

Hotel Loyalty

STRATEGIC OVERVIEW

This overview at a glance

Who: Hotel loyalty professionals

What: Hotel loyalty - now and next

Read: 5 minutes

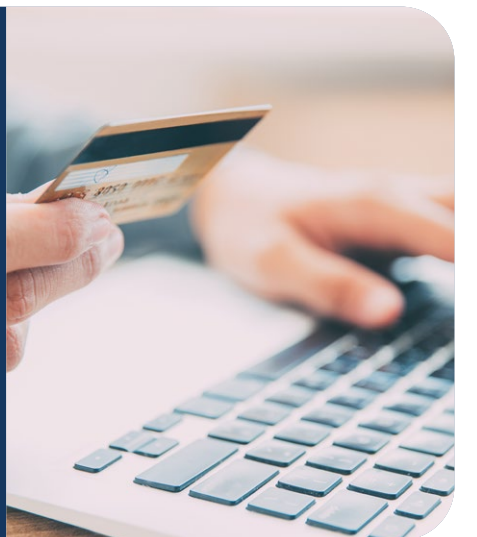


What's Now, New and Next in Hotel Loyalty?

Hotels have been instrumental in evolving loyalty from simple points-based mechanics to platforms for lifestyle engagement. Programmes like Marriott Bonvoy, Hilton Honors, and Accor Live Limitless have shifted from transactional earn-and-burn to holistic ecosystems that reward guests across hotel stays, F&B, spa services and beyond. Today, loyalty in hospitality must contend with digitally fluent customers, rising expectations for personalisation and the pressure to drive occupancy and revenue beyond rooms.

What's now

Tiered programmes rewarding stays and spend, often linked to credit cards and airline partners. Recognition perks such as late checkout, upgrades and lounge access dominate value perception.



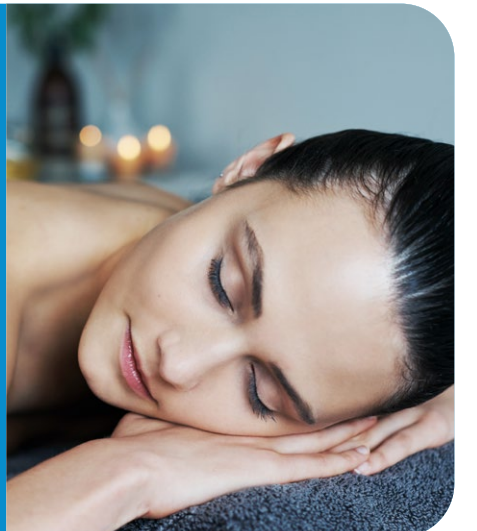
What's new

Expanded earn/redemption across F&B, retail, events and wellness. Partnerships with experience providers offer lifestyle appeal.



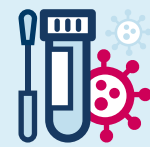
What's next

Integration of AI-powered personalisation, greater community engagement and omni-channel loyalty that includes local guests using hotel services (gyms, spas, restaurants) without overnight stays.



Market Dynamics and Major Trends

The hotel and hospitality industry is navigating a period of rapid transformation. Hotel loyalty programmes are under pressure to support (or sometimes even lead) the commercial strategy across all property services, not just room bookings. At the same time, recent research from Accenture¹ found that while hotel brands see loyalty as a valuable strategic tool, member dissatisfaction with the value delivered seems to be growing. There is 'points fatigue' where programmes don't go beyond transactional perks. Other influential factors include:



Post-pandemic rebound

Travel demand has returned, but with new patterns—longer stays, work-from-anywhere guests and blended business-leisure trips.



Diversified revenue pressure

Hotels are under growing pressure to monetise all available assets: meeting space, dining, spa and wellness facilities.



Direct booking wars

OTAs still control significant volume; loyalty is a primary tool to drive direct-to-brand bookings. Parity challenges affect distribution management.



Experience economy

Guests expect more than a bed—they want personalisation, emotional engagement and curated experiences.



Local engagement

Gyms, spas, bars- and co-working spaces attract non-guests, creating opportunities for localised loyalty models.

1. Accenture Consumer Pulse 'Me, My Brand and AI'

The Customer Landscape









Modern hotel loyalty has a wider range of customers in its sight than just overnight guests. With restaurants, wellness centres and meeting spaces attracting local businesses and non-resident local individuals, hotels need to consider how loyalty meets the needs of diverse user types and resolves their pain points.

Persona	Description & Behavioural Traits	ATV	ATF	Examples
Business Road Warrior	Frequent week-day stays, status-driven, brand-loyal	High	High	Corporate travellers
Experience Seeker	Chooses hotels for amenities, design and uniqueness	Medium	Medium	Upscale leisure traveller
Local Loyalist	Uses dining, spa, gym without staying overnight	Medium	High	City residents, digital nomads
Value-Driven Explorer	Compares rates, uses OTAs, loyalty-agnostic	Low	Low	Casual weekend travellers
Points Optimiser	Chooses hotels based on redemption value, often status-matchers	Medium	Medium	Miles/points enthusiasts

Persona	Pain Points
Business Road Warrior	Inconsistent elite recognition across properties; missed upgrades
Experience Seeker	Lack of experiential redemption; loyalty feels commoditised
Local Loyalist	No earn/redemption without a room booking; CRM doesn't target them
Value-Driven Explorer	Confusing points valuations, limited visible benefits
Points Optimiser	Restrictive redemption rules; blackout dates or dynamic pricing surprises

Customer Expectations

Customer expectations in hospitality are increasingly shaped by digital interactions and a desire for locally embedded experiences. From contactless check-in, digital keys, in-room ordering via app to broad and flexible earning and redemption, guests now expect hotel loyalty programmes to be designed to integrate smoothly into both travel and daily life.

Area of Impact	Customer Expectation	Digital/AI Example	Sector Leader
Recognition	Tier benefits delivered consistently	Personalised welcome in-room or via app; Benefits entitlement automatically via app	 
Seamless Experience	Mobile check-in/out, digital key, no friction	Marriott app with room key and live chat	 
Redemption	Value-rich, flexible, experiential options	Redeem points for spa, dining, events	
Communication	Targeted, lifecycle-based CRM	AI-curated offers and stay recaps; ultra personalised communications	
Local Relevance	Earn/redeem without overnight stay	Loyalty on coffee/spa/gym use	 

What Good Looks Like

The most effective loyalty programmes go beyond transactions. They deliver brand differentiation, measurable commercial outcomes and guest experiences that build emotional loyalty. The following programmes offer standout examples.

Key Metrics	Success Factors	Standout Programmes
Membership growth, redemption	Global footprint, app UX, partnership relevance	Marriott Bonvoy / Accor ALL
GHA Discovery	Mobile check-in/out, digital key, no friction	Marriott app with room key and live chat
F&B spend %, local activation	Lifestyle focus, event tie-ins, tier utility	Accor ALL / Taj Inner Circle
Direct booking %, elite retention	Digital experience, card integration	Hilton Honors Marriott Bonvoy
App engagement, tier growth	Milestone-based rewards, flexible recognition	IHG One Rewards
NPS, elite satisfaction	Premium-tier service, curated experiences	World of Hyatt; LHW - 'Leaders'



Innovative Mechanisms

New tools and approaches are reshaping how hotels engage guests and deliver loyalty value. The best are pushing beyond rooms to tap into broader loyalty behaviours.

Mechanism	Application Example
Lifestyle Coalitions	Accor with Limitless Dining, Fitness & Entertainment
AI-driven CRM	Hilton and IHG using AI for stay predictions, offer timing
Subscription Models	CitizenM's mycitizenM+ annual membership
Local Loyalty Tiers	GHA 'Discovery': Urban hotels offering perks to gym/spa diners
Experiential Redemptions	Marriott Moments, Accor Limitless Experiences

Key Business Drivers

Hotel loyalty programmes contribute to business value far beyond repeat bookings. Programmes now help hotels activate underused services, reduce OTA dependency and build recurring revenue from local services.

Business Goal	How Loyalty Contributes
Occupancy Uplift	Return guest rate, off-peak incentives
Direct Booking Growth	Member-only pricing, app bookings
Ancillary Revenue Growth	F&B, spa, meetings tied to loyalty accrual
Brand Differentiation	Tier experiences, curated benefits
Data Activation	Personalisation of offers and property recommendations
Local Market Penetration	Engage residents via restaurants, gyms, co-working
Cost Efficiency	Reduce OTA commissions via loyalty-driven booking
Employee Engagement	Internal recognition programmes via guest feedback loops
Sustainability	Green stay incentives, community-based redemptions
Asset Utilisation	CRM-driven promotion of underused services (e.g. spa)





Strategic and Operational Challenges Addressed by Loyalty

Loyalty acts as a powerful framework to tackle systemic challenges in hospitality—from unifying service delivery to maximising asset utilisation. Programmes that bridge marketing, operations and digital stand to deliver the most value.

Category	Challenges Solved by Loyalty
Strategic	Long-term customer value, brand preference, direct channel conversion
Structural	Revenue from non-room assets, cross-property consistency
Organisational	Marketing and operations alignment, training on benefit delivery
Operational	Staff service delivery, app-based interaction, tier enforcement

Profitability Perspective

Hotel loyalty programmes drive both top-line revenue and operational efficiency. Co-branded credit cards (e.g. Hilton-Amex), OTA cost avoidance and upselling services to known members (spa, dining) all deliver measurable ROI.

- Marriott Bonvoy and Hilton Honors members account for 50%+ of room nights.
- Accor ALL members spend 25-50% more per stay on ancillary services.
- Direct bookings through loyalty can reduce distribution costs by 15-20%.
- Incrementality is proven via higher ADR (Average Daily Rate) and ancillary take-up by members.





Partners driving profitability

Start your journey with Collinson advisory to design optimal programmes, with Salesforce Loyalty - the leading LMS software solution. Augment your platform with other pre-integrated products or connect to third party applications with Salesforce.

Salesforce Solution	Enables loyalty for
Salesforce Data Cloud	Data Unification of Customer, Member data across the Enterprise
Marketing Cloud	Personalised Member Engagement across the lifecycle
Agentforce	Autonomous member engagement for Sales, Service & Marketing
Commerce Cloud	Seamless purchase online with embedded Loyalty Offers and Rewards
Service Cloud	Easily service your loyalty members with queries and issue resolution
Mulesoft	Easily integrate your Loyalty Solution with Upstream and Downstream solutions

Measuring Success

Loyalty success in hotels should be assessed both in terms of revenue contribution and experiential satisfaction. Measurement frameworks now include behavioural, financial, and digital engagement metrics.

- Member contribution to room revenue
- App usage and check-in method split
- Earn-to-burn ratio
- % of non-room spend by members
- Redemption satisfaction
- Elite retention and progression
- Direct vs OTA booking ratio
- Local resident engagement metrics (dining, gym, etc.)



Probing questions

- Is your scheme future fit, with the right strategy and tech to lead rather than lag?
- Are you ready to use AI to maximum effect e.g. to mass personalise & improve programme operations efficiency?
- What measurement metrics are you using to measure performance and profitability?

Conclusion / Executive Summary

Hotel loyalty is no longer just about rewarding heads in beds. It's about driving guest lifetime value across multiple touchpoints: stays, services, experiences and local engagement. As guests demand more flexibility, relevance and recognition, loyalty must become an orchestration layer that blends hospitality, data and brand identity.

To lead in the next era of hospitality, hotels must:

- Treat loyalty as a profit centre, not a cost line.
- Unlock non-room revenue via lifestyle and local use cases.
- Use data and AI to create and operate one-to-one engagement at scale.

The best programmes will own more of the customer relationship, offer relevance beyond the stay and turn hotels into local go-to places. Loyalty excellence can become a true growth engine for hotels—individually and at a group level.