Leveraging Wi-Fi To Accelerate Loyalty Enrollment

How one hospitality brand partnered with Eleven to create a new & substantial loyalty acquisition channel with Wi-Fi

Executive Summary

Driving loyalty acquisition has always been top of mind for hotel executives, but as the industry recovers from the pandemic and business travel is on the upswing, it's more important than ever to accelerate loyalty enrollments.

For years, surveys have suggested that Wi-Fi is a top guest amenity (source). The first thing most guests do upon arrival is connect to Wi-Fi which makes it a perfect moment to pitch the loyalty program.

When Wi-Fi is done right, it has stunning results, including the ability to:

1. Create a great guest Wi-Fi experience

2. Generate millions in Wi-Fi revenue

3. Accelerate brand loyalty enrollments

4. Maintain a low loyalty acquisition cost

The Opportunity

Occupancy has always been the essential hospitality metric, but the type of guest occupying a room is also important to understand; not all guests are created equal. For example, reservations booked via an online travel agency (OTA) often withhold contact information of that guest from the property, the profit margin is often lower, and the likelihood of multiple stays for the OTA-sourced guest is also less. Loyalty members stay more often and spend more.

In addition, the identity of a loyalty member positions the brand to provide a more personalized guest experience than they would be able to do otherwise.

While occupancy is the essential metric it doesn't tell the whole story. The strength of a brand's loyalty program is likely a better leading indicator of a hotel's predicted occupancy and predicted ADR. The goal for hotel brands is to be "top of wallet" for guests–to be the brand of choice when they travel. Macro trends, including changes in technology and guest demographics, are forcing brands to get more creative when it comes to loyalty enrollment and member acquisition and that's where Eleven comes in.

Wi-Fi strategy has traditionally focused strictly on the connectivity experience of guests and certainly that can't be ignored. More advanced guest Wi-Fi systems offer tiered plans, such as free basic Wi-Fi and paid for premium access. This freemium model can generate millions in revenue for the hotelier. But now, when artfully crafted, Wi-Fi can do more. It can become a brand's #1 approach to signing up new loyalty members and it can be the least expensive channel for doing so.

The brand has a carefully orchestrated Wi-Fi experience built with ElevenOS; guests around the globe, regardless of service provider or underlying network gear, enjoy a consistent branded Wi-Fi experience. With this established and dependable foundation in place, it was time to do more. Over a series of months Eleven collaborated with the brand to create a new connectivity experience with a new goal—massive guest adoption of their loyalty program.

50%

Loyalty members are 50% more likely to rebook

Kalibri Labs Report

9%

Loyalty members yield 8.6% higher average daily rate

Kalibri Labs Report

The Solution

Eleven built an intelligent loyalty onboarding flow, integrated into the overall guest Wi-Fi experience. Unlike anything on the market, ElevenOS has transformed Wi-Fi into a gateway to brand loyalty. Despite the complexity behind the scenes, Eleven creates a frictionless user experience, smartly determining who's eligible.

The basic flow happens after a guest initiates a Wi-Fi authentication. In real time, ElevenOS checks the guest loyalty status via a bi-directional integration with the hotel's CRM or loyalty system and based on their status, directs them down a particular path. Loyalty members are given the option for their free connection or to pay for more speed, while non-loyalty members are given the choice to sign in

exchange for free Wi-Fi. Loyalty members can also be given contextual offers, like signing up for a brand's credit card. Eleven's smart software can tell if they already have it or not, ensuring a great guest experience that adds real value.

Once the ideal workflow and solution were tested and proven, it was time to deploy. Having the ElevenOS cloud-based authentication platform in place was crucial for efficient deployment. With Eleven as a trusted partner, the brand was able to roll out the changes globally overnight to over 5.500 properties, across multiple hardware platforms, service providers and multiple languages. The results were stunning.

The Results

The program has exceeded all expectations and continues to perform well month-over-month. Below are actual results beginning in December 2021 with 5,700 properties and ~60% occupancy.

2.8M

Over 2.8 million new loyalty members in the first 6 months; 15,800 average daily enrollments
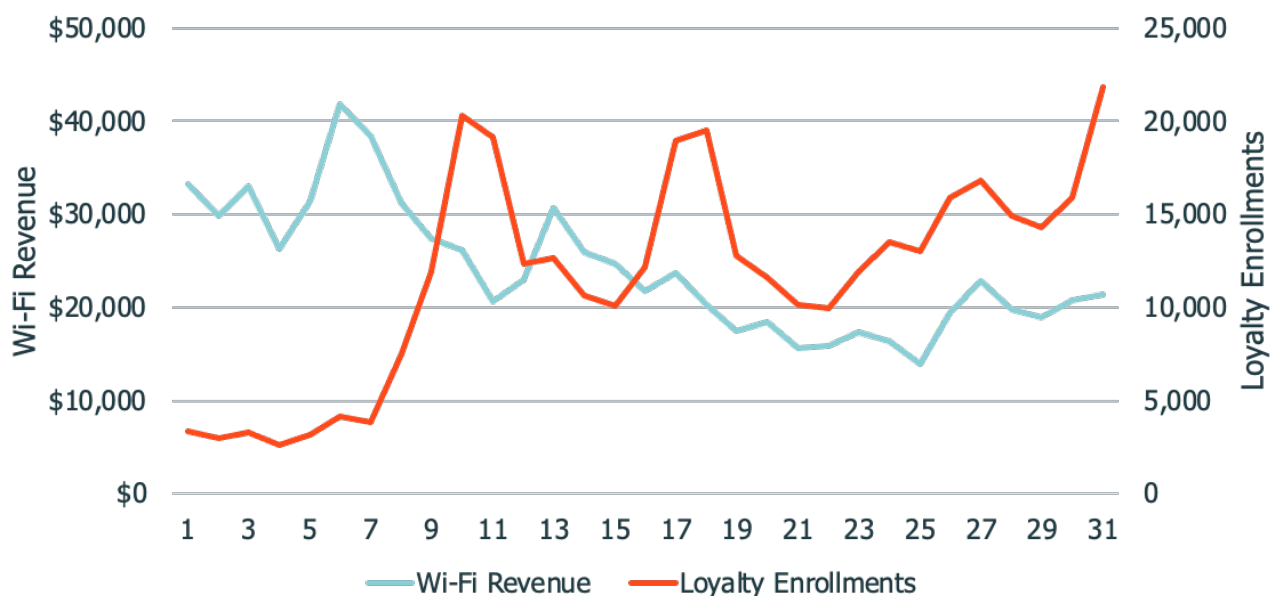
25%

25% conversion rate; which represents a 568% improvement over post-connect redirect

$1.00

Less than $1.00 to acquire a new loyalty member via this new channel

Since free Wi-Fi is the key incentive for loyalty enrolments, we expected a natural decline in Wi-Fi revenue. The graph shows that expected decline, although it wasn't as drastic as initially anticipated.

Critical Success Factors

The ElevenOS platform is also a powerful tool for growing a brand's loyalty program in a highly cost-effective manner. With Eleven's intelligent solution that delivers value to both guests and brands, 6 critical success factors were identified:

1. **Cloud-based Platform**: A central authentication platform is needed for easy and rapid deployment across many locations
2. **Smart Sequencing**: An intelligent and optimized workflow offering loyalty enrollment during, instead of after the authentication process was critical
3. **Rapid Registration**: Confirmation of loyalty registration must occur in seconds and clicks must be minimized
4. **Free Wi-Fi Incentive**: Offering free premium Wi-Fi to demonstrate instant value for new members is integral for results
5. **Contextual Customization**: Personalization of the post connect landing experience drives further upsell opportunities
6. **Real-time API Integration**: Determining a guests' status in real-time with an integration to a brand's CRM or loyalty system is key

Conclusion

Wi-Fi has been and will continue to be a vital hotel amenity, but there is a strategic play that can be accomplished with guest Wi-Fi. Here are some of the lessons learned from this project:

1. **Wi-Fi is a Proven Incentive**: About 1 in 4 of non-loyalty members staying at your hotel are willing to join your program in exchange for free premium Wi-Fi
2. **Timing & Context Matter:** Redirecting guests to loyalty registration after connecting is not effective–registration must occur in the context of authentication
3. **Speed & Simplicity Are Key**: Delays in processing are lethal, the process from start to finish must happen quickly and with minimal clicks or guests lose interest
4. **Freemium Still Works**: Offering free basic Wi-Fi to loyalty members and paid premium Wi-Fi can generate millions for a hospitality brand
5. **Acquisition Cost is Low**: The cost of acquiring new loyalty members through Wi-Fi is substantially less than other methods and channels
6. **Personalization is Valuable**: Features like contextual landing pages and relevant guest offers enables marketing teams to get more out of Wi-Fi

Hospitality brands of all shapes and sizes can benefit from a strategic approach to Wi-Fi–it's not just an IT consideration anymore, it's a business asset. It can be used as a cost-effective and incredibly successful loyalty acquisition channel, a marketing promotion engine for things like credit card offers and, and of course a guest experience enhancer.

ElevenOS is hospitality's #1 cloud-based guest Wi-Fi platform.
Contact us for a free Wi-Fi consultation today..

eleven

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