



Mad Monkey Hostels Case Study

Who are Mad Monkey Hostels?

Mad Monkey Hostels operates a chain of 8 hostels in South East Asia, with hostels in Cambodia, Thailand and the Philippines. They have seen rapid growth from just a single Hostel that was opened in 2011 to accommodating over 365,000 guests in 2017.

Mad Monkey are known for their fun party atmosphere and local commitment to their community, customer stays at Mad Monkey help fund education and clean water projects. They are also an award winning hostel chain with two global Hoscors Awards and 10 TripAdvisor awards for service excellence, and a host of other industry awards to their name.

Mad Monkey's Goals

When Mad Monkey Hostels first approached Cliteq they had two distinct objectives for their paid media campaigns.

Their first objective was the launch of their latest hostel in Bangkok and to ramp their occupancy to 100% as soon as possible using paid media.

Their second objective was to maximize the number of direct bookings generated whilst maintaining a margin that allowed them to reduce their reliance on OTA (online travel agent) fees which generally

charge 20% of the cost of booking as commission.

- Ramp the new Bangkok hostel to 100% occupancy in as shorter period as possible.
- Reduce reliance on OTA (online travel agents) by generating the largest volume of direct bookings possible.
- Reduce the cost of booking where possible whilst increasing overall booking volumes.

Our Solution

To generate demand for the chain of hostels we used a mixture of both programmatic display advertising combined with search ads to reach people at both the beginning of the purchasing cycle who may be looking to book a trip to South East Asia, to those who are towards the end of the buying cycle and who are already in South East Asia and were ready to book a hostel immediately.

Programmatic Display Advertising

To ensure an end-to-end strategy, display advertising was used to reach top of funnel users using both native, rich media and video advertisements across Google's Display Network.

Using a mixture of placement, keyword and behavioral targeting allowed Mad Monkey Hostels to promote both video and blog content to top of funnel users.

This has had two clear significant benefits for Mad Monkey Hostels. The first being the increase in brand awareness for the already popular hostel chain and the second was a significant number of view-through conversions from users browsing content on their blog who then went on to make a booking.

Search Strategy

With Mad Monkey Hostels already having strong brand presence, we expected to see a steady stream of branded and non-branded search traffic. We identified high intent keyword phrases and ensured a high impression share for these keywords, making sure that Mad Monkey Hostels would gain consideration for walk in visitors.

As there was a large amount of historic data within the account, we were able to determine buying patterns linked to core demographics and audience groups.

Using demographic targeting on core search terms, we implemented demographic layers to increase bids for visitors who were most likely to book based on demographic profiles, time, location and past browsing history.

By working closely with the Mad Monkey team, we were able to identify opportunities for Quality Score improvement by reducing keywords, removing sub optimal keywords and implementing bid strategies.

Clicteq also structured the account based on Single Keyword ad groups for the ads that were likely to lead to the highest number of conversions. The subsequent quality improvement due to improved relevancy of the ads being displayed has led to increased in Quality Score and a reduction in cost per booking.

Upon seeing strong conversion rates for key terms we changed Mad Monkey Hostels bidding strategy to CPA in order to maximize bookings. While ensuring a lower cost per booking than the commission that OTAs charge to provide a substantial saving on OTA fees monthly for Mad Monkey Hostels.

The Results

The results since taking over the management of Mad Monkey Hostels PPC campaigns:

Branded search booking costs were reduced to 7% of revenue for new customer acquisitions, a saving of 13% compared to OTA Fees for customers that were searching for terms related to "Mad Monkey Hostels"

Non-branded bookings were reduced to 14% of revenue for new customer acquisitions based on relevant search terms, a saving of 6% compared to OTA fees.

Annual OTA Fees savings in excess of \$15,000 were realised, the budget was allocated to demand generation and as a result Mad Monkey received a 12.8% increase in direct brand searches.

The increase in brand awareness resulted in Mad Monkey Hostel Bangkok being booked at 100% full capacity within 12 days from launch.

"Pay Per Click is one way that we can reduce our OTA costs and gain share of consideration for customers searching for hostel accommodation. Clicteq listened to all of our requirements whilst fully evaluating our customer base to dramatically improve our performance compared to the previous PPC agency. They have a good understanding of the customer buying cycle and have been great to work with."

Steve Vaile

Chairman of Mad Monkey Hostels