

| CASE STUDY

How KYROS Helped Red Roof Cut Costs and Drive More Revenue with Loyalty Program Overhaul



CLIENT OVERVIEW

Red Roof is a well-established hotel brand with a widespread network across the U.S. Known for its affordable accommodations, their loyalty program, RediRewards, allows guests to earn points for stays, which can be redeemed for rewards. Franchisees contribute to the program's cost through loyalty fees, which support marketing efforts and operational expenses. The loyalty program is central to Red Roof's competitive edge and provides value to both guests and franchisees.

CHALLENGES

Before partnering with KYROS, Red Roof managed all aspects of their loyalty program in-house. They handled every transaction, operated their own points engine, and oversaw the program's day-to-day management.

However, despite these efforts, Red Roof faced several challenges that limited the potential of their loyalty program:



Lack of Clear Analytics: Existing reporting mechanisms provided basic metrics but the needed deeper insights into program performance, member behavior, and incrementality.



Perception of Loyalty Costs: The loyalty program was seen more as an expense than a strategic investment, which made it difficult to demonstrate its true value to franchisees and management.



Limited Understanding of Member Behavior: Red Roof was unable to track member behavior changes and the effect of these changes on program outcomes, making it difficult to optimize the program for better retention and activation.



Need for Enhanced Decision-Making Tools: Red Roof didn't have the necessary tools to measure the program's impact effectively, leading to inefficient decision-making regarding promotions and member incentives.



Balancing Costs and Benefits: The team struggled to strike the right balance between the program's costs and the value it provided, particularly for price-sensitive customers.

Red Roof recognized the need for a more strategic approach to measure their program's true value and effectively communicate its ROI to franchisees.

“ Working with KYROS really helped us understand the profitability of the program, our ROI. We were able to measure incrementality, which is very important not only to our management but to our hotel owners who ultimately pay for the program. ”

– Brenda Eddy, Marketing Consultant, Red Roof

SOLUTION

KYROS helped Red Roof enhance their loyalty program by providing critical analytical support and actionable insights.



KEY STEPS INCLUDED:

1. Comprehensive Analytics Framework & ROI

Communication: KYROS implemented a structured framework that allowed Red Roof to track and optimize member retention, activation, and program effectiveness. With improved analytics, they were able to clearly communicate the program's ROI to management and franchisees, reframing it from an expense to a strategic asset.

2. Actionable Insights & Effective Customer Incentives:

KYROS provided detailed insights into member preferences and behavior, which enabled Red Roof to refine the program and identify the most effective, profitable incentives for their price-sensitive customers.

3. Financial Forecasting:

KYROS helped Red Roof forecast fee revenue and redemption costs, enabling better financial planning, resource allocation, and decision making.

4. Dynamic Pricing & Promotional Scenario Analysis:

KYROS evaluated various promotional scenarios and dynamic pricing strategies to optimize member engagement and increase revenue.

5. Monthly Strategy Meetings:

Red Roof now holds monthly strategy meetings with KYROS to review program changes, brainstorm new ideas, and lay the foundation for continuous testing and program optimization.

“We have a monthly meeting with KYROS to run through changes we want to make in the program, ideas about changes, either in point calls to our members, or how we change redemptions. We've looked at a number of different scenarios to help us improve the program and/or just refine the program. Having this third party insight is invaluable.”

– Brenda Eddy, Marketing Consultant, Red Roof

RESULTS

The partnership with KYROS yielded substantial improvements for Red Roof:

- **Liability Account Adjustment:** One of the first major improvements came when KYROS identified that Red Roof wasn't properly accounting for their future liability. KYROS worked with the accounting team to adjust the accrual formula, leading to a substantial reduction in liability and more accurate financial reporting.

- **Enhanced Program Profitability:** Red Roof was able to show that their loyalty program was much more cost-effective than initially thought. By analyzing the cost versus redemptions, they found that the program was incredibly profitable.
- **Improved Member Engagement:** The insights provided by KYROS helped Red Roof enhance member retention and activation by optimizing incentives and program features.
- **Data-Driven Decision Making:** Red Roof now uses data and insights to make informed decisions about their loyalty program, enabling more effective management and optimization.
- **Increased Credibility:** The team built credibility with internal stakeholders and franchisees by providing clear, data-backed explanations of the program's value.

“ Some of the things I find most helpful in working with KYROS is they are extremely responsive when we get questions about different aspects of the program, and that can come either from management, from marketing, or from a hotel. They are very quick to give us answers or to point us in a direction to answer those questions. ”

– Brenda Eddy, Marketing Consultant, Red Roof

CONCLUSION

KYROS's partnership with Red Roof has significantly transformed the way the brand manages its loyalty program. By providing deep analytics, actionable insights, and expert guidance, KYROS has empowered Red Roof to improve profitability, optimize member engagement, and streamline decision-making.

Red Roof can now confidently demonstrate the value of their loyalty program to franchisees and continue refining their strategy based on data-driven insights.

“ I would really recommend KYROS highly to any loyalty manager, particularly if you don't have all the internal resources to pull every data point that you need on a rapid basis. KYROS is there for you because we really look at them as an extension of our analytical team. ”

– Brenda Eddy, Marketing Consultant, Red Roof

If your organization is looking to enhance its loyalty program and drive incremental value, [contact KYROS](#) today. Let us help you transform your loyalty analytics and unlock the full potential of your customer relationships.