

CASE HISTORY

- Synopsis:** Use of high-tech amenities and new strategies to breathe new life into brand that was seen as old and stogy
- Company:** **HOWARD JOHNSON HOTELS & RESORTS (CENDANT CORP)**
- Situation:** Howard Johnson was seen as a somewhat older and stodgier hotel brand than many of its newer competitors, and we needed to breathe new life into the brand. Hotel occupancies were flat at best, and loyalty among our key target audience (families traveling with children) was eroding.
- Action:** To provide an incentive to families traveling on vacations and generate excitement among both consumers and hotel managers, I created *Kids Go HoJo* and entered into a three-way strategic alliance which combined Howard Johnson with Sega of America – at that time the number two video game company in the USA – and American Express, which was seeking to expand Card usage into the leisure area. We the “adopted” Sega’s Sonic the Hedgehog – leading edge, high tech, computerized, modern -- and designated Howard Johnson as the official hotel for Sega video game fun. Most importantly, Sega provided Game Gear video games and a variety of game cartridges at no cost to every hotel in our system. We bombarded consumers with value-added incentives ...
- Kids always stayed free, helping their parents save money
 - Kids got free FunPacks with games, toys and puzzles featuring Sonic the Hedgehog
 - Kids got to play Sega Game Gear video games free
 - Kids who joined the *Kids Go HoJo* FunClub got a free subscription to Sega's *Visions* magazine
 - Adults received discounts on Sega video games with the American Express Card
 - Families using American Express Cards received free discount books worth hundreds of dollars
- Results:** *Kids Go HoJo* became the most successful, most imitated (within two years, at least nine other brands launched similar programs) and the most award-winning family marketing program in the mid-level hotel segment. It was named the best international traffic-building promotion of the year by the Council of Sales Promotion Agencies, and the best consumer promotion of the year by the International Specialty Advertising Association. Additionally, *Kids Go HoJo* advertising was honored with awards from the American Hotel & Lodging Association and the Hotel Sales & Marketing Association International. Even more importantly ...
- 1) Call volume to the reservations center increased 19 percent
 - 2) According to D.K. Shifflet & Associates (250,000 annual interviews), Howard Johnson was ranked number one among all mid-level hotels in both total leisure and total family room nights, plus number one in increases in value perceptions, service and satisfaction in the mid-level and increases in unaided brand awareness among all mid-priced hotels
 - 4) Increases in occupancy at Howard Johnson properties were 2½ times better than those attained by either Days Inn or Ramada, and twice as high as Super 8 (all Cendant brands)
 - 5) Howard Johnson recorded the highest increase in revenue-per-available room among all Cendant brands, and nearly twice as high as the average for all hotels in the industry as a whole

