



COMMERCE • CULTURE • COLOUR

We have a deal for you!

A flexible, innovative, value-for-money
proposition which caters to different
budgets, size and types of functions



ICCA Best Marketing Award 2009

Entry Submission from Kuala Lumpur Convention Centre



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Our Opportunity

In July 2008, the team at the Kuala Lumpur Convention Centre (the Centre) was concerned that the economic downturn would have a negative impact on our revenue. We also identified that:

- Our under-utilised smaller meeting rooms presented an opportunity to target the small meetings segment
- We were turning away small meeting booking requests due to very short lead-times
- We were experiencing a low booking pattern for our two auditoria
- There was a drop in enquiries for banqueting events particularly from the corporate sector with more requests for discounts

Faced with these challenges, we collectively put together a strategy to:

- Adopt an innovative and flexible approach to adapt to market conditions
- Identity sustainable product offerings
- Focus on value creation instead of discounting
- Improve yield management without undermining the quality of professional service for which the Centre is renowned and to continue to enhance our client and guest experience

With the commitment of our team and without engaging external consultants, we formulated our game plan and focused on the following:

- A paradigm shift on the traditional approach to delivering meetings
- Capitalising on our existing resources, hardware and software and our internal expertise
- As we were in cost saving mode we adopted a very conservative budget with a 'going back to basics' approach
- Take a proactive step to leverage creatively on market intelligence and the competitive environment

The Outcome

We developed and implemented “We Have A Deal For You”, a holistic, viable, cost-efficient proposition that synchronised client needs with the Centre’s signature offerings of quality service, flexible space and world-class cuisine backed by a professional team.

“We Have A Deal For You” was packaged as a campaign with flexible, innovative and value-for-money product offerings comprising five deals:

- TenOnCall – for small and short meetings
- Rewards Programme – for banqueting events
- Conventions Value-Add Programme – for international association meetings
- Day Conference Packages (DCP) for Auditoria
- Exhibitions Loyalty Programme – for exhibition organisers



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For the purpose of this submission, we have highlighted three of the deals – the TenOnCall, the Rewards Programme and the Conventions Value-Add Programme to best demonstrate what “We Have a Deal For You” incorporates.

1. The Marketing Challenge

The “We Have A Deal For You” campaign was conceptualised to respond to market demand and to maximise the utilisation of available space, particularly in light of the growing impact of the global economic recession.

Even prior to the economic downturn, it was becoming common practice among venue providers to offer discounts as a means of attracting business and to ensure client retention; a practice which increased as the recession deepened. Since discounting is not a preferred sustainable practice which would impact negatively on our revenue and brand, we realised that an entirely new ‘out-of-the-box’ approach to value creation was needed. The rationale behind the approach would be a win-win outcome for both our clients and the Centre.

The marketing challenge was to:

- Address the perception that we only cater for large meetings and events
- Create a differentiated experience to capture the small, short-lead corporate meetings segment
- Grow our business and retain our existing clients by demonstrating ways in which we could enhance their event without incurring costs for them

Our Game Plan

The challenges:

- Misperception that the Centre only caters for large meetings and events
- Under-utilisation of our 10 meeting rooms on Level 4
- Monopolisation by the hotels in this market
- Minimal product variation on the standard meeting package
- Turning away short-lead bookings for small meetings that could deliver a revenue stream for the Centre



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Our response: TenOnCall

TenOnCall, comprising of 10 existing meeting rooms on Level 4 of the Centre was created and presented a paradigm shift in the manner in which short lead small meetings could be delivered. TenOnCall offers a differentiated meeting experience for short-lead meetings, from 2 to 150 delegates.



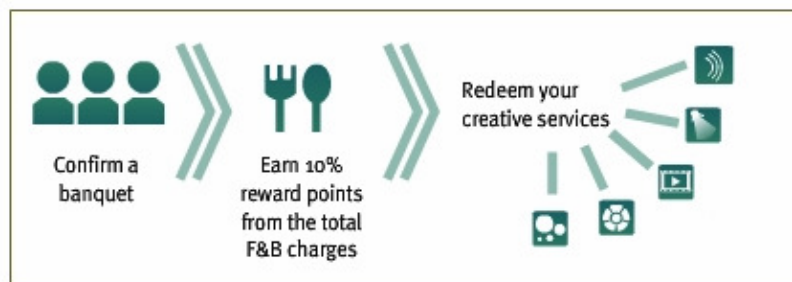
The epicurean area on TenOnCall where free-flow cuisine is served

Banquets

The challenges:

- Competitor discounts linking free banquet space to accommodation
- Discounted menus and price wars were predominant in the market place
- Perception that hotels are preferred to a Convention Centre for banquets and gala dinners
- Perception that creative services for the enhancement of an event i.e. sound, lighting, video, and theming, were expensive add-ons but necessary
- A drop in bookings due to the economic downturn

Our response: Rewards Programme



Reward Points Redemption Process

The Centre introduced the banquets' Rewards Programme, where 10 percent of the Food & Beverage (F&B) costs can be redeemed against our Creative Services which include sound, lighting, video, decoration enhancements and theming. These services are offered in a 'pick and mix' format for added flexibility.



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International Association Meetings

The challenges:

- Attractive subvention packages offered by competitors
- Increasing regional competition

Our response: Conventions Value-Add Programme

The Conventions Value-Add Programme provides complimentary cost-saving benefits up to RM 60,000 (EUR 11,800) to meeting planners who bring in international association meetings to our Centre. In addition to hosting of site inspections, the complimentary elements include a Cultural Showcase of six Malaysian arts and crafts, pre-function committee meetings plus a cocktail reception or a press conference hosted by us to promote the event and attract sponsorship for the client.

2. Marketing Innovation

The key innovation of the “We Have A Deal For You” campaign is the departure from a discount mindset to sustainable value creation.

By providing a range of value-for-money product offerings we have grown our market share in tough economic times.

The key lessons were to anticipate and respond to changing market needs without compromising the client experience and to be highly cognisant of what cost saving measures we could implement without compromising our client’s objectives.

TenOnCall



Welcome signature ‘lemongrass’ drink using local herbs added a soft touch

By making a paradigm shift on the traditional approach to hosting meetings, we gave a facelift to the existing 10 meeting rooms on Level 4 with the aim to offer a differentiated meeting experience for short-lead bookings, from 2 to 150 delegates.



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The innovations on TenOnCall:

- Pre-set meeting room with audio-visual equipment, and complimentary WiFi access
- Instant availability to execute a same-day meeting and addresses just-in-time (JIT) bookings
- Use food and beverage as a key marketing hook. It is well attested that “Malaysians live to eat not eat to live”
- Free-flow lifestyle cuisine throughout the meeting duration allows complete flexibility and personalisation of the meeting experience with a much larger selection of food and beverage items
- A dedicated sales and operations team to offer personalised service
- Soft furnishings, natural light and a sensory environment have been created to enhance creative thinking

Rewards Programme

The innovations to attract more banquets to the Centre:

- Emphasis on value-adding, rather than discounting for banquets
- Devised a scheme where clients earn 10 percent of F&B charges to be redeemed against the Centre’s creative services
- Clients are able to “pick and mix” their requirements on creative services to best suit their budget and objectives
- Since the creative services are available in-house, we are able to offer a 30 to 50 percent saving on these costs compared to the market price



Creative Services – Sound, Lighting, Video, Theming and Décor

- Capitalisation of existing in-house resources provided the team with an opportunity to train and execute creative elements to client events
- Upgraded the guest experience by offering complimentary use of in-house silverware, crystal glass ware, special crockery and décor

The above offerings have proven to be the differentiating factor in comparison to any other packages offered in the marketplace.



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Conventions Value-Add Programme



Cultural Showcase (Gamelan "Court Music")

The innovations for Conventions Value-Add Programme:

- The Centre created complimentary benefits that meeting planners could pass on to their association clients
- Leveraging on local Malaysian arts and crafts to create the "WOW" factor amongst international delegates and at the same time, promote these cultural aspects which are unique to the country

Ideas to Share with ICCA Members

- Capitalise on the creativity and collective effort of your internal team
- Leverage on existing in-house resources
- Use your existing platforms to "talk" to your clients and to communicate your value propositions – you don't have to create a new event that costs money e.g. Client Appreciation Cocktail
- Document your campaigns and marketing initiatives from the start so you can use them as case studies – this will save lots of time and money in the long run
- We created a campaign which added value and cost savings and did not cost the client money!
- Use existing marketing tools like website, tradeshow, newsletter to create and increase awareness
- Be prepared to make a paradigm shift on how to deliver a meeting experience without compromising but enhancing the client's objectives
- Think value-add rather than discounts!
- Build on good ideas rather than re-invent the wheel
- Use local products
- Be culturally sensitive



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3. Implementation

TenOnCall

June 2008	A committee was formed to brainstorm challenges and opportunities. The team reviewed a few competing meeting venues in town.
August 2008 – October 2008	The TenOnCall concept and project plan was developed. The first product offering under “We Have A Deal For You” campaign was created. Renovation and refurbishment of Level 4 to create the Central Epicurean area.
September 2008	Training for the TenOnCall team commenced.
25 November 2008	TenOnCall Launch to 200 clients and media. First booking received at the Launch.
November – December 2008	TenOnCall site inspections and previews for meeting planners. Complimentary meeting voucher given to all potential clients.
2 – 4 December 2008	TenOnCall was introduced to international trade media at EIBTM 2008.
March 2009	Half-day packages were introduced.
May 2009	Launch of TenOnCall Loyalty Programme. To encourage repeat business, for an accumulation of 100 delegates, a corporate is rewarded with a complimentary meeting package for 10 delegates.
Ongoing	Regular status meetings, performance measurement and evaluation with the team.
Ongoing	Marketing and promotion



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Rewards Programme



Launch of “We Have A Deal For You” at our Client Appreciation Cocktail 2009

November 2008	Internal brainstorming and the Rewards Programme was developed as the second product offering under “We Have A Deal For You” campaign.
December 2008	Production of collateral and website.
January 2009	Rewards Programme was launched to 500 clients and media at the Client Appreciation Cocktail as part of “We Have A Deal For You” campaign.
17 – 18 February 2009	TenOnCall and Rewards Programme were introduced to media at AIME 2009 as part of “We Have A Deal For You” campaign.
Ongoing	Marketing and promotion

Conventions Value-Add Programme

February 2009	Internal brainstorming and the concept was developed as the fourth package under “We Have A Deal For You”.
17 – 18 February 2009	All deals under “We Have A Deal For You” were presented to the media at IMEX 2009.
Ongoing	Marketing and promotion



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4. Results

Financial Objectives

1. Increase Revenue

Non-financial objectives

1. Maintain our position as a market leader
2. Boost customer loyalty
3. Enhance publicity and brand presence
4. 100 percent effective space utilisation
5. To eradicate misperception that the Centre caters only to big events, requires long-lead time bookings and is expensive
6. Respond to market conditions with value-add propositions
7. Increase customer base

TenOnCall

From the launch of TenOnCall on 25 November 2008 to 31 August 2009, **TenOnCall** has been the preferred venue for 306 events, with 8,409 delegates, contributing RM 1.77 million (EUR 347,000). It is anticipated that forward bookings to date will deliver an additional revenue of RM 4 million (EUR 785,000).

An investment budget of RM 624,000 (EUR 122,173) was allocated, with only RM 512,000 (EUR 100,245) utilised. With revenue of RM 1.77 million (EUR 347,000) generated to date, this reflects a return on investment (ROI) of RM 3.45 for every ringgit spent.



"The TenOnCall package at RM150++ per person offers a superb value-for-money deal compared with other meeting venues. This is especially true when the package includes AV, built-in LCD projector and free-flow of food and beverage throughout the day."

Catherine Chong
Pacific World Kuala Lumpur
(An international Destination Management Company)



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Rewards Programme



"We used the Rewards Programme for the DHL Annual Dinner recently. The Programme help in reducing the cost of producing the event and is very flexible."

Mr Ming Yi
Event Planner
DHL Express Annual Dinner 2009

The Rewards Programme has benefited 8 events (5,050 guests) for the past eight months and we have confirmed a further 8 events (9,800 guests).

Conventions Value-Add Programme

Since the launch of the Conventions Value-Add Programme, 12 associations and more than 10,700 delegates have benefited from this initiative.



"The cultural showcase, which was part of the Congress programme, was fulfilling and inspiring. We had the opportunity to learn and even create traditional Malaysian arts and crafts without leaving the venue!"

Lorenzo Ysasi Martinez
President
7th World Chambers Congress Organising Committee

Public Relations – Media Coverage

Between December 2008 and August 2009, "We Have A Deal For You" has generated RM 1.03 million (EUR 202,000) in PR value (editorial) from online coverage and the local and international media.

Moving Forward

"We Have a Deal For You" has changed our mindset on value creation. It started with just one market segment and it has now been expanded to cover all our major segments. We are now applying the value creation approach in other potential revenue streams.

