

Loyalty PAYS



From simple origins, in the hands of major hotel groups loyalty programmes have evolved into multifaceted beasts, write **Alisha Haridasani** and **Erica Rae Chong**

In 1981, American Airlines combined basic economics with simple psychology and created something that changed the travel industry forever: the loyalty programme. Thirty years later, it has evolved into many different forms, but can still send some customers into frenzies over points and miles. A few loyalty-programme members have their scheme manager on speed dial.

The concept is simple: customers earn points according to the amount of money they spend and are rewarded not just with tangible redeemable points or miles, but also with recognition and added comfort. Today, almost every hotel group has one (the Peninsula and Mandarin Oriental are two exceptions), and there are more than 100 airline frequent flyer programmes worldwide. According to a Colloquy study in 2009 conducted by Loylogic, a reward solutions provider, travel loyalty programme memberships in the US alone accounted for 31 percent of all loyalty memberships

in 2008. And while airlines' frequent flyer clubs focus on a simple transaction – going from point A to point B – hotel loyalty programmes are more multifaceted and complex. Holiday Inn was the first hotel group to jump on the bandwagon in 1983, followed closely by Marriott in the same year.

The tables below dissect the loyalty programmes of seven major hotel groups: the Starwood Preferred Guest programme, Marriott Rewards, Hilton HHonors, the Hyatt Gold Passport, InterContinental Hotel Group's Priority Club, Shangri-La's Golden Circle and Accor's AClub. All offer points redeemable for airline miles or free nights while some include co-branded credit cards allowing members to earn extra points from purchases off hotel properties.

The programmes offer many common benefits, including free upgrades to higher-category rooms, access to executive facilities, complimentary breakfasts, wifi access and later check-outs, but they



Golden Circle members can earn points from CHI, The Spa



Golden Circle, Marriott Rewards and Priority Club Rewards are partnered with Hertz

THE BASICS

PROGRAMME	PROPERTIES	COUNTRIES	BRANDS			THE EDGE
Starwood Preferred Guest	Over 1,000	93	NINE BRANDS 1. Sheraton 2. Four Points by Sheraton 3. St Regis 4. Luxury Collection 5. Le Méridien 6. W Hotels 7. Westin 8. aloft 9. element			Different redemption rates for weekdays and weekends for Category 1 and 2 hotels
Marriott Rewards	Over 3,200	68	ELEVEN BRANDS 1. Marriott Hotels & Resorts 2. Marriott Conference Centres 3. JW Marriott Hotels & Resorts 4. Renaissance Hotels & Resorts 5. EDITION 6. Autograph Collection 7. Courtyard by Marriott 8. Residence Inn by Marriott 9. SpringHill Suites by Marriott 10. TownePlace by Marriott 11. Fairfield Inn by Marriott			Two-year expiry, instead of the common industry standard of one year
Hilton HHonors	3,600	82	NINE BRANDS 1. Hilton 2. Doubletree 3. Embassy Suites 4. Conrad Hotels 5. Hampton Inn 6. Homewood Suites 7. Hilton Garden Inn 8. Hilton Grand Vacations 9. Waldorf Astoria			Members can either earn 10 points and one airline mile per US dollar, 10 points plus 500 miles per stay (100 miles per stay at Hampton Inn, Hampton Inn & Suites and Homewood Suites by Hilton), or 15 points per eligible US dollar spent
Hyatt Gold Passport	Over 470	More than 40 countries	EIGHT BRANDS 1. Hyatt 2. Park Hyatt 3. Grand Hyatt 4. Hyatt Regency 5. Hyatt Place 6. Hyatt Summerfield Suites 7. Andaz 8. Hyatt Resorts			Platinum members receive extra points, miles, room upgrades or amenities, which increase in value, with every third eligible stay
IHG Priority Club Rewards (PCR)	4,100	Over 100 countries	SEVEN BRANDS 1. InterContinental 2. Crowne Plaza 3. Holiday Inn 4. Holiday Inn Express 5. Staybridge Suites 6. Candlewood Suites 7. Hotel Indigo			Largest number of properties globally
Shangri-La Golden Circle	70	18	FOUR BRANDS 1. Shangri-La Hotels 2. Shangri-La Resorts 3. Traders Hotels 4. Kerry Hotel			Accounts do not expire, although points expire three years after they have been earned
Accor AClub	2,300	90	TEN BRANDS 1. Sofitel 2. Pullman 3. MGallery 4. Novotel 5. Suite Novotel 6. Mercure 7. Ibis 8. all seasons 9. Adagio 10. Thalassa sea & spa			Platinum members get double the points earned when spending at the hotel while staying there

LOYALTY PROGRAMMES

WHERE YOU STAND

PROGRAMME	TIERS	TIER QUALIFIER/YEAR	POINTS PER ELIGIBLE DOLLAR	POINT REDEMPTION RATE
Starwood Preferred Guest	Preferred Guest	Apply online. Earn from first stay.	2 points per US\$	Starts from 3,000 on weekdays and 2,000 on weekends. Redeem four nights and get fifth night free at Category 3, 4, 5, 6 and 7 hotels
	Gold Preferred	25 nights or 10 stays	3 points per US\$	
	Platinum Preferred	50 nights or 25 stays	3 points per US\$	
Marriott Rewards	Silver	10 nights	10 points per US\$ at all brands except Residence Inn and TownePlace Suites which are 5 points per US\$	Starts from 7,500 Redeem four nights and get the fifth night free
	Gold	50 nights	20% bonus	
	Platinum	75 nights or more	25% bonus	
Hilton HHonors	Blue	Apply online. Earn from first stay.	10 points per US\$	Starts from 7,500
	Silver VIP	10 nights or 4 stays	15% bonus	
	Gold VIP	36 nights or 16 stays or 60,000 base points	25% bonus	
	Diamond VIP	60 nights or 28 stays or 100,000 base points	50% bonus	
Hyatt Gold Passport	Gold	Apply online. Earn from first stay.	5 points per US\$	Starts from 5,000
	Platinum	15 nights or 5 stays	15% bonus	
	Diamond	50 nights or 25 stays	30% bonus	
IHG Priority Club Rewards (PCR)	Club Level	Apply online. Earn from first stay.	10 points per US\$	Starts from 10,000
	Gold Elite	15 nights or 20,000 points	10% bonus	
	Platinum Elite	50 nights or earn 60,000 points	50% bonus	
Shangri-La Golden Circle	Gold	50 points	1 point per US\$	Starts from 1,000
	Jade	20 nights or 10 stays	25% bonus	
	Diamond	50 nights or 25 stays	50% bonus	
Accor A Club	Classic	Apply online. Earn from first stay.	2 points per Euro at all brands but Ibis, All Seasons, and Thalasssea & spa institutes which are 1 point per Euro.	Points can be exchanged for cash vouchers. 2,000 points for US\$60
	Silver	10 nights or 2,500 points	50% bonus	
	Gold	30 nights or 10,000 points	75% bonus	
	Platinum	60 nights or 25,000 points	100% bonus	

HOW TO EARN

PROGRAMME	TIERS	BLACK OUT	BUY POINTS	CONVERSION RATES FOR POINTS TO MILES
Starwood Preferred Guest	Preferred Guest Gold Preferred Platinum Preferred	No	US\$0.035 per point. Minimum purchase of 500 points (US\$17.50). Maximum of 20,000 points per account per year	32 partners; 1 point: 1 mile. Exceptions: ANZ (65:1), Continental Airlines (2:1), LAN (1:2), SIA (2:1), Southwest (1500:1), United Mileage (2:1)
Marriott Rewards	Silver Gold Platinum	No	Minimum purchase of 1,000 for US\$12.50 and maximum purchase 50,000 points per calendar year	31 partners. Members earn miles by spending at hotel. Either 2 miles: US\$1 spent or 1 mile: US\$1 spent on room rates at select mid-tier properties
Hilton HHonors	Blue Silver VIP Gold VIP Diamond VIP	No	Minimum of 10,000 points for US\$0.01 per point. Purchases under 10,000 points cost US\$0.0125 per point. Maximum purchase of 40,000 points per year	61 partners. 10,000 points: 5,000 miles. Exceptions: Conversion rates for CSA Czech Airlines, Icelandair and Virgin Atlantic Airways: 5,000 points: 5,000 miles
Hyatt Gold Passport	Gold Platinum Diamond	No	US\$10 for every 500 points Maximum of 10,000 points per account per year	35 partners. 2.5 points: 1 mile. 5,000 bonus points for every conversion of 50,000 points
IHG Priority Club Rewards (PCR)	Club Level Gold Elite Platinum Elite	No	Minimum 1,000 points for US\$13.50. Maximum of 40,000 points per account per year	47 partners. 10,000 points; 2,000 miles
Shangri-La Golden Circle	Gold Jade Diamond	Yes	No	31 partners. Conversion rate is 1 GC point: 1 mile
Accor A Club	Classic Silver Gold Platinum	No	No	20 partners. 4,000 points: 2,000 miles. Exception: Qantas (4,000 points: 4,000 miles)

BOOKING GUARANTEE
72 hours
48 hours
48 hours 48 hours
72 hours 48 hours
72 hours
72 hours 48 hours
120 hours 72 hours

also offer unique features, partly as a way of differentiating themselves from competitors (see “The basics” on the previous page).

Additionally, in Asia-Pacific, being on the top tier of a loyalty programme can also be a status symbol, according to Soo Lin, director of loyalty marketing in the region for the Marriott Rewards.

“We are all aware that it is the offer of a free night that makes it compelling for travellers to join a hotel loyalty programme, but here in Asia, recognition and status play an even more important part in growing



loyalty and driving repeat visits,” she says. “Building a personal connection with our members and consistently delivering on VIP benefits is our

way of saying we value you – it’s the softer touches that make the hotel stay experience positive and the membership worthwhile.” ■

Notes on the tables:

- Accounts with all but two of the loyalty programmes listed expire if there is no activity for a year. Points, however, do not expire and can be revived if a membership is reactivated. Shangri-La’s Golden Circle accounts never expire, and those with the Marriott Rewards programme only expires after two years.
- Members of higher tiers often earn more points from each eligible dollar spent. In some cases, the extra points are calculated by multiplying the basic number of points by a given member’s bonus percentage.
- “Eligible dollars” refers to money spent directly between hotel and

customer without a third party involved. For example, travel agents may be considered a third party and bookings made through them will not give guests points.

- The “booking guarantee” column refers to the minimum amount of time within which guests can book a room and receive confirmation.
- Each loyalty programme has a different conversion rate between points and frequent flyer miles. The exceptions listed in those columns are subject to change and were correct at press time.
- Most of the credit cards listed in the table below are only available in North America. The Priority Club Rewards Chase Visa card, however, is also partnered with Shanghai Pudong Development Bank (SPDB).

MINIMUM CONVERSION PER TRANSACTION	TRANSFERABLE	CO-BRANDED CREDIT CARDS	CAR RENTAL PARTNERS
2,500 1,500 No minimum	Yes; between accounts of family members	1 card: American Express (1 points for every US\$1 spent on the Starwood Preferred Guest card off hotel properties)	Sixt (250 points per rental); Avis (50 points per rental)
Minimum of 10,000 points but differs for each airline partner.	Yes; to legal spouse, provided they too are members of Marriott Rewards	1 card: Visa (1 point for every US\$1 spent using the Marriott Rewards Visa card off hotel properties).	Hertz (500 points per rental); Sixt (500 points per rental)
10,000 points	Yes; to other members at a cost of \$25.00 per 10,000 points. Transfer is free after 200,000 points have been transferred in one calendar year	6 Cards: different for each region with varying conversion rates	6 partners: Alamo, Avis, Budget, National and Thrifty (250 points per rental); Sixt (500 points per rental)
5,000 points	No	1 card: Visa Chase (3 Points for every US\$1 spent on the Hyatt Chase Visa card off hotel properties)	Avis (300 points per rental) Sixt (300 points per rental)
10,000 points	Must transfer to IHG priority members. Minimum of 1,000 points can be transferred and maximum of 40,000. Members will be charged US\$5 per 1,000 points transferred	1 card: Visa Chase (1 point per US\$1 spent on the PCR Visa)	Avis, Hertz and Budget (125 points per rental)
2,500 points	No	No	10 percent off rental rates with Hertz
4,000 points	No	No	Europcar (250 points per rental)