

Hoteliers don't need a reward programme to benefit from loyalty bookings

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Did you know that there are literally billions and billions of pounds, dollars, euros and other currencies laying around in unspent loyalty and reward scheme points cards across the globe? Imagine if some of that money could be spent on booking your hotel.

Well the good news is that almost all of these schemes offer members the chance to buy travel with their points: trains, planes, automobiles and most importantly for you...hotels.

We all know the most famous cards for our respective home geographies. But beyond the top household name cards in each country or region there are thousands of smaller such programmes that range from credit card schemes and air miles points, right through to employer benefits schemes – that's where employees get discounts on products or vouchers as part of their pay, or simply for a Christmas bonus.

But why should you start prioritising guest bookings from this channel? A guest is a guest, after all? Firstly you should keep in mind that such bookings don't compete with your dot com or existing online travel agency partner. Rather these are complementary bookings from a channel that has no overlap with any other sales source: someone purchasing via these platforms is generally speaking not considering other alternative routes to purchase. And if you work with overseas schemes, guess what, they give you non-domestic bookings too.

Secondly, keep in mind that those booking via such platforms are not so sensitive about the price. This means higher yields for your hotel. Why would that be? They are not booking in pounds but instead in 'points' – in an environment where one point doesn't always equal one pound – thus making the conversion and association with hard cash value difficult; additionally, often they simply wish to spend their points before they expire, and people in a hurry are not so concerned by value; and finally, because the choice of hotels is normally much more limited, meaning you have much less competition.

Overall our research – based on analysing the 50 million room nights we helped hoteliers sell last year around the world via our business-to-business channel – shows that bookings made via points and loyalty schemes also generally deliver higher value guests, when compared to the online travel agency channel or even the dot com. What do we mean by that? Basically such guests book further in advance, cancel less, stay for longer, and spend more once in the hotel.

Can you imagine a better customer? Yes, you might say, one that comes back again! Loyalty is the name of the game if you are a reputable hotelier. But it turns out that guests who book via niche channels, such as a reward scheme, are also more loyal: they come back more often.

So how does a hotel go about actually getting bookings from this channel? Can an independent hotel do this alone, or is this really just for big chains only? Like any distribution channel you need to dedicate time and resources to do this properly. But the good news is that you don't need to be a big chain, or even have multiple properties. At its most simple you contact the big scheme providers and start from there, no doubt they'll all be pleased to hear from you. But clearly that would be time-consuming and complex, plus without experience of negotiating such deals you are unlikely to get the best arrangement.

An easier alternative however is to work with a business-to-business distribution partner such as a bedbank or channel manager that offers access to many points' redemption, loyalty and employee benefits schemes. As mentioned before, there are tens of thousands of points schemes in the UK alone and perhaps millions across the globe - so you are never going to come close to dealing with them all.

Not only should such a bedbank or channel manager partner be able to negotiate the best deal on your behalf, they should also have the technology solutions in place to implement this. This route would simplify matters for you and allow you to focus on what you do best: providing the guests with a memorable experience upon arrival.

Either way, the next time you hand over your reward card give some thought to the bigger reward on offer for your hotel: points don't just win prizes, they also earn you guests.

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