

CASE STUDY

HILTON COMMUNITY



Reaching and speaking to the people that matter, the ones that really help shape your business and your strategy, can sometimes be a very time consuming and expensive task.

Communities are the perfect solution for engaged research with your target audience, but it is critical to ensure you are getting the valid answers you need to make informed business decisions. Understanding your community members and their relationship with your brand is key to ensuring the right people are answering the right surveys, and correctly interpreting their wider needs and expectations is vital when you're spending your valuable budget based on their opinions.

We worked with Hilton to enhance the value of its existing community; in particular to understand more about members' perceptions, experiences and expectations of Hilton in a broader context.

A key phase was to profile and segment the community according to the nature of the customer's relationship with the brand. This is valuable insight in its own right, but also, extremely useful context for targeting and analysing different business and research priorities amongst different groups within the community. This in turn should inform and guide the resulting business decisions and actions taken.

For example, there may be little point in basing product or service development decisions mainly on the feedback of highly engaged and connected fans of the brand (who may be overly positive anyway), especially if the key challenge is to build beyond the core fan base. Equally, as customer groups have different needs and expectations, this should be factored into research activities, analysis and outcomes.

Our early deep profiling and segmentation of community members, providing a different perspective for Hilton, is helping to focus their ongoing research planning, insights and outcomes.

WHAT WE DID AND FOUND

Each community member completed a short survey to rate the strength of their relationship with Hilton, their brand perceptions, and their satisfaction and priorities of various product, service and communications experiences. We also asked about competitor brand consideration and hotel usage to put this in context. This survey included our tried and tested customer relationship and brand energy questions, used across the Harris business for many years to guide leading brands in many category outcomes.

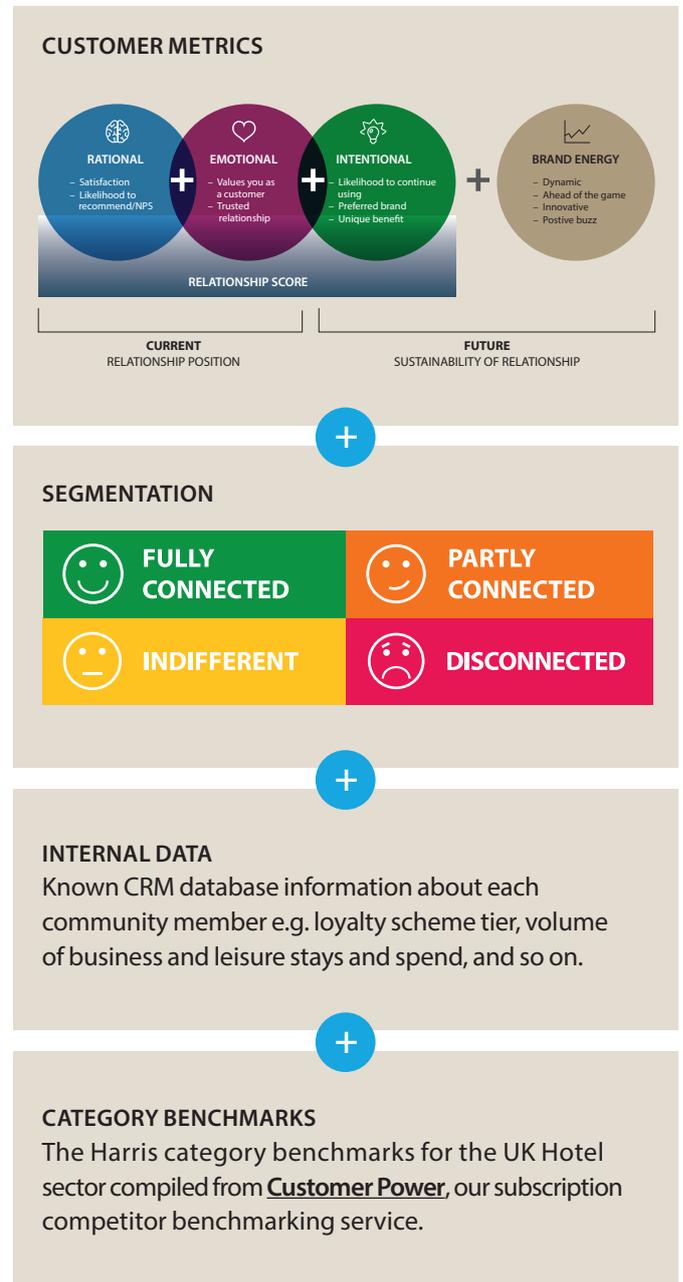
Based on their responses we segmented the community into four groups, according to how connected they are to Hilton, or in other words, how happy and engaged they are:

To provide further context for analysis we also overlaid internal data and category benchmarks.

Not surprisingly, community members are well connected to Hilton, and most fully connected customers feel their loyalty is rewarded, but even in this engaged community environment some are less connected and use/consider other brands.

- Connection to the brand appears to be **more rational than emotional**.
- There is a correlation between the loyalty scheme tier and the level of customer connection, but **this isn't the only influence on customer connection**, with some fully connected customers not feeling the value of the scheme, and some of the top tier loyalty members are not fully connected.
- **High spending, long-standing customers exist in similar proportions across groups**, from fully connected to less well connected; but these groups have different expectations of Hilton and varying relationships with Hilton's competitors.

This underlines the importance of the analysis and the fine-tuned follow-up research required with these different groups to answer questions like, why are some community members less well engaged? Does this group include high value customers who are at risk? Is this representative of the wider market? How are the perceptions of these groups impacting research outcomes from the community? Without this analysis of customer relationship/connectedness, these key insights and further questions might not have been identified, and almost certainly not in a clearly quantified and actionable way.



WHAT WE DID AND FOUND

SATISFACTION WITH HILTON'S SERVICE AND KEY NEEDS, BY SEGMENT

We measured around a dozen factors, from staff performance to communications and value for money. Although, as expected, fully connected customers gave the highest ratings across the board, the biggest differences between them and less connected customers were around more emotional, innovation and value related factors. At an overall level, this ties-in with the earlier analysis of the customer relationship/connection, and helps us to begin to understand what's driving this and where to focus and enhance.

For each of the four customer groups we plotted satisfaction ratings and their stated needs for Hotel services in general (ranked by importance) on a market needs/brand footprint map, to enable a SWOT analysis and to identify key priorities for Hilton in each group. A generic example is shown below.

Each group's needs varied in importance, but there were also some common themes, for example, around personalisation:

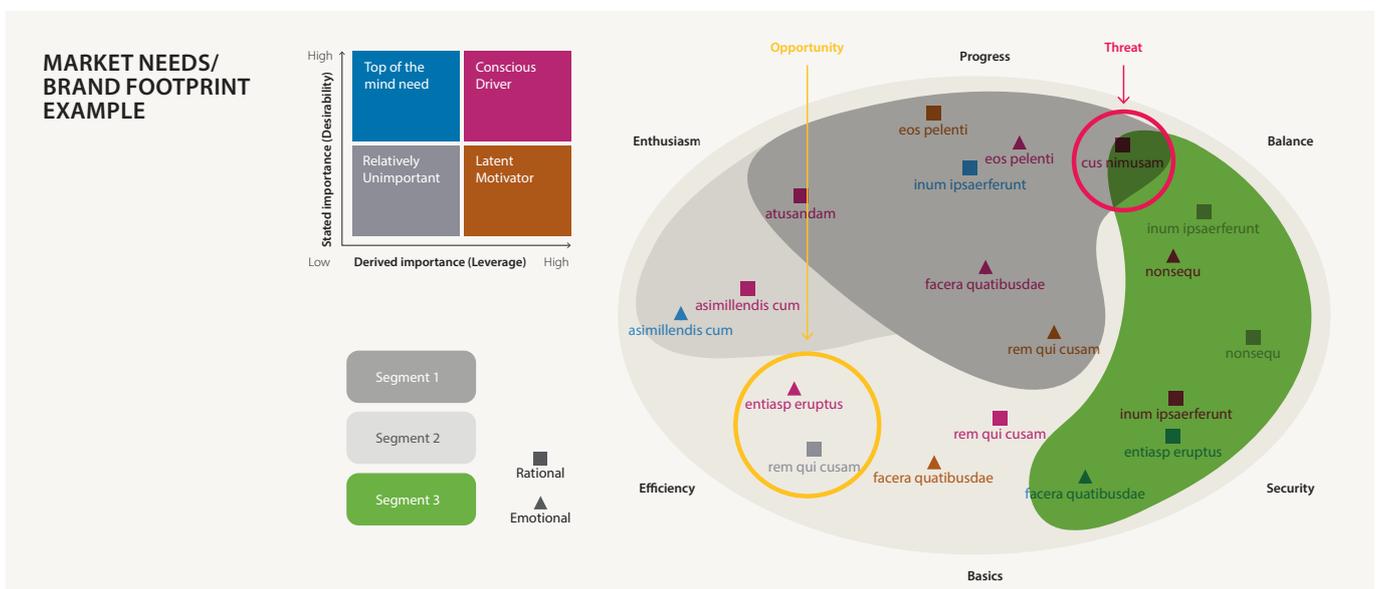
- Fully connected customers give high ratings across the board and are generally happy that their priority needs are being met, but they are still looking for enhanced service elements and more personal communication
- Partly connected customers rate Hilton well on many important attributes, and Hilton is meeting the majority of their priority needs, but there are potential areas for improvement around value, innovation and personalisation
- Less well connected customers provide lower ratings across the board and are looking for a more personalised and rewarding experience and relationship in key areas.

CUSTOMER POWER CATEGORY BENCHMARKS

Looking at the wider picture via our Customer Power benchmarking data from a nationally representative consumer landscape, the proportions of Hilton's connected segment groups are similar to those in the Hilton community and Hilton is well rated, suggesting the community is reflective of broader opinion. Interestingly, community members feel slightly more valued in their relationship which may be as a result of their community engagement level, but see brands as being less unique than the wider customer base.

The wider benchmarking context also tells us that, positively, Hilton is one of the top three brands for customer engagement, but a number of key competitors are equally well perceived in terms of brand energy and innovation.

The hotel industry, as a whole, also appears to be struggling to demonstrate how it rewards customers for their loyalty. So this competitive scenario reinforces the importance of taking action with all groups to retain the current position but also shows the opportunity available to differentiate and attract new business.



THE IMPACT

OVERALL CONCLUSIONS AND NEXT STEPS

Community panel members may have a lot in common – they may have a similar demographic profile, may engage with and use a brand in similar ways, may have joined the community for similar reasons and been recruited via the same sources.

However, they are rarely all similar in terms of needs, brand perceptions, and experiences. Just think about the negative Hotel review you read online that bears no resemblance to your great experience at the same hotel.

Understanding this context and working with these groups differently, helps to optimise community research activities.

In this particular case, this is enabling our client to take different actions:

1

Each individual within the community has been allocated to a **specific customer group** for follow-up research so different questions can be targeted to each for future surveys

2

It is clear that the four customer groups have different relationship priorities and needs to be addressed, which is important input to align with the loyalty scheme proposition, and to use in targeted communications in the wider marketplace

3

Although further investigation is needed, there is baseline insight about how to retain business from fully connected customers and how to encourage partly connected and indifferent groups to consider the brand for more stays and spend

4

There is plenty of scope to test new services, propositions, loyalty scheme components or communication approaches pre-launch with precisely the relevant target audiences/ customer segments

5

An area that is growing in importance, personalisation in the customer experience, was highlighted as particular hot topic for further review

6

Over time it will be necessary to rerun and review the customer relationship profiling and connected segmentation, both inside and outside of the community, and in a competitive context, to measure changes and progress

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