

BUILT TO THRIVE

Less Data more Information

12 SEPTEMBER 2014

AGENDA

1

RLHC

2

**DEVELOPING
EFFECTIVE
LEAD
MEASURES**

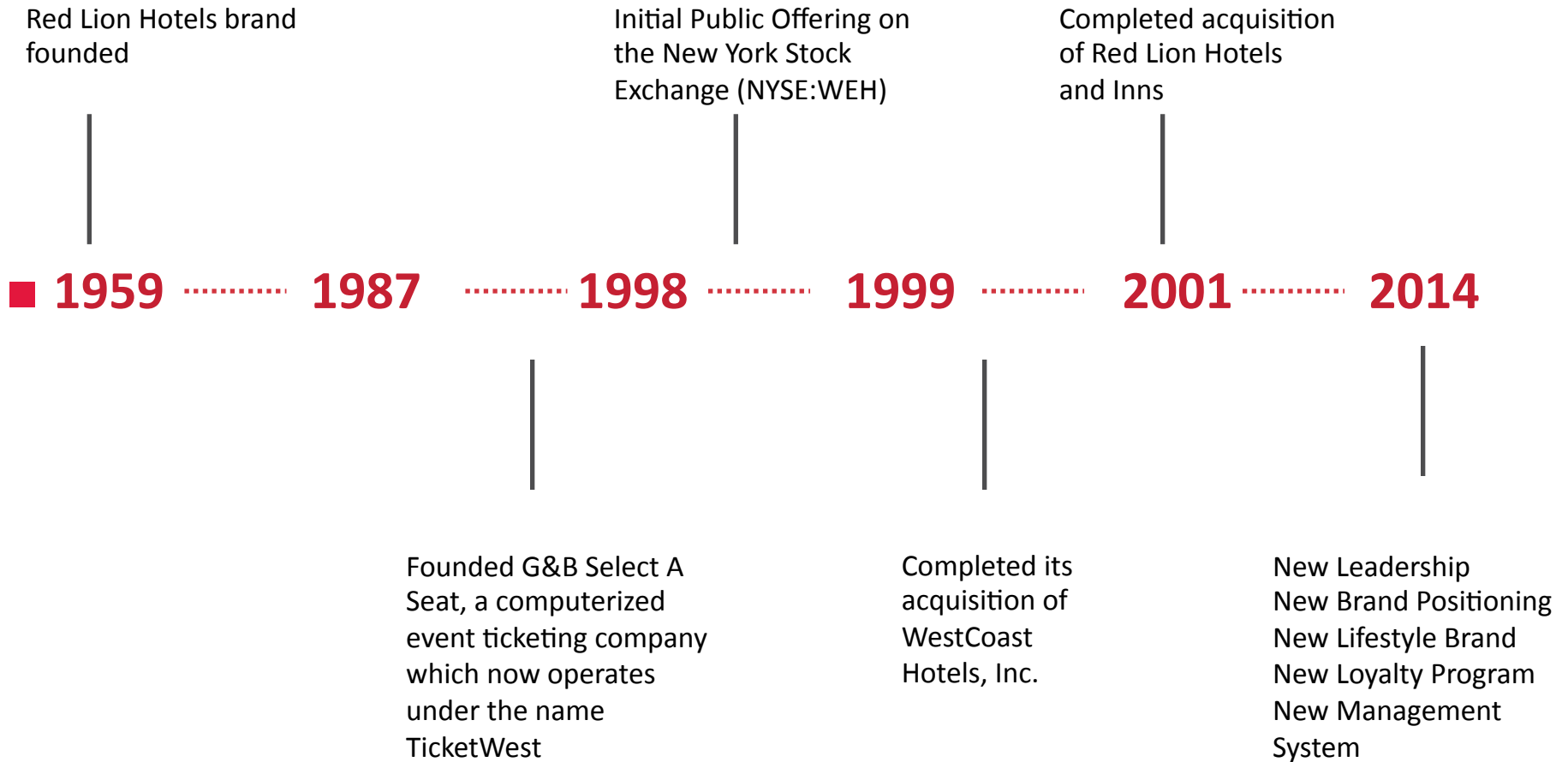
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**ANALYTICAL
ENVIRONMENT
& REVPAK**

4

**APPLYING
ANALYTICS
TO LOYALTY**

RLHC HISTORY





- = Red Lion Hotel
- = Red Lion Inn & Suites
- = Leo Hotel Collection

BRAND SUMMARY

	NEW BRAND	RLH	RLI&S
SEGMENT	Full Service	Select Service	
CATEGORY	3-3.5 stars	3-3.5 stars	3 stars
SERVICE	Upscale	Midcale w/ F&B	Midscale no F&B
AVERAGE SIZE	125-450 keys (market depending)	125-450 Keys (market depending)	80-200 keys
NUMBER OF PROPERTIES	2	40	11
CONVERSION OPPORTUNITY	Radisson, Wyndham, Crowne Plaza,	Holiday Inn, Courtyard, Quality Inn	Comfort Inn, Country Inn & Suite, Hampton Inn



DEVELOPING EFFECTIVE LEAD MEASURES

THE PRIME DIRECTIVE

- I. Achieve Total Hotel Rooms Revenue Forecast
- II. Achieve Budget
- III. Grow Market Share Profitably
- IV. Achieve 30% Non-Qualified Retail (“NQR”) Transient Demand Mix of Sales
- V. Source 2/3^{rds} of e-Commerce Demand from the Hy-Lo Web and Mobile Direct networks

BALANCE RATE-VOLUME OUTCOMES

★ The Rate-Volume calculation helps you understand whether you are making more money regardless of whether you are growing market share

★ The Calculation:

rooms revenue impact exclusively from Occupancy change

(This year's Room Nights – Last year's Room Nights) multiplied by Last Year's Rate

- multiply this product by 60% to get Contribution Profit

rooms revenue impact exclusively from ADR change

(This year's Rate – Last year's Rate) multiplied by This Year's Room Nights

- multiply this product by 90% to get Contribution Profit

Total

	% Chg	CY	STLY	\$ Change in Rev
89.4%	-7.3	3,405	3,672	-\$16,769
84.3%	7.1			-\$10,062
106.0	-13.4			90%
		CY	STLY	\$ Change in Rev
77.95	24.1	77.95	62.81	\$51,564
76.12	10.6			\$46,408
102.4	12.3			
		CY	STLY	\$ Change in Rev
69.70	15.1	\$265,419	\$230,624	\$34,795
64.19	18.4			\$36,346
108.6	-2.8			



ANALYTICAL ENVIRONMENT & REVPAK

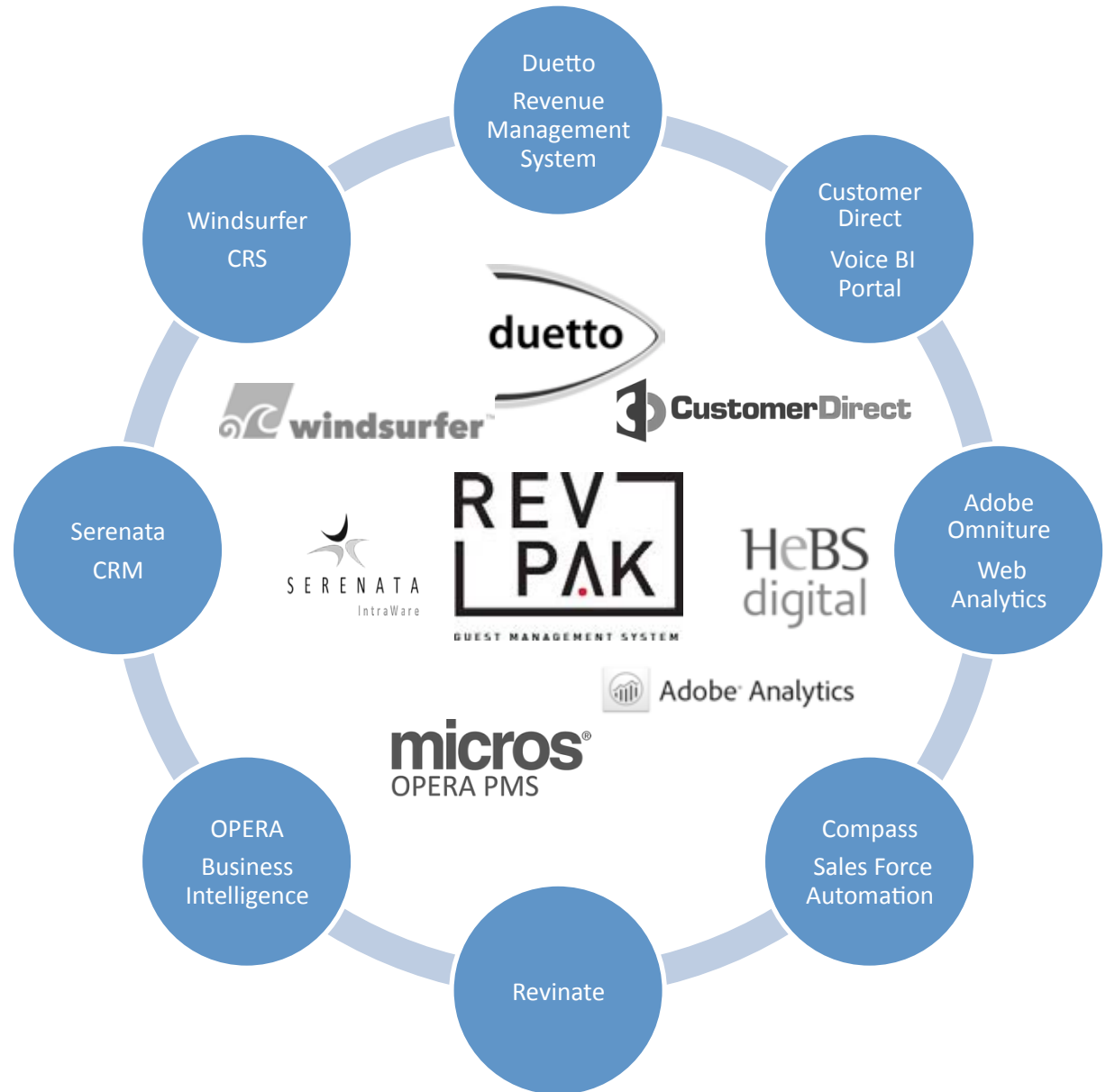
NEW RLHC MARKETING ECOSYSTEM

CRS CRO CRM RMS CMS IMS BI

The RevPak Guest Management System has a singular focus on 3 core objectives:

1. Engage Customers
2. Increase Bookings
3. Measure Results

Its integrated platform of custom applications is designed to provide a single view of all RLHC customers and accounts for 1-to-1 Marketing



A SPOONFUL OF BRANDING GOES A LONG WAY TOWARDS GAINING ADOPTION

RLHC CORE FORECASTING VALUES + HALLMARKS

core values

PROACTIVE COMBINATIONAL COLLABORATIVE

These three principles inspire and inform each move and decision we make to ensure revenue optimization in everything we do.

hallmarks

1. No surprises!
2. Leverage single source of truth BI
3. Start with Performance Indexing
4. Shift strategy to reach beyond pace
5. Socialize
6. Forecast at the channel level and the segmentation level
7. Be willing to stand in the breach
8. Really...no surprises!

Lead Measures:

Forecasting Accuracy

E-Commerce Mix

Premium Retail Mix

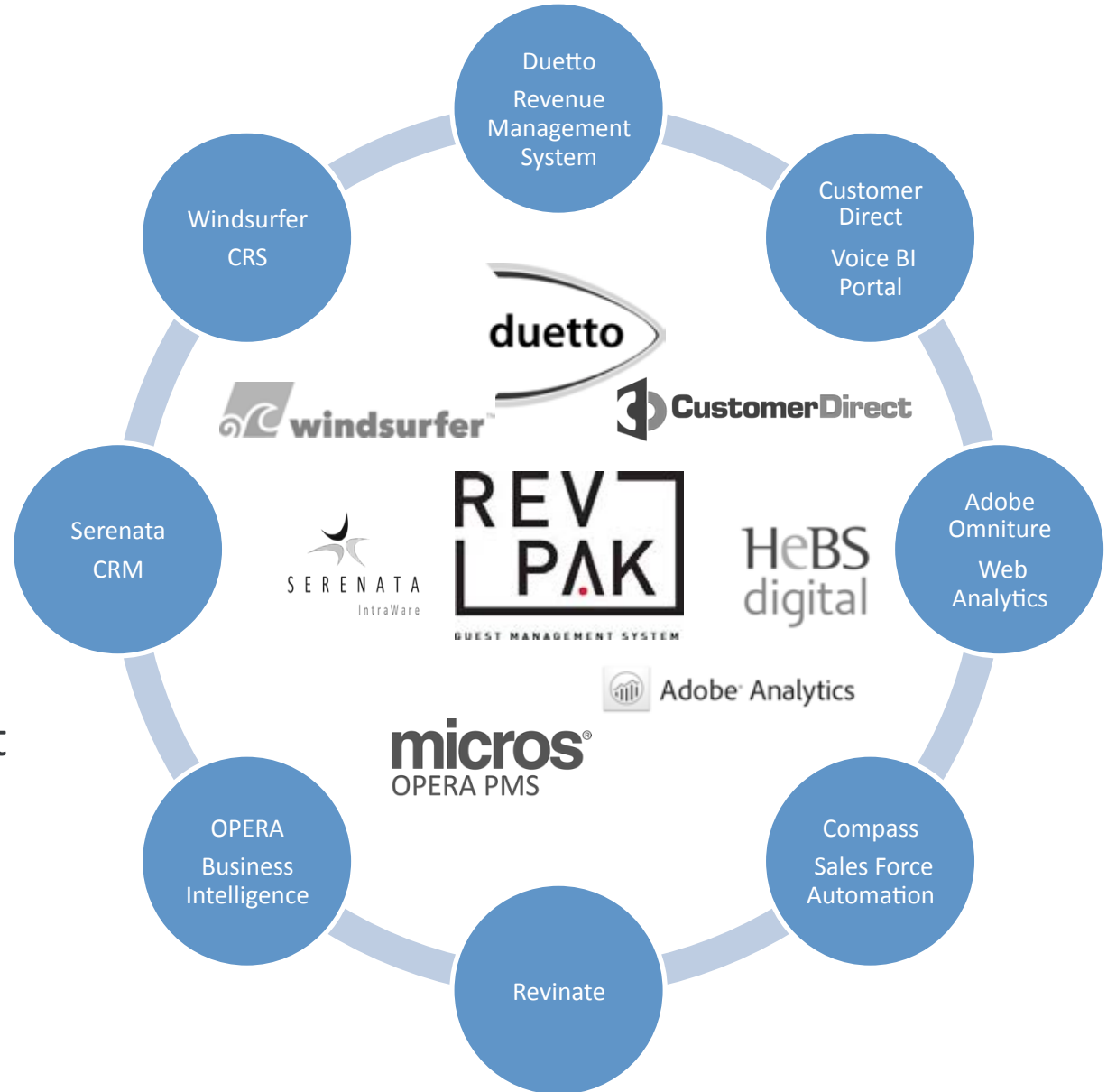
Call Center Conversion

Sell-out Effectiveness

Rate Parity

Reputation Management

Organic Search Rankings



APPLYING ANALYTICS TO LOYALTY

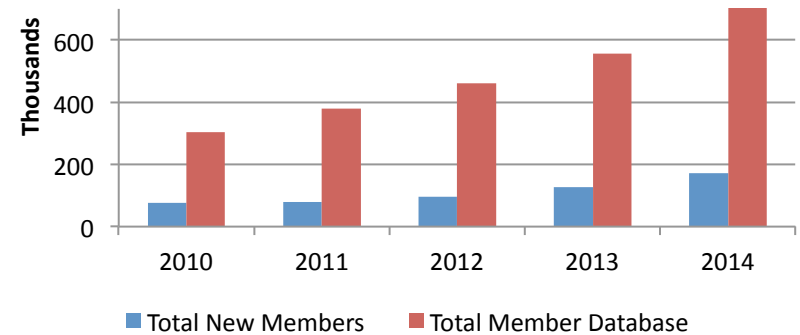
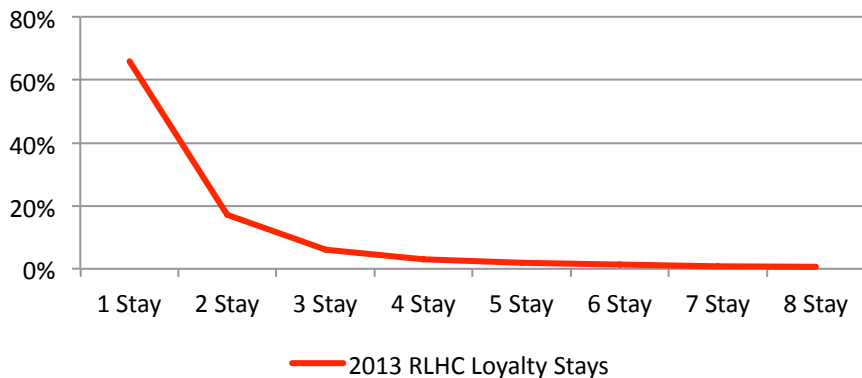
A CASE FOR CHANGE

66% of active members had just one stay with RLHC

18% of active members had two paid stays with RLHC

11% of active members had 4+ paid stays with RLHC, >1% had 6+ stays

2013 RLHC Loyalty Stays

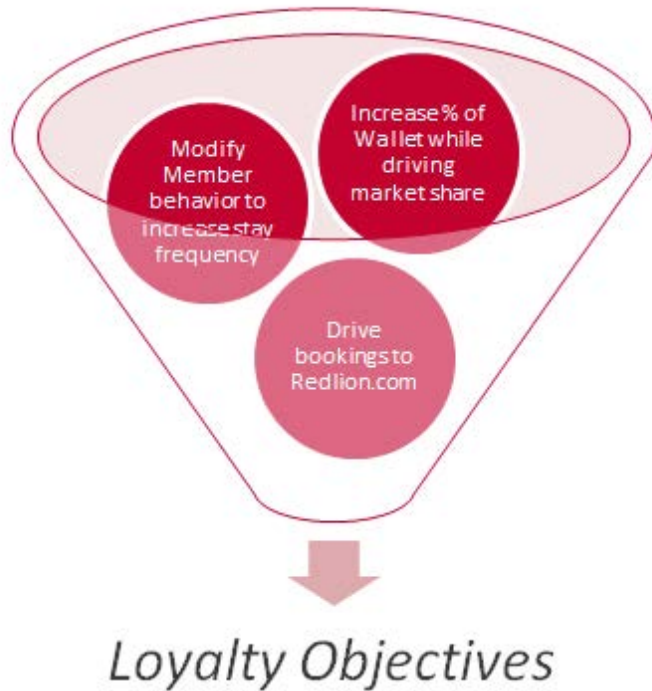


97% of members do not have enough points to redeem free stays

3% of members can only redeem one hotel night as a free stay

>1% of members can redeem more than one night free stay

LOYALTY OBJECTIVES



Drive Member Engagement

Build Profile Management Systems

Reinforce Brand Message

Generate referrals from current Members

Increase conversion within Redlion.com

Grow social advocacy

1-to-1 Relationship Marketing

Reduced COS and Customer Acquisition Expense

LOYALTY OBJECTIVES

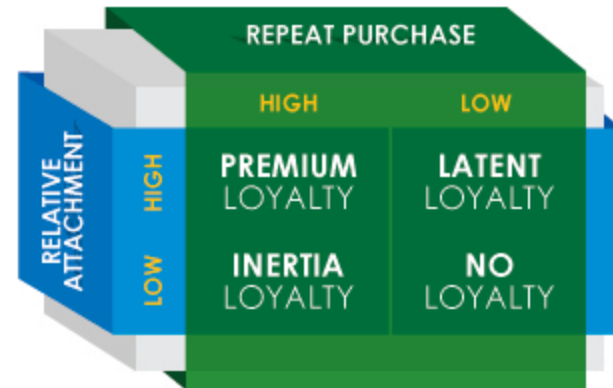
Our program will move members from latent loyalty to reciprocal loyalty

Traditional loyalty programs

- No Loyalty:** rarely has an affinity toward a brand
- Inertia Loyalty:** buys out of habit or convenience
- Latent Loyalty:** loyal, but purchases infrequently
- Premium Loyalty:** purchases often and redeems

New loyalty programs

- Reciprocal Loyalty:** a relationship benefitting both the brand and consumer via advocacy, purchase behavior and engagement



INTRODUCING OUR NEW LOYALTY PROGRAM



New Loyalty

Recognition Based

Unpublished Rewards

Instant Gratification

Knowingly Recognized Members

1-to-1 Relationship Marketing



R&R Club

Points Based

Published Tiers

Earned Rewards

Impersonal Relationship

Promotion Based Comms



RED LION[®]
R&R CLUB



THE DAWN OF A NEW BEGINNING

A hiker with a backpack is seen from behind, standing on a grassy slope and looking out over a vibrant turquoise lake. The lake is nestled in a valley between snow-capped mountains under a blue sky with scattered clouds. The scene is bright and scenic, capturing a moment of nature appreciation.

WE'VE THOUGHT OF EVERYTHING

WE ARE MOVING
QUICKLY
TOWARDS THAT
BRIGHTER HORIZON

