

TRAVEL AND HOSPITALITY

Marriott attempts to usher in Starwood customers following merger

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Marriott incorporates SPG members into its rewards platform

By BRIELLE JAEKEL

Marriott International and Starwood Hotels & Resorts Worldwide are attempting to ease the transition of their merger for loyalty customers.

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The two hotel brands completed the acquisition process Sept. 23, with Marriott successfully purchasing Starwood on time. While the merger makes Marriott the largest hotel network in the world, both brands are working to expedite their now single rewards program to eliminate any customer loyalty issues early on.

"Mergers are a delicate time for brands," said Taylor Rains, managing partner at [Flugel Consulting](#). "When the parties involved in the merger are equally visible and individually maintain a high degree of customer loyalty, the situation must be handled carefully in order to minimize atrophy.

"The prospect of a merger typically induces a sense of unease in the customer and gives rise to some natural questions: Will my experience with the brand change? What will happen to my rewards?" he said. "By not only recognizing previous rewards but incentivizing the merger of loyalty points, the two brands are attempting to ease customer concerns.

"For the customer, it means they can rest assured that their experience with the brand will only be enhanced going forward."

Mr. Rains is not affiliated with [Marriott International](#) or [Starwood Hotels & Resorts Worldwide](#), but agreed to comment as an industry expert.

[Marriott International](#) did not respond by press deadline.

Merging action

Marriott and Starwood both have a substantial customer loyalty base, which means the merger has to be delicately handled. Customers are likely to be worried about their points, purchases and the new user experience.



Marriotts shares images of its new rewards

Both brands took to social media to help onboard Starwood customers to Marriott's rewards platform. A variety of tweets were shared that urged customers to merge their accounts.

Starwood's SPG program and logo are now featured on Marriott's Rewards platform, where members of the former can transfer their points over. The Web site allows users to log in through any of the three rewards programs from Marriott such as The Ritz-Carlton Rewards, Marriott Rewards and Starwood Preferred Guest.

Users can sign in with their previously created account from any of the Marriott brands. Marriott Rewards will inform them of their matching status on the counterpart platform.

Members can switch back and forth between rewards programs, allowing points to be used and acquired at all three. Customers can register for the other programs if they have not already start earning new rewards.

Social media posts from Marriott share links to the rewards platform and a page that answers any questions that customers may have about the merger.



Marriott urges Twitter followers to sign up

"Loyalty points are of huge value to customers," Mr. Rains said. "In many industries, though, they're value as a branding tool is often overlooked.

"By recognizing customers with loyalty points prior to the merger, Marriott and Starwood are setting a precedent within the hospitality industry," he said. "Loyalty points are a measure of customer loyalty and, if you want to maintain and/or grow customer loyalty during potentially volatile times, you can do so in part by adjusting the loyalty program."

Acquisition preparations

Marriott and Starwood received antitrust approval from the Chinese Ministry of Commerce last week, the final regulatory authorization necessary that was needed before the companies' merger can be completed.

Before the stock market opened on Sept. 23, Marriott completed its expectation to have finished its acquisition of Starwood. Marriott and Starwood agreed to give the Chinese Ministry of Commerce (MOFCOM) an extension for its review of the hotel chains' merger in August ([see more](#)).

To prep for the merger, Starwood Hotels & Resorts' The Luxury Collection looked to create value for its shareholders with the sale of an Austrian property.

Hotel Goldener Hirsch, A Luxury Collection Hotel in Salzburg, Austria, sold to the Wild Group in a transaction valued

at approximately \$22 million. Starwood has been unloading owned assets to get ready for the complete acquisition ([see more](#)).

While the media has been wary about what outcome the merger will bring, the acquisition will likely see more loyal customers in the end.

"Despite all that has been publicized regarding the merger, I doubt either brand will see any significant implications," Mr. Rain said. "In fact, I strongly feel that the merger will attract a higher level of loyalty among customers of both brands.

"They will see available properties within the new company's portfolio grow and will likely be pleased with the opportunities for travel," he said. "There may be a brief dip once the merger is finalized while there is still a measure of uncertainty among consumers, but once that is addressed and assuaged by the two brands, it will likely regulate then begin to grow."

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