

TRAVEL AND HOSPITALITY

Hotel groups consolidating loyalty programs to encourage customer retention

August 23, 2018



Marriott is consolidating loyalty programs from all of its brands. Image credit: Marriott

By DANNY PARISI

Loyalty programs are one of the best ways to ensure continued customer retention, something hotel brands are embracing by unifying those programs across multiple brands and merging luxury with mass market.

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After an announcement earlier this year, Marriott International has officially unified the loyalty programs across three of its brands, while Hyatt Hotels and Small Luxury Hotels of the World similarly unveiled plans to combine loyalty programs this month. By merging their programs across brands, these groups are pooling resources to gain access to a wider consumer base and ensure a seamless and desirable customer experience no matter where guests stay.

“Merging loyalty programs – like the recent announcement from Marriot – allows companies to offer loyalty members an even wider range of exclusive benefits from all of its brands,” said Andrea Werbel, founder and managing director of **Parasol**, New York. “This garners broader visibility and taps into previously untouched markets. In our experience, travelers are constantly looking for new and aspirational opportunities that provide them greater value.”

Loyalty programs

Marriott Rewards, the official rewards program of Marriott International, currently has more than 110 million members.

Those members enjoy unique benefits by staying at Marriott-affiliated hotels. While Marriott International has previously also included loyalty programs Starwood Preferred Guests to Ritz-Carlton Rewards, the group has announced that going forward, loyalty programs from all 29 of its brands will operate under one platform.

Now, when customers stay at any Marriott-affiliated hotel, they are eligible to earn rewards points redeemable at any other hotel.



Marriott Rewards is the umbrella program for all of the other loyalty programs. Image credit: Marriott International

Hyatt Hotels is doing something similar. The group has partnered with Small Luxury Hotels of the World, a coalition representing more than 500 independent boutique hotels around the world. Going forward, when customers book rooms at any of these hotels through Hyatt booking channels, they will earn points for their Hyatt loyalty membership.

Asian hospitality brands Taj Hotels Resorts and Palaces and Shangri-La Hotels and Resorts also banded together to integrate their rewards programs, offering a full-bodied loyalty program to compete with similar contemporaries.

With Marriott and Starwood merging to become the biggest hospitality company to date, it is now harder for others to compete with the group's massive rewards programs. Even affluent consumers want to be rewarded for their loyalty, which makes the Taj-Shangri-La partnership so important ([see story](#)).

These efforts are a testament to the importance of loyalty programs as a way of keeping customers and helping to entice new ones.

With loyalty programs, customers are rewarded for consistent purchases through slowly accumulating new benefits.

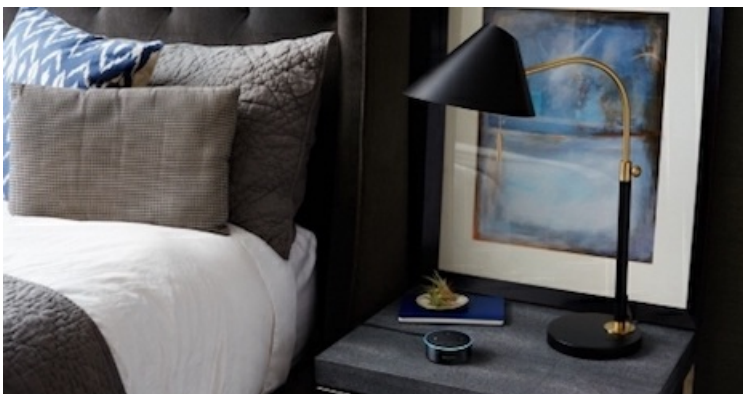
Earned benefits are powerful factors in ensuring a continued relationship with customers. For these hotel brands, the value is clear.

Consolidation

Consumers with higher incomes are more apt to be part of a loyalty program than their peers, pointing to the potential benefit of these membership clubs for luxury brands.

According to a report from CrowdTwist, affluent consumers are some of the most active loyalty users, with these shoppers most frequently cashing in rewards. As consumers become more distrustful of data collection, luxury brands can leverage loyalty programs as an incentive for opting in ([see story](#)).

Merging loyalty programs is just one way that Marriott has focused on making customer experience a priority.



Marriott International is partnering with Amazon for Alexa for Hospitality. Image credit: Amazon

For example, Marriott International is harnessing voice technology partnering to provide a more interactive guest experience at properties including St. Regis Hotels, as luxury travel offerings become more advanced.

Marriott International began introducing Amazon's new Alexa for Hospitality artificial intelligence platform to a limited number of hotels starting this summer. In rooms outfitted with Amazon Echo virtual assistant devices, guests

can ask the voice assistant for hotel information, request guest services, play music in their room and more ([see story](#)).

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