How one German hotel chain used machine learning to increase bookings during the COVID-19 pandemic

Adina

Company Overview

Adina Hotels is part of the large Australian-based TFE Hotels group, which has a network of 80 hotels with more than 12,000 rooms across Asia-Pacific and Europe. The Adina brand is popular in Germany and focuses on stylish apartment-like stays for guests looking for a more home-like experience that includes fully equipped kitchens, living, and working areas.

The Challenge

COVID-19 has had an understandably huge impact on the European tourism industry, with revenue per hotel room in European capital cities falling as much as 86% between February and March 2020.

Travel restrictions in Germany eased between spring and fall 2020, and Adina needed to respond quickly to this window of opportunity. Traditional brand building and third-party data wouldn't enable Adina to respond quickly enough to rapid changes in demand as lockdowns constantly fluctuated between countries and travelers were booking much more quickly than in the past. On average, Adina saw the time between a booking and the stay drop from a typical two months to just two weeks.

To rapidly respond to changing demand, Adina turned to Quantcast to make use of its real-time data drawn from more than 100M online destinations worldwide, which would give them access to in-the-moment insights into how consumer demand was fluctuating. Using Quantcast allowed them to respond quickly with relevant campaigns and messages as government lockdowns constantly fluctuated between countries and business and leisure travelers made last-minute bookings.

The Solution

Adina set Quantcast a steep target of achieving 300% return on ad spend (ROAS) for the campaign. Quantcast worked with Adina to build an agile mix of performance and branding campaigns. While the campaigns ran continuously, the audience Adina wanted to reach during branding kept changing due to the changing travel and buying behaviors during the pandemic.

The budget was invested in branding campaigns during lockdown periods–when traveling was not possible–to increase awareness for Adina so that travelers would increasingly book with them post-lockdown.

The performance campaign ran continually, with the budget being agilely adjusted depending on the situation (lockdown, partial lockdown, loosening, etc.). The desired audience group was always based on the most current profile of bookers on the Adina website. With each new booking on Adina,

Quantcast's machine learning model was updated to ensure that the campaign was adapting in real time to evolving guest demand, continually identifying new potential audience segments.

In the branding campaign, the audience was defined by keywords and regularly adjusted to the current pandemic situation. In the summer of 2020, the goal was primarily to target leisure travelers who wanted a "vacation on their doorstep," i.e., a vacation in Germany.

The Results

The campaigns were extremely successful. In the period from May to October 2020, which was between the two lockdowns, Quantcast achieved a ROAS of 533%, 78% above the target. In addition, the campaigns had a positive impact on the costs per site visit (CPSV). From May to December 2020, the costs were reduced to €3.62/$4.32, significantly lower than the initial target of €10/$11.93.

Despite the ongoing pandemic, including the lockdowns, Quantcast was able to help Adina hotels increase site traffic and achieve disproportionately good occupancy rates compared with other hotels during the same time period as a result of the campaign. Today, the TFE Hotel group is planning further expansion for the Adina brand in Germany with hotels planned for Cologne, Vienna, Fremantle, and Munich.

533%
ROAS

75%
Sales growth rate

"Working with Quantcast enabled us to respond quickly and still secure bookings while our customer profile and purchasing behaviors changed during the pandemic. With Quantcast using current conversions to adjust our audience in real time, we were always going after the right audience with our campaigns. We were able to achieve occupancy rates that were much higher than our competitors during the same period."

- Julia Fernández-Pola, Regional Marketing Manager Europe, Adina Hotels.