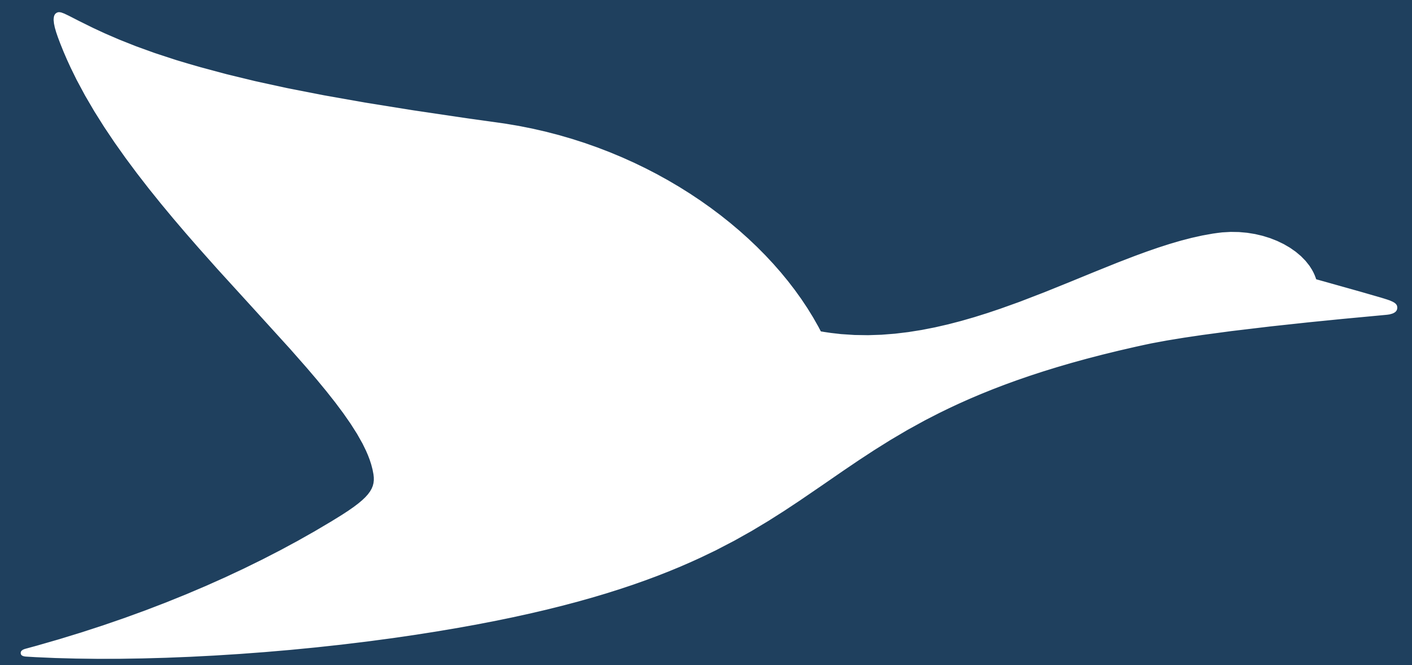


Innovation cycles have massively reduced in digital environment and create a truly unpredictable future

LEAD TIME BEFORE REACHING 50M ACTIVE USERS

38 YEARS	27 YEARS	17 YEARS	12 YEARS	4 YEARS	3.5 YEARS	1.5 YEAR	0.3 YEAR
			Google™				
RADIO 1958	MOBILE 1983	INTERNET 1993	GOOGLE 1998	iPOD 2002	FACEBOOK 2004	iPAD 2010	GOOGLE + 2011

We are experiencing a pivotal moment in the history and use of technology…

80% Of all data was created in last 18 months

10 x *By 2020*

13B Connected devices in 2010 ...

50B *By 2020*

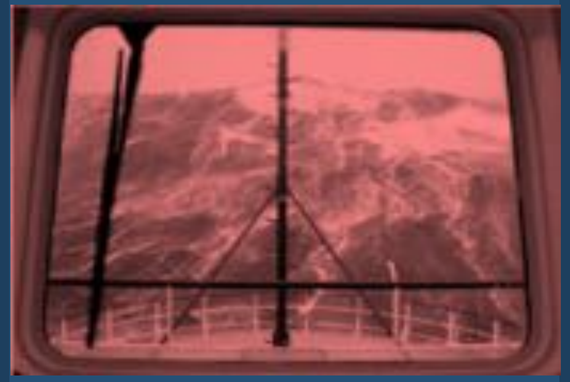
1.3B MONTHLY users as of Jan 1, ~ ½ on mobile devices

25% Of teenagers connect within 5 min of waking up

New digital attackers are changing the rules and disrupting traditional value chains

GRADE 4

Total digital substitution risk



- Music
- Media (press, magazine)
- Insurance Non-Life

GRADE 3

Digital-native models new competitors requiring adaptation

- Advertising
- Insurance Life
- Travel distribution
- Retail chains
- Retail banking

GRADE 2

Hybrid Digital-Physical customer experience

- Airlines
- Automotive
- Consumer Products
- Education
- Health
- **HOTELS & RESTAURANTS**
- Manufacturing
- Telecom
- Transportation & Logistics

GRADE 1

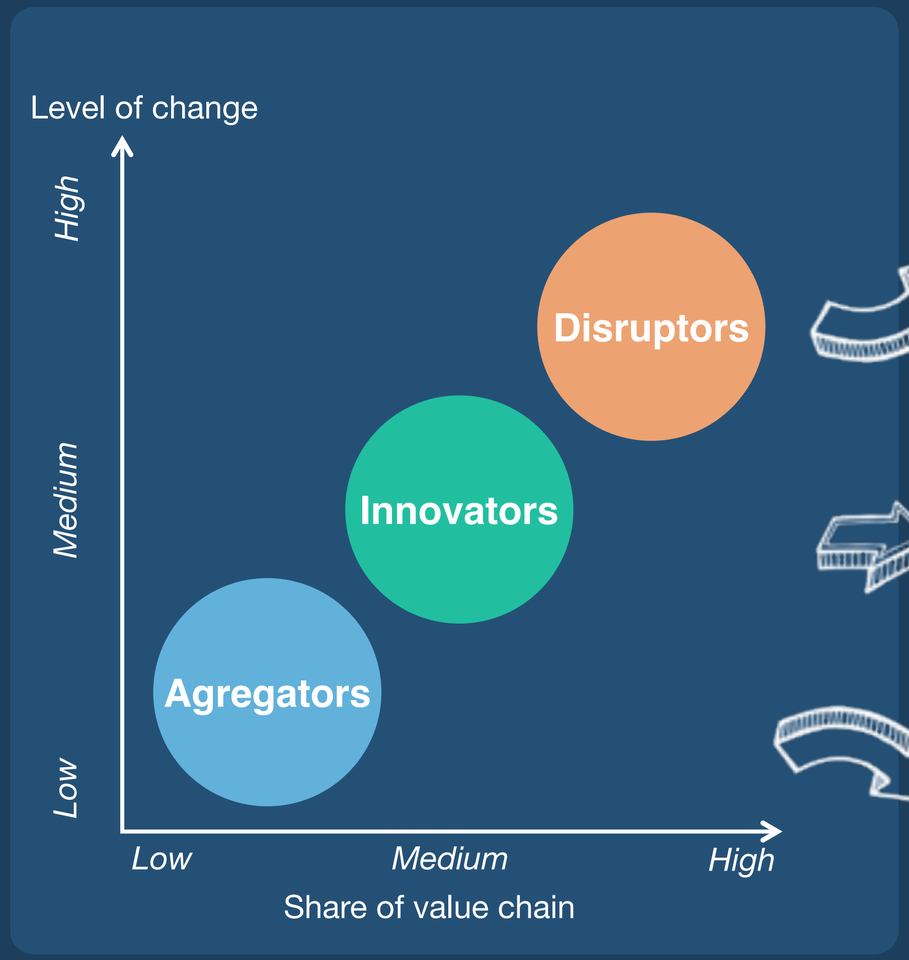
Operations & costs impact of digital disruptions

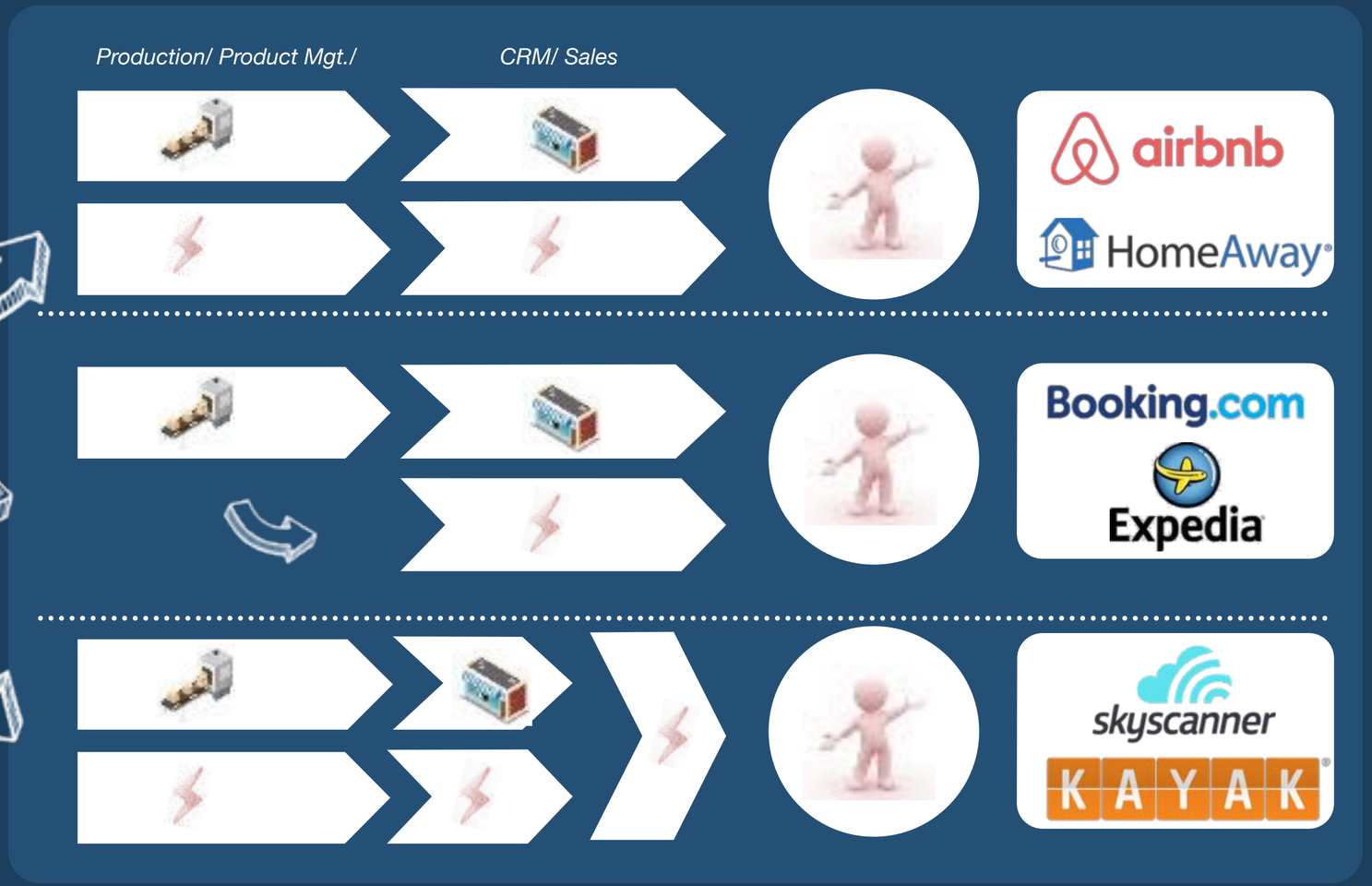
- Construction
- Mining
- Oil& Gas
- Utilities
- Pharmaceuticals*

RESPONSE MAGNITUDE AND NATURE WILL NOT BE THE SAME
SPEED AND "SYSTEMIC" SHIFT REQUIRED WILL NEED CALIBRATION

New digital attackers are changing the rules and disrupting traditional value chain

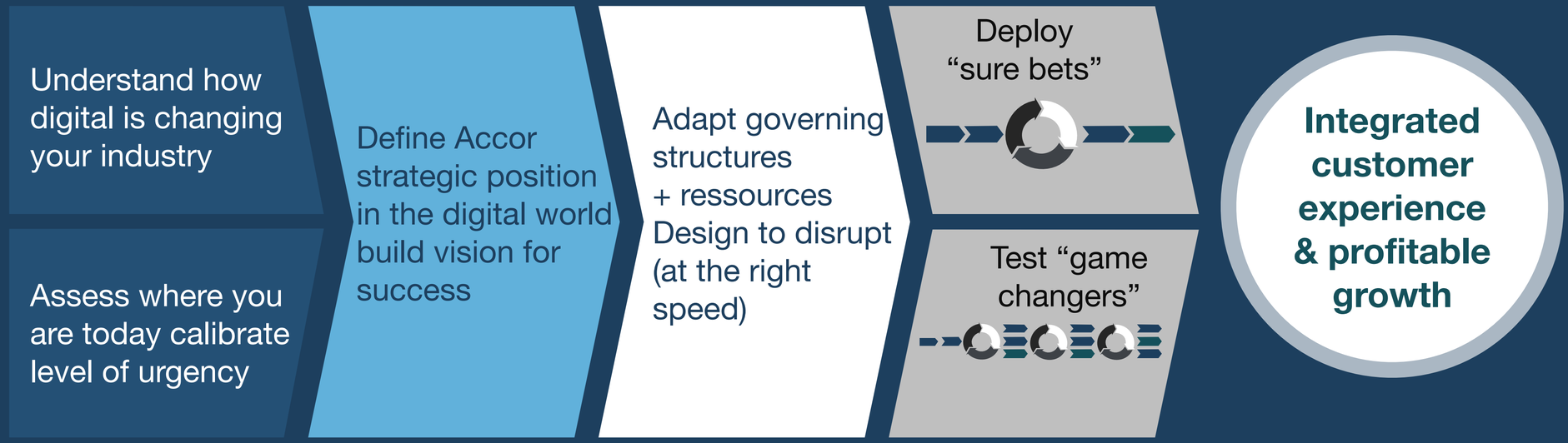
NEW DIGITAL ATTACKERS





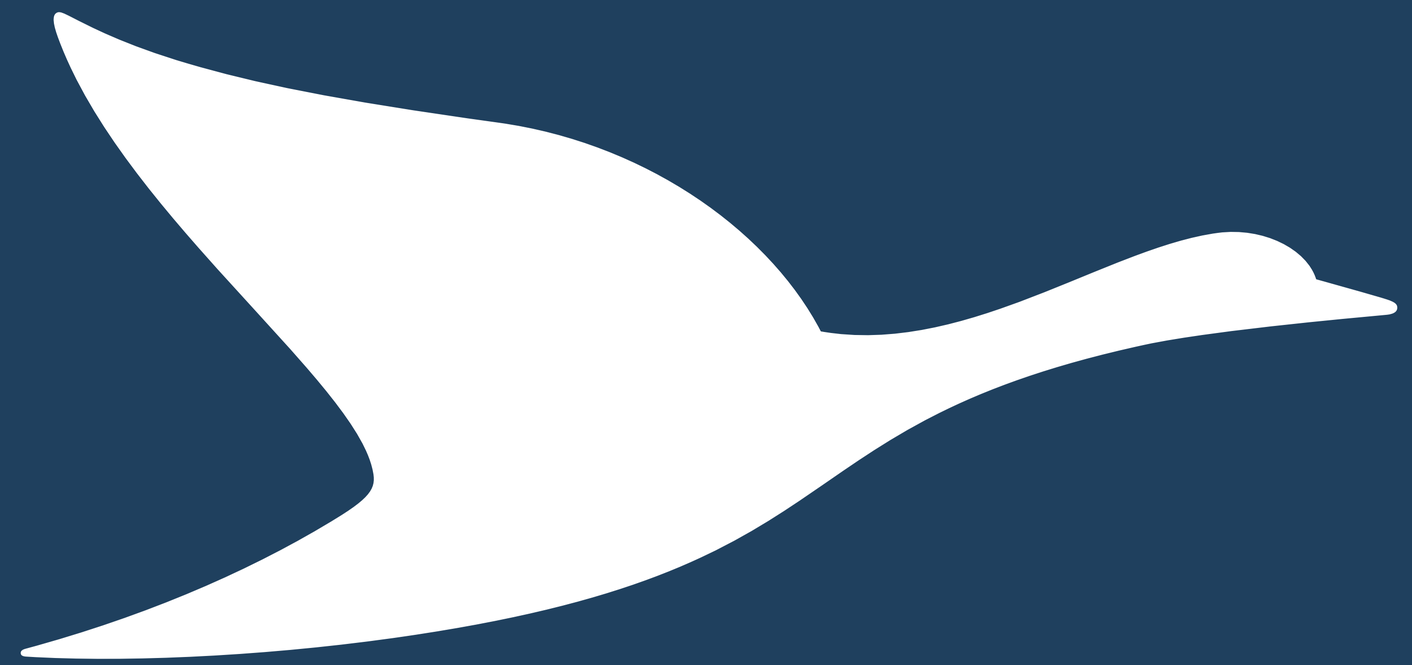
Our approach to digital transformation

HOW TO WIN IN DIGITAL



Change your mindset: Create a culture of learning, risk-taking and innovation

Mobilize for success: Optimize organization, IT, and partnerships to support digital strategy



#ACCORDIGITALDAY

ACCOR

LEADING DIGITAL HOSPITALITY

1 DIGITAL IS NOW

2 ACCOR'S DIGITAL PLAN

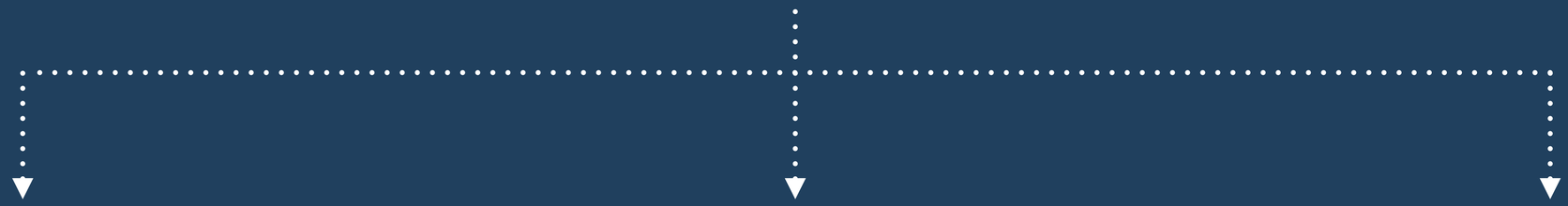
3 DIGITAL ON THE MOVE

4 SUCCESS FACTORS

DIGITAL TECHNOLOGY

THE NEW ELECTRICITY

ENRICHING OUR LIVES AND MAKING THEM EASIER



ALWAYS CONNECTED

RELEVANT AND PERSONAL

EFFICIENT AND INTUITIVE

#ACCORDIGITALDAY

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THE WORLD IS DIGITAL

1

75%

of the population has a mobile phone

4 Billion

video views

1.19 Billion

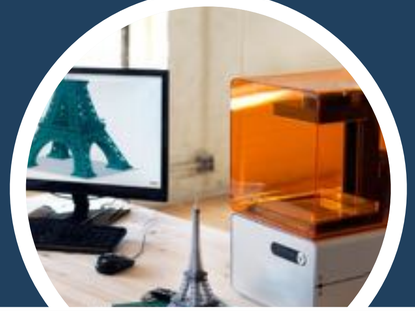
active users

10 Million

players per day

IT'S NO LONGER A HYPER-CONNECTED SEGMENT,
IT'S A **MASS MOVEMENT** THAT'S EVOLVING **VERY RAPIDLY**

Ongoing changes, unimaginable 5 years ago



3D PRINTING

MOBILE PAYMENT

COMMUNITIES

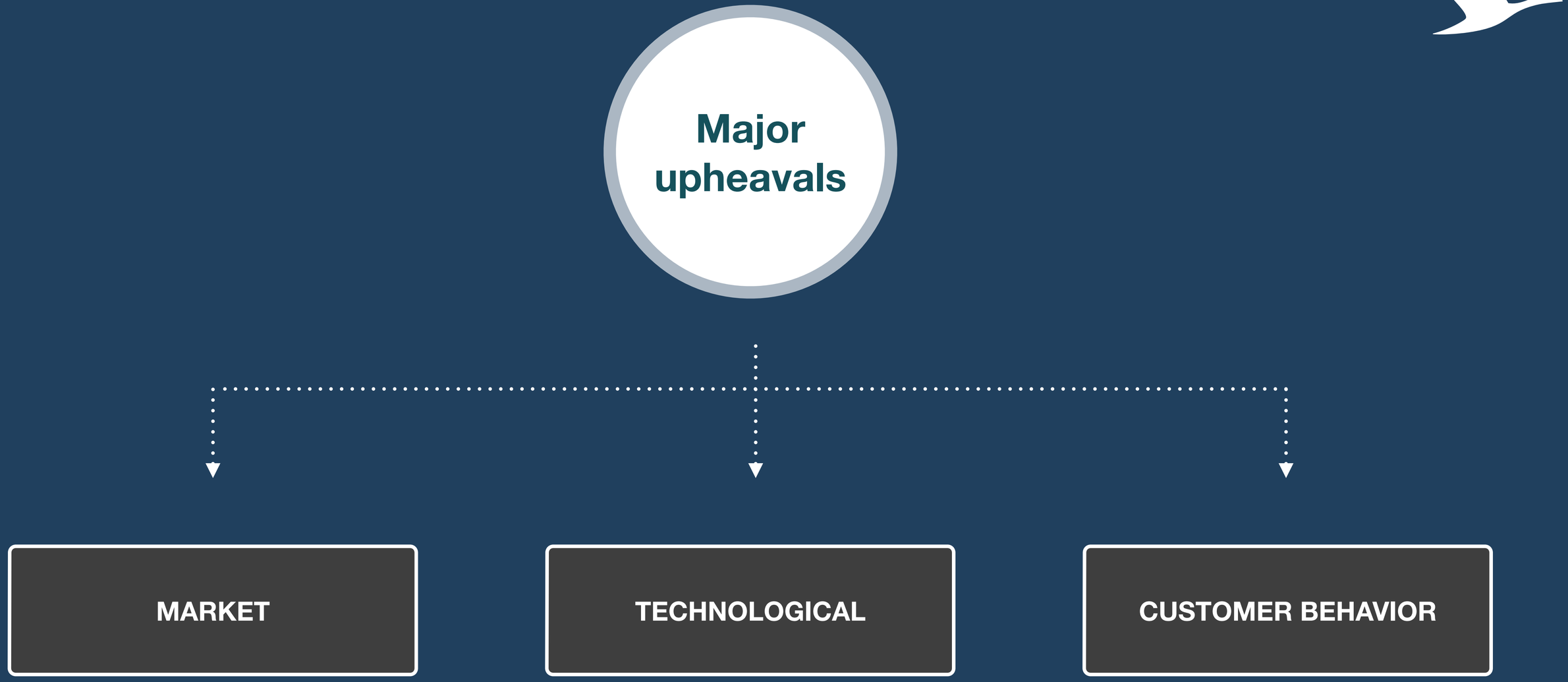
MOOCs

CONNECTED THINGS

CROWD FUNDING

TRAVEL INDUSTRY IS DIGITAL

1


Major upheavals
MARKET
TECHNOLOGICAL
CUSTOMER BEHAVIOR

Major upheavals

MARKET

- *GOOGLE everywhere*
- *OTAs grow*
- *TRIPADVISOR leading*
- *AIRBNB: a new paradigm*

Major upheavals

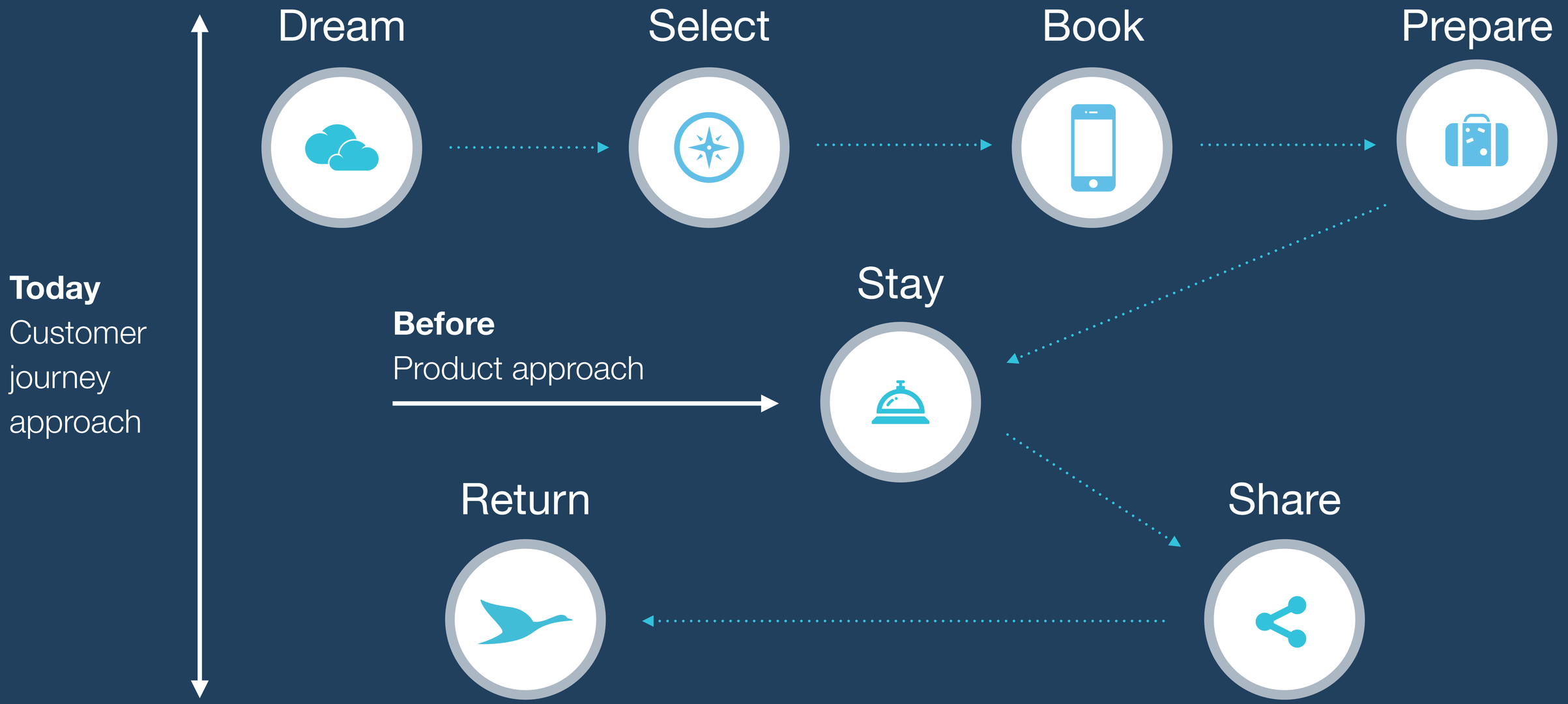
TECHNOLOGICAL

- *Mobile rules*
- *Connectivity*
- *Development Speed*
- *From Big Data to Predictive Analytics*
- *Organizational agility*

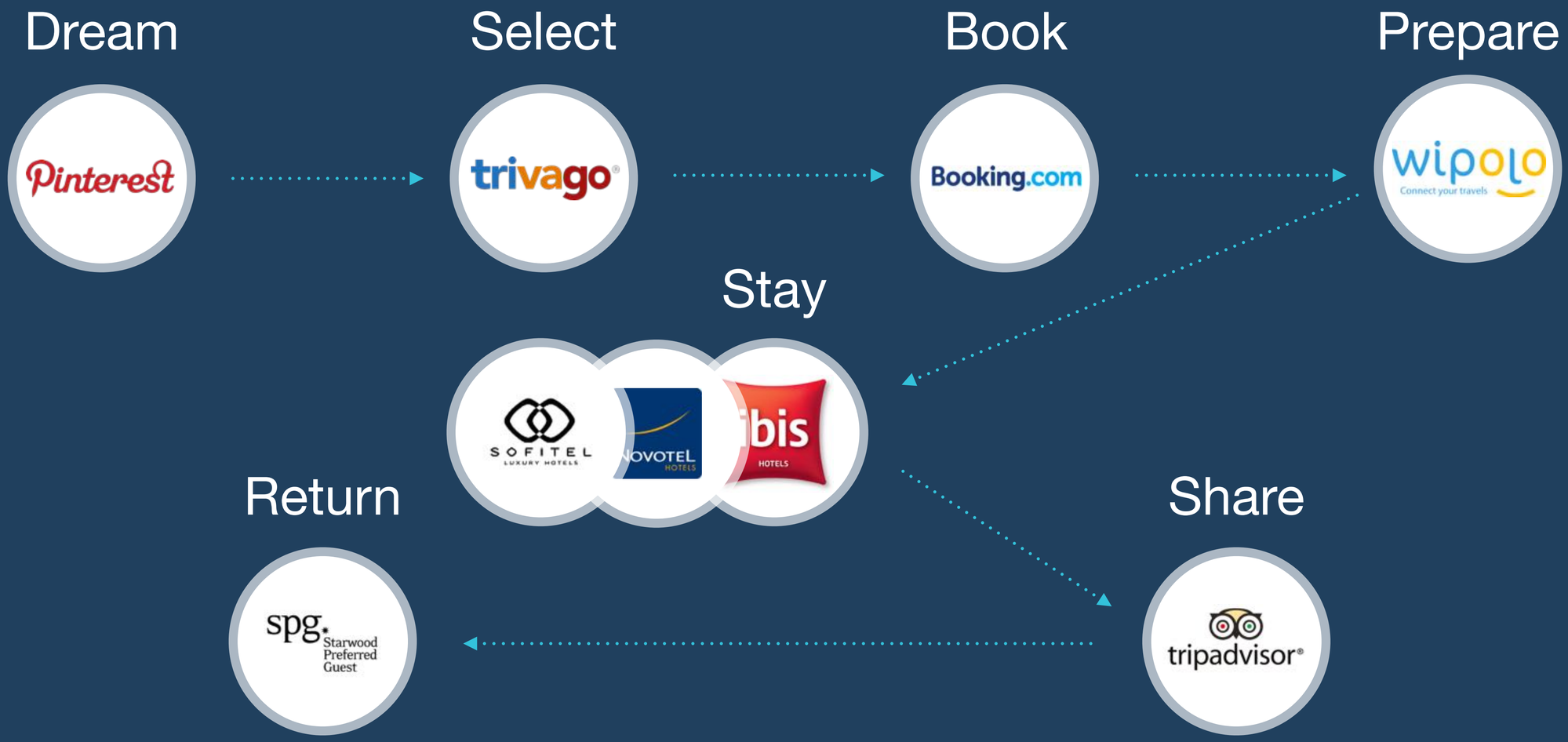
Major upheavals

CUSTOMER BEHAVIOR

- *Multi brand / segment*
- *Connected*
- *Autonomous*
- *Community-oriented*


Dream
Select
Book
Prepare
Today
Customer
journey
approach
Before
Product approach
Stay
Return
Share

Outstanding players at every stage of the customer journey



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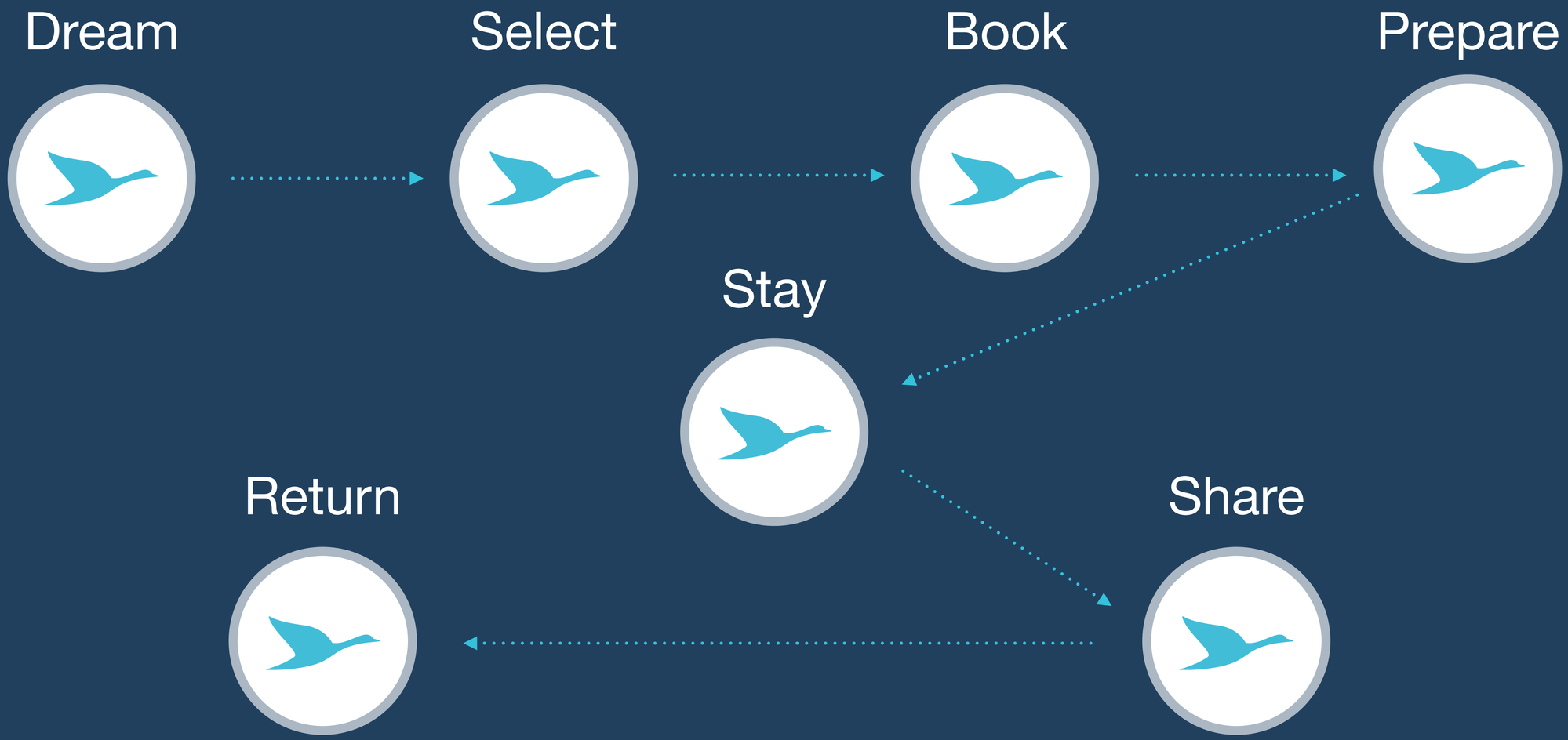
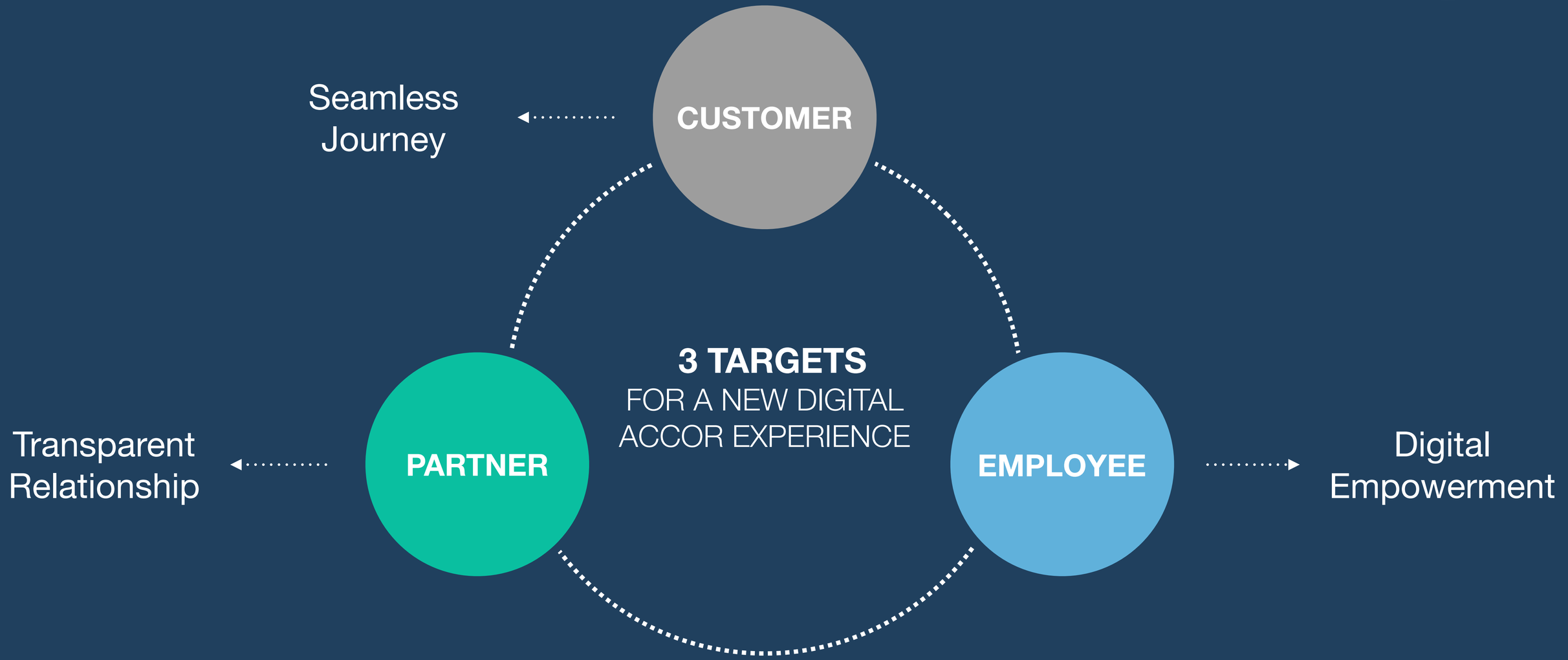
ACCOR'S AMBITION

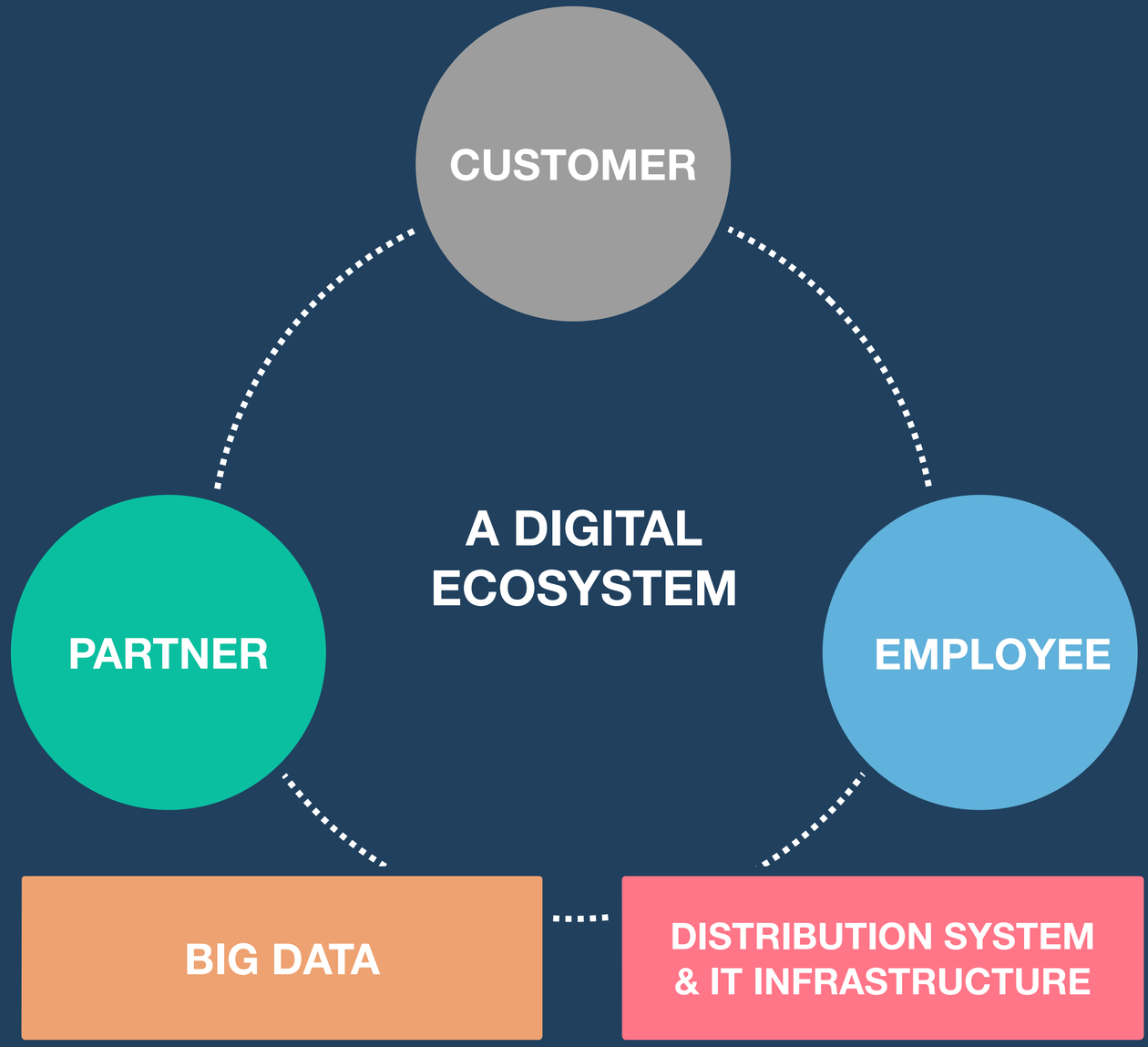
2

Expand our hospitality excellence throughout the customer journey



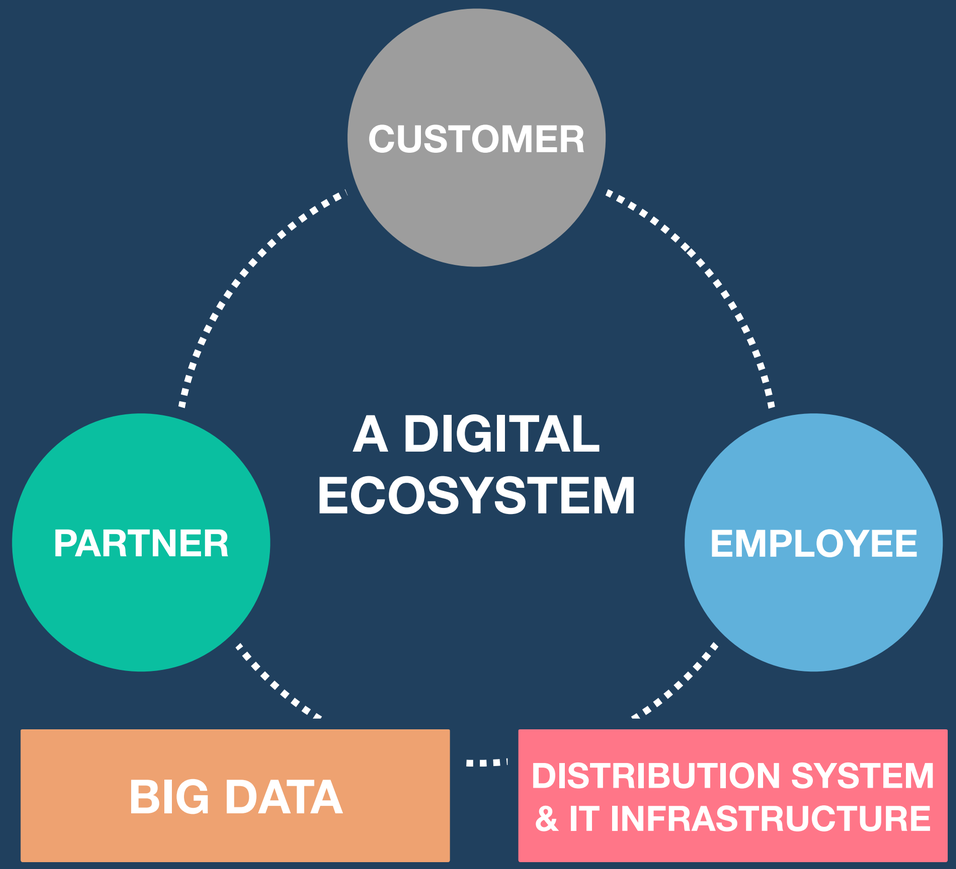

Seamless
Journey
CUSTOMER
3 TARGETS
FOR A NEW DIGITAL
ACCOR EXPERIENCE
Transparent
Relationship
PARTNER
EMPLOYEE
Digital
Empowerment

3 TARGETS



2 PILLARS

8 programs included in the plan



Various Projects

8

Digital Programs

8 programs focusing on serving our targets and reinforcing our pillars

Customer focused
Seamless Journey

- 1 MOBILE FIRST
- 2 CUSTOMER CENTRIC
- 3 SEAMLESS JOURNEY
- 4 MICE & B TO B

Employee focused
Digital empowerment

- 5 EMPLOYEE FRIENDLY

Partner focused
Transparent relationship

- 6 OWNER & FRANCHISE CENTRIC

System focused Robust & agile

Data focused Industrial grade

- 7 INFRASTRUCTURE TRANSFORMATION
- 8 BI & ANALYTICS

Seamless Journey

Customer focused

1 MOBILE FIRST

2 CUSTOMER CENTRIC

3 SEAMLESS JOURNEY

4 MICE & B TO B

Employee focused

5 EMPLOYEE FRIENDLY

Partner focused

6 OWNER & FRANCHISE CENTRIC

System & Data focused

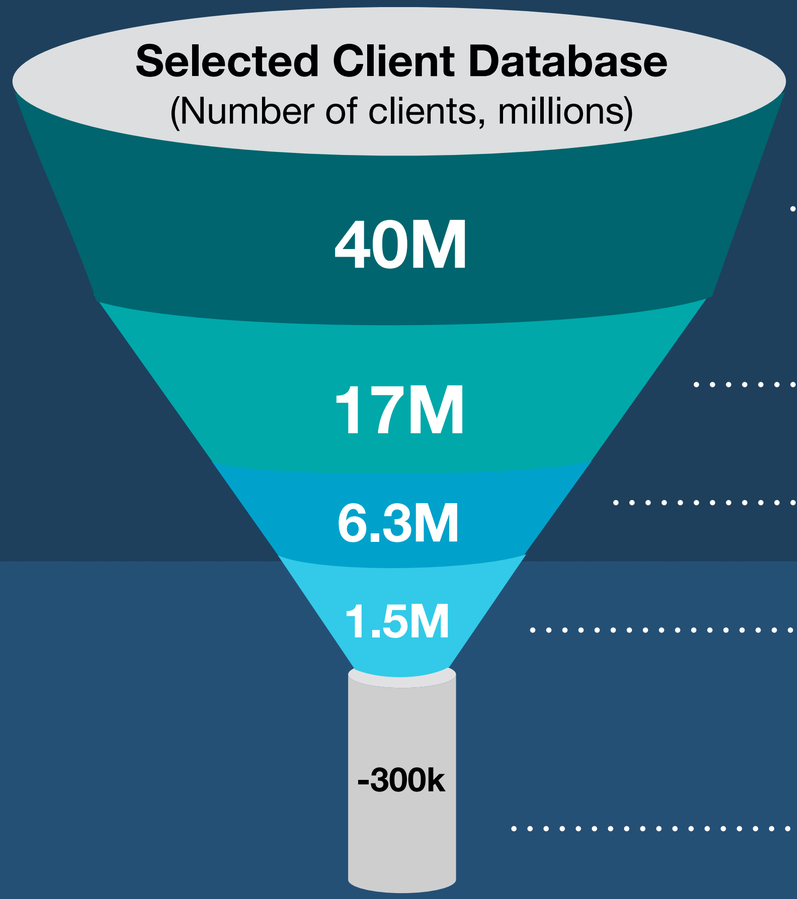
7 INFRASTRUCTURE TRANSFORMATION

8 BI & ANALYTICS

Customer Value to prioritize our programs

	Operational model	Culture
Independent Hotel	**Filling beds** RevPAR Occupancy rate	**Individual hotel** Performance
Digital Hotel Chain	**« Serving customers »** **Customer Value**	**Collective performance**

A representative sample of 1.5M clients was created for analysis



Clients in central CRM

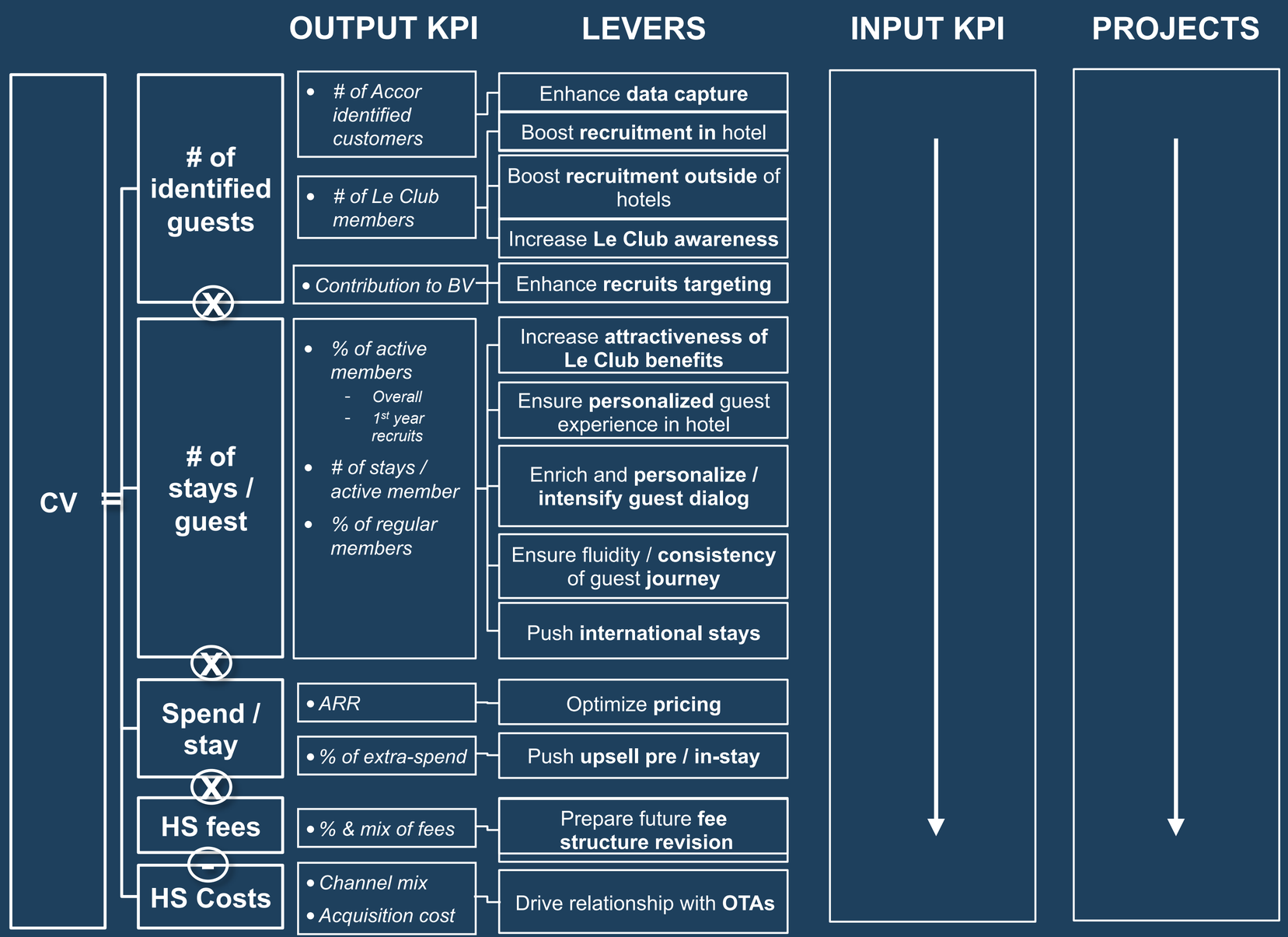
Le Club Accorhotels members

Focus on 9 selected countries*

Employee focused
Criteria: recruitment year, nationality, regularity, frequency of stays, hotel category mix.

Employee focused
- Significant size of sample
- 3 recent years of activity (11/12/13) for Customer Value Calculation

A customer centric equation to monitor our action plan



1 MOBILE FIRST

The indispensable app for all travel and hotel needs

2015

MAJOR OUTPUTS

- One single app gathering all Accor services before, during and after the stay
- A booking platform for Accor restaurants

2 CUSTOMER CENTRIC

Unleashing customer knowledge for a tailor made service and increasing sales

2015

MAJOR OUTPUTS

- Customer profile transmitted throughout customer journey from booking to hotel stay, for extended personalization
- Voice of the Guests: single platform for GSS, ORM and UGC
- A single on-line redemption platform, beyond Accor hotel stays (ex: retail, theater travel,…)

3 SEAMLESS JOURNEY

Convenient at every stage of the journey

2015

MAJOR OUTPUTS

- Accor « wallet »: seamless payment
- « One click » book & check-in on Accor app
- Le Club Accorhotels virtual card

4 MICE & BTOB

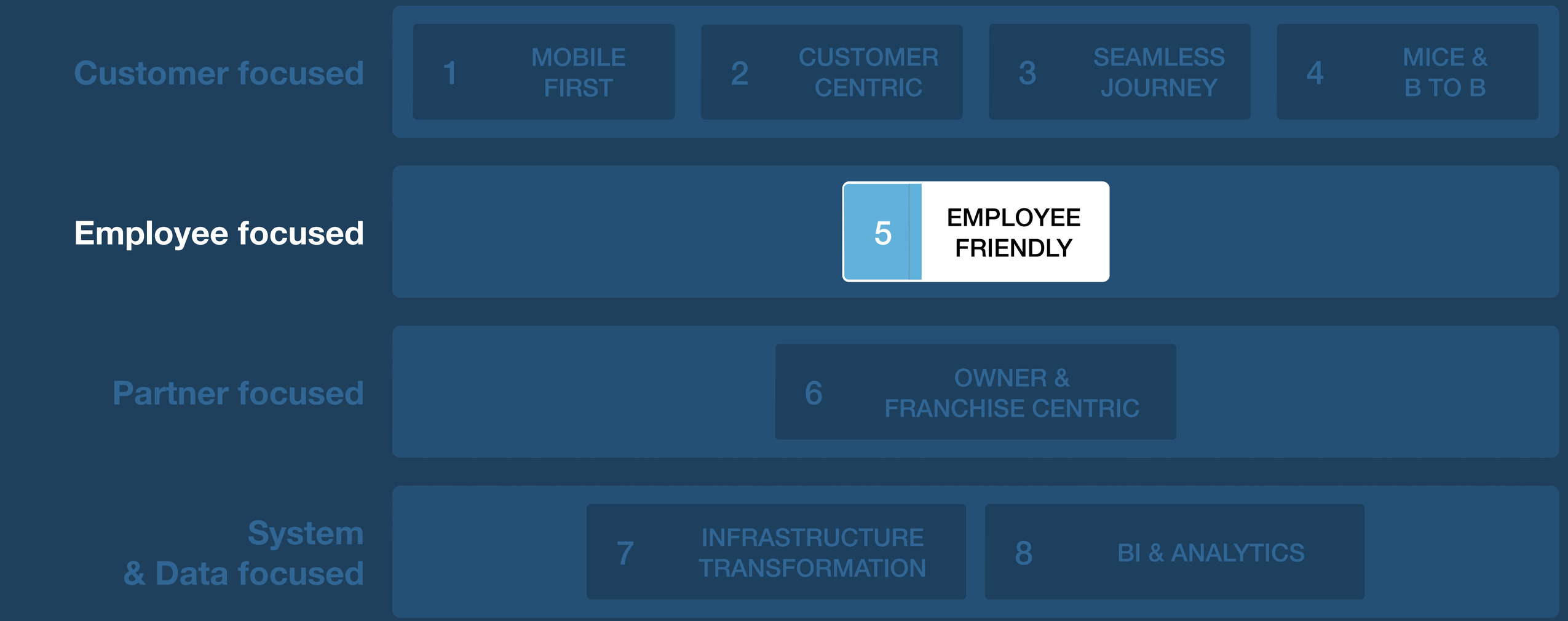
Building digital tools for this evolving business

2015

MAJOR OUTPUTS

- On-line booking for meetings
- Salesforce solution roll out all the way to the hotels
- Integrate BtoB into accorhotels.com

Digital empowerment



5 EMPLOYEE FRIENDLY

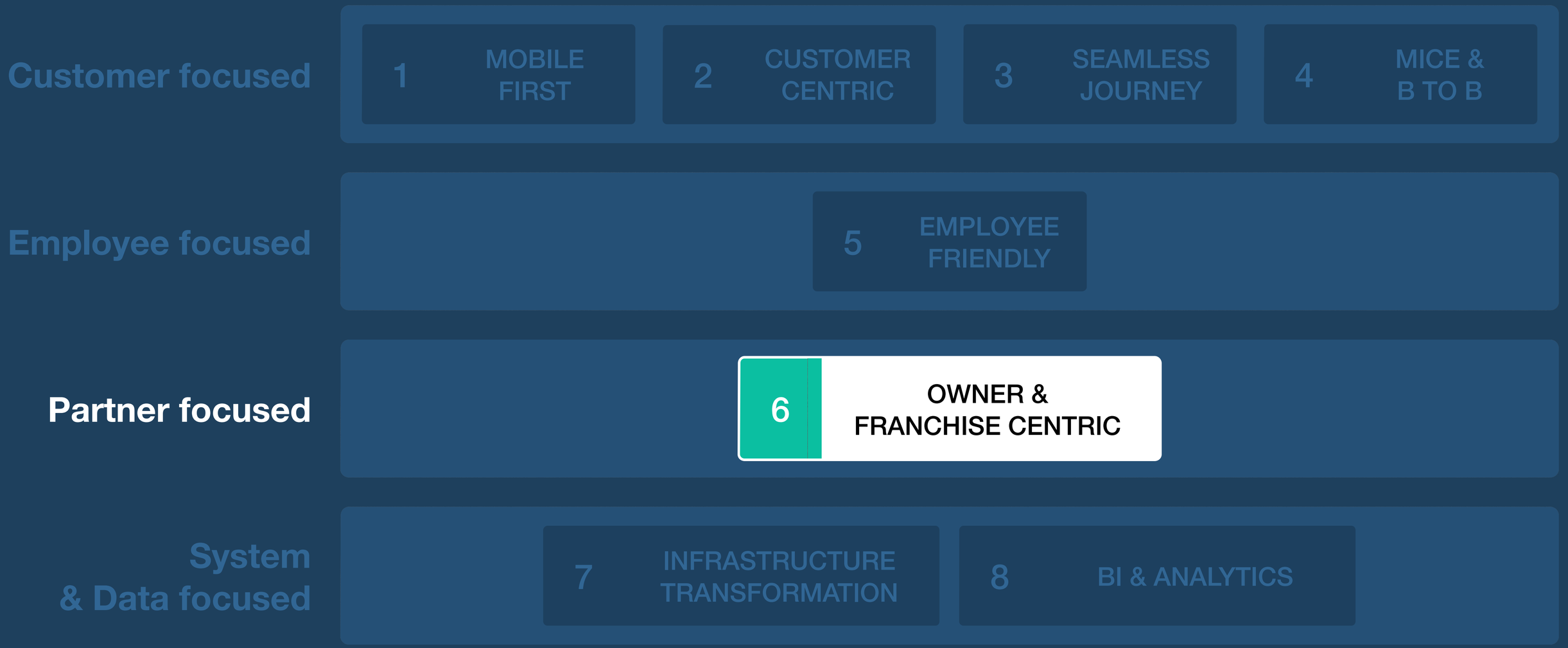
Connecting employees for a connected customer experience

2015

MAJOR OUTPUTS

- Mobile welcome with PMS on tablets and mobiles
- Smartphone & BYOD for employees

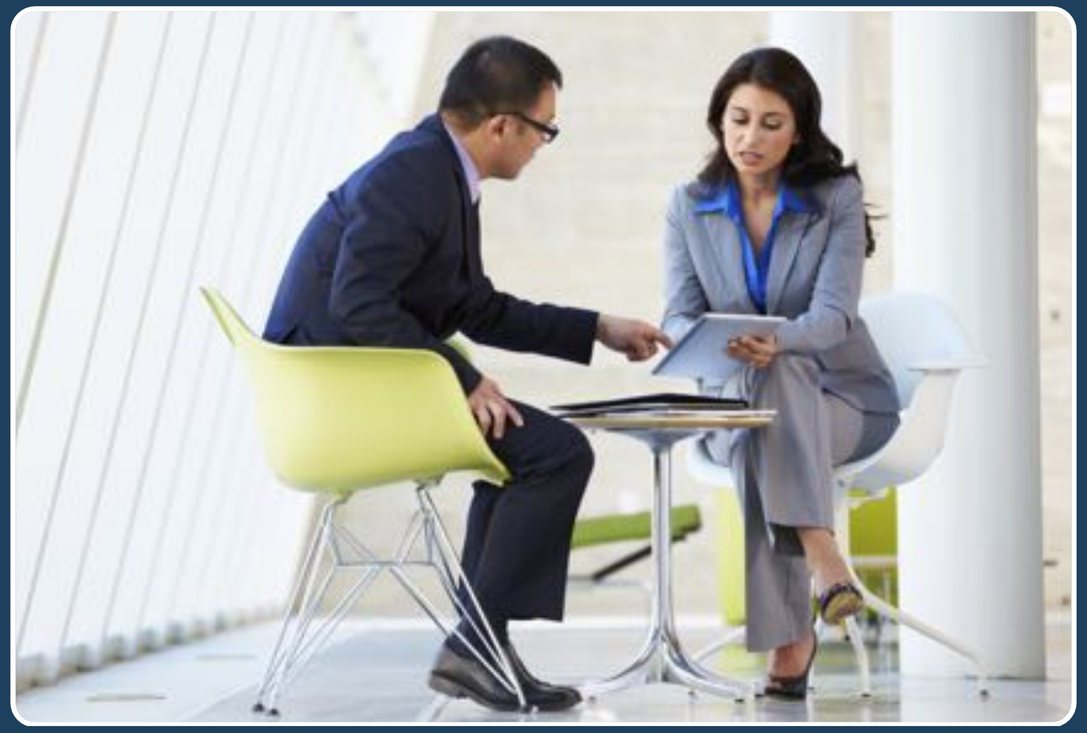
Transparent relationship



6 OWNER & FRANCHISE CENTRIC

Making business with Accor the easiest, most transparent and data driven

2015



MAJOR OUTPUTS

- Dedicated portal for partners to access personalized information & services
- End to end billing service between operator and partner
- Dynamic Pricing and Revenue Management offers

System and Data focused

Customer focused

1 MOBILE FIRST

2 CUSTOMER CENTRIC

3 SEAMLESS JOURNEY

4 MICE & B TO B

Employee focused

5 EMPLOYEE FRIENDLY

Partner focused

6 OWNER & FRANCHISE CENTRIC

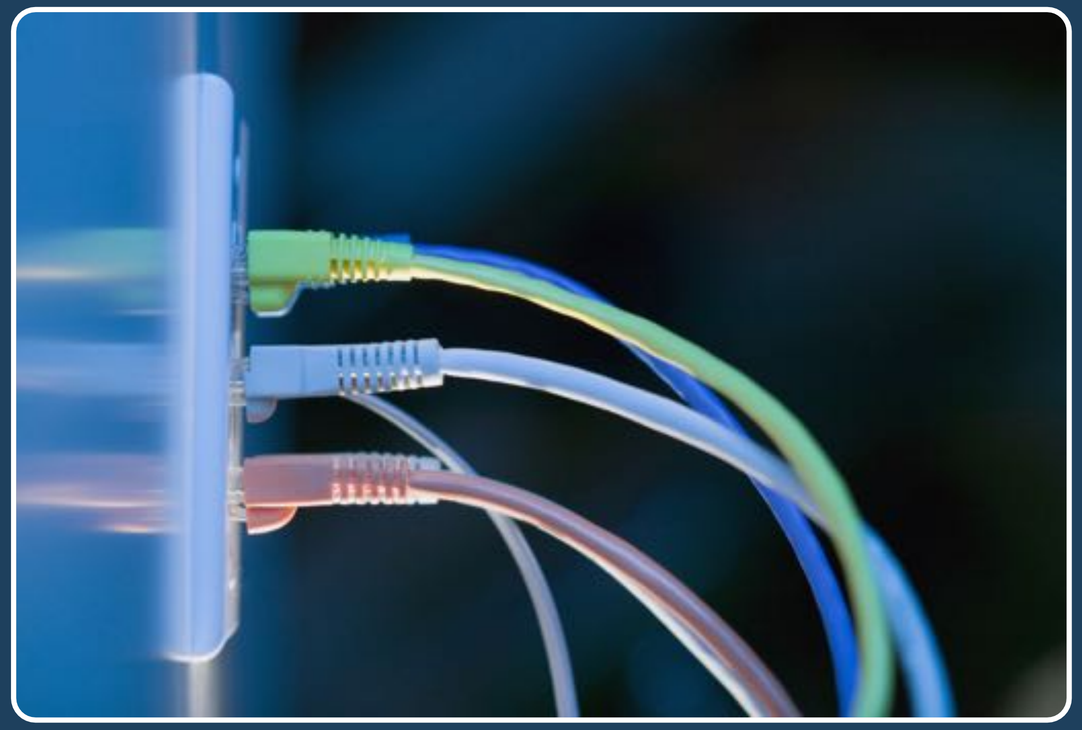
System & Data focused

7 INFRASTRUCTURE TRANSFORMATION

8 BI & ANALYTICS

7 INFRASTRUCTURE TRANSFORMATION

Robust and agile



2015

MAJOR OUTPUTS

- Reduce time to market by implementing an enterprise service bus between distribution applications
- Gain valuable customer insight with stronger interface between PMS & CMS
- Decrease response time for « look to book » with in-memory availability data

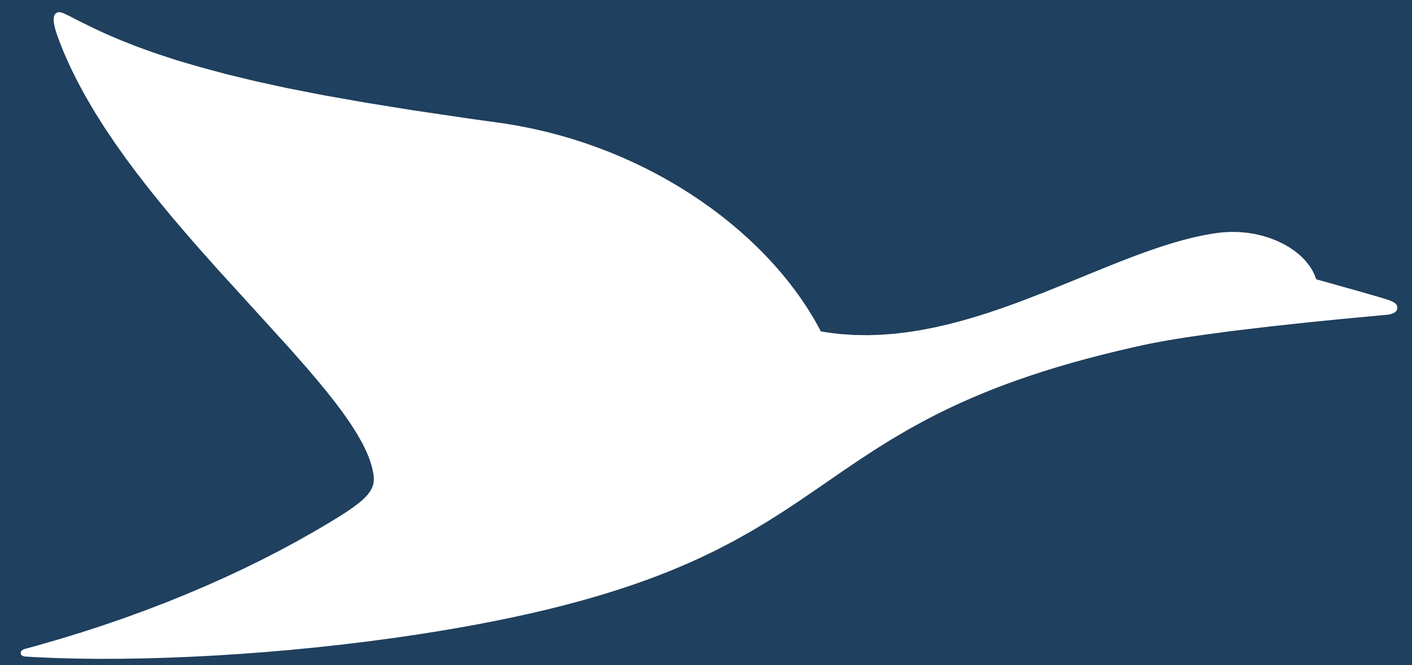
8 BI & ANALYTICS

Industrial grade data infrastructure to drive each hotel and the overall business

2015

MAJOR OUTPUTS

- Analytics on customer journey and customer profiling
- Dashboard solutions for hotels



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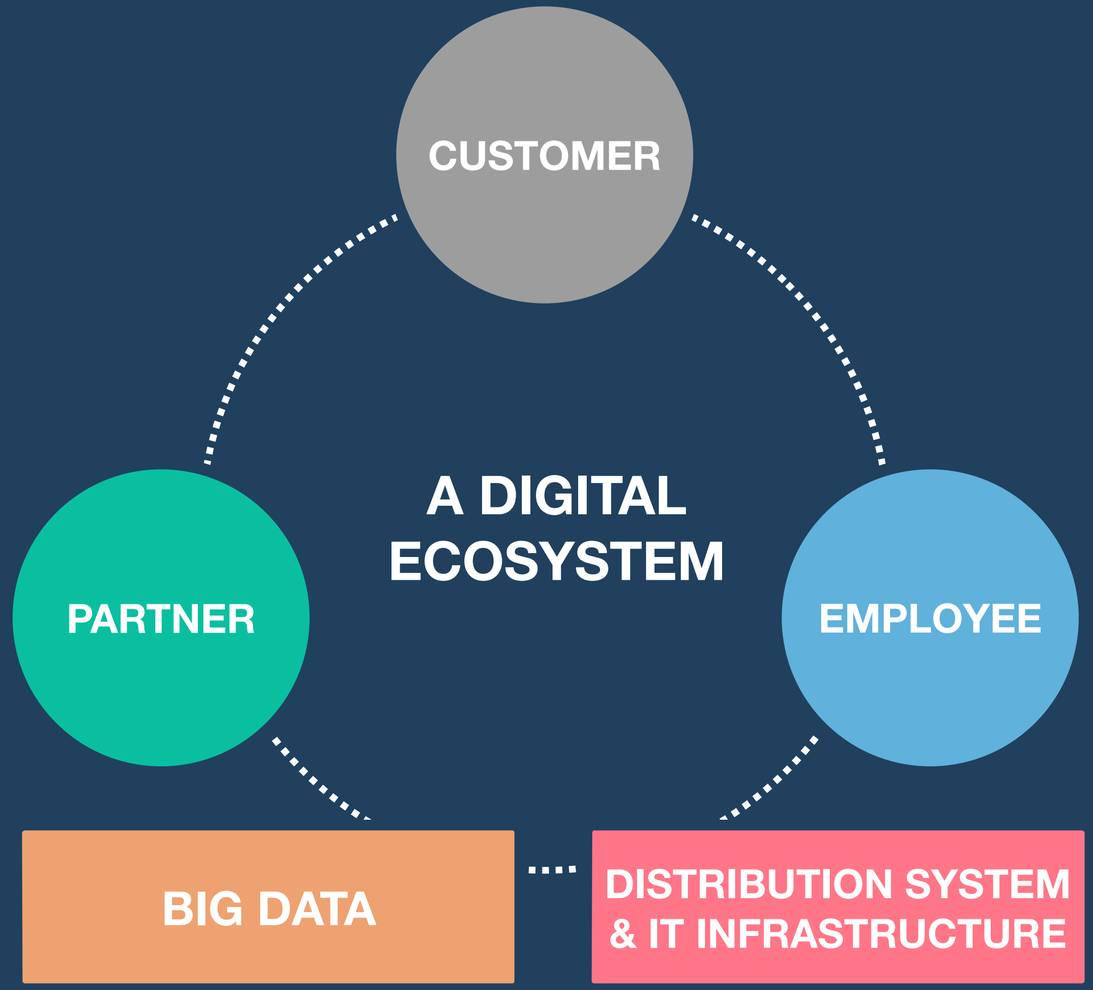
Digital is already on the move within Accor



Digital is already on the move within Accor

CUSTOMER

Examples

- Massive revamp of our on-line photos and videos
- Increasing e-mailing personalization thanks to SMART, our self learning recommendation tool
- Operating a powerful booking engine: TARS
- Providing 32 Accor web site country versions, with locally relevant content and payment
- Developing dedicated mobile functionalities
- Trip Planning launch on accorhotels.com for 70 destinations across the world
- Rolling out Welcome by Le Club Accorhotels in 1,000 hotels by the end of 2014
- Providing a true digital in-hotel experience
- Developing Accor's social media footprint
- Building a stronger Le Club Accorhotels program

Massive revamp of our on-line photos and videos

A new defined shooting and loading process

- 800 hotels with new iconography by end 2014, target 2,500 by end 2015
- 300 hotels with new videos by end 2014, target 860 by end 2015

Increasing e-mailing personalization thanks to SMART, our self-learning recommendation tool

14k
campaigns/year

16
languages

4
WW campaigns

SMART

Click and conversion rates are

3 TIMES HIGHER for offers pushed by SMART vs traditional approach

Smart Marketing Automated Recommendation Tool

Operating a powerful booking engine: TARS

TARS

- **€5,5Bn** Business volume
- **260** Availability requests per second
- **1,2** Reservations per second
- **5M** price updates per day
- **59%** Tars contribution

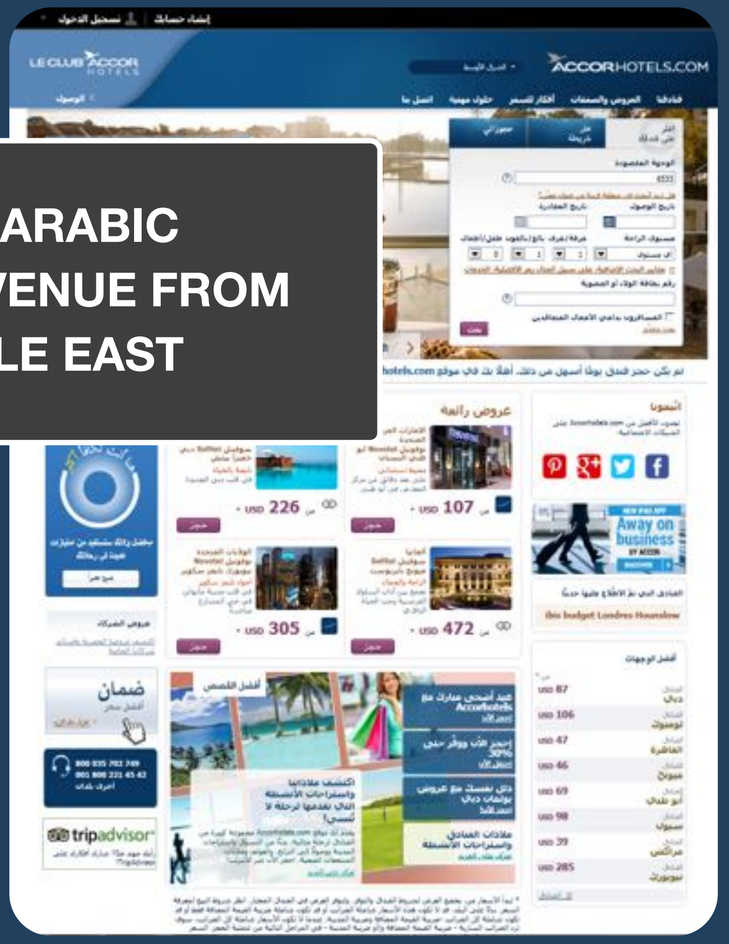
WEB/MOBILE

- **24M** Visits per month
- **+30%** Mobile device visits
- **54K** Daily reservation record
- **16** Languages
- **32** Points of sale
- **123** Currencies processed
- **7** On-line payments per min
- **35%** Web contribution

2014 estimate

Providing 32 Accor web site country versions, with locally relevant content and payment

2014: ARABIC
+ 30% REVENUE FROM MIDDLE EAST



INDONESIA
50% OF REVENUE THROUGH BAHASA SITE

Developing dedicated mobile functionalities

2 clicks to book

71%

Booking increase

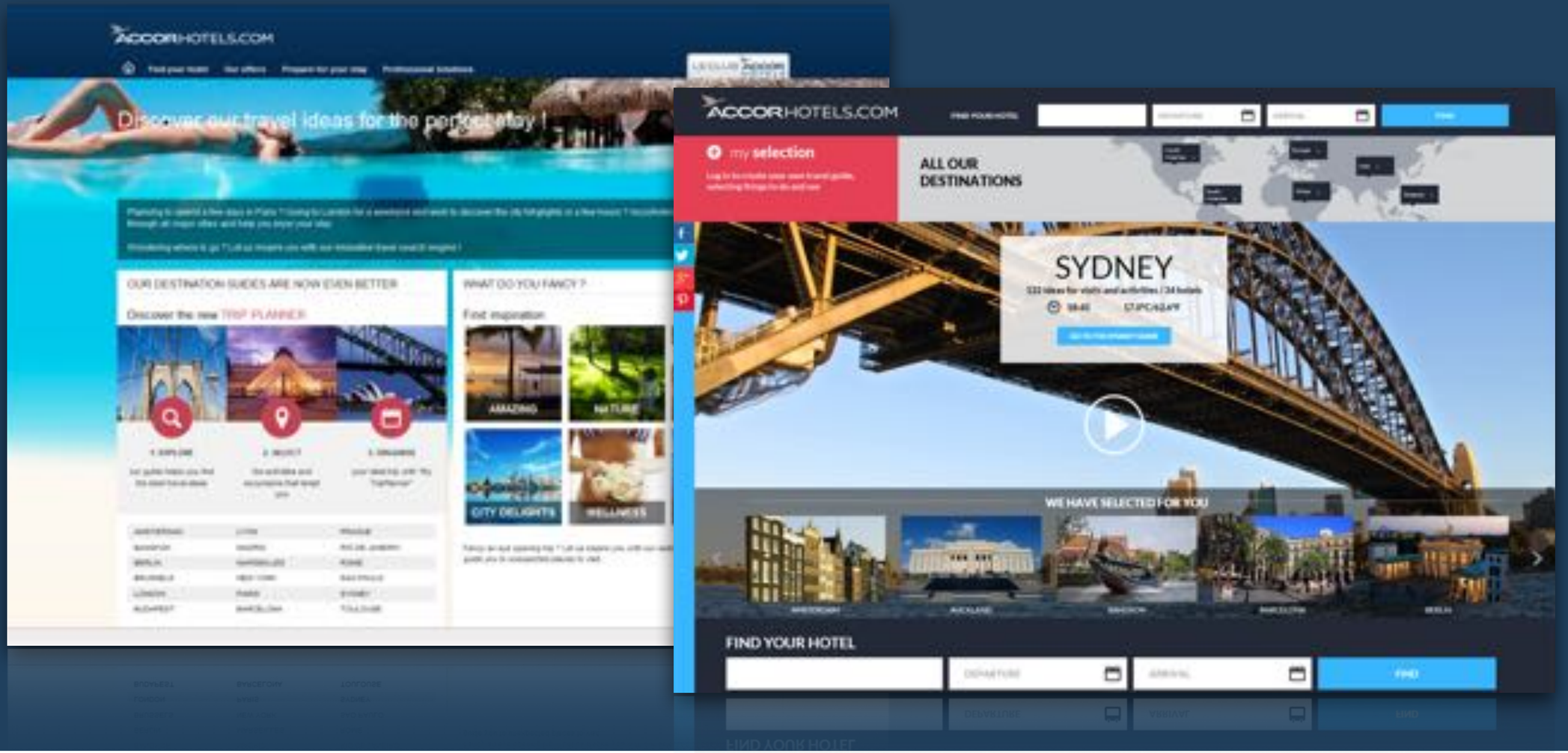
31%

Conversion on same day

40%

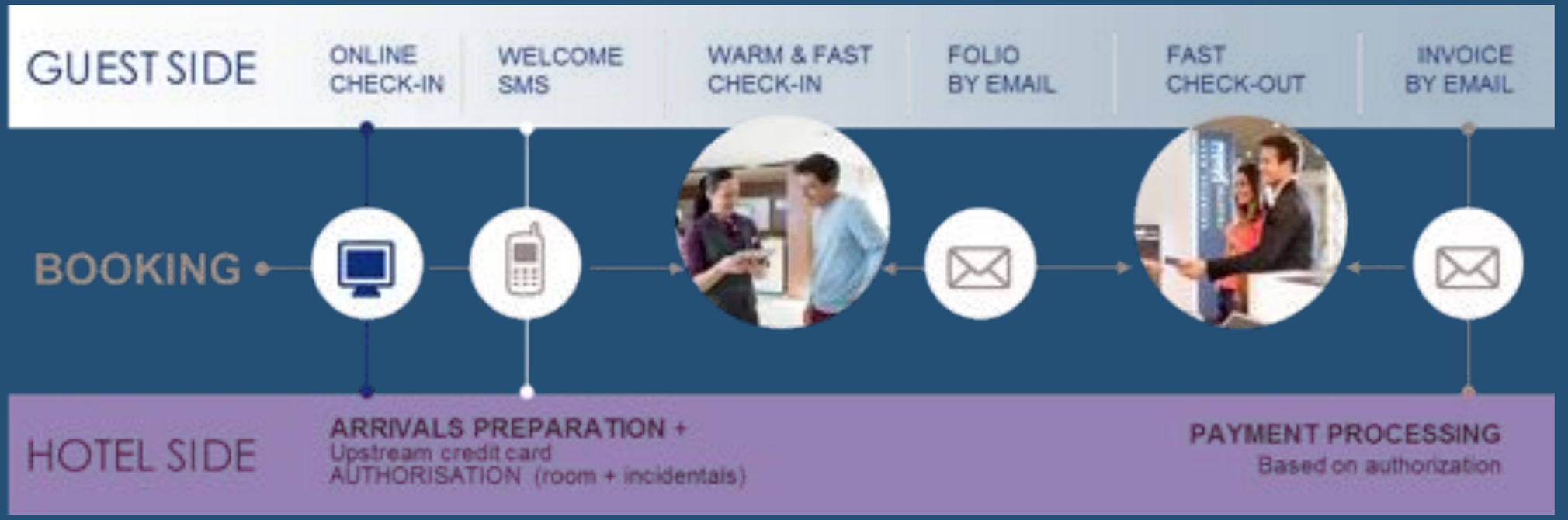
Bookings target

Trip Planning launch on accorhotels.com for 70 destinations across the world



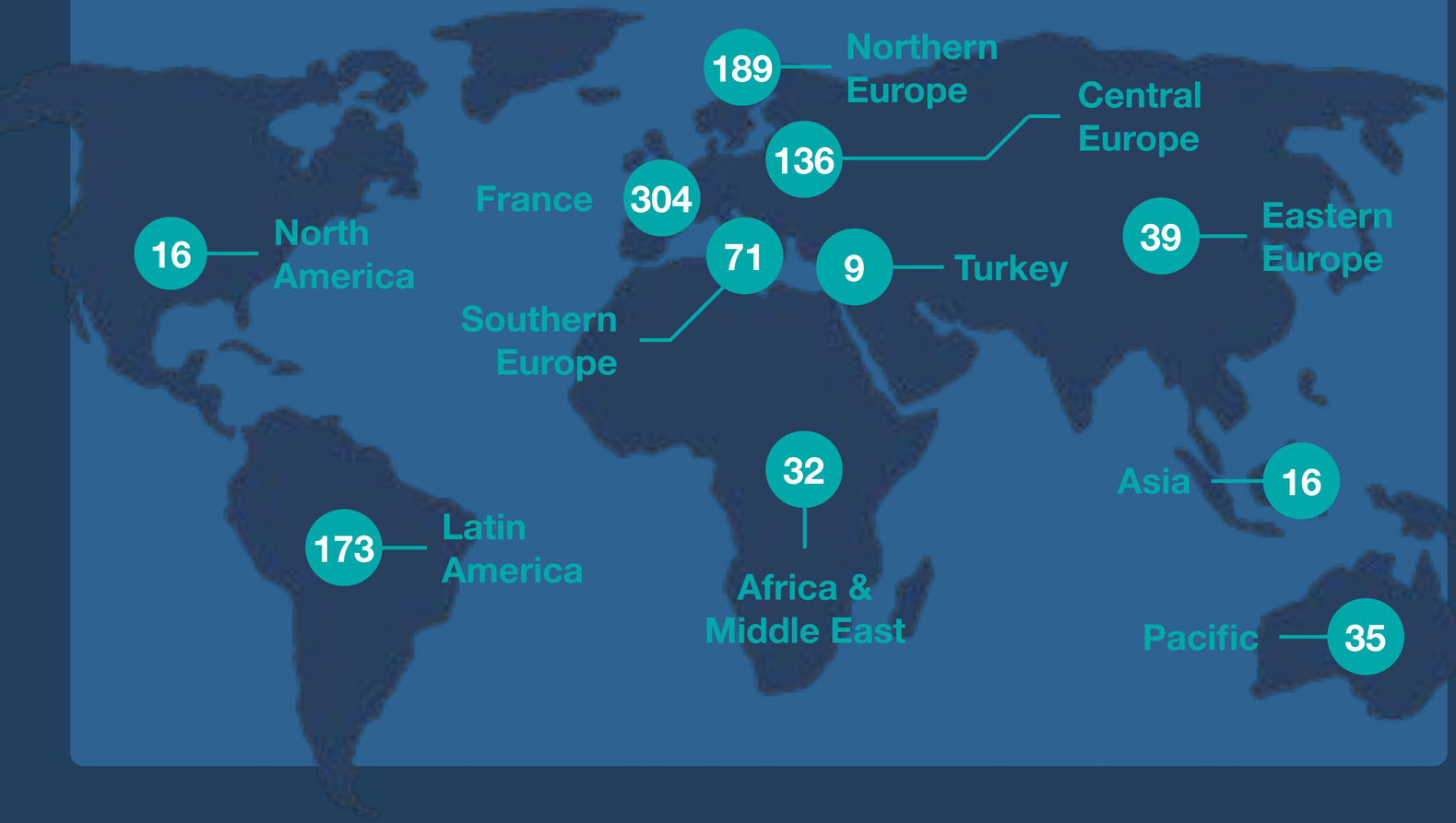
Trip Planner

Accor affirms great ambition towards customers and loyalty

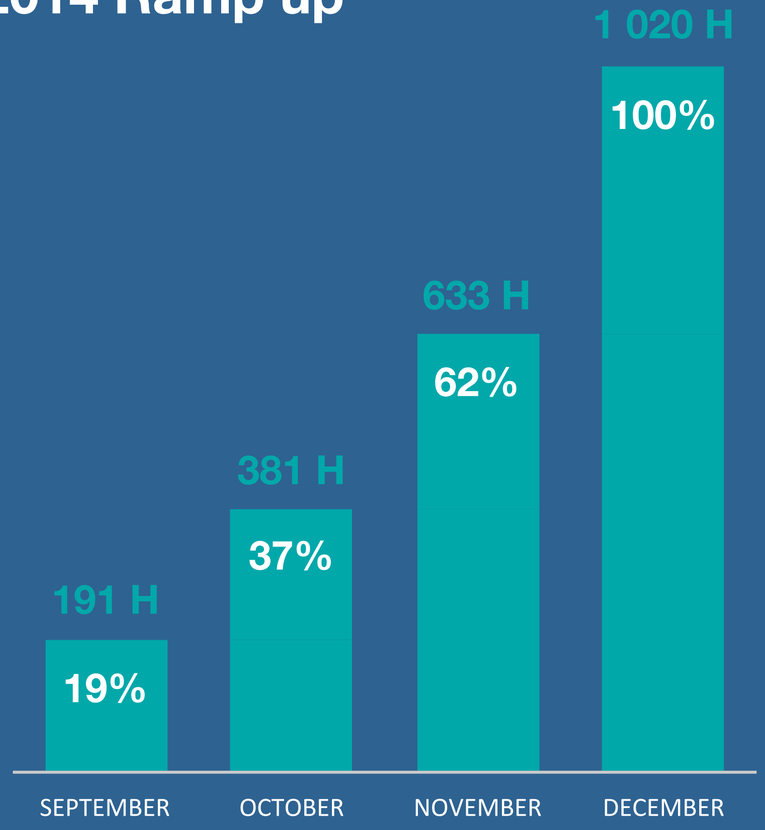


Rolling out Welcome by Le Club Accorhotels in **1,000 hotels** by the end of 2014

Worldwide roll out

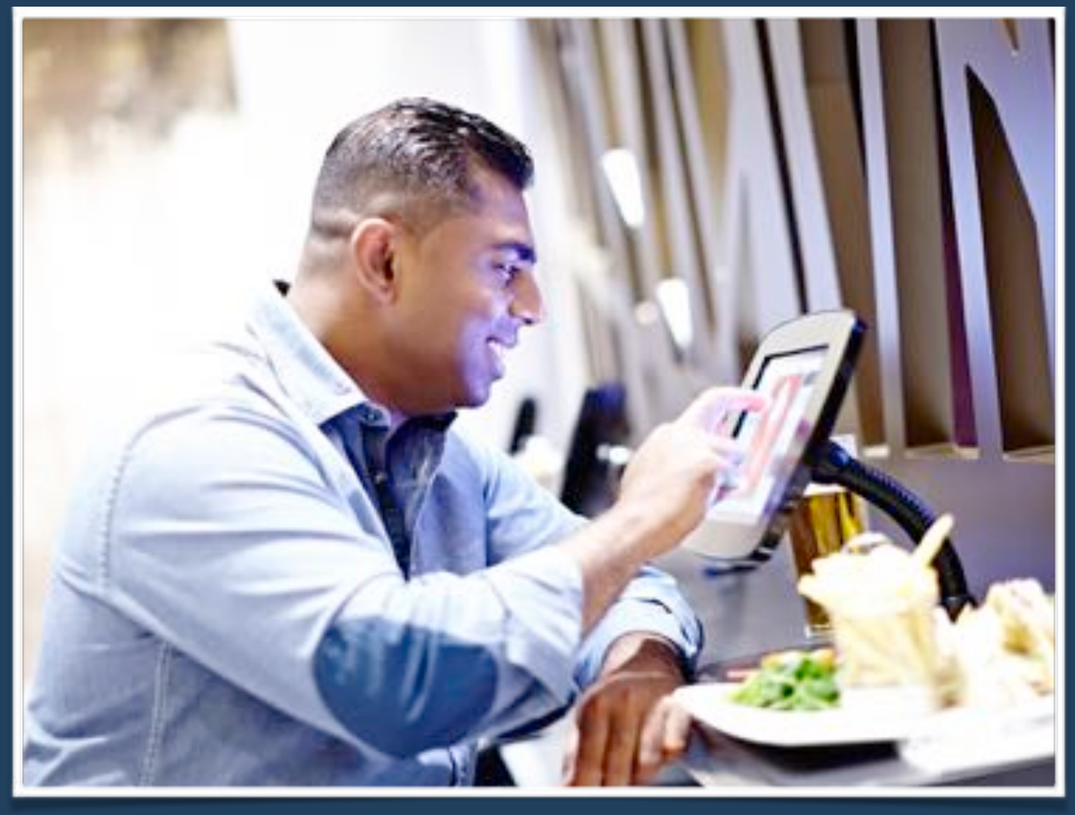


2014 Ramp up



Welcome

Providing a true digital in-hotel experience



- **Free Wifi in 3,000 Accor Hotels**
  (n°1 in the industry)

- **1 million Free Wifi connections per day**

- **1,800 web corners**
  - Mac for Novotel
  - Dell for ibis
  - Samsung for Pullman

- **6 years partnership**
  between Novotel and Microsoft
  - Xbox Station in 310 Novotel hotels
  - Kinect Experience in 120 Novotel hotels
  - Play Table: roll out begins

New in-hotel services through Accor apps

Accor Hotels

Away on Business

Accor Press

Virtual Concierge

Moody Test

2.2M

downloads

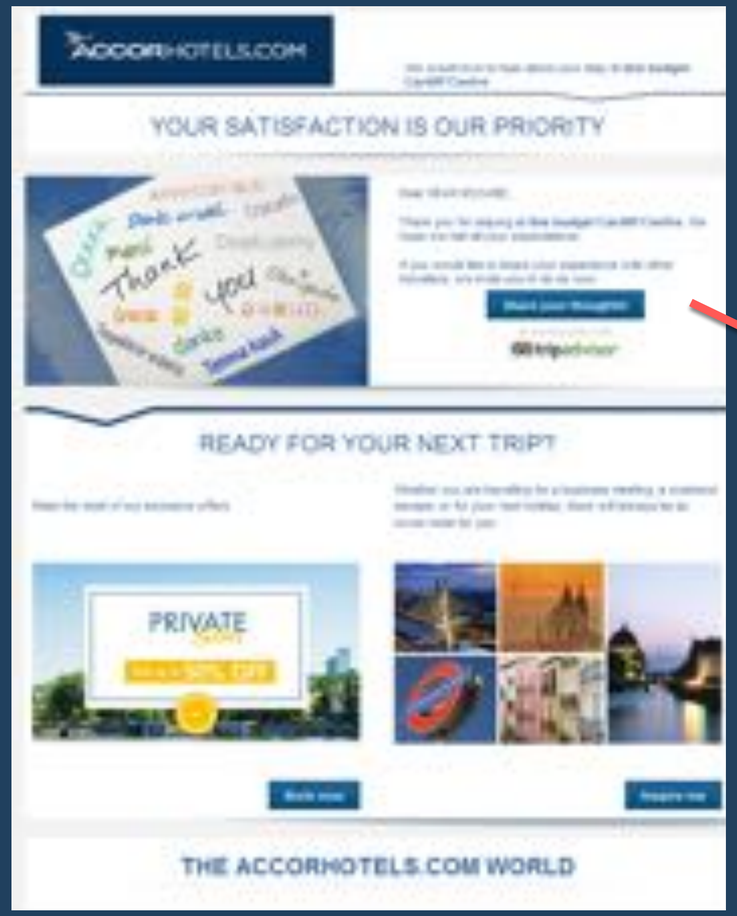
In-hotel apps

Developing the social media footprint: Accor was the first hotelier to partner with TripAdvisor in 2010

1.3M

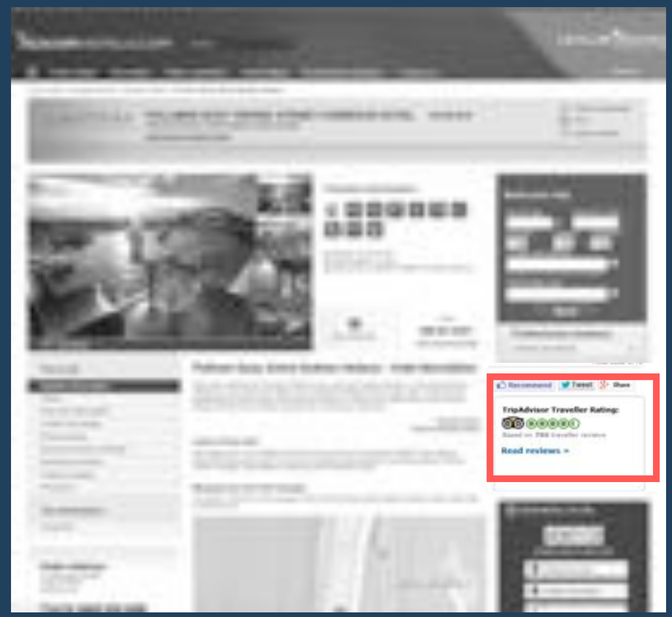
reviews

Push mail to share through TripAdvisor



Reviews from Accor customers

Access reviews from all customers



Building a stronger Le Club Accorhotels program: 17M members in 6 years

- **Members from all over the world**
  - Europe: 51%
  - ASPAC: 26%
  - Americas: 18%
  - MEA: 5%
- **Increased generosity since July 2014 with up to 25% more points earned**
- **The most flexible redemption program**

PARTNER

Digital is already on the move within Accor

DATA VISUALIZATION
Analytics for hotels

9 KEY INDICATORS

- Topline
- Channel & sales
- Quality
- Constraint days
- Web direct / indirect
- Web lead-time
- Family rate analysis
- Top clients origin
- Loyalty

+1M reports/year

3.5K users/month

Creation of Business Intelligence Competence Center (BICC) with distribution, finance and IT experts

EMPLOYEE

Digital is already on the move within Accor

AccorLive: launched in January 2014

2M

visits/month

AccorLive

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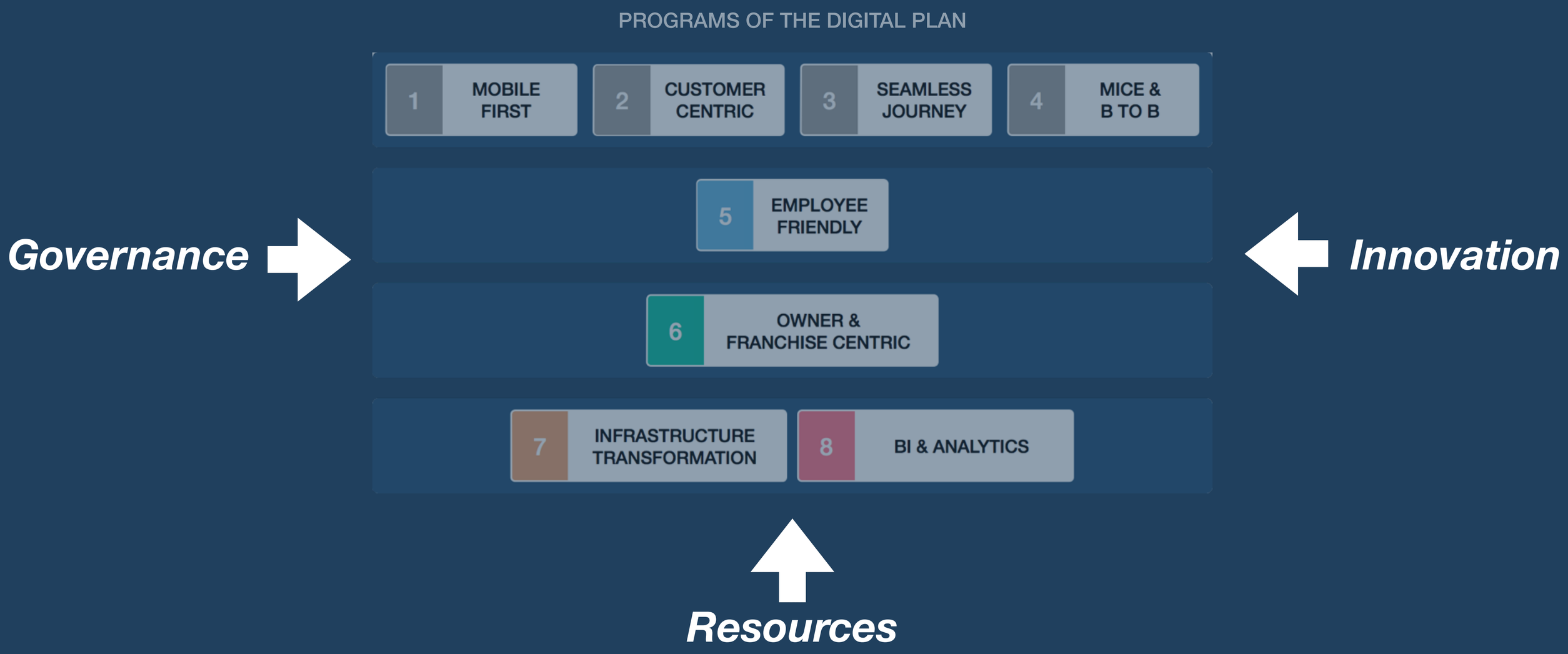
4 SUCCESS FACTORS

Success Factors



Digital Plan Governance

Global PMO

Christophe Nowak

Program Owners

Romain Roulleau

MOBILE FIRST

Emanuel Baudart

CUSTOMER CENTRIC

Carlo Olejniczak

MICE & B TO B

Christine Pouletty

SEAMLESS JOURNEY

Isabelle Daviaud

EMPLOYEE FRIENDLY

Christine Ravanat

OWNER & FRANCHISE CENTRIC

Laurent Idrac

INFRASTRUCTURE TRANSFORMATION

To Be Nominated

BI & ANALYTICS

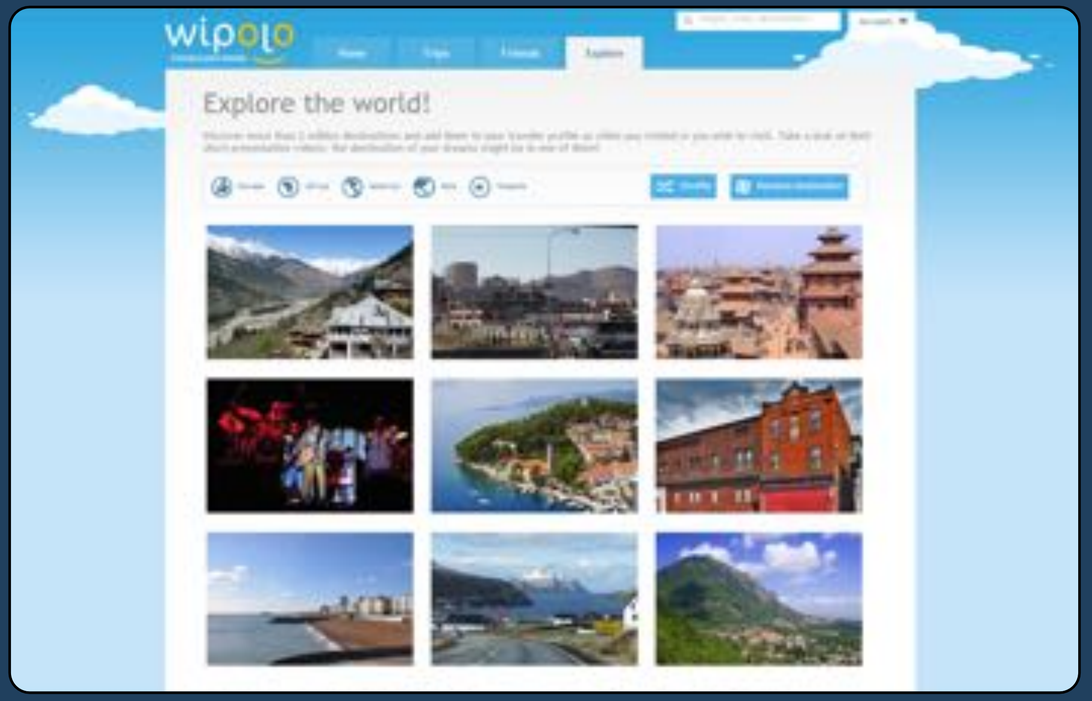
Digital Plan Governance

Accor and Innovation Factory partner to reinforce open innovation and co-creation

- Innovation Factory belongs to the 1st Paris Campus-Cluster, gathering both professionals and students in one place
- Main objectives:
  - New opportunities
  - Renew the innovation process
  - Speed up process
- Current collaboration: a connected housekeeping cart

Accor acquires Wipolo to enrich customer travel experience

- **Wipolo** is a web and mobile platform managing trip itineraries
- Smooth integration with **Facebook** and **Twitter**, to automatically share trips and receive comments and tweets in return



Accor Google Glass Challenge

Bertrand Bilbault *- Projects Front Office & Réservation - IT - France*
Mary Kon-Sun-Tack *- E-Commerce - Middle East Dubai*
Thibault de Saint-Martin *- E-commerce, Digital et Fidélisation - France*

- **The challenge:** from May to June 2014, with IT and e-commerce teams.

- **The award ceremony** on 15/10 at Google Paris Headquarters, winning projects:
  - A free local city guide to be borrowed at hotel desk for direct client only
  - Always in connection with the kitchen
  - Google Glass Concierge

A 5 year strategy

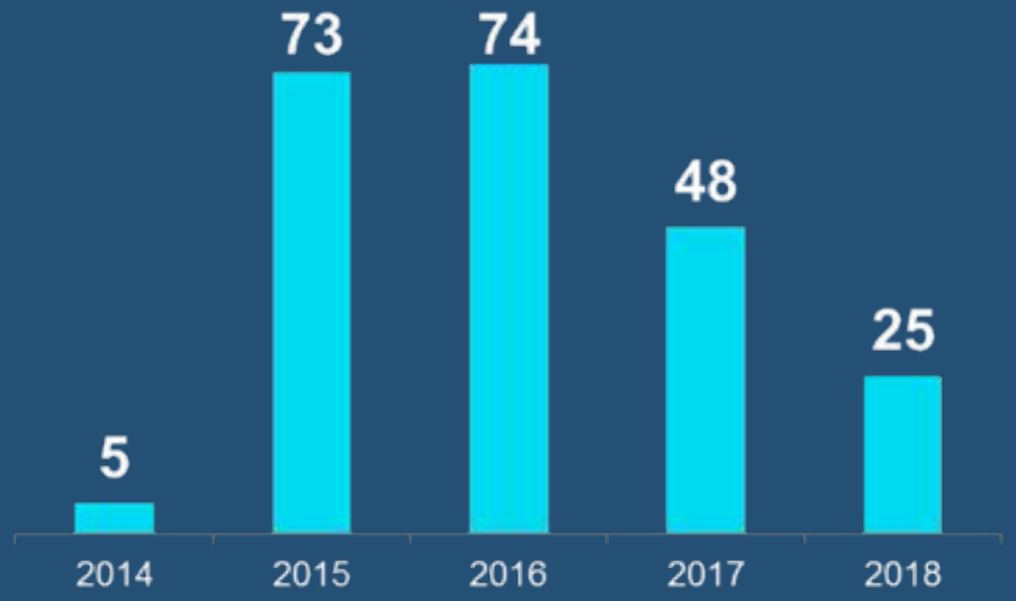
€225M to foster growth

Offensive: 40%

Defensive: 60%

In €m

Estimated figures

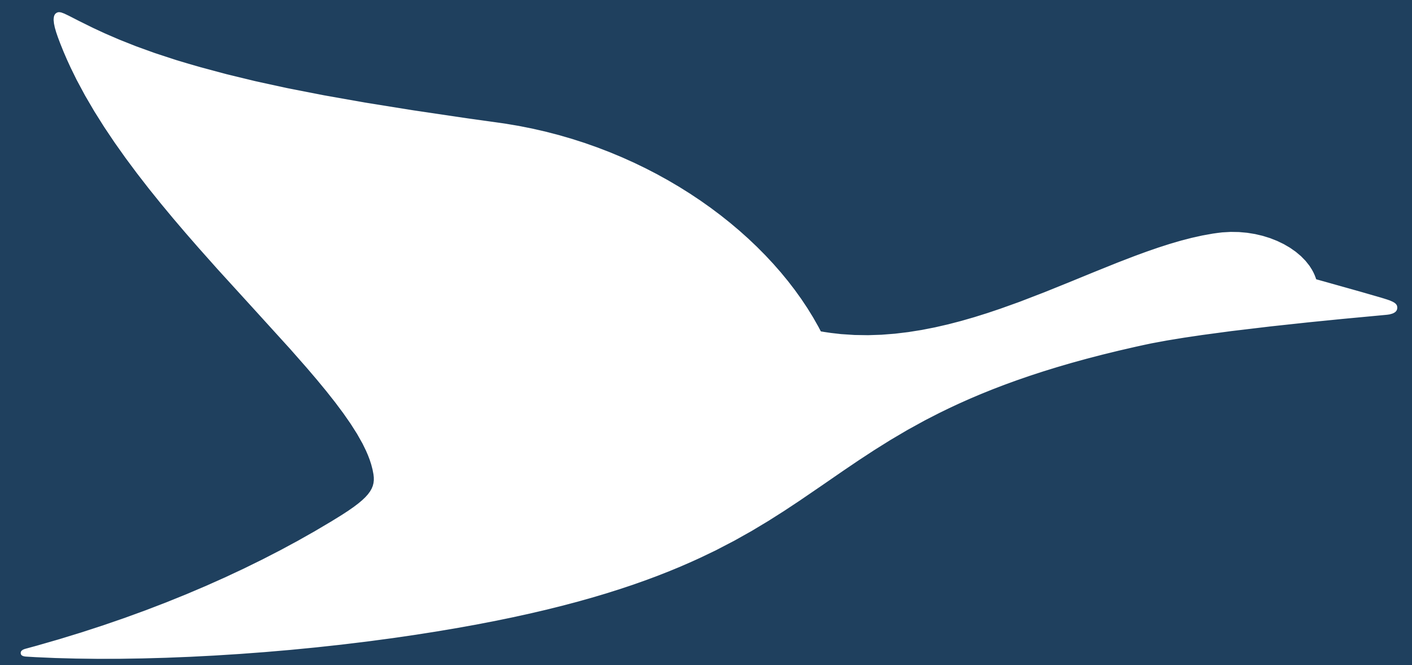


Capex 55% - Opex: 45%

Ambitious KPIs

	Today	*Tomorrow*
1. Web Channel (Direct & Indirect)	**35%**	**50%**
2. Mobile in Direct Web Channel	**12%**	**40%**
3. Le Club Business Volume	**24%**	**40%**
4. TARS contribution	**59%**	**70%**

Our assets at the end of the Digital Plan

1. The best « mobile first » oriented, **scalable distribution system of the hospitality industry**
2. One of the **largest, highly qualified Guest database** of the travel industry
3. An innovative seamless journey solution offering **repeated and relevant real-time interactions with our guests**
4. Shaped to work with **the best digital players and partners**

EXPAND WITHIN THE TRAVEL VALUE CHAIN TO LEAD THE INDUSTRY