



Kipsu + European Hotels

| 2019

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About Kipsu

Kipsu was founded nearly 10 years ago to connect teams with their guests in-the-moment, during their stay through SMS text messaging and other digital messaging channels. The result is a unique opportunity to open new ways to provide guest service, address concerns and questions, and catch feedback before negative reviews appear online or within brand surveys.

Kipsu works with over 2,000 hotels in more than 30 countries, powering over 10 million messages a year between staff members and those they serve. Kipsu empowers teams to quickly and efficiently answer incoming requests, route messages to the appropriate teams, send guests documents and images, and pull reports to run analytics on a broad range of data. With Kipsu, hotel staff can digitally extend the personalized, high-touch service they offer today through face-to-face guest interactions.

Case Study Overview

Kipsu began its international operations in May 2014 after launching the Waldorf Astoria Edinburgh. Kipsu now partners with over 70 hotels across seven European countries within major brands like Hilton, IHG, and Accor, as well as independent properties. With the introduction of digital messaging into daily hotel operations and guest service initiatives, **hotels observe direct effects in staff-to-guest communication and overall satisfaction**, which is translated into distinct, quantitative results on TripAdvisor and brand survey scores.

Challenges Faced

Hotels around the globe are looking for ways to **expand their customer service model beyond the front desk and in-room phone lines**. Without other forms of communication, hotel staff lack the ability to proactively ask for feedback and guests do not have the capability to make requests both on and offsite—leaving many guests to voice their feedback post-stay on online review pages or surveys, affecting the hotel's TripAdvisor and brand survey scores.

In addition, the introduction of digital check-in options are increasingly prevalent. This feature allows hotel guests to check-in and enter their room via their mobile device—bypassing the front desk altogether. Although it is helpful for guests to check-in easily and efficiently, it further decreases the number of touchpoints staff have with guests during their stay. **Teams are looking for a way to add back personalized touch points** so guest feedback is accounted for in real-time, allowing staff the ability to perform service recovery, if needed.

Finally, properties voice concerns regarding the absence of guest messaging solutions that are **“international-ready,” GDPR-compliant, and non-app-based**. Most solutions do not account for properties within highly-traveled and diverse cities by providing a robust translation feature—**eliminating language barriers as a challenge for guest-to-staff communication**. Furthermore, international properties also have guests using a variety of different digital messaging channels from SMS text messaging, WeChat, social media messengers, live web chat, and more. To accommodate guests' needs and better align with the messaging norms of the home country, properties require a solution with **multiple integration capabilities**. With this, a multitude of channels can be fed into a single, team-friendly interface, without having to add any additional hardware, like phones or computers, which can be expensive and cumbersome.



Desire to Expand Customer Service Model Beyond Front Desk and Phone Lines



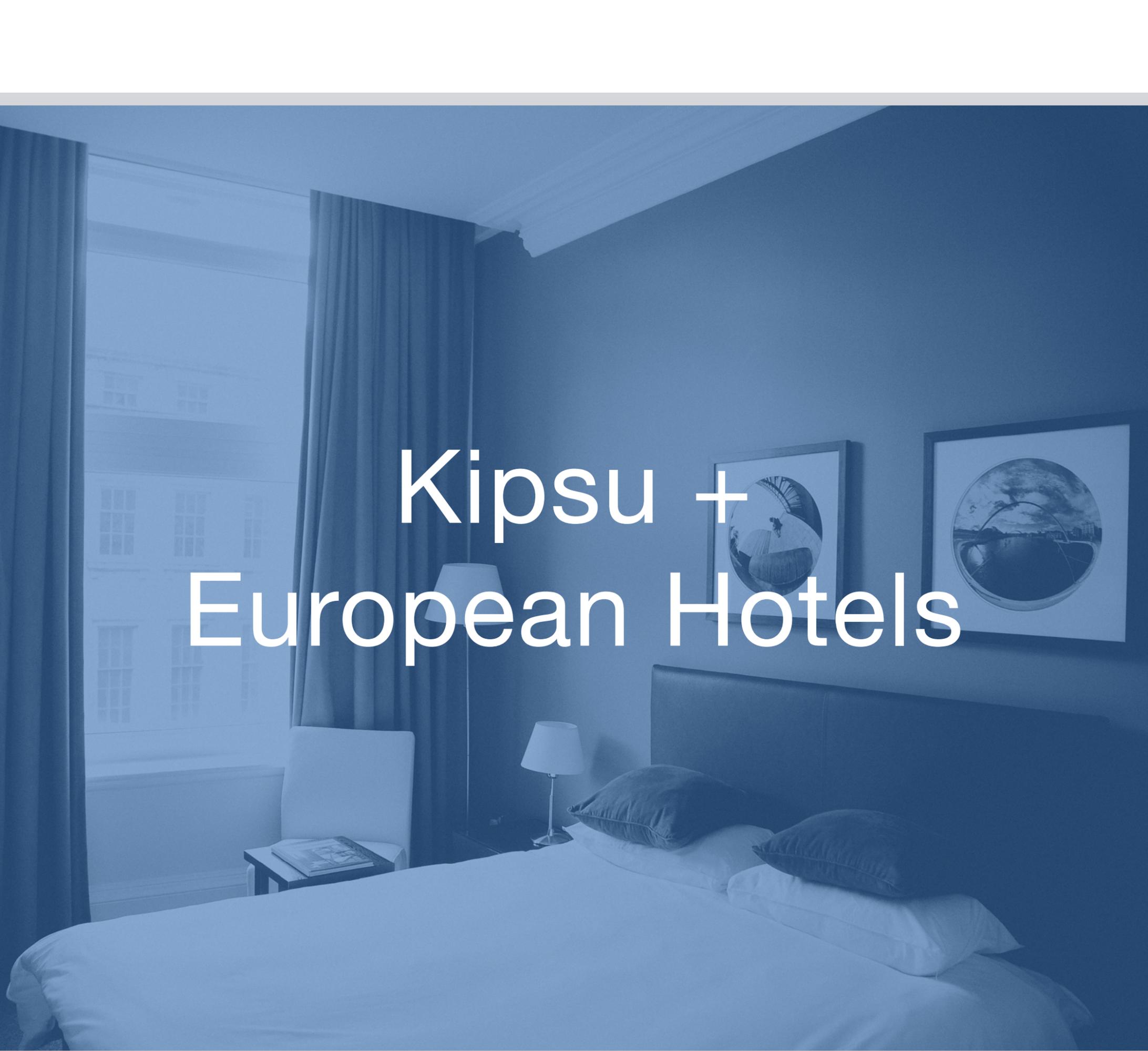
Decrease in Number of Guest Touch-Points Due To Digital Check-In Options



Lack of International-Ready, GDPR-Compliant, and Non-App-Based Solutions



Difficulty Finding Solutions With Integration Capabilities For Multiple Digital Messaging Channels and PMS Systems



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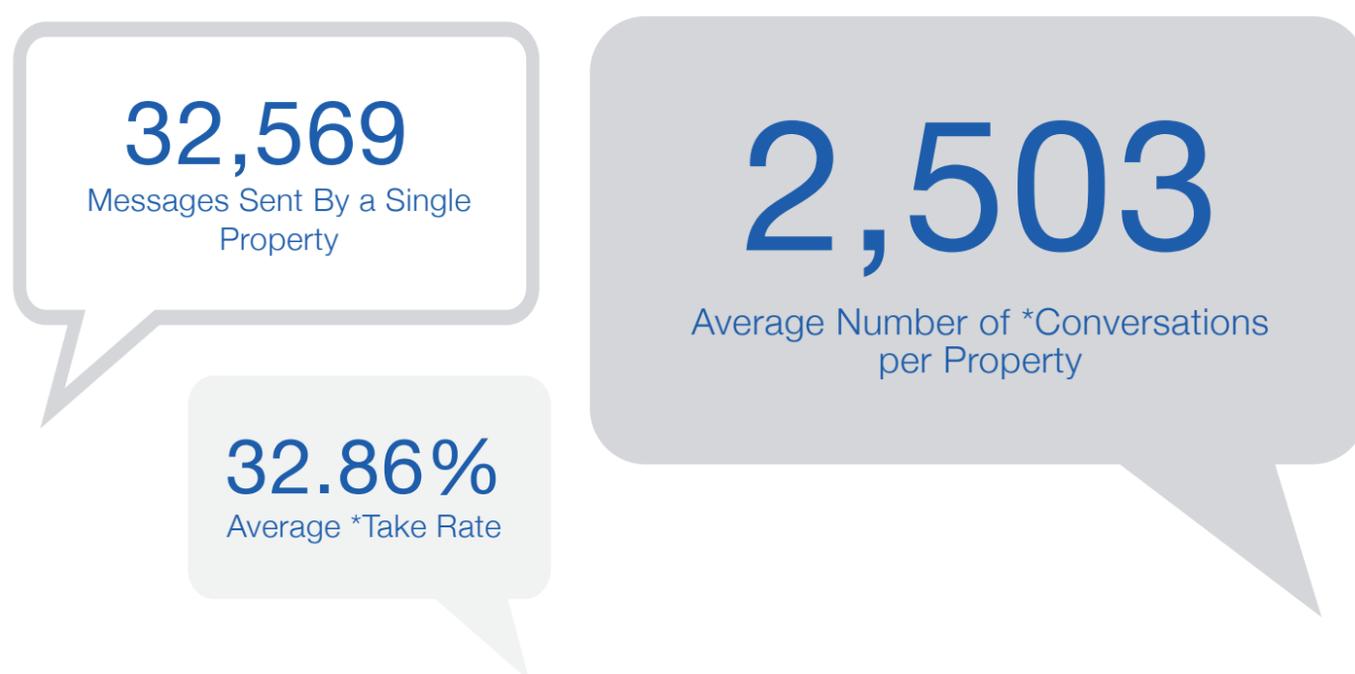
The Solution

The Solution

Kipsu first launched the Waldorf Astoria Edinburgh in May of 2014. Within four years of the Edinburgh launch, Kipsu opened a satellite office in the United Kingdom to further support the growing number of overseas partnerships and ensure partners have ideal training times, launch dates, and personalized service from the Kipsu team. As stated previously, Kipsu launched over 70 properties across seven European countries with a large concentration of partnerships within the United Kingdom. At the time of this case study's publication, half of the properties were fully launched—defined as completed staff training, actively messaging guests, and have had **six months of consistent messaging** to allow scores to be measured in a statistically meaningful amount of time.

Integrating Kipsu into hotels' existing service models allows teams to communicate with guests via SMS text message and other digital messaging channels in one, aggregated platform. Kipsu's Customer Success Team helped onboard each new partner, ensuring the hotel teams could use the tool seamlessly and introduce the texting service to guests.

Kipsu's European properties have seen growing results since, **recording average of 19,355 total messages per property between just January 2018 to July 2018**. Further engagement and adoption are noted in data compiled between the same time frame, January 2018 to July 2018, below:



As teams began digital engagement, **no new team members were added to the front desk or other guest service teams** to respond to incoming messages. Rather, front desk staff reported an average of 15% decrease in front desk traffic and phone calls because of the addition of messaging, **leading to more streamlined operations**.

On average, each property **deploys three different messaging channels**: SMS, In-App Messaging, and live web chat with Kipsu. The majority of guests communicate with hotels via SMS text message, whether the guests were from the property's home country or not.

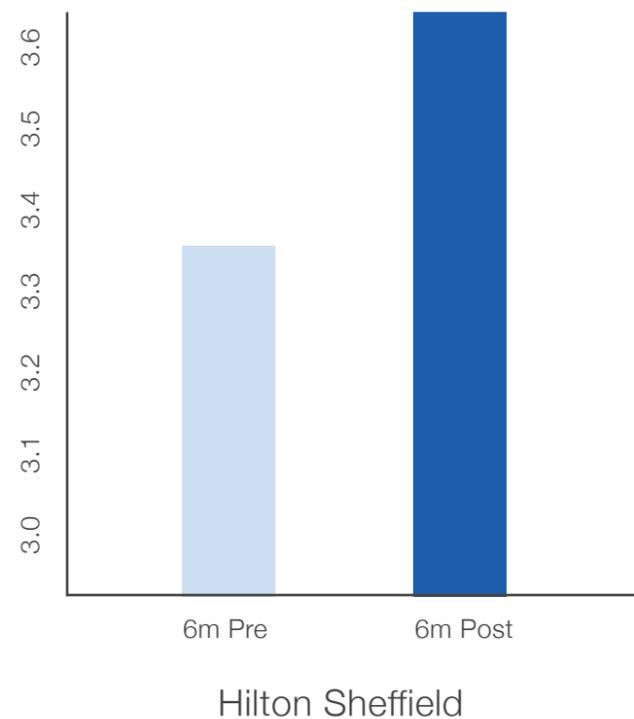
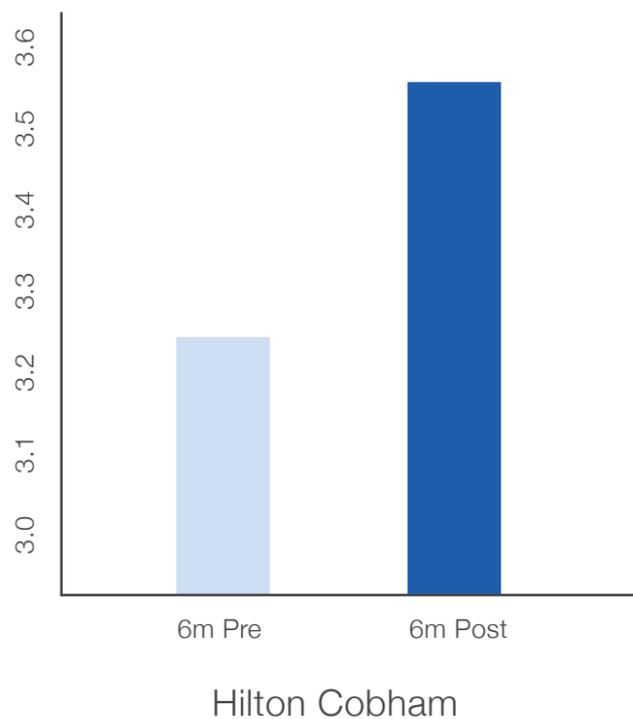
*One conversation is measured as a message sent from a staff member and a response from the guest

**Take Rate is measured by the number of conversations to the number of initial messages sent

The Results - TripAdvisor

During the creation of this case study, Kipsu measured its impact on fully launched, European partners' SMS text messaging communication. When analyzing the overall impact on TripAdvisor score six months pre-Kipsu and six months post-Kipsu between 27 properties across 65,500 reviews, an **average increase of 3.87 to 4.02** was identified.

Hotels did see larger boosts deviating from the average, including the Hilton Cobham, which raised its TripAdvisor score from a **3.26 to a 3.58** in the same six month pre- and post-Kipsu timeline, and the Hilton Sheffield, increasing from a **3.37 to a 3.62**.



In the same data set of 27 fully-launched, Kipsu partners six months pre-Kipsu and six months post-Kipsu, the score distribution changed dramatically in TripAdvisor scores:



↓ Decrease in
1-Star



↓ Decrease in
2-Star



↑ Increase in
5-Star

The Results - Brand Survey Scores

Since TripAdvisor is used frequently as a tool for the public to see hotel reviews and then choose where to stay based on reviews, it is an important concern for hotel operators as they handle reputation management. Brand survey scores (as noted in Brand Survey Score Overview) are also critical in how hotels make decisions, standardize practices based on brand expectations, compensation, and more. After the implementation of Kipsu, properties shared their findings on how Kipsu impacted its brand survey or Net Promoter scores. To protect our partners' anonymity and guest privacy, the data findings are averaged.

Findings



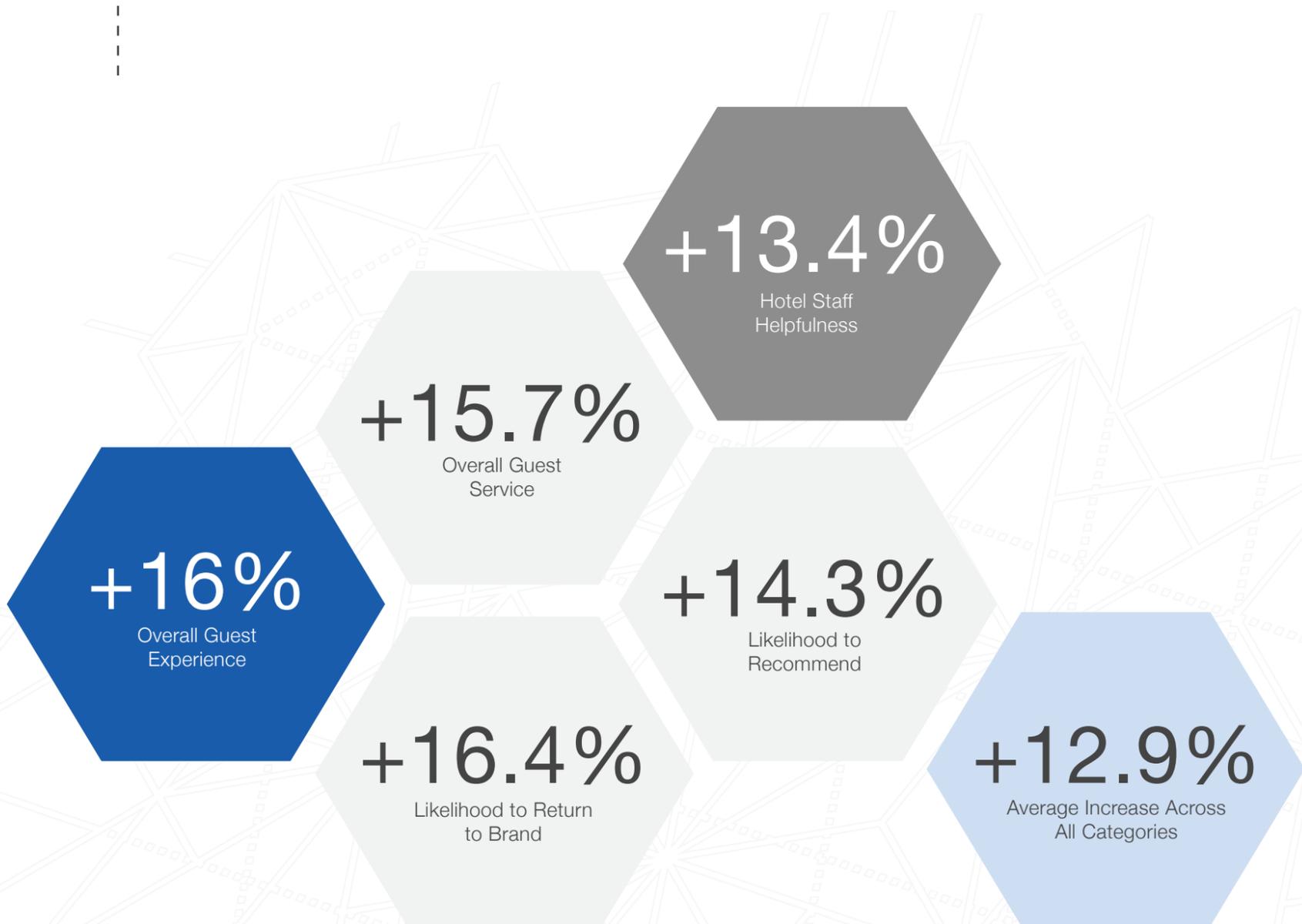
81,100 Surveys Measured



Between Jan 2018 to Sep 2018



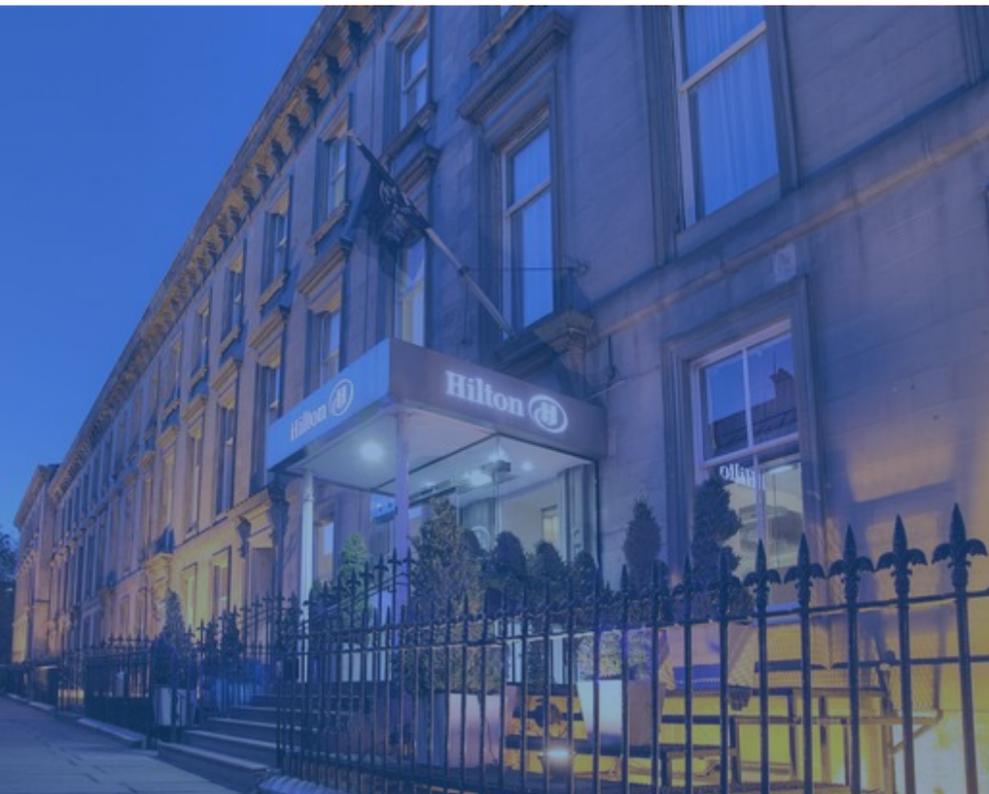
Across Categories From Satisfaction, Recommendation, Loyalty, etc.



Partner Testimonials

Kipsu also impacts partners' daily operations and service models beyond quantitative data. Two partners, in particular, have given a more detailed picture into the influence of guest messaging.

The **Hilton Edinburgh Grosvenor** is a 185-room property situated between Edinburgh's city centre and a central train station. The Grosvenor's team launched Kipsu in February of 2017 to bring a more "dynamic guest experience," as the team strongly believes in not simply meeting the standard, but providing a holistic, personalized experience for its guests. Deputy General Manager, Jan Coskun, notes, "Guests are more likely to tell us how they feel in response to [a text] rather than when we ask at the desk; therefore, it presents more opportunities for us to resolve issues while the guest is still in house." He also touches on the positive impact Kipsu has had on the staff by saying, "The team likes the fact that they have more thinking time with a text rather than a phone call, especially in terms of when a guest has an issue as they can add more quality to the response."



“Guests are more likely to tell us how they feel in response to [a text] rather than when we ask at the desk; therefore, it presents more opportunities for us to resolve issues while the guest is still in house.”

- *Deputy General Manager*

The Hilton Edinburgh Grosvenor also had a boost in brand survey scores after implementing Kipsu as they saw a 33.2% rise in overall guest service, in addition to above average 33.7% growth in the likelihood to recommend category.



33.2%

Overall Guest Service



33.7%

Likelihood to Recommend

Partner Testimonials

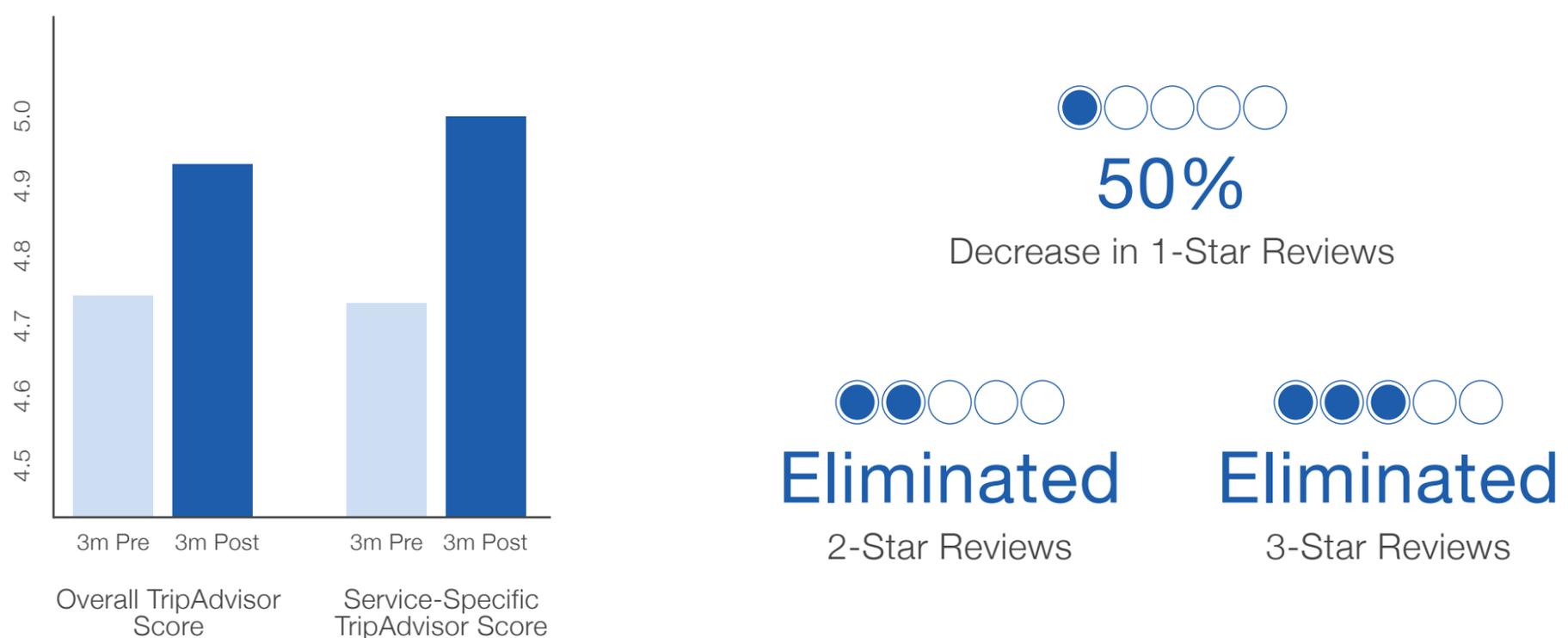
In London, the **Sofitel London St James** offers a unique experience for guests with its luxurious guest rooms, in-house spa, and restaurant. After implementing Kipsu in February of 2018, the property soon **excelled at adding SMS texting as a service for its guests to easily get in contact with staff—wherever, whenever.** Guest Relations Officer, Remy Foucault, says Kipsu’s customizability allows them to reach out to guests in a highly personalized way that is essential to its service model. Remy further discusses the importance of hospitality software that keeps human-to-human interaction at the forefront, noting “as soon as things are automated, it’s not a luxury anymore.”

“As soon as things are automated, it’s not a luxury anymore.”

- *Guest Relations Officer*



Its guests seem to agree with this statement as the hotel’s TripAdvisor score rose from an already impressive 4.74 to a stellar 4.91 three months after implementing Kipsu. Examining TripAdvisor Service-Specific Scores in the same time span, the Sofitel’s score increased from a 4.71 to 5.00. In other words, when guests were asked to rate the Sofitel on service and not other aspects like amenities, etc., the hotel received a perfect score. The Sofitel’s TripAdvisor score distribution also changed by decreasing 1-star reviews by 50% and eliminating both 2- and 3-star reviews (at the time of this case study production).



Additional Benefits



Streamline Front Desk Communication

By allowing guests to make transactional requests like more shampoo, late checkout, etc. via SMS text message, hotel staff can share more of their hospitality expertise and local knowledge in face-to-face conversations, while reducing front desk walk-ups and phone calls by 15%.



GDPR Compliant

Kipsu aims to be a leader in compliance with data privacy regulations; therefore, Kipsu applauds the European initiative to give consumers more control over how their data is used and is compliant with GDPR regulations.



Reconciling Bypassing the Front Desk Due to Digital Options

With the increase in popularity of in-app, digital check-in options, guests are bypassing the opportunity to engage with staff at the front desk during check-in. With Kipsu's variety of channel integrations, guests are still able to stay in contact with hotel staff within the in-app digital channel, along with SMS, live web chat, and more.



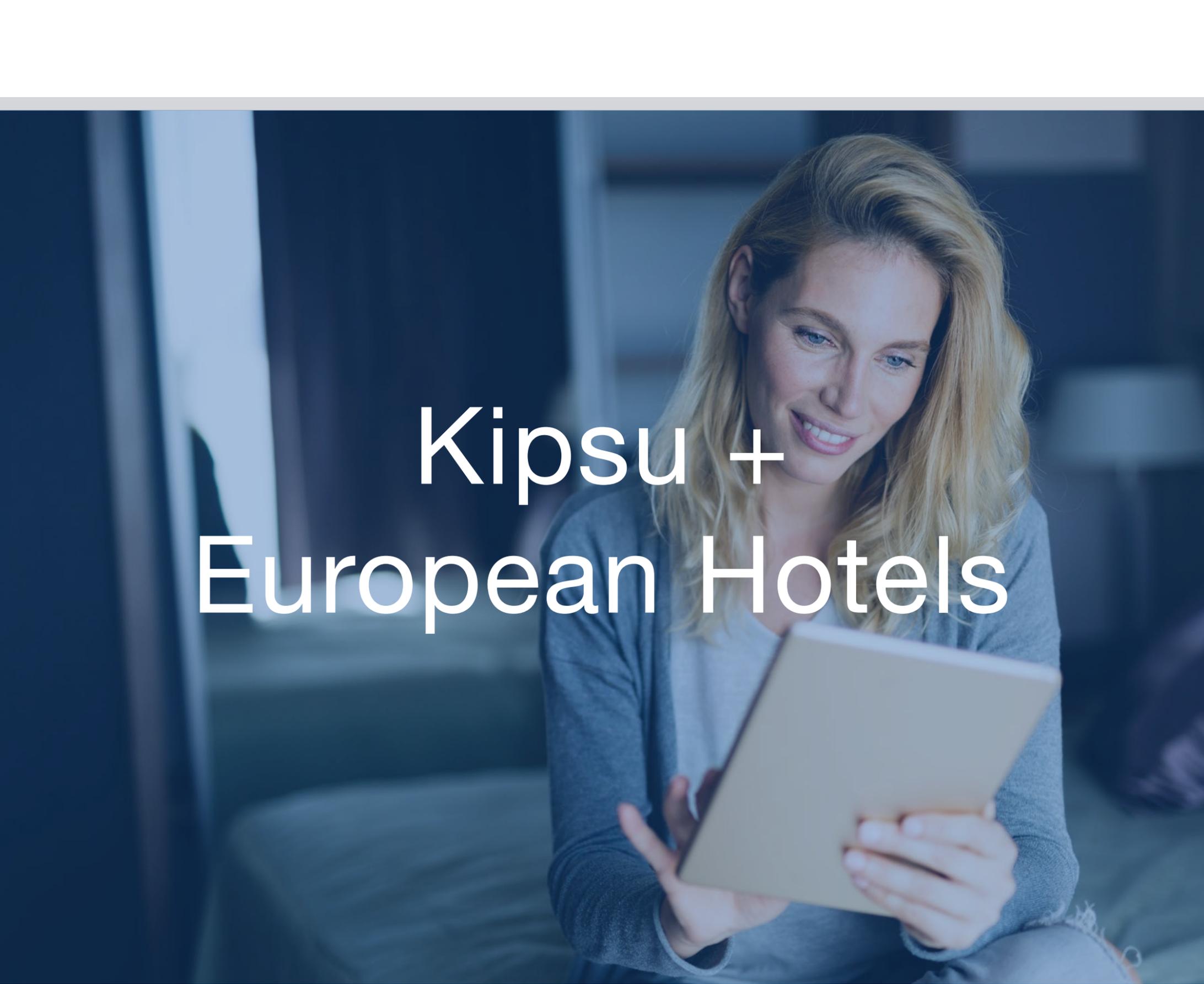
First Mover Advantage for European Partners

Kipsu's international expertise comes from being the first enterprise guest messaging software to go global after entering the European market in 2014. With experience, Kipsu has optimized its international operations by understanding the importance of breadth in digital messaging options for guests, in addition to what tactics hotels need to make guest messaging successful.



Reporting and Analytics Capabilities

Kipsu's reporting capabilities allow hotel managers to capture data compiled from thousands of guest interactions, building a rich database of common requests and potential pain points. Staff can maximize Kipsu usage by seeing average response time, number of messages, seasonality changes, and more. With this knowledge, hotels are able to better anticipate guest needs and act on new service opportunities.



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Appendix

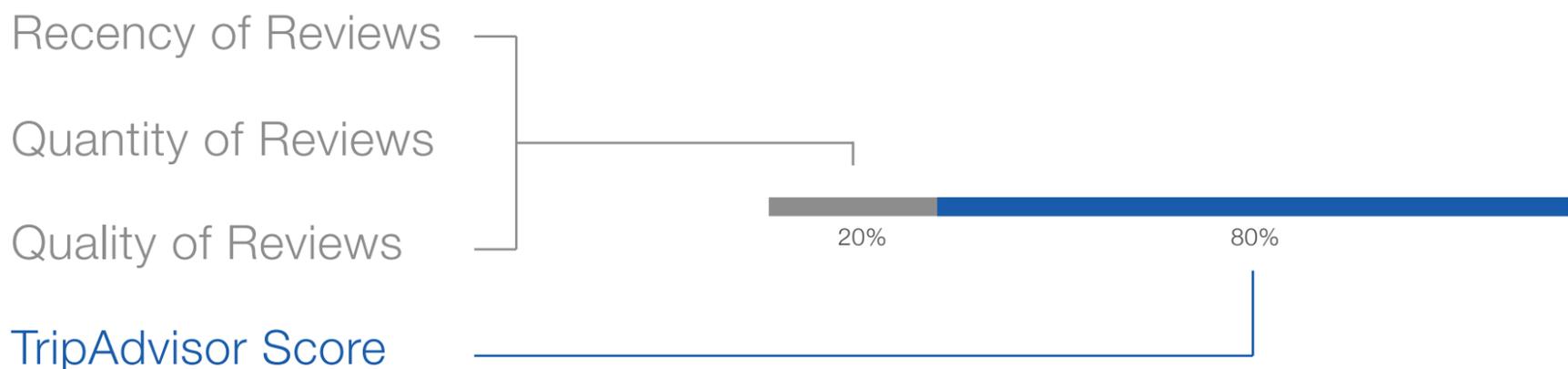
How TripAdvisor Works



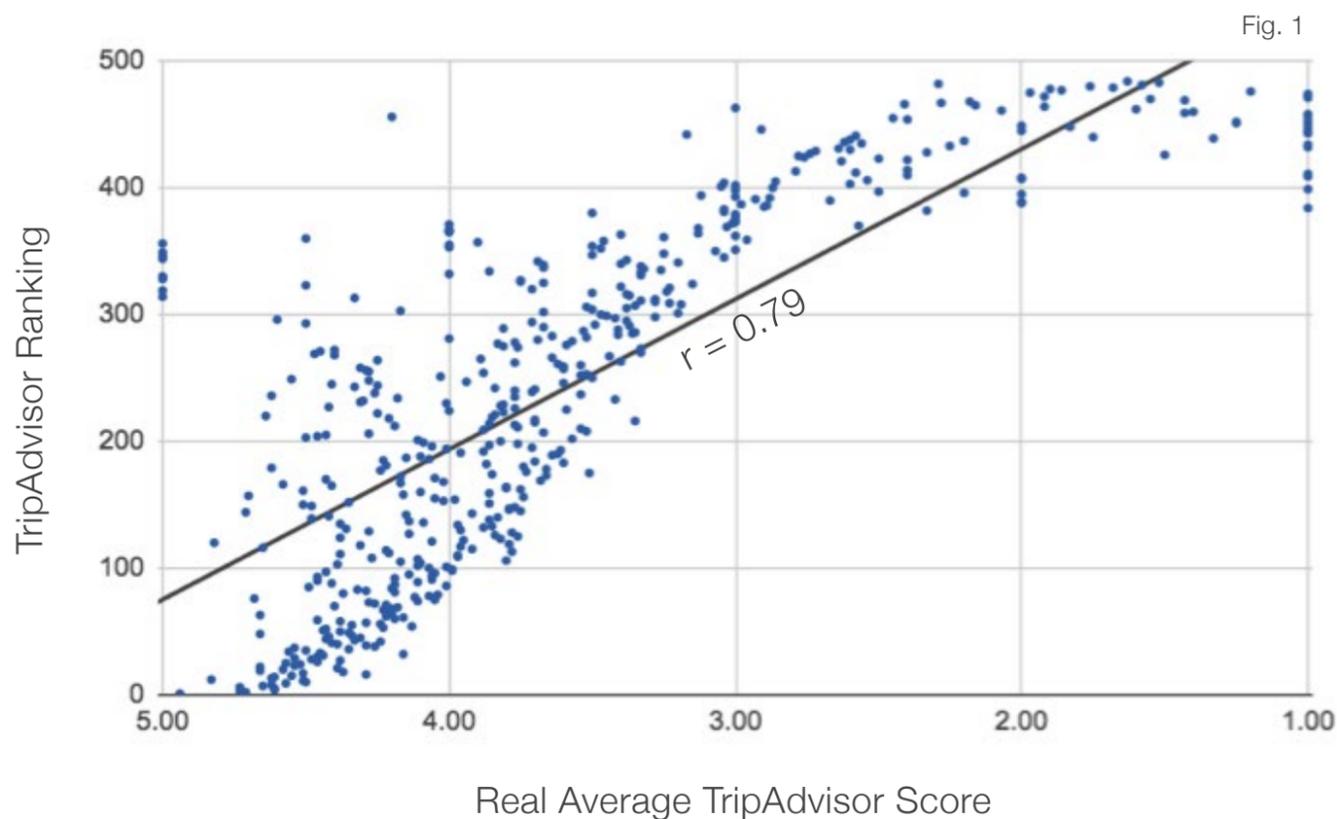
TripAdvisor, the world's largest travel site, offers travelers an online platform to review hotels, restaurants, tours, and other attractions on an open and public platform. In total, TripAdvisor has a collection of over 702 million reviews and covers over 7.5 million accommodations, attractions, and services.

When giving feedback for hotels on TripAdvisor, reviewers answer questions on cleanliness, staff friendliness, and a variety of other aspects during the stay. Ultimately, the review ends in a 1 through 5 star rating, 5 representing an excellent guest experience and 1 representing a poor one. From there, hotels are ranked in a weighted algorithm.

TripAdvisor's proprietary algorithm determines hotel rank based on four overall characteristics: **Recency of Reviews, Quantity of Reviews, Quality of Reviews, and the Tripadvisor Score** given by the guest. These four characteristics are not weighed evenly when determining a hotel's rank in the TripAdvisor market. Rather, the **TripAdvisor Score given by the guest accounts for approximately 80% of the overall ranking** while Recency of Reviews, Quantity of Reviews, and Quality of Reviews (Reputation of the reviewer) make up the respective 20% of the ranking calculation.



How TripAdvisor Works - Score



The actual score given by the guest in conjunction with their review is the most crucial part of the equation with an 80% correlation. In every market, however, there are hotels that do not directly fall directly in line with this finding. To illustrate this—Houston, Texas—one of the most populous hotel markets, shows that its #10 ranked property has a significantly smaller real average score of 4.50 (see Fig. 2), but benefits from its strong remarks in the other three categories that influence a combined 20% of the overall rank.

Fig. 2

This correlation finding demonstrates that if hotels want to increase TripAdvisor ranking, they must improve scores. It is also essential for hotels to decrease the number of 1-, 2-, and 3-star reviews since **1-star reviews are five times more influential in a property's TripAdvisor score and ranking than 5-star reviews.**

One of the most impactful ways to increase scores is to **catch guest feedback in real-time** before the guest leaves the property—allowing your staff the opportunity to fix the problem and deflect avoidable, negative reviews.

Top 15 Hotels - Houston, TX

2018

1) Choice	4.94	9) Hilton	4.57
2) Independent	4.71	10) Independent	4.50
3) Hilton	4.73	11) Independent	4.51
4) Independent	4.61	12) Independent	4.83
5) Marriott	4.61	13) Independent	4.62
6) IHG	4.73	14) Hilton	4.61
7) Best Western	4.65	15) Independent	4.55
8) La Quinta	4.62		

How Brand Survey Scores Work

All major hotel brands use Brand Survey Scores to measure guest satisfaction internally. It is common for hotels to ask guests to fill out a post-stay survey, either on paper or digitally. Specific questions on the survey range from brand to brand, but an overarching theme measures **Net Promoter Score**—which gauges the loyalty and likelihood of a guest to recommend the hotel to others. Other questions may ask about overall satisfaction, overall experience, recognition of guest loyalty status, helpfulness of hotel staff, and more.

Net Promoter Score

Likelihood of a guest recommending a hotel to others. One of the most important components of a survey score and is a common overarching theme of guest surveys across brand, hotel type, and hotel location.

After receiving the survey results, a hotel can see **whether its performance aligns with its parent brand's standards of guest satisfaction, where areas of improvement may be, and how to better recognize brand loyalty members.** Hotels commonly see guest complaints on the post-stay survey without ever being notified of the problem during the guest stay. Seeing this unvoiced feedback after the fact is unproductive when the issue could have been easily solved or avoided, and staff members could have intervened with service recovery.

In addition, the majority of brand surveys are often completed by members of the brand loyalty programs because of the guest's strong associations with the brand and willingness to give feedback. It is a popular practice for post-stay surveys to ask questions related to if the guest's loyalty status was recognized during their stay—further promoting the brand to loyalty member relationship. Brands understand that a large majority of respondents are current loyalty members, so the feedback compiled from surveys is some of the most vital information they can obtain and **directly correlates to the satisfaction and growth of loyalty programs.** To incentivize hotel staff to understand and apply data findings from surveys, **it is a common practice for score increases and decreases to be tied to compensation.**



Connect with a Kipsu team member today to learn more about how to implement guest messaging at your property:

hello@kipsu.com | +1.612.502.4000

For more resources on our partnerships in Europe and our data privacy commitment, please visit:

www.kipsu.com/european-hotels

www.kipsu.com/GDPR