



IHG welcomes Google mobile advertising with a 91% per cent increase YOY in revenue from mobile search.



InterContinental Hotels Group



"By using text specifically aimed at mobile users, we saw mobile search revenue increased by 91 per cent YOY."

—Marco De Rosa, Interactive Marketing Manager EMEA, IHG

"Thanks to our current activity with Google, traffic to our mobile site is increasing by 20 per cent month-on-month."

—Marco De Rosa, Interactive Marketing Manager EMEA, IHG

InterContinental Hotels Group (IHG) – which offers more than 650,000 rooms in around 4,500 hotels across 100 countries – is the largest hotel group in the world by number of rooms. The business operates seven hotel brands: InterContinental, Crowne Plaza, Hotel Indigo, Holiday Inn, Holiday Inn Express, Staybridge Suites and Candlewood Suites.

For IHG and the rest of the travel industry, high-end mobile devices running Android or Apple's iOS platform promise great returns. In short, they are ideal for people on the move or last-minute travellers who want a quick and easy way to book a room for the night. Marco De Rosa, Interactive Marketing Manager EMEA at IHG is clear about what mobile means for his industry. "We are talking about new revenue here," he says. "although mobile does include some channel shift, this is not just a case of existing customers choosing a different sales channel."

How to build a successful mobile advertising strategy

In line with De Rosa's views, IHG has developed a pioneering mobile strategy with Google and Forrester. First, it worked closely with Forrester, which divided the group's potential mobile audience into three segments:

- Searchers – the largest group consists of people who don't have a brand preference.
- Direct bookers – this group features people who know the IHG brand and expect to be able to book rooms using their high-end devices.
- Loyalists – the audience most likely to download and use an app. These people are faithful to the IHG brand and regularly book rooms using their smartphones.

De Rosa says: "With this information, we formalised our strategy. We took a segmented approach and decided to reach out to the largest audience – namely, searchers and direct bookers with a mobile-optimised website, while targeting loyalists with an app."

A combination of mobile apps and mobile website

First, IHG created the mobile-optimised site so visitors could check availability and book rooms at nearby IHG hotels. De Rosa says: "The great thing about a mobile website is that it gives you more flexibility than an app. In our case, the site takes account of visitors' locations, so we can provide them with a more personalised service with local maps and driving directions to their hotels. Furthermore, our mobile site is now available in English, German, French, Italian, Spanish, Japanese, Chinese and Brazilian Portuguese." Indeed, IHG saw the website as the lynchpin in the success of its mobile strategy. De Rosa comments: "Given that it can be accessed from multiple platforms, it can reach a much larger audience. It is also accessible from any mobile browser, which means people don't have to download anything to their devices."

After the mobile site, IHG launched the Priority Club® Reward app – for both Android and iOS platforms – which gives customers a simple way to find and book hotel rooms, check their points balance and view reservations. Each time they book a hotel using the app, they increase their number of points. These points can be redeemed in a number of ways, and give customers the ability to extend check-out times and secure room upgrades, for example.

Offline marketing is quickly followed by search with unique messaging

To promote the apps and the site, and to build awareness, IHG initially launched a poster and print campaign. The message, "Book a room. Whenever. Wherever."

– which appeared in many IHG hotels – told travellers that they could now search for rooms and make reservations using their smartphones. “It was an important part of our marketing strategy, and sat alongside our Google AdWords activity with the main goal of driving more traffic and increase conversion rates on our mobile site” comments De Rosa.

IHG created mobile-based AdWords campaigns for each hotel brand for localised sites in the UK, France, Germany and Italy. Furthermore, the campaigns contained unique messaging, which included phrases such as “Holiday Inn Hotels,” “Mobile site – book now” and “Call or book direct on mobile site.” De Rosa says: “It seemed clear that to maximise traffic, we needed mobile-specific ad text for the different hotels worldwide.”

Unique messaging campaign increases mobile search revenue by 91% per cent

The adoption of unique messaging delivered great results. “By using text specifically aimed at mobile users, we saw revenue from our mobile search activity increased by 91% per cent YOY,” says De Rosa. Further analysis showed that the UK produced the best results, closely followed by Germany, France and Italy. De Rosa adds: “Thanks to our current activity with Google, traffic to our mobile site is increasing by 20 per cent month-on-month..”

Click-to-Call on mobiles accounts for around 40 per cent of our mobile web revenue globally

At the same time as the campaigns in Europe, IHG was also running similar unique-messaging activity in the US, but with the addition of the Google AdWord’s Click-to-Call feature. It was the first time that IHG had used this option in a mobile campaign, although it already formed a regular part of desktop-based search advertising. Early results showed that the impact of Click-to-Call on the mobile campaign was substantial. “Click-to-Call now accounts for around 40 per cent of our mobile web revenue globally,” says De Rosa. “This compares well with desktop campaigns, where revenue generated by guests calling our reservation offices accounts for between 25 and 30 per cent of web revenue.”

Given the success of Click-to-Call, it will remain a feature of mobile campaigns, even though IHG’s main goal is to drive traffic to the mobile site. De Rosa explains: “We don’t want to limit customers’ options, plus the feature is clearly an important source of revenue.” IHG now hopes to repeat the success of Click-to-Call in Europe.

Nearly 40 per cent of all room nights are booked by Priority Club members

While the mobile site is the focus of IHG’s mobile strategy, it has still seen great results with its app. “Downloads have exceeded our expectations,” says De Rosa. “We reached 100,000 downloads of the iPhone app in three-and-a-half months from launch in April.” The Android app has been a particular success since it launched – with downloads increasing by more than 400 per cent at the height of the summer, and revenue from the app increasing by 350 per cent during the same period. “Android is now the fastest-growing platform for IHG,” adds De Rosa.

Currently, there are approximately 48 million Priority Club® members worldwide making millions of bookings each year with some 4,500 hotels. De Rosa says: “Our guests make more than 180 million stays every year and around 40 per cent of all bookings are made by Priority Club® members.”

Future promises even greater success

Although De Rosa is resolute that mobile sites generate new revenue, he says that the advertising strategy for maximising revenue is still a work in progress. “We are part way through a three-year programme for our mobile activity,” he explains. “And we have a series of launches planned for the coming months, including an iPad app for the InterContinental brand.” According to De Rosa, IHG takes mobile very seriously, and its “test and learn” approach is providing insights and better decision-making. De Rosa adds: “The key to success will be in driving unique experiences to our guests, which will eventually lead to channel preference.”

