



Customer loyalty programmes

A discussion with InterContinental Hotels Group

SolutionsDotWG: How long has your hotel been using a customer loyalty programme?

IHG: Priority Club® Rewards launched 30 years ago and was the world's first hotel loyalty programme. Now, with over 74 million members worldwide, it is also the world's largest hotel loyalty programme. On the 1st July, it was renamed IHG® Rewards Club, with new benefits including free internet for Elite members from July 2013 onwards and extending to all members in 2014 across all of our hotel brands, in over 4,600 hotels and in nearly 100 countries.

SolutionsDotWG: Every hotel chain has a customer loyalty programme. Do they still represent a competitive advantage?

IHG: Most certainly. 69% of our total room revenue is booked through IHG channels and the IHG® Rewards Club programme globally (2013). The combined scale of our family of brands in over 4,600 hotels and in nearly 100 countries and territories is unparalleled in the market place. We are the first hotel group to offer free Internet globally to all members, a further move to ensure that our loyalty programme remains the world's largest and one of the most comprehensive.

SolutionsDotWG: What are the three main benefits of a loyalty programme for your hotel?

IHG: IHG® Rewards Club builds awareness and advocacy for IHG and its brand family, drives brand preference by rewarding members for their loyalty and encourages them to discover and try more of our hotel brands. And as mentioned, 69% of total room revenue is booked through IHG's channels and IHG® Rewards Club Programme globally (2013).

SolutionsDotWG: How have the benefits and added values of programmes for your hotel's guests changed in recent years?

IHG: We constantly listen to our guest's needs and what matters most to them - evolving our programmes accordingly. Our guests informed us free internet was key and according to research¹ we commissioned, 43% of adults surveyed said that they would choose not stay in a hotel that charged for Internet. We responded by making free Internet a prominent feature of the IHG® Rewards Club Programme. In addition, we have also enhanced our loyalty programme to include the following new benefits:

- The ability to earn Elite status faster by staying in three or more of IHG's hotel brands
- Reward Nights will count toward earning Elite status
- Platinum Elite members' "extra" nights will roll over toward maintaining their status in their next membership year

¹ IHG Internet in Hotels Survey carried out by YouGov PLC in March.



Existing industry-leading benefits include:

- Points that never expire
- No blackout dates for Reward Nights, so members can stay any time
- Faster rewards by using a combination of Points & Cash
- Redeem points for flights on over 400 airlines with Flights Anywhere™; for hotel stays virtually anywhere with Hotels Anywhere; or search, book and purchase car rentals with well-known local and global providers at airports worldwide with Cars Anywhere
- Exclusive member-only, in-hotel perks
- The IHG® Rewards Club personal concierge can help guests find one-of-a-kind items, tickets to a sporting event or even favourite gadgets
- Plus, earn points for everyday spending with our partners and while shopping and dining
- These leading benefits are why IHG® Rewards Club has been chosen by more travellers than any other hotel loyalty programme worldwide.

SolutionsDotWG: Do you see any elements of your customer loyalty programme that set you apart from your competitors?

IHG: IHG® Rewards Club has some offerings which are truly unique. It is the first to offer free internet to all members globally. It is also one of the few hotel loyalty programmes that enables members to qualify for Elite status based on nights or points, and one of the few programs where your points do not expire. Additionally, we are the only programme which will provide all members with Elite Fast Track which commenced in July 2013. If guests stay in a variety of hotels across our brands they will earn Elite membership faster, with benefits including Elite bonus points, room upgrades and Priority Check-In.

SolutionsDotWG: Are customer loyalty programmes modules that have no risks for guests and your own hotel? Where can risks arise for each side?

IHG: Loyalty programmes help build brand loyalty and brand preference. As such, we design them to be very easy for prospective members to sign-up and participate. Therefore, there are no registration fees—joining is free for guests with no strings attached—essentially no risk for the consumer. For hotels, the key is to make sure these very valuable guests are recognized and have a great experience at each of our properties. By doing so, members are more likely to remain loyal to the brands they love. IHG Rewards Club reflects the history of innovation, reliability and integrity that are at the heart of the IHG brand and is a badge of responsibility, trust and confidence for our growing family of brands.



SolutionsDotWG: Currently, discussions about data security are substantial and emotionally charged. Which points do hotels have to take into consideration?

IHG: Our customers love a personalised welcome at our hotels and have service preferences they appreciate being remembered. However, data security is of paramount importance to us and we take responsible measures to ensure data security and privacy. We encourage our guests to contact our hotels or look on the IHG website to request further details of the policy if they have concerns.

SolutionsDotWG: How do you communicate this to your guests?

IHG: We convey our data security policies to our guests through our main communication channels: Our Central Reservation Offices, our hotels, the IHG Website, and through email and phone communication.

SolutionsDotWG: Which resources and opportunities do hotels have in order to increase the acceptance of customer loyalty programmes?

IHG: Loyalty members are our most valuable guests and the goal is to help our guests have wonderful experiences on all stays. Hotels have the opportunity to provide loyalty members with special treatment, such as priority check-in and greeting guests and acknowledging their status at arrival, leading to the retention of loyal customers and the chance to build great guest relationships. It's all about a customer's interaction with hotel staff and making each guest feel valued. For example, we ensure there is a minimum number of Reward Nights available for members to book each month as we recognise that Reward Nights is the most frequent redemption option for members.

SolutionsDotWG: Please take a look into the future. Where do you see customer loyalty programmes in five years' time?

IHG: Businesses have begun to understand the value associated with having a strong loyalty programme designed to reward their most loyal members. We see three trends in the future. First, there will be an increasing focus on the development of technology to build and enhance guest relationships and to help improve the guest journey. Second, transactional data and guest preference information will be utilised to offer more relevant, personalized promotions, customer service and rewards that fit members' stay patterns and personal needs. And third, there will be a continued effort by all loyalty programmes to leverage social media networks to understand their own members' concerns and experiences.

SolutionsDotWG: Thank you very much for this interview.