Global Entrepreneurial Marketing (GEM) Project Plan

Updated in April, 2010 for GEM10 SPR

Background

Project Sponsor

Nor1 (http://www.nor1.com) is an innovative hyper growth company headquartered in Silicon Valley. Using its patented revenue enhancing solution, eStandby, the company generates incremental net revenue for its hotel partners while simultaneously enhancing the guest’s hotel experience. Nor1 is well funded, and its lead investors include Otter Capital, PAR Capital and Accel Partners (#1 rated VC firm globally by Red Herring and Facebook investor). The company’s customers include Hyatt, InterContinental, Radisson, Fairmont, Sol Melia, Kimpton, and Four Seasons to name a few. One of its largest customers is Hilton Worldwide where Nor1’s eStandby product suite is leveraged at most of their brands globally, including Hilton, Waldorf Astoria Collection, Embassy Suites, Conrad, Doubletree, and others. Nor1 is currently exploring how to leverage its solution in the following verticals: airline, cruise line, car rental, spectator event, and online/print advertising.

Project Description

Depending on the unique skill sets and interest that the GEM team may have, Nor1 offers the following two directions:

Direct Marketing Track

Hotel guests are exposed to Nor1’s up-sell offers through many different reservation channels (like the hotel’s website, pre-arrival e-mail, confirmation e-mail, etc). Each of these channels has unique funnels/decision trees that the guest navigates to select a Nor1 offer.

Using empirical data, the team will be expected to address the following questions:

1. Which components of the eStandby offer (e.g. Email Subject Line, Pricing, Images, etc.) matter most in converting an interested guest to a committed guest?
2. How could Nor1 increase the efficiency of making offers to repeat guests?
3. Will expanding the up-sell offers (e.g. by including more products) increase or decrease the overall potential revenue from committed guests?
Revenue Management Track

The science of Revenue Management is widely applied in both the airline industry and the hotel industry. Price discrimination and overbooking are common based on the fact that airplane seats and hotel rooms are perishable. *eStandby Upgrade* is a revolutionary revenue enhancement solution that adds both opportunities and complexities to Revenue Management.

With Nor1’s flexible conditional pricing engine customized for each hotel, Nor1 sells thousands of similar products at different prices, increasing revenue per available room and generating more guests than the hotels can accommodate (due to the nature of *eStandby Upgrade*). Using data based on millions of guest transactions, the team will be expected to address the following questions:

1. What is the seasonality of Nor1’s up-sell business?
2. What are the preliminary steps that Nor1 should take to build a computerized model that determines the sweet spot (equilibrium price) at each “mature” hotel?
3. What statistical variables would help improve the ability to predict revenue generated by Nor1 at a given hotel?

Project Type

Revenue Optimization – Data Analysis – New Product Development

Since Nor1’s reporting data are primarily warehoused with SAS, it is beneficial if at least one GEM team member has basic working knowledge of SAS. In addition, knowing how to use SPSS or other statistical tools available at Stanford will also help in handling the data analysis component of this project.

GEM Team Benefits

The project will demonstrate the importance of data collection and analysis in making “smart” business decisions and developing a “smart” customer offer. The team will have the opportunity to impact the *eStandby* product and the bottom line dollars it generates – while working with Nor1’s senior leadership team.

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Appendix: GEM Project Timeline (Tentative)

04/07: Select GEM Team.

04/09: Official Project Kickoff. Meet and greet team. Discuss project.

04/16: GEM Team reviews data, asks questions, gathers requirements, assesses business model, analyzes funnel, and develops hypotheses.

Deliverable: Submit an Evaluation and Recommendations Document. It will include project proposals, accountabilities, deliverables, and software tools required to carry out key tasks.

Goal(s): GEM Team should have a good understanding of the Nor1 Data.

04/12 – 04/16: Nor1 will review document, assess proposals. Nor1 and GEM Team will discuss and finalize project scope and task list.

Deliverable: GEM Team will submit final document for acceptance by Nor1.

Goal(s): GEM Team should be trained in using proposed software tools.

04/19 – 04/23: GEM Team will carry out tasks outlined in their project proposals. Nor1 will provide support to GEM Team.

Deliverable: GEM Team will provide a weekly report (i) documenting their research & findings.

04/26 – 04/30: GEM Team continues to carry out tasks outlined in their project proposals.

Deliverable: A weekly report (ii) documenting GEM Team’s research and findings.
05/03 – 05/07: GEM Team will continue carrying out the tasks defined in their project plan. Nor1 will review GEM Team’s progress and evaluate whether the Team should stay on course relative to project plan or course-correct.

Deliverable: A report documenting (iii) GEM Team’s research and findings.

05/10 – 05/14: At this point, GEM Team should begin testing and validating their hypotheses.

Deliverable: A report (iv) of GEM Team’s testing and validation results

05/17 – 05/21: GEM Team will continue testing and validating their hypotheses.

Deliverable: A report (v) of GEM Team’s testing and validation results

05/24 – 06/02: GEM Team will conduct Final Presentation and submit Final Report.