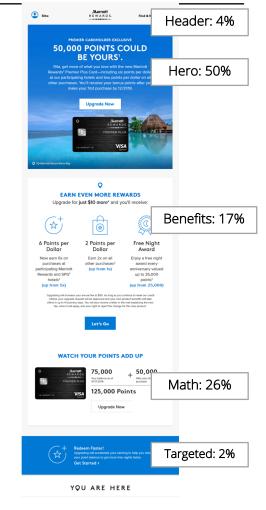


ECM UPGRADE SOLO

- Sent to both Premier and Signature cardholders
- Engagement is above program average

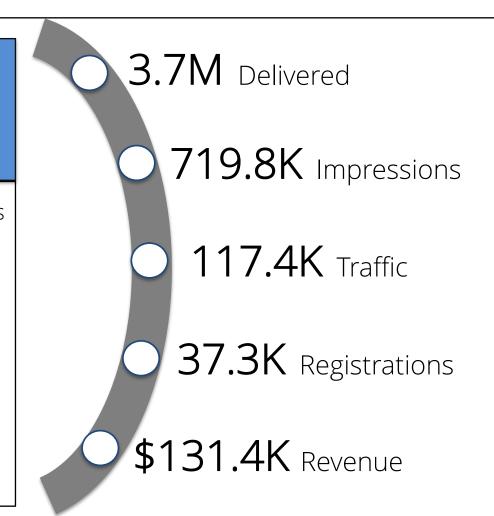


- Signature campaign CTOR was 50% less than Premier (12% & 24% respectively)
 - Possible impact from 0 clicks on benefits module for Signature segment
- Math continues to catch clicks despite placement
- Wylei DCA unsuccessful due to low send counts



E2+ Stays Lifecycle Promotion

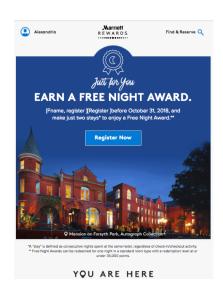
- Targeted new members w/ <2 stays
- Offer test: free night award vs. 4K bonus points
- Promo goal: encourage 2nd stay
- Used past promo email successes:
 - o SL/PH (Direct, short, promo)
 - o Support emails (confirmations)
 - o Reminders (reg. and booking)
 - o Travel ideas & Wylei optimization



FREE NIGHT AWARD OUTPERFORMS BONUS POINTS

- 4% more bookings and 14% more revenue from Free Night offer
- Email engagement generally consistent with both offers
- Same SL and creative design used for both versions; 3 rotating hero images

Open: 20%
CTOR: 16%
Unsub: 0.24%
Revenue: \$70K
Bookings: 228



Vs.



Open: 20% CTOR: 17% Unsub: 0.26% Revenue: \$61K Bookings: 219

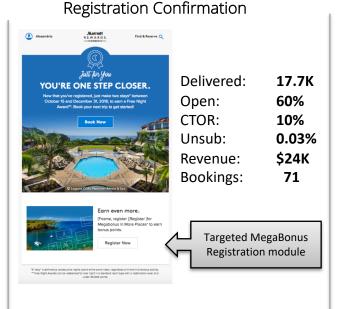


E2+ PROMO OFFER 1: FREE NIGHT AWARD

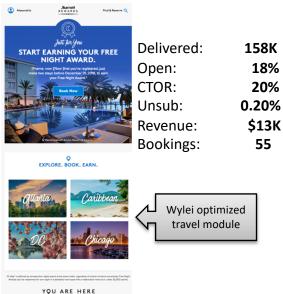
Reg. Promo Solo



Delivered: 181K 20% Open: CTOR: 13% Unsub: 0.28% Revenue: \$27K 86 Bookings:



Registration Reminder



- 55 incremental bookings and \$13K in revenue from reg. reminder email
- 56% open rate & 0.08% unsub from booking reminder showed targeting success; 16 more bkgs.
- Wylei SmartMatrix unsuccessful due to low send counts

E2+ PROMO: BONUS POINTS

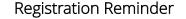
Reg. Promo Solo

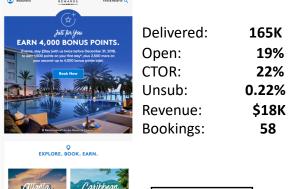


Delivered: **187K**Open: **20%**CTOR: **12%**Unsub: **0.30%**

Revenue: \$19K Bookings: 86







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Wylei optimized

travel module

- 48% open rate & 0.16% unsub from booking reminder showed targeting success; 10 more bkgs.
- Wylei SmartMatrix unsuccessful due to low send counts

HERTZ SOLO

Targeted campaign delivered to 992K members; just 1K fewer members than May '18 Solo

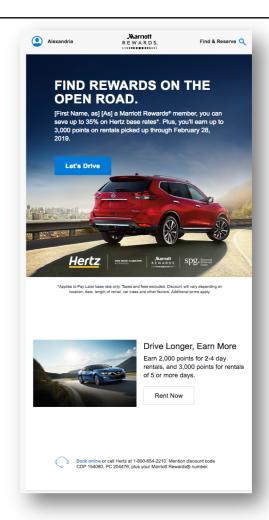
KPI's are good for program but dipped in comparison to May efforts; unsub rate improved

Open: 20% (-8%)

• CTOR: 5.4% (-13%)

Unsub: 0.07% (-15%)

Subject line test showed same winner as May '18 optimization, but wasn't enough to impact rate - continue to build on approach



REWARDSPLUS SOLO

In spite of delivering 6% more emails (12.9M) vs. March '18 Solo, overall engagement declined

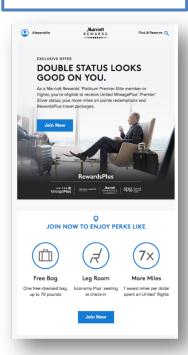
- Combined open rate of 17.4% is down 13% vs. March
- CTOR of 2.9% is down 20%
 - Possible impact from seasonality and day of week deployment - Monday vs. Friday (March)
 - Historically more clicks on later week days
- Consider targeting email to mile earners, active stayers, those who travel over 100 miles from home, and/or travels abroad

Platinum Premier+

Delivered: 281.2K Open: 35% CTOR: 20% Unsub: 0.03%

Platinum & Below

Delivered: 12.6M Open: 17% CTOR: 2.1% Unsub: 0.10%







OCTOBER TESTING & OPTIMIZATION SUMMARY

- eNEWS: Nav Bar optimization continues to lift section CTOR
- MRCC ACQUISITION SOLO: 9% lift in CTOR from Dynamic Content Assembly
- SUBJECT LINE TESTS: consistent results from Hertz and ECM Solo retests



SUBJECT LINE TESTING

Campaign/Subject Lines	Winner (% Pts. Inc.)	Description of Winner
 Destinations Here Are 6,700 Reasons to Plan a Vacation 3 New Destinations to Add to Your Bucket List 6,700 Reasons to Go on Vacation 	Winner +1.7 pts. +2.0 pts.	Supportive tone, slightly personal with "Here"
 Hertz Solo Save Up to 35% on Rental Cars Save Up to 35% on Hertz Base Rates 	Winner +0.2 pts.	Offer used w/ simple, recognizable lang. (winner from May '18 Solo; retested for patterns)
 ECM Upgrade Solo Upgrade and Earn 50,000 Points Earn 50K Points Our Best offer Just for You 	Winner +3.0 pts. +4.0 pts.	Clear CTA, sets expectations (winner from Sept '18 Solo; retested for patterns)

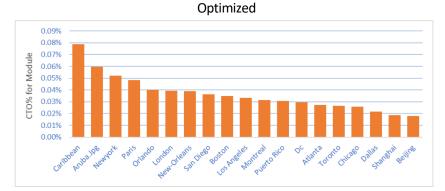


OCT ENEWS IMAGE-BASED NAVIGATION BAR GENERATED 25% CTOR LIFT FOR SECTION



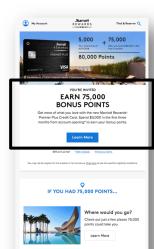
Optimized image based nav consistently drives higher CTO%; Hotel Specials showed similar lift (26%, July '18)

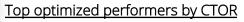






9% OVERALL CTOR LIFT WITH MRCC ACQUISITION SOLO DCA OPTIMIZATION





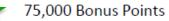
Eyebrow

You're Invited

Exclusive Offer *Previous winner

Headline

1. Earn 75,000 Bonus Points *Previous winner



3. What Would You do with 75,000 Bonus Points

CTA

1. Act Now *Previous winner

2. Apply Now Learn More Eyebrow: Exclusive Offer

Headline: 75,000 Bonus Points

CTA: Learn More

Eyebrow: You're Invited
Headline: Earn 75,000 Bonus Points

CTA: Learn More

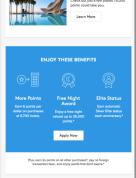
Highest lift & increase in CTOR

Highest

CTOR

combo

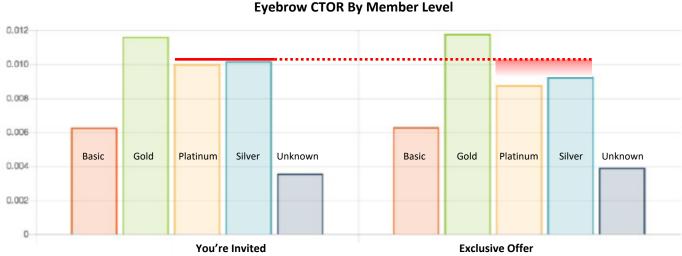
Marriott REWARDS. US



YOU ARE HERE

"YOU'RE INVITED" DROVE MORE CLICKS FOR PLATINUM AND SILVER MEMBERS

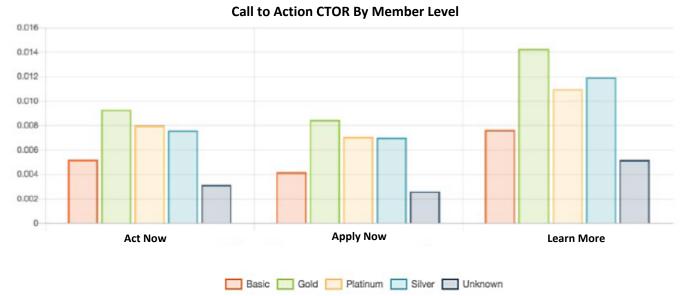
- Platinum and Silver members responded to subtle language that suggests exclusivity, rather than the actual word, "Exclusive"
- Testing opportunity for tone and language which doesn't specifically call out exclusivity, but rather suggests it in a subtle manner





"LEARN MORE" CTA A GOOD FIT FOR MRCC

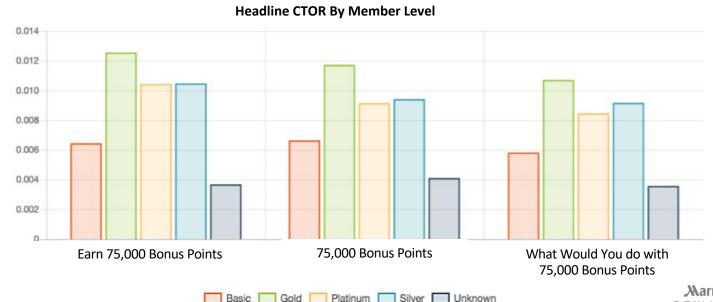
 Applying for a credit card is not an entirely impulsive action; "Learn More" signals to members that they can explore this CTA first





STRAIGHT FORWARD STYLE EFFECTIVE FOR MRCC HEADLINES

- Consider testing tone to confirm straight forward vs. inspiration
- Basic Level had a very close CTOR for "Earn 75,00 Bonus Points" and "75,000 Bonus Points"
- Gold, Platinum and Silver Members CTOR were highest for "Earn 75,000 Bonus Points"





ACTIONABLE INSIGHTS



RECOMMENDATIONS

- While supporting brand/program messaging, continue to look for ways to include offer content in eye-catching places; in subject line/preheader, eyebrow above headline, or even CTA- "Register for Free Night"
- Test into refined targeting for RewardsPlus Solo if contractually able; drives relevancy and lifts KPI's
- Aruba pushed New York from #2 spot in eNews SmartMatrix optimization; new location added based on Marriott top destinations list: continue to refresh list and expand targeting options
- Lot's of learnings from MRCC Acquisition optimization on imagery, copy, and CTA's – use to boost engagement in 2019 and support lofty email goal



WYLEI OPTIMIZATION REMINDER

- Confirm send size and engagement KPI's with Wylei prior to developing optimization
- Guidelines for DCA and Image Optimization
 - Email send size should be >1M
 - Ideally, machine learning begins with >250K opens.
 - Keep variants to 2 4 (max is 5 for the high engagement campaigns)





THANK YOU!

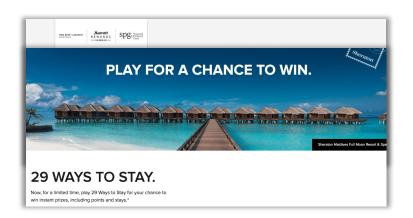
APPENDIX A

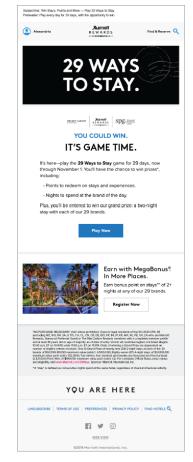


MegaBonus Game: Overview

- Timing: The 29 Ways to Stay game launched on October 11, 2018 and ended on November 8, 2018. Over the course of 29 days, the 29 brands were introduced to Members with a memory game.
- Goal: Get Members more familiar with the 29 brands.
- Mechanics / Engagement: Players flipped the cards to find matching images. Each day was dedicated to a single brand.
- Educational Component: Players had the opportunity to learn about all 29 brands by reading a fun fact or answering a short multiple choice question.
- Achievements / Prizes: Throughout the course of the game, instant wins awarded bonus points and free nights each day. To promote return play, players were given the chance to win daily and participation in the game also entered players into the promotions' sweepstakes a grand prize of a 2-night stay at each of the 29 brands.

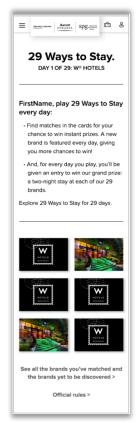
Communication Creative





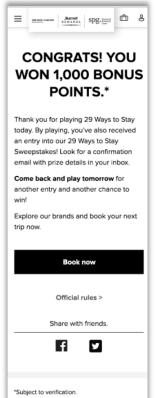


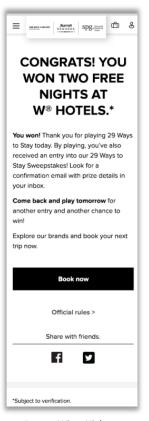
Site Creative











Active Screen

Match - Question

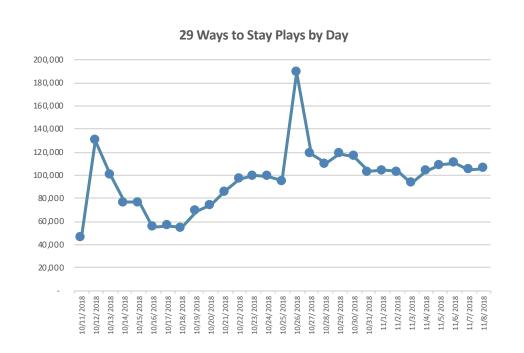
Match – Result

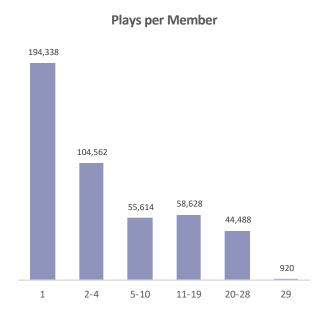
Instant Win - Points

Instant Win - Nights

458,506 members participated in 29 Ways to Stay

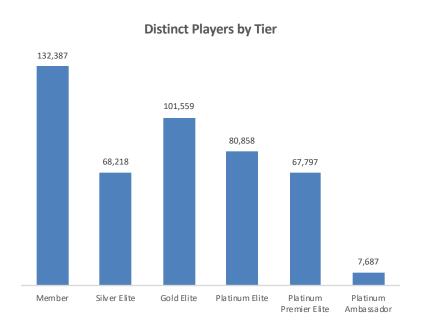
- The 458K members played the game a total of **2,807,814** times over the course of 29 days
 - This is an average of 6 plays per member
- There were 920 members that played all 29 days



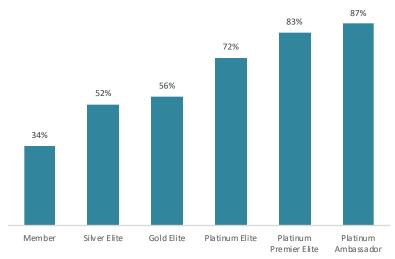


57% of all Game Players were registered for MegaBonus

- Of the 458,506 distinct 29 Ways to Stay Players, 259K were registered for MegaBonus
- The Platinum Players averaged a Registration Rate of 81%
- Silver and Gold Elites averaged a Registration Rate of 54%

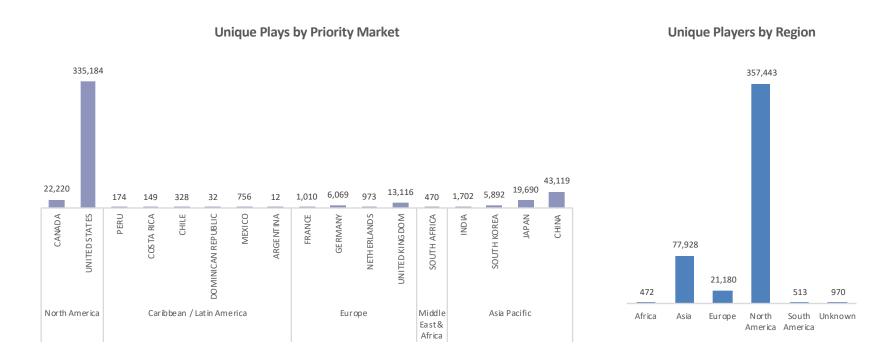


Percent of Players Registered for MegaBonus by Tier



North America had the largest participation with 78% of total Players

- United States had 335K Unique Players that participated in 29 Ways to Stay
- China had the second largest participation with 43K Unique Players



SPG Email Engagement

- There were two emails to Announce and Remind Members about 29 Ways to Stay
 - Announcement Email
 - English deployed on 10/12
 - In-Language deployed on 10/17
 - Reminder Email
 - Deployed on 10/26
 - Chinese deployed on 10/29

ANNOUNCEMENT EMAIL					
Language	Open Rate	Click Rate	CTO Rate		
English	14.6%	2.1%	13.8%		
French	20.0%	2.8%	12.7%		
German	20.5%	4.4%	20.0%		
Spanish	17.4%	1.9%	10.1%		
Japanese	23.1%	5.9%	23.9%		
Chinese	4.9%	0.7%	13.3%		
Totals	16.7%	3.0%	15.6%		

REMINDER EMAIL					
Language	Open Rate	Click Rate	CTO Rate		
English	14.6%	1.9%	13.1%		
French	18.2%	2.3%	12.6%		
German	19.6%	3.1%	16.0%		
Spanish	15.0%	1.3%	8.5%		
Japanese	26.4%	7.9%	29.8%		
Chinese	3.5%	0.5%	14.1%		
Totals	16.2%	2.8%	15.7%		

MR Email Engagement

- There were two emails to Announce and Remind Members about 29 Ways to Stay
 - Announcement Email
 - English deployed on 10/12
 - In-Language deployed on 10/16
 - Reminder Email
 - Deployed on 10/30

ANNOUNCEMENT EMAIL					
Language	Open Rate	Click Rate	CTO Rate		
English	18.2%	2.4%	13.1%		
French	19.4%	4.0%	20.8%		
German	25.7%	4.2%	16.5%		
Spanish	20.4%	2.9%	14.3%		
Japanese	45.1%	10.8%	24.0%		
Chinese	14.1%	3.1%	22.2%		
Totals	18.2%	2.4%	13.2%		

REMINDER EMAIL					
Language	Open Rate	Click Rate	CTO Rate		
English	18.1%	2.5%	13.8%		
French	17.3%	2.0%	11.6%		
German	28.2%	3.6%	12.9%		
Spanish	20.9%	2.7%	12.7%		
Japanese	50.6%	16.2%	32.0%		
Chinese	13.8%	3.3%	23.8%		
Totals	18.0%	2.5%	13.9%		

APPENDIX B



MR MOMENTS SOLO TRENDS YTD

