Graduate Hotel Madison

Executive Summary

The Graduate Hotel Madison is a relatively new entity in the hotel industry. Coming into new management in 2014, this institution has much to learn with regards to their digital marketing efforts. Issues with social media presence, website design, and email marketing have left room for improvement in the company's overall digital marketing strategy. By revamping their efforts on Twitter, redesigning the company website to allow for customer testimonials and increased functionality, and better utilizing their email marketing to generate sales, the goal is to create widespread interest and ultimately bring their target market together for a unique stay that embraces the eccentric Madison community.

Overview of Business

The business we chose to work with is The Graduate Hotel Madison. The Graduate Hotel is a boutique hotel chain with six locations throughout the U.S., including Ann Arbor, Oxford, Charlottesville, Tempe, Madison and Athens. Specifically, in Madison, the hotel, formally known as The Campus Inn, was bought by AJ Capital Partners in 2014 and renovated from "mid-scale to upscale" for a more full-service experience (Adams, 2015). The business has approximately 50 employees and includes two restaurants (one in the lobby and one roof-top). The main business goal of the company is to be immersive in local culture. They aim to create thoughtful, locally centric stories told through the design of the hotel, as well as foster a sense of discovery and exploration of the community. Additionally, they strive to provide their customers with an authentic, memorable stay as well as exceptional service. As for their digital marketing goals,

The Graduate wants to have a dominant voice online, encourage customers to produce content, and continue providing great customer service from in-person to online.

Digital Marketing Audit

Currently, Graduate Hotels seek to cement itself as a leading boutique hotel chain with premier locations in college towns across the United States. Although each location is part of the larger Graduate Hotels brand, their hotels maintain individuality by operating separate location-specific websites with unique amenities and social media relative to the university and local activities. Their Madison, Wisconsin location is doing well overall in regards to how they fit into the larger Graduate brand – locally themed restaurants and décor, unique package deals, and a prime location on a world-renowned university campus. The company's online presence is where we find much room for improvement. Although the majority of the information that interested parties may need is accessible through The Graduate Madison's website, the visibility of the hotel on social media and travel sites, as well as the user experience of their website, is what needs to be more finely tuned.

Additionally, The Graduate places a lot of emphasis on the aesthetic experience of its hotels and amenities. Social media is a natural choice for advertising company personality and they express that on Facebook and Instagram. They have 879 followers on Instagram and over 2,000 people who like or follow their page on Facebook, which puts them right in the middle compared to the other Graduate Hotel locations. However, both accounts post photos of the hotel's rooms, views, and amenities without the accounts being directly linked. Additionally, their two dining options, Portage Pi and The Madison Blind, have their own social media

accounts with 230 and 520 followers, respectively, on Facebook, but lack attention from customers outside of hotel patrons. As we have learned when it comes to social media, content is king, but context can be even more important. Placing more emphasis on producing social media content to both entertain and inform is another effort from which The Graduate could benefit.

In terms of competing boutique hotels in Madison, HotelRed is The Graduate's closest competitor. The Graduate also considers the Edgewater, Hampton Inn & Suites (on Johnson St.), and the Hilton DoubleTree as competitors, but HotelRed most closely resembles The Graduate as a hotel that is unique to Madison in terms of location and design that embrace the college culture of the city. Even though the Edgewater does fall under the boutique label, the scale and luxury of their amenities makes it more of an "urban resort" than anything else. The main difference between HotelRed and The Graduate is that HotelRed distinguishes itself by promoting modern aesthetics and a large-scale party atmosphere whereas The Graduate is geared toward people with an affection for the vintage and quaint. What The Graduate can learn from HotelRed is that their website embraces displaying a variety of vibrant images on each page and highlights information so that they minimize empty space. Additionally, HotelRed operates a Twitter account with 414 followers and regular posts to promote activities associated with the company.

After conducting our online listening analysis, we feel there are some areas that The Graduate can improve on in order to attract a larger customer base, while retaining the customers they already have. We found that sentiment on TripAdvisor and Facebook was positive overall, but negative sentiment was quite strong when present. TripAdvisor contained

the largest sample of customer reviews with 88 rating “excellent,” 49 “very good,” 16 “average,” 15 “poor,” and 6 “terrible.” Facebook reviews were less common with 25 total reviews, but an average of 4.5 out of 5 stars. It is important to note that, as of late, there are a few more negative ratings on the sites, which is especially problematic since management individually responds to each review. While this approach is beneficial for driving customers to their social media platforms, it also results in less people providing feedback. Realizing this discrepancy we found that consumers may find The Graduate website to appear less user-friendly than other hotels. One way to resolve this is to implement a section that includes customer testimonials where people can provide feedback and comments about their stay directly on their website rather than through Facebook or a review site. Similarly, a more interactive design with drop-down menus and an adjusted food/drink page would make for smoother navigation through those two vital pages.

Target Market Online

The Graduate Hotel was created to celebrate local colleges and their hometowns. According to the founder of the hotel chain, Ben Weprin, The Graduate Hotel’s goal is to “create an inspiring environment where alumni, current and prospective students, parents, professors, visitors and business travelers alike can see themselves spending time and feel a sense of place that’s true to the town.” Since the hotel targets many different people, we combined them into two main groups: the first group being those tied to UW, such as current/prospective students, alumni, and professors, and the second group being business travelers. Understanding each group’s online behavior will help the company cater their digital

efforts to their target market. Prospective and current students as well as young alumni fall into the millennial generation, who were born between 1985 and 2002. According to the American Press Institute, the majority of millennials (39%) are almost always or mostly online and connected (American Press Institute, 2015). They also spend an average of 5-10 hours online consuming content per week. Finally, more than a quarter of this group use mobile devices as a primary way to view content, and they view entertainment the most out of all the genres (Morrison, 2015). These statistics are important to consider when determining what outlets and tactics are strongest for reaching this target market online. Most business travelers, parents, and professors typically fall into an older age group, particularly a lot of them in generation X (those born between 1965 and 1984). This group of people has similar online behaviors as millennials, with a growing use of social media over the past few years. They also consume content online an average of 5-10 hours per week. However, they receive a lot of their information online through laptops and desktops, rather than mobile. Like millennials, they also enjoy seeking out entertainment when consuming content online (Morrison, 2015). Finally, according to MarketingSherpa, a market research institute, "all age groups (including millennials and generation X) said that email was their preferred means of communications with companies" (Burstein, 2015). This information allows us to understand the importance of social media, email, and responsive design to help The Graduate Hotel reach their target market in the most favorable ways possible.

Recommendations

In line with The Graduate's efforts to have a strong presence on social media, one recommendation that will guide them to success is using Twitter as a form of customer service, communication with customers, and an outlet for promotions. Currently, the company's Twitter account has only 28 followers and two tweets, over a year old. The reason we believe that The Graduate should implement more efforts to Twitter is because of the large growth of social media over the past several years, even among the adult population. According to the *Search Engine Journal*, there are 1.7 billion active people on social media; as of last year, Twitter has had 316 million monthly active users, with a growth of 44% among adults between 2012 and 2015 (Libo-on, 2016). These are just a few of the statistics that prove the overwhelming effect social media has on our lives and the vast opportunity businesses have to reach consumers by using them.

The three specific aspects The Graduate should take when enhancing their Twitter account is to provide customer service, communicate with customers, and provide deals or promotions. First, The Graduate should use Twitter to hear from customers about issues they have had, or complaints that need to be addressed. This is a great way to apologize for mistakes, or fix issues consumers have. The benefit of this is to provide transparency to the consumers, and show that while the company may not be perfect, they want to do what they can to correct mistakes. This also provides a sense of authenticity that goes along with the main goals of The Graduate Hotel. Next, the hotel should use Twitter to communicate with current and potential customers and learn more about them. This can be done by searching and responding to tweets, taking polls (i.e., "what sandwich should we make next month at our restaurant?"), or providing interactive content, such as quizzes, videos, etc. For example, since

The Graduate wants to be tied to UW and their culture, they could post a quiz along the lines of "How well do you know the University of Wisconsin-Madison?" This makes viewing the account more fun and provides an experience to the user. They can also encourage users to post photos at the hotel or around the campus to fulfill their digital marketing goals of having customers produce original content. For instance, The Graduate can follow the successful efforts Southwest Airlines has had, by "[getting] in touch with 'bloggers, brand fanatics, avid travelers and employees to help contribute content to [the] Twitter'" (Wakefield, 2012). Integrating popular bloggers or excited customers makes the company seem more appealing and interesting. Finally, The Graduate can use Twitter to provide deals and promotions. As stated, the hotel provides different packages that an individual can purchase. They can tweet about these packages as they become available (football ones during football season, holiday ones during winter months, etc.) and give discounts. The discounts can be earned by retweeting the tweet, sharing to Facebook, or recommending the hotel to a friend. Specifically, the post can be: "Retweet this post for 10% off on our Back to School Package!" This allows the company's content to be seen by more eyes and talked about among communities.

In order to get the following on Twitter they desire, The Graduate can post a Twitter icon on their website so people can directly find the social media account when they first enter the website. They also can post the Twitter URL in other social media accounts. Finally, they can provide fliers in their hotel or around campus to advertise their Twitter account. As mentioned earlier, these efforts will provide extensive benefits since so many people are engaged on social media today. It is a great way to interact with customers and give your brand a "personality" that connects and speaks with everyday people online.

The next recommendation we have for The Graduate is to enhance their website to become more trustworthy as a brand. Currently, The Graduate's website does not have an area for customer reviews or testimonials. Instead, one has to go to The Graduate Facebook page to submit a comment about his/her experience. This is not ideal because many customers do not know about the Facebook page, or do not have a Facebook, which leads to an overall lower level of customer feedback. The Facebook page currently has 2,325 followers, but only 26 customer reviews. After researching and completing a user test, we found that multiple viewers had wished there was a spot to read customer reviews before committing to staying at the hotel. The user testers thought that customer reviews would make the company seem more "reliable" and "trustworthy" because of the transparency factor. In order to improve their website, The Graduate Hotel should provide an area directly on their site for customers to submit reviews and feedback about their stay. There should be a heading on the side of the home page that states "Customer Testimonials" where individuals can either read and/or submit a review or simply share their experience. When submitting, there will be a form that will include a rating scale for people to fill out based on many factors, such as cleanliness, helpfulness of staff members, and overall experience. This also benefits the company because it provides a more detailed explanation of what the hotel is doing well and what it needs to work on. Customer testimonials will also serve as an opportunity to post photos, which provides more content and gives viewers a better idea about the hotel and the atmosphere it has. These testimonials build company trust because new prospects can refer to customer reviews to understand how people felt about their experience at The Graduate. Understanding customer feedback is crucial to making improvements to hotel services and will allow The Graduate to

gauge customer satisfaction levels. By asking their customers what they want, the hotel can use the insight found to create a consistent, personalized experience that will keep customers loyal.

In addition to adding a customer testimonials page to the website, there are a couple design changes that we feel will help online visitors have a better user experience. As Jess Jones talked about in her guest lecture on UX, it is important to give users the most direct route to the information they are looking for in order to answer any questions and solve any problems they want to address. Currently, each tab on the side bar of The Graduate Madison's website leads users to a new page listing relevant information once it is clicked. For example, the "Food & Drink" tab opens up to a page with a list of their two restaurants on both the top and bottom of the page, with a slideshow of pictures running in the center. Users must then click again to view each restaurant's menus. The page in the middle should be eliminated so that both pictures and menus are both visible with only one click. Similarly, the home-page tabs should include drop-down menus - each suite under the "Rooms" tab, each restaurant under the "Food & Drink" tab, and so on. We feel that both of these changes will streamline the user experience and reduce unnecessary time spent on pages irrelevant to what visitors are looking for.

Lastly, we feel that The Graduate Madison should implement email marketing to provide content of value and interest to attract a larger audience. As we learned in class, email marketing is cost effective, builds loyal followers and it is easy to track, test and optimize. As mentioned, our target market also prefers email as their main communication outlet with companies, so this provides the perfect opportunity for the company to connect with their target. Currently, the website provides a space at the bottom of the home page to subscribe to

emails; however, we believe the hotel should increase and strengthen their email marketing efforts to be more effective. The Graduate should send frequent emails updating their fans on the current packages that are going on at the hotel and the monthly low room rates, and to provide these people with valuable content about The Graduate Hotel. When researching "Graduate Hotel Madison" on Google Trends, we saw that the search terms reached a peak in the summer months (June and July); therefore, they can send out more emails during and prior to these times with discounts and unique package information such as "Schools out for Summer Package Deal." This will provide an incentive to book early and take advantage of deals. When customers check out at the desk, they will be asked to give their email address to receive marketing content. There will also continue to be a spot on The Graduate website where one can submit their email address to receive news and updates about the hotel. By utilizing an opt-in strategy for email marketing, they can be sure that those individuals receiving emails are genuinely interested in being engaged with the company. Through email marketing, the hotel can produce creative content that incorporates their brand voice and helps pull more consumers to their site. We recommend that The Graduate personalize emails and experiment with different subject lines to keep their customers engaged and opening the emails. This outreach will build more loyal followers, and a larger following through word of mouth referrals.

Measurement and Evaluation

For the Twitter campaign, it is important that the company monitors the reach as well as the increase in brand image that comes from these efforts. The easiest way to measure the

Twitter presence is through the number of posts, number of followers, and the valence or sentiment of the comments that followers leave. Currently, The Graduate Madison has only 28 followers and two posts, so their presence is minuscule. Their goal should be to gain 200 new followers by the time summer rolls around, which according to Google Trends is their most common time of being searched. The growth of their Twitter page will be slow at first but should speed up once more people begin to share posts and interact with different polls.

They should strive for their Twitter page to be responsive and interactive, so monitoring what people say about them and responding quickly to any negative efforts will boost their brand image. This is especially relevant when dealing with the online polls mentioned earlier. They should listen to what people have to say about them and act upon that in a timely fashion. Their posts should contain links to the company website so that potential customers can be directed to a page where they can immediately purchase a room or package deal. This interactiveness will not only make the purchasing process easier for customers, but it will also allow the company to get to know their customers a little better. The end goal is for these direct interactions to lead to individuals becoming brand ambassadors and spreading knowledge of the company through word of mouth. The benchmarks for the interactions will be analyzed based on number of brand ambassadors and overall valence. They should strive to achieve a valence of at least 4.8 out of 5 stars. The current valence is perfectly positive, but this is only based on two posts, so it is not the most accurate indicator. With regards to brand ambassadors, the goal is that the hotel's interactive efforts will reach at least 5 new brand ambassadors by the summer season. This will help spread positive word of mouth about the company and target like-minded individuals. The metric for determining who is qualified to be a

brand ambassador will be anybody who has more than 1,000 followers and posts at least 5 times a week. This will ensure that The Graduate is selecting people who have significant reach and who are actively engaged.

By offering promotions and deals on their Twitter page, it will drive more traffic to the company website. Through links found on their tweets, customers can be directed straight to a webpage that allows them to book the corresponding deal or promotion. The goal is that this will drive up their average visitor value by making people more inclined to purchase a room once they are directed to the website. The Graduate must make sure that their deals do not have such an impact that people rely on them and therefore drive down their overall average visitor value. They can monitor the effectiveness of these efforts through the click through rate of these promotions and the conversion rate. The click through rate can tell them whether their tweets are effective in generating interest. Then, the conversion rate will show whether this interest leads to purchases, once on the company website. A solid benchmark for both of these metrics depends on current Google Analytics metrics, which we were unfortunately unable to acquire from the company. So, they can monitor the metrics through improvement. They can increase the click through rate of their tweets by 1% monthly for the first six months of the campaign. They can also increase the conversion rate by 2% total over that same six-month period. After this they can go back and reevaluate their benchmarks. During the promotion, they should utilize A/B testing in order to discover what is working and what is not.

With regards to our recommendation for revamping the company website, it is important to make users comfortable once they enter the website. Everything should be organized and easily accessible. As they continue to update the website and offer space for

customer testimonials, it is important that we monitor the effectiveness of their efforts. One easy way to do this is through user testing and A/B testing. We submitted our current website for user testing and the responses told us that people struggled to find their deals and they found their website less trustworthy because it was unconventional. The goal is to mitigate the trustworthiness issue by offering customer testimonials on the site. They can measure this feedback based on valence. The company should strive to maintain a valence similar to their Twitter campaign around .9. The best way to measure the success of the website will be continuing to tinker with various details and both listening to the feedback through the valence and by conducting more User Tests. They should offer different designs and test which one works better through A/B testing. For instance, an important concern from the User Tests conducted dealt with the background of the website and how it was misleading. They could offer pages with different backgrounds in order to gauge which background is more appealing to users. Continuing with the strategy, it is important to actively listen to concerns brought up through customer feedback and test different methods to mitigate these concerns.

When the company analyzes the success of the company's email marketing campaign, it is important to monitor a few specific metrics in order to maintain current efforts or change strategy. These metrics include the click through rate, open rate, bounce rate; and, specifically with their package deal emails, it is important to monitor the conversion rate and both the average visitor value and the average customer value. By monitoring how many people open the company's emails, they can improve their open rates by changing their subject lines. Specifically, they can use A/B testing to help determine which headlines work and which don't.

Similar to the Obama email campaign, they can experiment with headlines and test which ones worked (got opened) and which didn't.

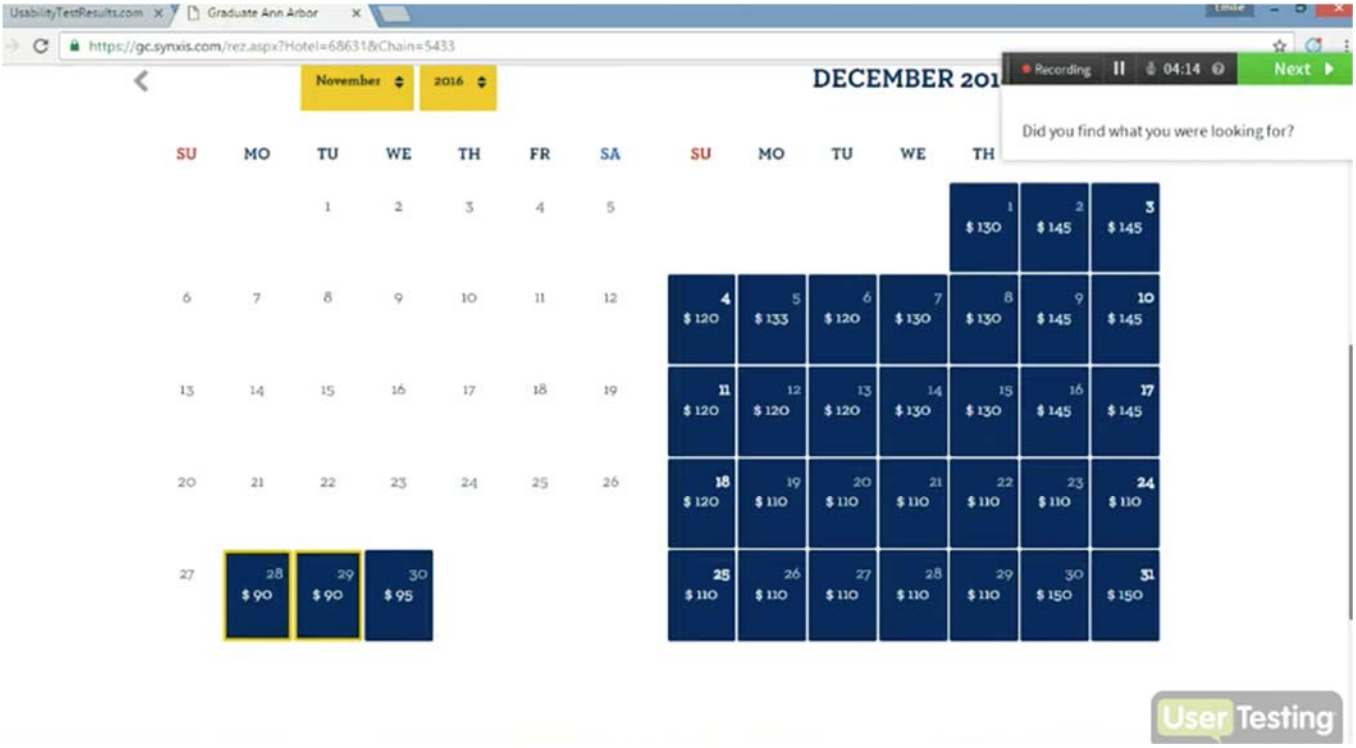
Next, by observing the bounce rate and click through rate they can change the content of their emails and test the effectiveness of these changes in order to make necessary changes. With regards to the package deal email specifically, the company can see how effective these emails are in converting people into customers by observing the conversion rate. The company can then see the average value of each visitor to the website. This can show them the effectiveness of their website in converting interest to sales. Finally, they can observe how much on average customers spend and the value each customer brings to the company through the average customer value. Since we don't know the exact current metrics The Graduate Hotel has for their emails, a benchmark for achieving these goals is to see a steady increase in conversion rates, steady decrease in bounce rates toward the service site average of 10-30%, and higher open rates (increase by 5% per month) (Marketing Sherpa, 2016). As mentioned, they can use A/B testing to find out which headlines get opened more to find out which campaigns worked best; this is a great way to determine what the company should continue doing and what they should do differently.

Conclusion

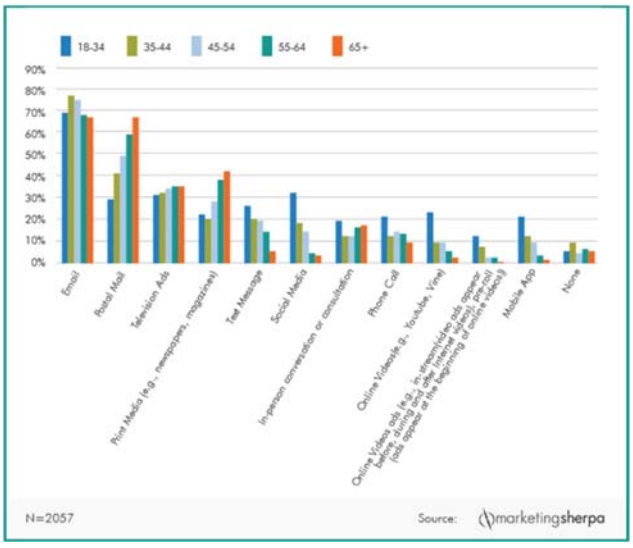
Overall, The Graduate Hotel has a strong basis for achieving their online goals but need a contemporary, efficacious digital marketing strategy to help ensure success. By examining their strengths, opportunities, competition, and target market, The Graduate Hotel can better understand what online strategy will work for their company. Changing their website to

enhance the consumer experience, increasing their Twitter presence, and using increased, effective email tactics will be the optimum way to reach their digital goals. After, it is imperative that the company makes sure to manage and evaluate their efforts through testing, analytics, and considering benchmarks to create a flourishing digital presence that works in line with their brand image to drive more sales. All in all, these recommendations and evaluations will help The Graduate reach their digital marketing goals of having a dominant voice online, encouraging the production of unique content, and continuing to provide customer service from in-person to online.

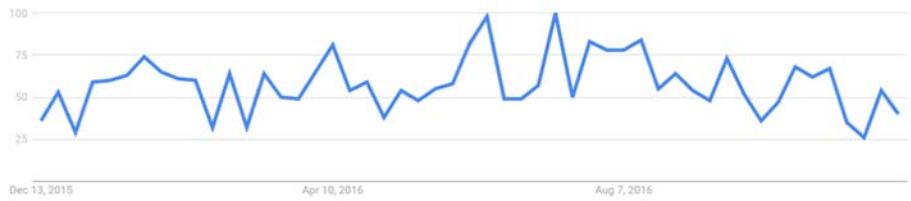
Exhibits/Appendices



Booking Calendar on Graduate Hotels website.



Media use by Millennials and Gen X.



Google Trends data for Graduate Hotel Madison keyword search.

References

"5 Website Changes That Will Reduce Your Bounce Rate." *ITX*. N.p., n.d. Web. 09 Dec. 2016.

Adams, Barry. "Campus Inn Ready to Reopen as Graduate Madison." Madison.com. Wisconsin State Journal, 13 May 2015. Web. 28 Nov. 2016. <http://host.madison.com/wsj/news/local/campus-inn-ready-to-reopen-as-graduate-madison/article_0b3046fa-6636-5a16-8298-e3d512d95bb9.html>.

Burstein, Daniel. "Marketing Research Chart: Do Different Age Groups Prefer Different Channels?" *Marketing Sherpa*. MarketingSherpa, 10 Mar. 2015. Web. 05 Dec. 2016. <https://www.marketingsherpa.com/article/chart/channels-preferred-by-age-groups>.

Content: MarketingSherpa, Design: Scott McDaniel, Code: Steve Beger, MECLABS. "Get the Latest Case Studies Anddata in Customer-first Marketing." *Email Marketing Chart: How Subject Line Length Affects Open Rates | MarketingSherpa*. N.p., n.d. Web. 09 Dec. 2016.

Libo-on, Aki. "The Growth of Social Media v 3.0 [Infographic]." *Search Engine Journal*. N.p., 09 Feb. 2016. Web. 05 Dec. 2016. <https://www.searchenginejournal.com/growth-social-media-v-3-0-infographic/155115/ >.

Morrison, Kimberlee. "How Different Generations Consume Content Online [Infographic]." *SocialTimes*. EPublishing, 7 May 2015. Web. 05 Dec. 2016. <http://www.adweek.com/socialtimes/how-different-generations-consume-content-online-infographic/619882>.

"The Digital Lives of Millennials." *American Press Institute*. N.p., 01 Oct. 2015. Web. 05 Dec. 2016. <https://www.americanpressinstitute.org/publications/reports/survey-research/digital-lives-of-millennials/>.

Wakefield, Kylie. "Southwest Airlines Is Flying High on Twitter." *The Content Strategist*. Contently, 06 Mar. 2015. Web. 05 Dec. 2016. <https://contently.com/strategist/2012/07/20/southwest-airlines-is-flying-high-on-twitter/>.