

LEVERAGING HOTEL LOYALTY TO DESIGN SUCCESSFUL BUSINESS TRAVEL PROGRAMS

Presented by

Skift. + **IHG**[®]



EXECUTIVE SUMMARY

Out-of-policy bookings are one of the most complicated, and vexing, challenges for corporate travel managers. The problem has special significance on the business travel hotel selection process, where a recent study by the GBTA found that close to 40 percent of business travelers book their accommodations out of policy.

For corporate travel managers, out-of-policy bookings make it harder to track company travel spending and keep employees safe, while simultaneously limiting their negotiating power with hotels. Yet many business travelers persist in such behavior, often due to its convenience and perceived cost savings. Simply put, it often seems easier and cheaper to book using consumer friendly travel tools like an online travel agency or metasearch website than it is to use a company travel platform.

Is there a way to satisfy the often conflicting desires of these two groups? Increasingly the answer is yes, thanks to the growing potential of hotel loyalty programs to boost business traveler compliance. It may be no surprise to hear that loyalty programs are already popular with business travelers, who consider them an attractive bonus perk for their work travels. But based on a growing body of research, integrating these loyalty programs more deeply into corporate travel policies can help boost employee compliance and influence booking decisions.

How much does hotel loyalty influence the booking habits of today's business traveler? Are corporate travel managers currently negotiating loyalty benefits as part of their preferred hotel agreements? And what hotel loyalty program features (real or imagined), might have the biggest impact on compliance? It is with these questions in mind that Skift and IHG are releasing "Leveraging Hotel Loyalty to Design Successful Business Travel Programs," a new research report investigating the current and future role of loyalty rewards in business travel.

The report analyzes the results of a primary research study of more than 1,000 business travelers and corporate travel managers, attempting to identify the traveler booking habits and company strategies with the biggest potential impact on corporate travel compliance in the years ahead. Further insights are provided by interviews with industry executives, helping complement the report data.

Business traveler compliance remains a challenging problem. But now, with the help of reimagined hotel loyalty initiatives, and smarter employee-first policies, a solution for corporate travel decision makers appears to be on the horizon.

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EXECUTIVE LETTER

Dear Travel Partner,

With a diverse portfolio spanning nearly 5,800 hotels in over 100 countries, IHG® Hotels & Resorts has the right brand for our guests, whatever their needs, and we're continuing to grow. In just a few short years, we developed and launched avid™ hotels, voco™ hotels and Atwell Suites™; acquired and relaunched Regent Hotels & Resorts; acquired Six Senses Hotels Resorts Spas, and, most recently, formed an exclusive loyalty partnership with Mr & Mrs Smith, the world-renowned travel club and boutique hotel specialists, to offer IHG® Rewards Club members the ability to earn and redeem points at approximately 500 additional boutique and luxury hotels in iconic locations starting in early 2020.



Today's business travelers are presented with overwhelming stay options for their trips. Although factors such as convenience, location and price play a strong role in where they choose to stay, we also know that loyalty is a key influencer in their decision. This can present a unique variable for corporate travel managers as they strive to achieve their compliance goals, which is why IHG partnered with Skift to understand the role loyalty plays in business traveler compliance and explore the opportunities for travel managers and business travelers to use loyalty programs to their mutual benefit.

With global brands perfectly suited for both business travel and leisure experiences, an award-winning loyalty program, and a dedicated sales team of over 21,000 advocates worldwide, IHG is committed to meeting the needs of corporate travel managers and loyal business guests as we embrace new opportunities in 2020 and beyond.

On behalf of IHG Hotels & Resorts, thank you for your partnership.

Warm regards,

A handwritten signature in black ink, appearing to read 'Derek L. DeCross'.

Derek L. DeCross
Senior Vice President, Global Sales
IHG® Hotels & Resorts

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Jeremy
Market Account Director

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INTRODUCTION: BUSINESS TRAVEL'S ONGOING OUT-OF-POLICY CHALLENGE



Source: Crowne Plaza® Paris - Republique, IHG Hotels & Resorts

Out-of-policy hotel bookings continue to pose a significant challenge for the corporate travel sector. According to one 2018 study by the GBTA, business travelers book an average of [37 percent of hotel stays](#) outside their corporate travel policies. And other industry analysts estimate the problem may be even larger, suggesting that [up to half](#) of all hotel bookings are made out of policy. While there are a variety of factors that contribute to the challenge, one of the biggest is mismatched priorities between the two groups most impacted by the issue: corporate travel managers and the business travelers they serve.

“The business traveler needs a proposition that enhances their stay experience and allows them to earn rich rewards for future leisure travel, while the corporate travel manager needs a proposition that’s going to add value to their travel program—whether it’s increasing traveler satisfaction, supporting compliance, or helping them manage their costs,” said Derek DeCross, senior vice president, global sales for IHG Hotels & Resorts (IHG).

For business travelers, choosing to book a non-approved travel product is usually because of the customer experience. Many make their purchases based on reasons of convenience, whether that includes saving travel time, defaulting to an easy-to-use online travel agency or metasearch site, or picking a hotel in a location close to their work. Price is another factor. Finding a good travel deal online gives business travelers the sense that they're saving money, even if they're actually costing their companies by not utilizing preferred rates or added customer support options.

But from the corporate travel manager's perspective, this employee non-compliance negatively impacts any number of business goals associated with their travel program. One is their ability to optimize company travel spend. When employees do not utilize preferred travel suppliers, it minimizes the travel manager's ability to negotiate for better discounts in the future, while also limiting their ability to track company travel spending.

Another is ensuring employee safety. Simply put, business travelers who select out-of-policy bookings make it harder for corporate travel managers to assist in the event of a problem. "Traveler safety is key," said DeCross. "When travelers book outside of their booking tool...employers can lose the ability to locate where employees are when traveling for the company."

Last but not least, non-compliance can lead to an unexpected negative experience for employees, who might lose out on pre-negotiated company perks or customer support they would have otherwise received by booking through approved channels.

USING LOYALTY TO REDUCE ROGUE BOOKING



In light of the obvious disconnect between these two groups, many corporate traveler managers find themselves grasping for solutions. How might they improve the stickiness of their existing corporate travel programs so that business travelers are more inclined to use them? Could aspects of their program be redesigned to impact the compliance problem? As it turns out, one of the most promising solutions may involve loyalty programs.

It's no surprise that loyalty programs are already extremely popular with business travelers; out of the [3.8 billion loyalty memberships](#) that Americans have signed up for as of 2017, an estimated 1.1 billion were in the travel and hospitality category. And travel and hospitality loyalty programs are growing quickly, at a rate of 20 percent compared to the 14 percent average growth rate for loyalty memberships in other sectors.

Best of all, the popularity of loyalty programs extends to corporate travel, where 60 percent of business travelers belong to at least one loyalty program, and 83 percent of business travel loyalty members say program benefits are important, according to the previously mentioned 2018 GBTA study.

Perhaps most importantly, loyalty-based rewards help increase business travelers' interest in booking in-policy. In the GBTA research, 38 percent of business travelers said they would be more likely to book within their corporate travel policy if the bookings earned rewards for them and for their companies. Another 38 percent of business travelers also stated they would be more likely to book in-policy if they could put the points they earned during business trips toward rewards for their own personal use.

But in spite of the emerging business travel opportunity associated with loyalty programs, such perks are frequently missing from many corporate travel programs. According to the GBTA, even as 65 percent of corporate travel managers negotiated preferred rates with suppliers, a mere 20 percent had negotiated earnable loyalty perks like free nights or room upgrades for their traveling employees.

Still, loyalty's role in business traveler decision-making is complex. Much like business travel itself, business travelers and their corporate travel managers are motivated by a tangled web of competing motivations. In fact, industry executives acknowledge that loyalty often comes into play only once business travelers have satisfied other priority factors like price and location. "We know convenience plays an important role," said Heather Balsley, senior vice president, loyalty and partnerships for IHG. "If a traveler is heading to a meeting, it's unlikely that a loyalty offer will incentivize them to stay at a hotel 15 miles from their meeting when there's a hotel in their program two miles from the meeting."

Nevertheless, loyalty does appear to be a promising incentive for travel managers to consider integrating into future negotiations. In fact, Balsley believes all other factors being equal, loyalty programs like IHG's can become a key differentiator for business travelers. "The strength of IHG Rewards Club really plays a role when there are a number of competitor options at the right location and right price," she said. "At this point, the traveler faces a decision which compelling loyalty offerings can then influence."

RESEARCH METHODOLOGY



Source: IHG Hotels & Resorts

The growing interest in loyalty among business travelers raises a crucial question for corporate travel managers: could a more strategic use of loyalty programs in their own company travel policies help minimize (or even eliminate) the out-of-policy challenge?

In order to better investigate the question, and to understand the role that loyalty programs play in business traveler compliance, Skift and IHG set out to explore the topic in more detail. In the fall of 2019, the two organizations collaborated on a survey distributed to over 1,000 business travel stakeholders worldwide. The research explored topics including corporate travel policy experiences, the factors that lead to out-of-policy bookings, and attitudes toward hotel loyalty programs, among others. Respondents were categorized into two groups: business travelers and corporate travel managers.

Some of the topics that were explored with business travelers included:

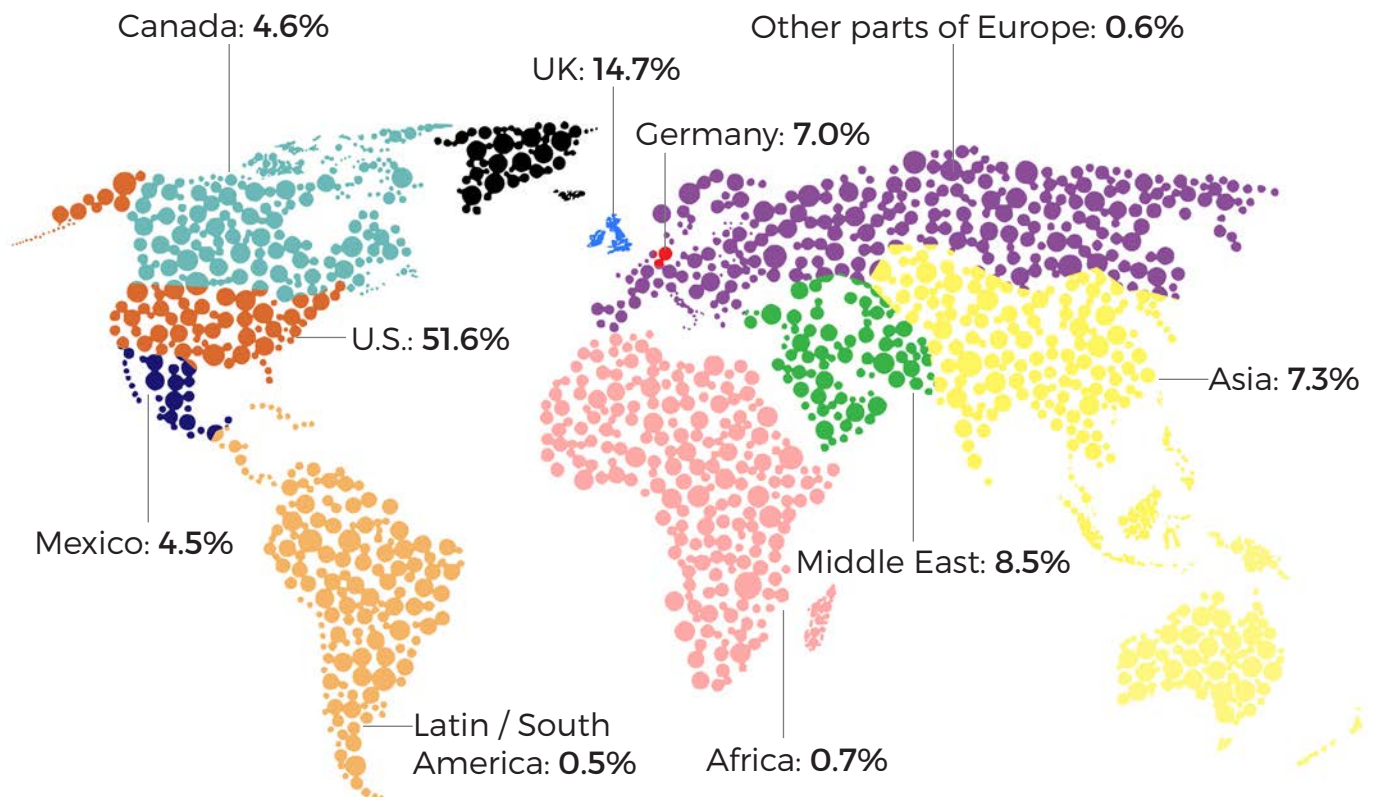
- What factors most frequently motivate their out-of-policy booking decisions?
- Are loyalty programs a primary motivator when picking their hotel for business trips?
- What loyalty program perks or features are most appealing?
- Would a redesigned loyalty program help reduce their temptation to book out-of-policy?

Some questions posed to corporate travel managers were:

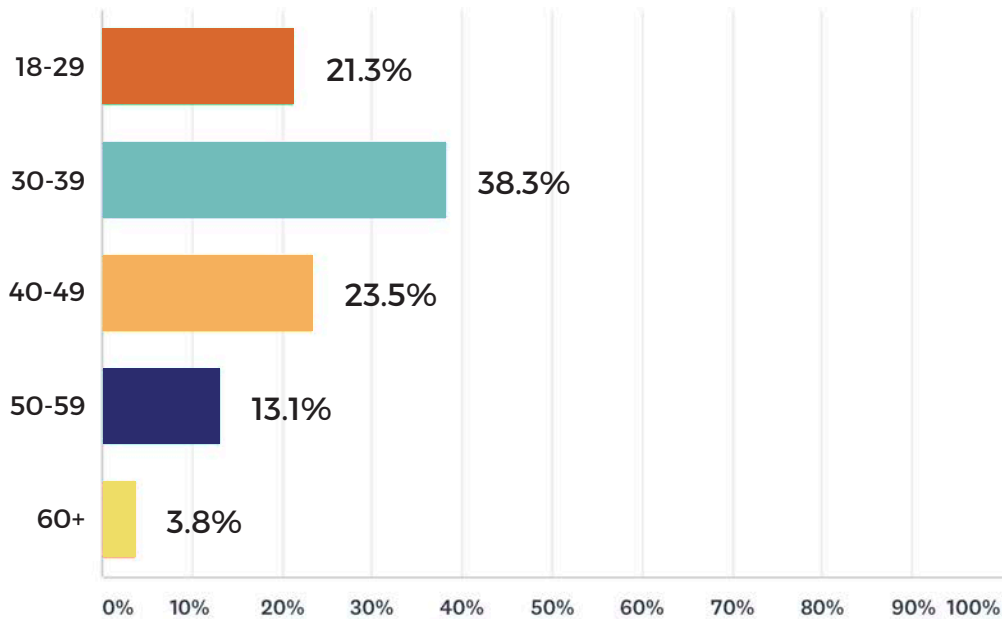
- What are the most common reasons their company's business travelers book out-of-policy?
- How important are loyalty programs to the business travelers who book in-policy?
- What key features would make loyalty programs most appropriate for their organizations?

The survey respondents came from a variety of demographic perspectives. They ranged in age from 18 to 60+, and they hailed from regions including North America, Europe, the Middle East, Asia, Africa, and Latin/South America. Respondents represented companies ranging from teams of just a few people to those with over 5,000 employees. And while some reported taking only one or two business trips per year, there were also those at the opposite end of the spectrum who booked more than 20 business trips per year. Forty-five percent of respondents were corporate travel managers, and 55 percent were business travelers; they each answered survey questions geared specifically toward their respective group.

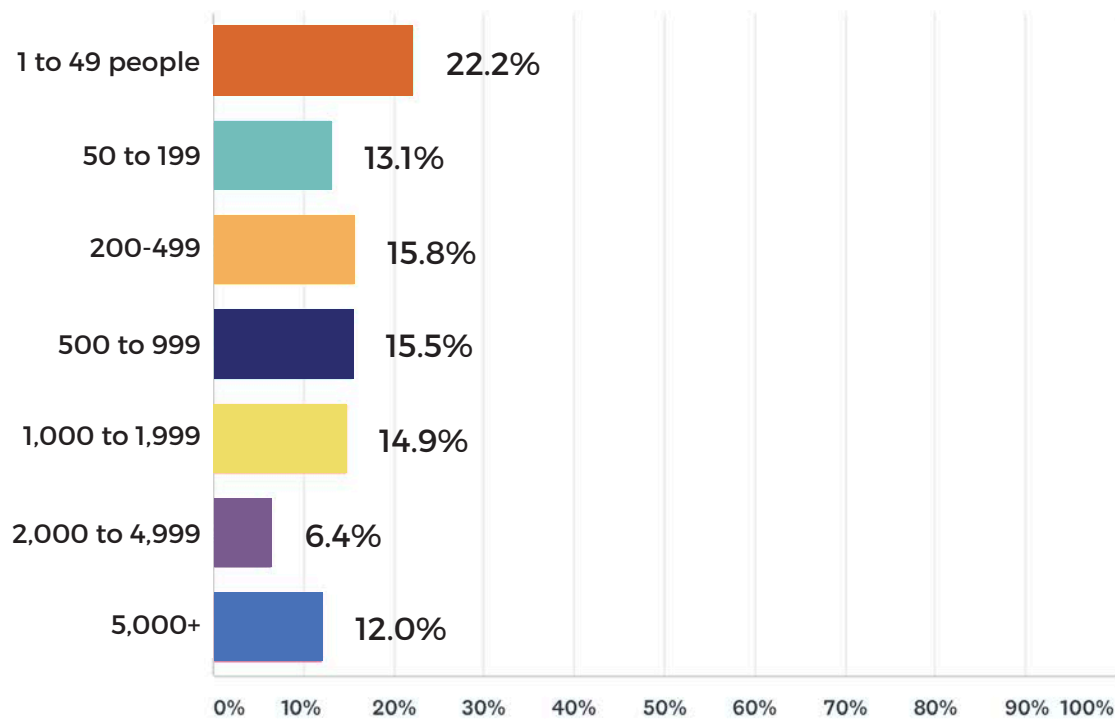
Where are you located?



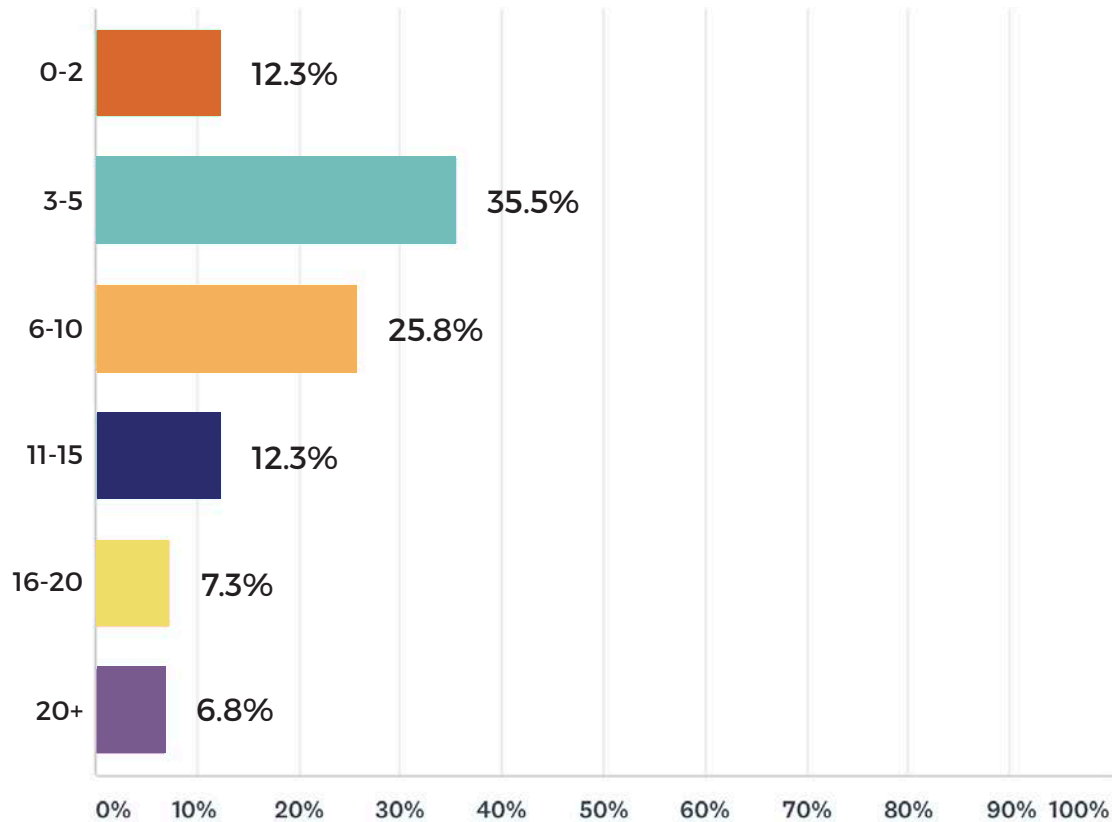
What is your age?



How many employees work for your company?

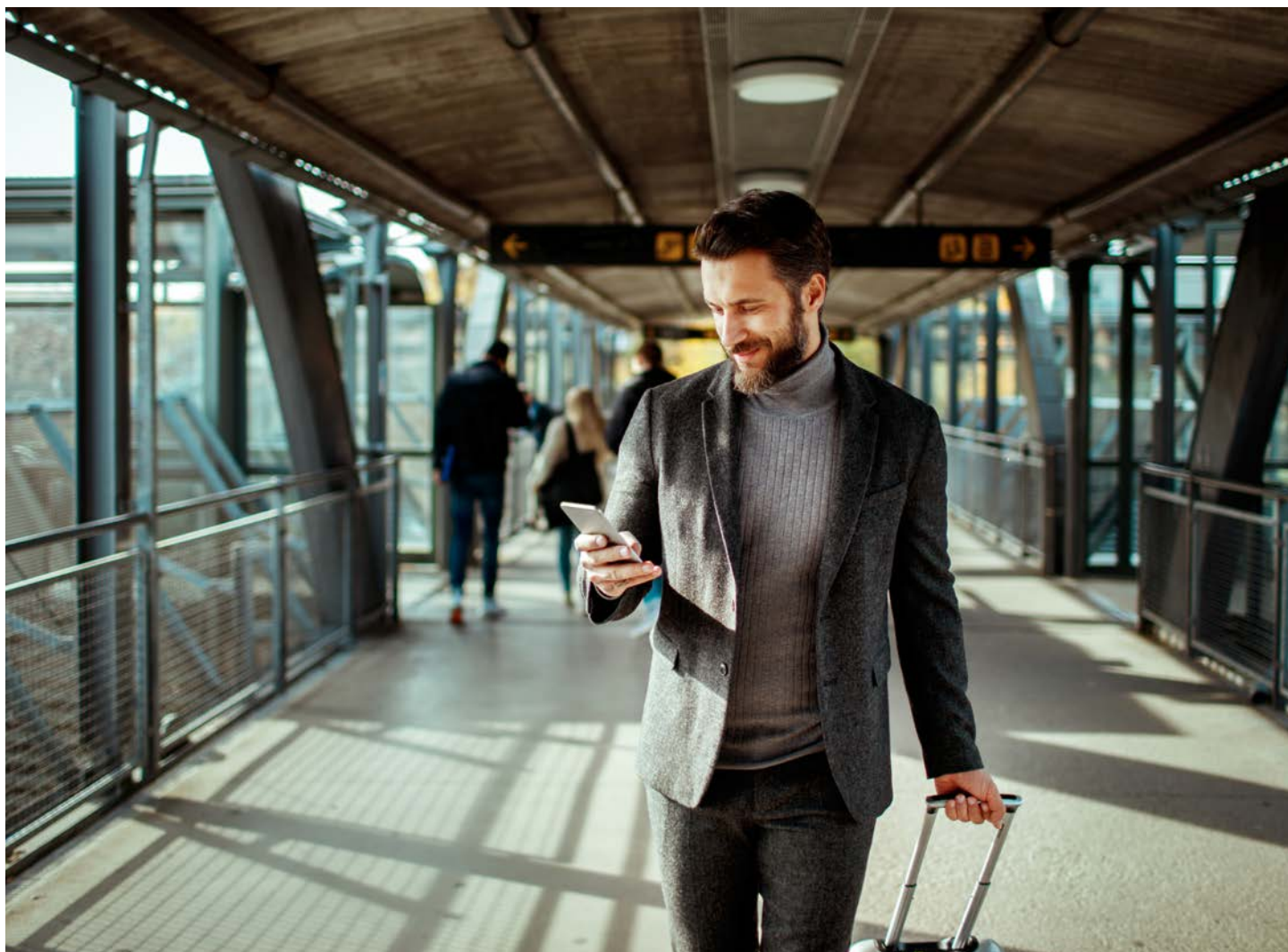


How many trips per year do you typically take for work?



The results of the survey, detailed below, make a compelling case for hotel loyalty programs as an integral component of future corporate travel policy decision making and contract negotiations, helping to bridge the compliance gap between business travelers and corporate travel managers. They also help paint a more detailed picture of how corporate travel managers can leverage the perks and rewards of loyalty programs to satisfy business traveler needs and encourage more in-policy bookings.

COMPLIANCE AND BOOKING HABITS



We know that compliance is incredibly important for corporate travel managers, and that increasing compliance requires a deeper awareness of business travelers' priorities. But how often do business travelers book with their companies' preferred hotel partners? And when they don't, what are the deciding factors that encourage them to book out-of-policy? Further, how well do corporate travel managers understand the reasoning that underlies business travelers' booking motivations?

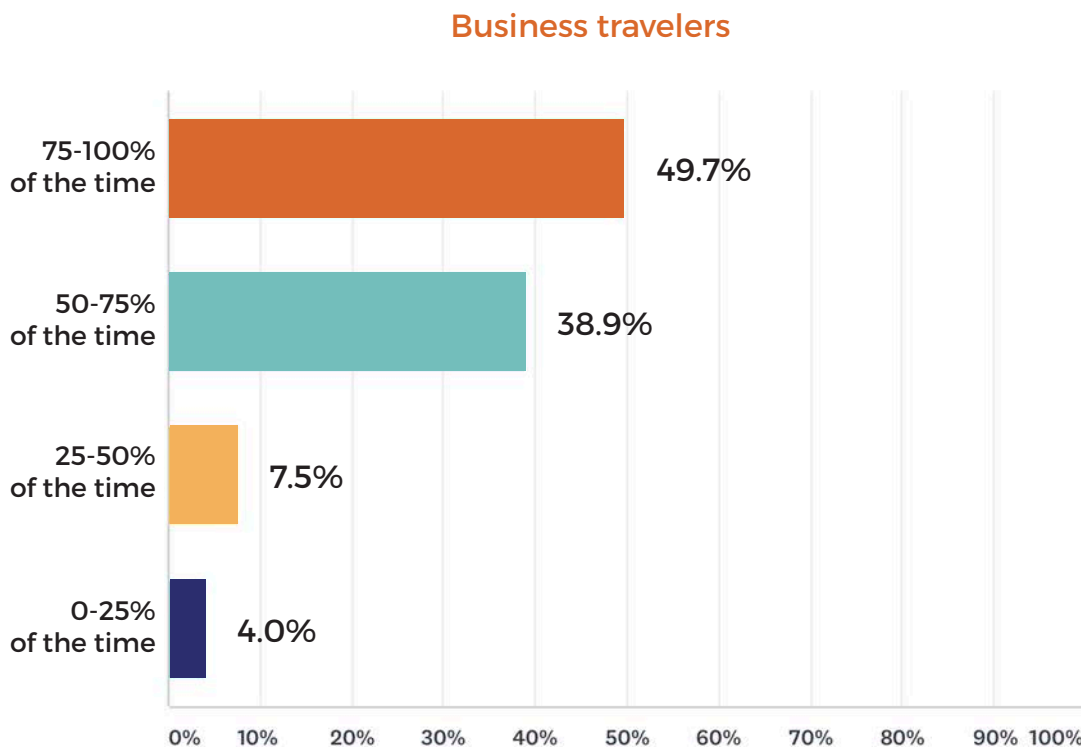
In this section we take a closer look at business travelers' general compliance rates, hotel booking motivations, and the overall importance of loyalty in purchase decisions.

Understanding Business Travel Booking Behavior

As much as out-of-policy bookings are a challenge for corporate travel managers, the good news is that a majority of business travelers do at the very least attempt to book within their corporate policies.

When it comes to making hotel arrangements, the survey found that half of business traveler respondents booked through their companies' preferred hotel partners between 75 to 100 percent of the time. Meanwhile, more than a third of business travelers said they booked using preferred hotel partners between 50 to 75 percent of the time, and only 11 percent said they booked through their companies' preferred hotel partners for less than half of their business travel arrangements.

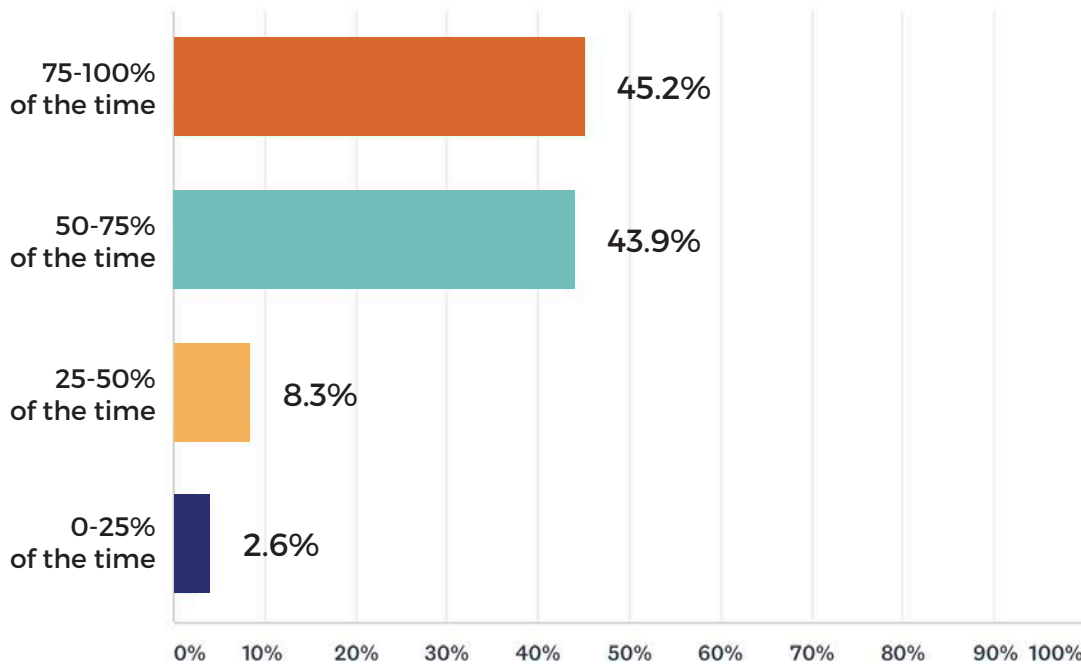
How often do you use your company's preferred hotel when booking work trips?



The survey results also found that corporate travel managers generally have a good grasp on business travelers' booking decisions. Forty-five percent of travel manager respondents said their employees made business travel arrangements through a preferred hotel partner between 75 to 100 percent of the time. Mirroring business travelers' estimates, 11 percent of corporate travel managers said that employees booked with preferred hotel partners less than half of the time.

How often do your employees use the company's preferred hotel when booking work trips?

Corporate travel managers



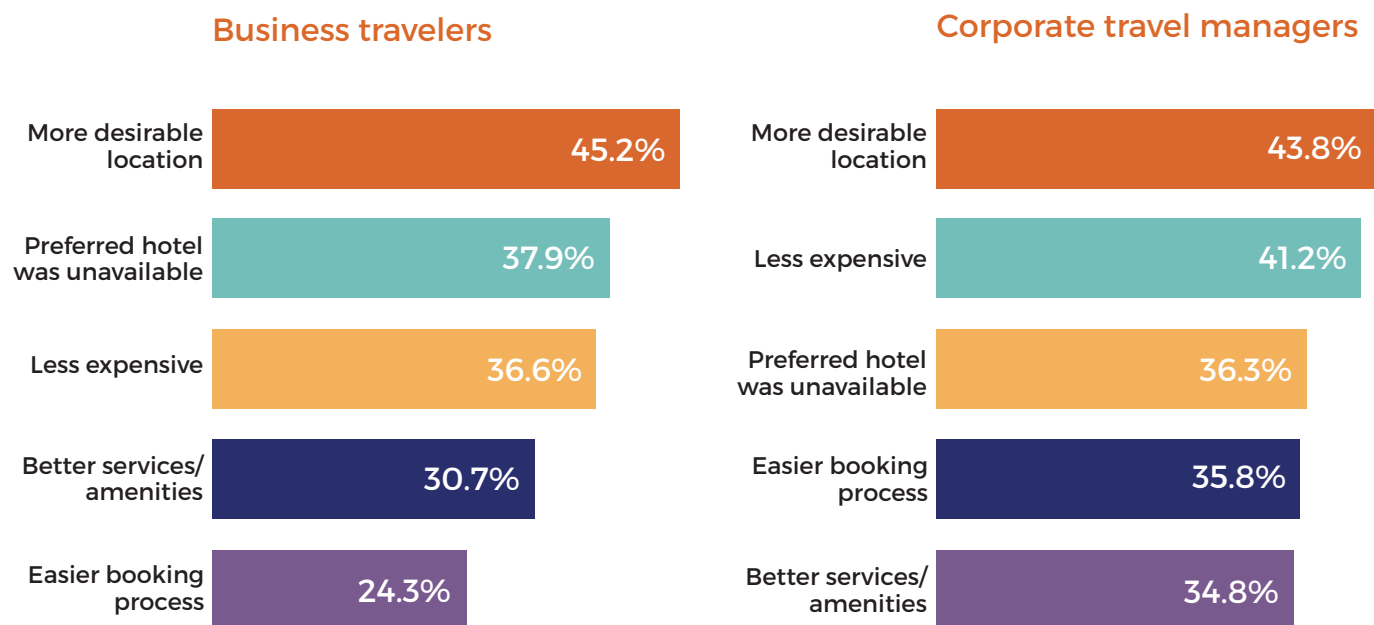
That being said, the compliance challenge is not completely solved. Forty-four percent of corporate travel managers also said employees booked with preferred hotel partners just 50-75 percent of the time; this five percentage point jump from what business travelers estimated further illustrates the ongoing gap between corporate travel managers' expectations and the reality of employee booking habits.

Business Traveler and Travel Manager Perspectives

We know that compliance with travel policies can be an issue. But as noted in the introduction, there are a variety of reasons why business travelers choose to book out of policy, whether that's due to a desire to pick hotels based on price or location, or because of the booking experience. Do those motivations match up with the responses of survey respondents?

When digging into the results, some differences are evident between corporate travel managers' assumptions about compliance and business travelers' booking priorities. For example, here is how each group ranked the reasoning behind employee decisions not to book with their companies' preferred hotel partners:

What are the primary reasons you/your employees don't book with the company's preferred hotel partners?



Both groups agreed that location is the number one reason a business traveler makes arrangements at an out-of-policy hotel. Price also ranked as a top three factor for both groups, but business travelers were actually more likely to book out of policy because their company's preferred hotel had no availability than simply because they found a better deal.

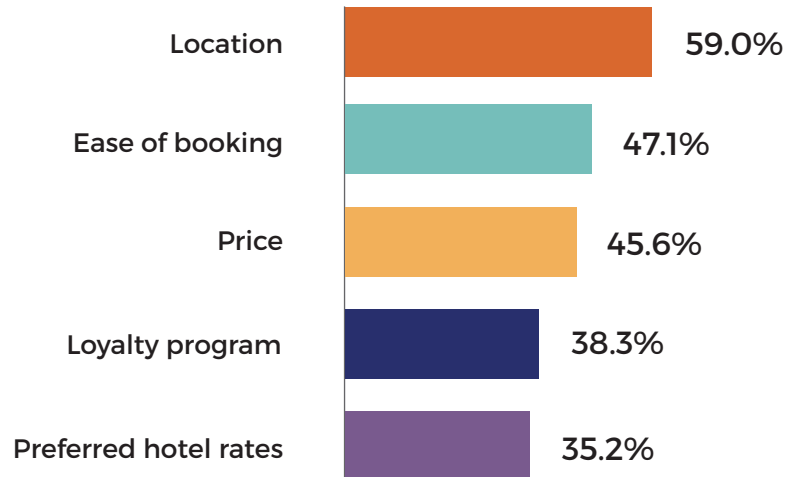
Similarly, corporate travel managers ranked easier booking processes as the fourth-most important reason business travelers would book outside their companies' corporate travel programs, when in reality, business travelers' fourth-most popular reason for out-of-policy bookings was better services/amenities, dropping easier booking processes to fifth position in the ranking.

It's well understood that location and price are priorities for business travelers. But assuming a company's in-policy partner hotels offer the right price and convenient location, it's easy to see how other factors related to the hotel experience become crucial differentiators in business travelers' decision making. For instance, consider business travelers' interest in features like better services and amenities, features which might present an opportunity for corporate travel managers to potentially integrate such offerings into contract negotiations in the future, helping to better satisfy their employees' needs in the process.

When considering the most important factor in where they chose to book, regardless of in-policy or out-of-policy restrictions, business travelers ranked the most important factors in the following order:

What is the most important factor in your decision about which hotel to pick for business trips?

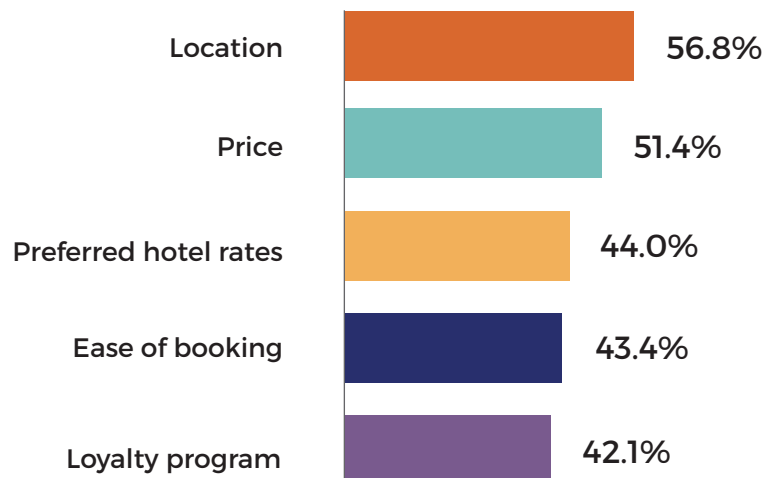
Business travelers



Meanwhile, corporate travel managers believe that the factors that contribute to employees' business travel booking decisions rank in this order:

What is the most important factor in your decision about which hotel to pick for business trips?

Corporate travel managers

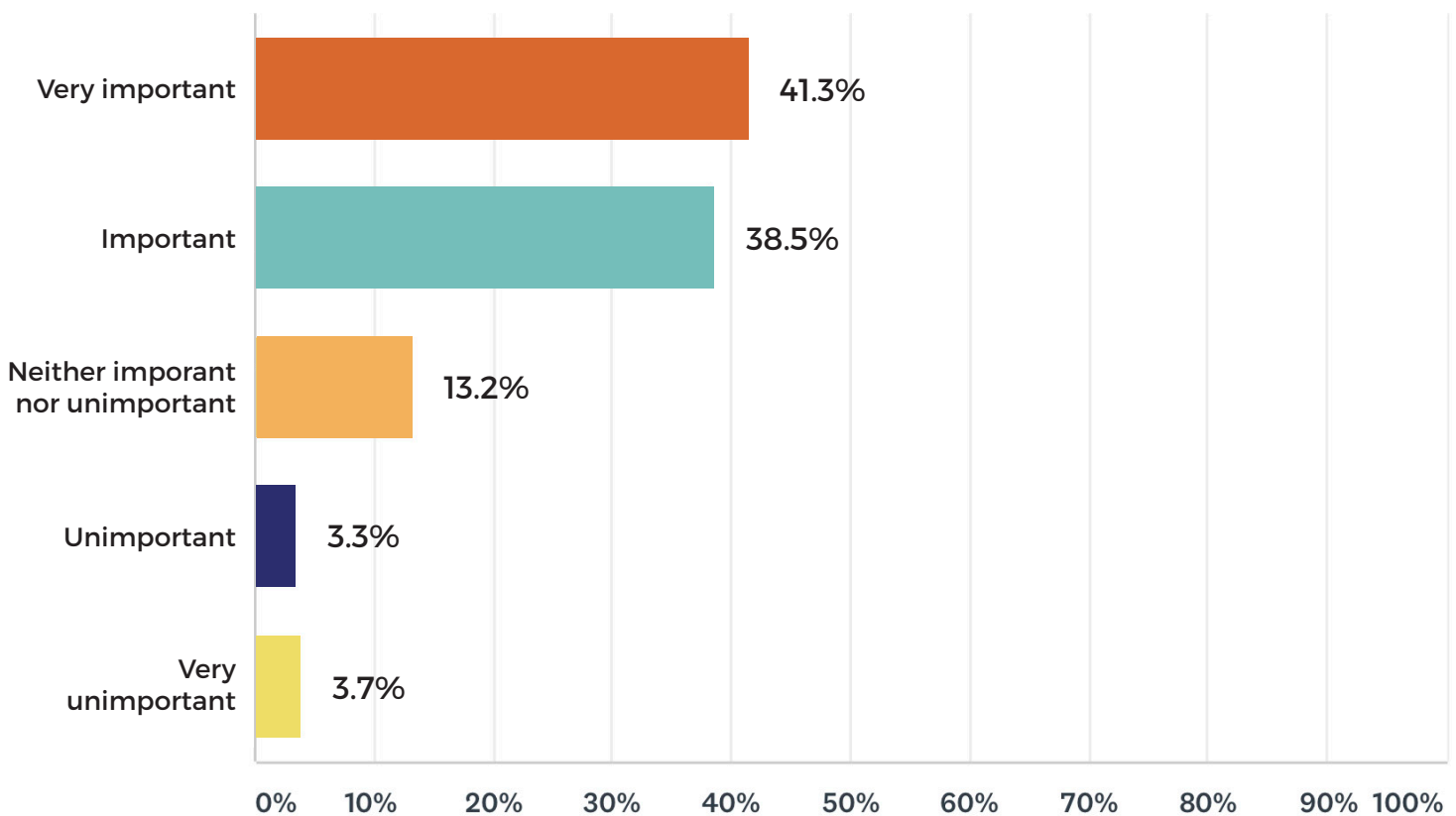


As expected, location, ease of booking, and price were once again key factors motivating business travelers' hotel decisions. And beyond these known priorities, many reported that loyalty programs were the next most important factor they considered when booking hotels. This stands in contrast to corporate travel managers, who ranked loyalty as the least important factor in employee booking decisions.

Still, all of these factors indicate opportunities for loyalty once again to serve as a bridge to greater compliance success. Even though business travelers ranked the importance of loyalty programs as the fourth most important factor in deciding which hotel to book, that doesn't mean loyalty programs were an uncommon consideration by any stretch; 79 percent of business travelers in the survey also said that loyalty programs were an "important" or "very important" factor in making decisions about which hotels to book for corporate travel.

How important is earning/redeeming loyalty points when deciding which hotel you choose for business trips?

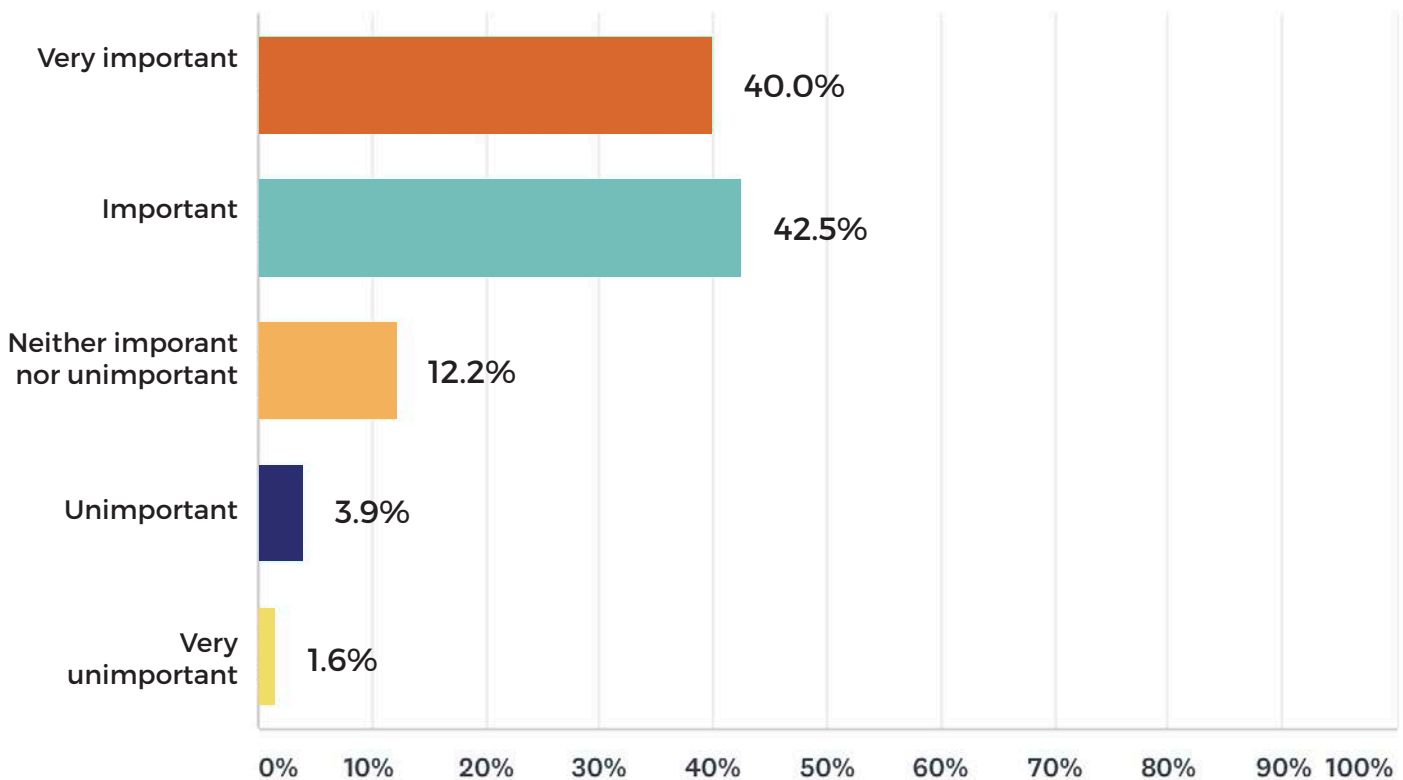
Business travelers



As we'll see in the section below, corporate travel managers are catching on to the power of loyalty programs, not only to suit business travelers' needs but also to help improve their corporate travel policies. While most corporate travel managers prioritize finding the best possible rates and a good brand reputation in selecting their preferred hotel providers, over 80 percent of corporate travel managers also considered the availability of a good loyalty program to be an "important" or "very important" factor in selecting their preferred hotel provider.

How important is earning/redeeming loyalty points in your employees' decision about which hotel to pick for business trips?

Corporate travel managers



REIMAGINING HOTEL LOYALTY



Source: Hotel Indigo® Venice - Sant'Elena, IHG Hotels & Resorts

We've now seen how business travelers and corporate travel managers prioritize their hotel selection in corporate travel policies. But how do they interact with loyalty programs in particular? Are all loyalty perks created equal? And how might different loyalty program incentives be useful to help encourage business travelers to more frequently book accommodations within their corporate policies?

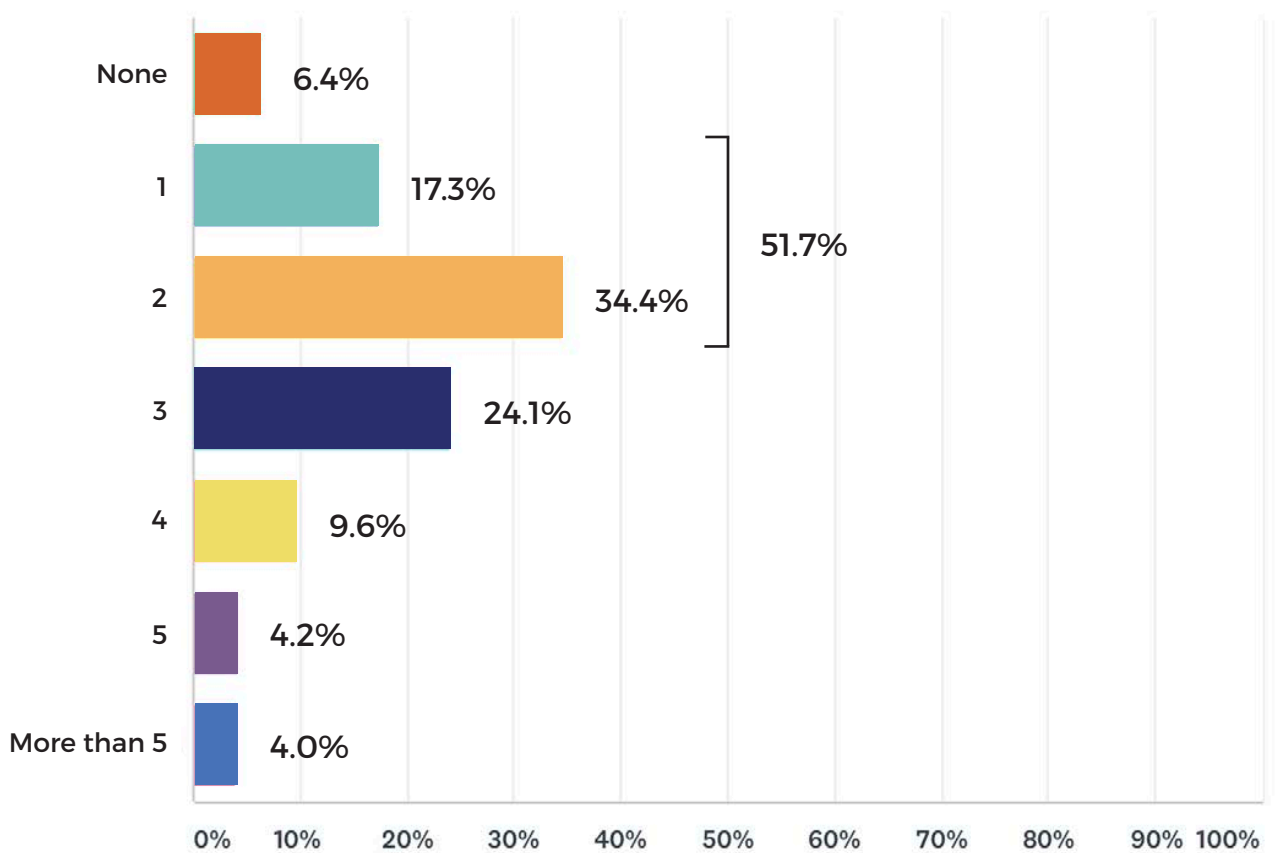
To better understand the power of loyalty programs, and how corporate travel managers can maximize the potential of corporate travel policies that include them, we dig deeper in this section into respondents' overall attitudes toward loyalty, as well as their opinions about key program features.

Hotel Loyalty Programs Matter To Business Travelers

The popularity of hotel loyalty programs is undeniable. Ninety-four percent of business traveler respondents in the survey reported that they are active members of at least one hotel loyalty program, having earned or redeemed loyalty points within the past calendar year. That being said, respondents were particular about how many programs they join: More than half of respondents said they were a member of just one or two loyalty programs.

How many hotel loyalty programs have you actively used (earned/redeemed points) in the past 12 months?

Business travelers



The fact that most business travelers rely on fewer than three programs suggest they may be trying to raise their rewards status faster, indicating an opportunity for corporate travel managers to consolidate programs through incentives, helping them earn and redeem more rewards at a faster pace. And, overall, we can assume that most business travelers are accustomed to using loyalty programs through which they earn and redeem points to obtain various perks.

Of course, loyalty programs are not a business travel given, as companies' preferred hotel partners don't always offer or include them in negotiations. But as noted in the previous section, four out of five business travelers said that the ability to earn and redeem loyalty points was either "very important" or "important" in their decisions about which hotels to choose on business trips; only four percent of business travelers said that loyalty programs were irrelevant to their business travel.

**Only 4%
of business travelers
said that loyalty programs
were irrelevant to their
business travel.**

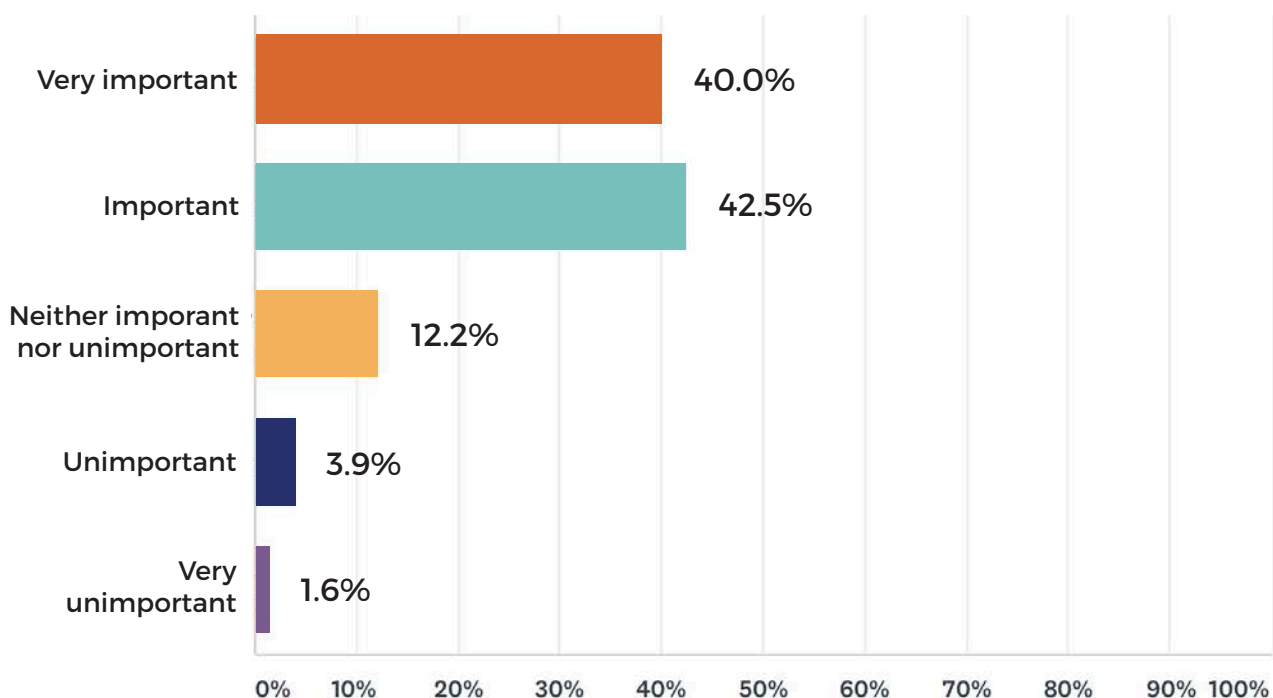


The good news is that many corporate travel managers seem to already be aware of just how important hotel loyalty programs are to business travelers, and are beginning to look for ways to customize these programs for their organizations to help incentivize employees.

According to one manager who handles corporate travel for a global consulting firm but asked to remain anonymous, loyalty has become increasingly important in his company's policy goals. "Loyalty is at the heart of all programs now, as I believe it truly influences where people book," said the manager. "We have seen more and more people choose hotels based on their loyalty programs, and we see varying trends that show business travelers scaling from luxury through to midscale and economy hotels just so they can earn their points."

How important are hotel loyalty programs in your employees' decisions to stay at a specific hotel?

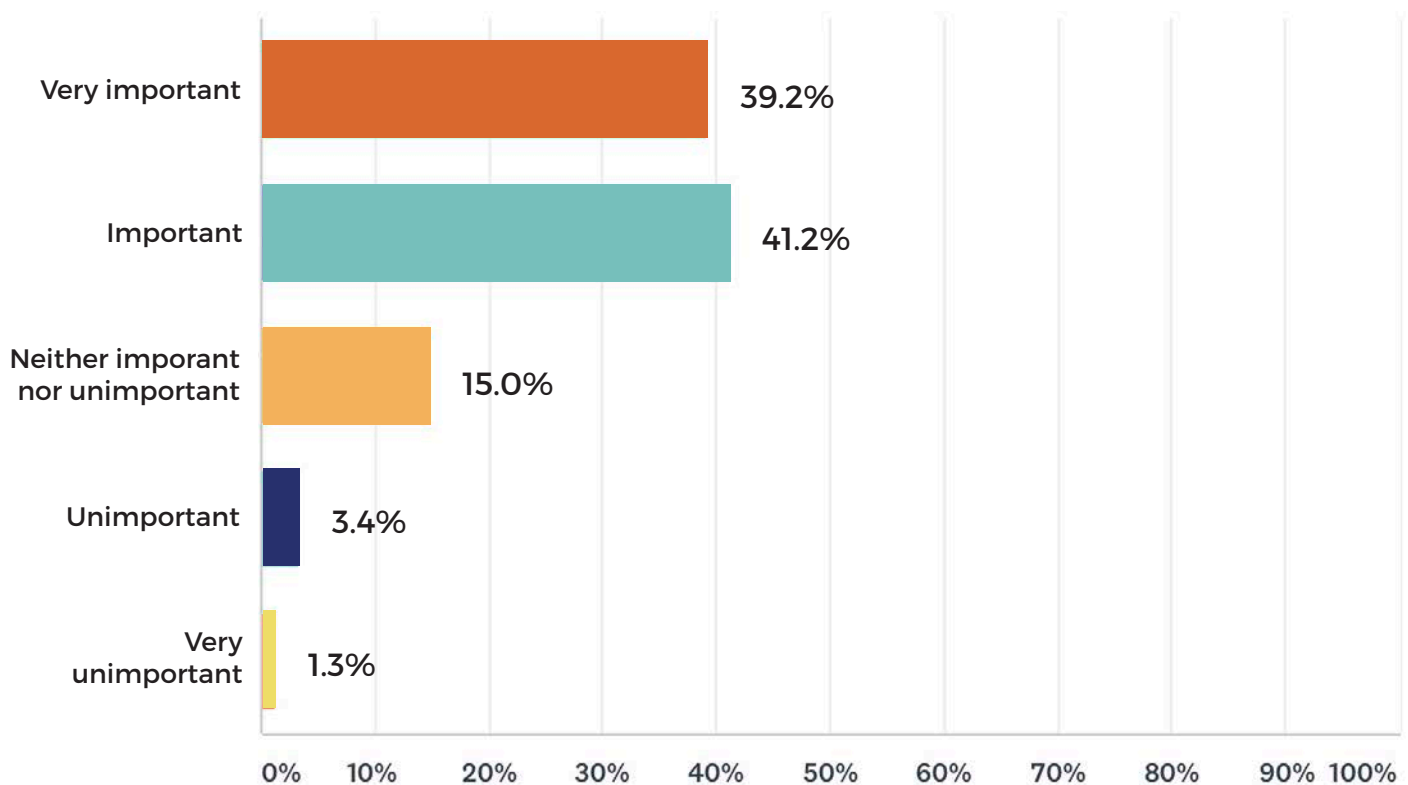
Corporate travel managers



This growing faith among corporate travel managers in the power of hotel loyalty programs is aligned with the survey results. When asked to assess the attitudes of their employees toward hotel loyalty programs in the chart above, more than 80 percent said hotel loyalty programs were either “very important” or “important” in their employees’ decisions to stay at a specific hotel. Meanwhile, the same group of respondents indicated that giving employees opportunities to earn and redeem loyalty points was either “important” or “very important.”

**When choosing a preferred hotel partner for your company,
how important is it that employees can earn loyalty points at that hotel?**

Corporate travel managers



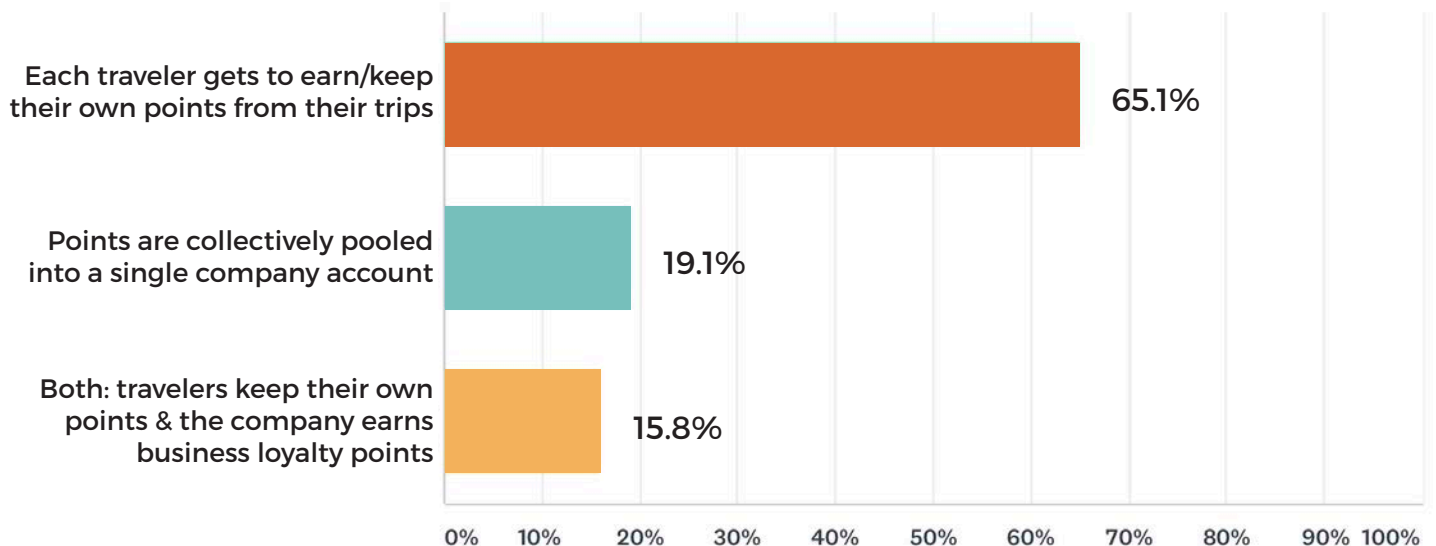
Dream Loyalty: The Features Business Travelers Want

We now have evidence that business travelers and corporate travel managers have a favorable attitude toward loyalty. But how can they incorporate that knowledge into reimagined policies and future supplier negotiations, helping create a meaningful impact on program compliance? Beyond the demand for loyalty programs generally, this section examines the specific features that business travelers hope to find in an ideal loyalty program, offering a roadmap for corporate travel managers to integrate such options into their programs.

Not all loyalty programs are created equal, and there are plenty of ways that loyalty programs can differ, whether that involves the way points are earned or the perks and rewards offered. While many companies allow employees to keep the points they earn on their trips, either for use during future business travel or for personal use, a significant minority of survey respondents said their companies pool together all employees' points into a single company account.

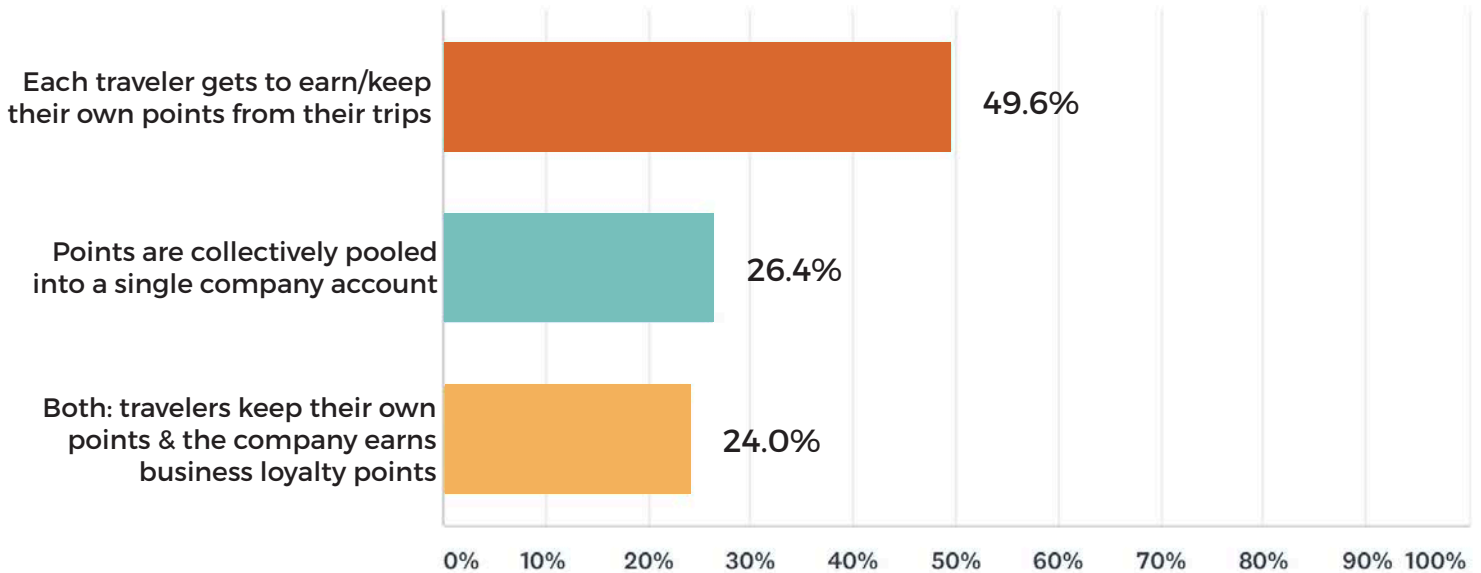
How does your company handle employee's hotel loyalty points?

Business travelers



How does your company handle employee's hotel loyalty points?

Corporate travel managers

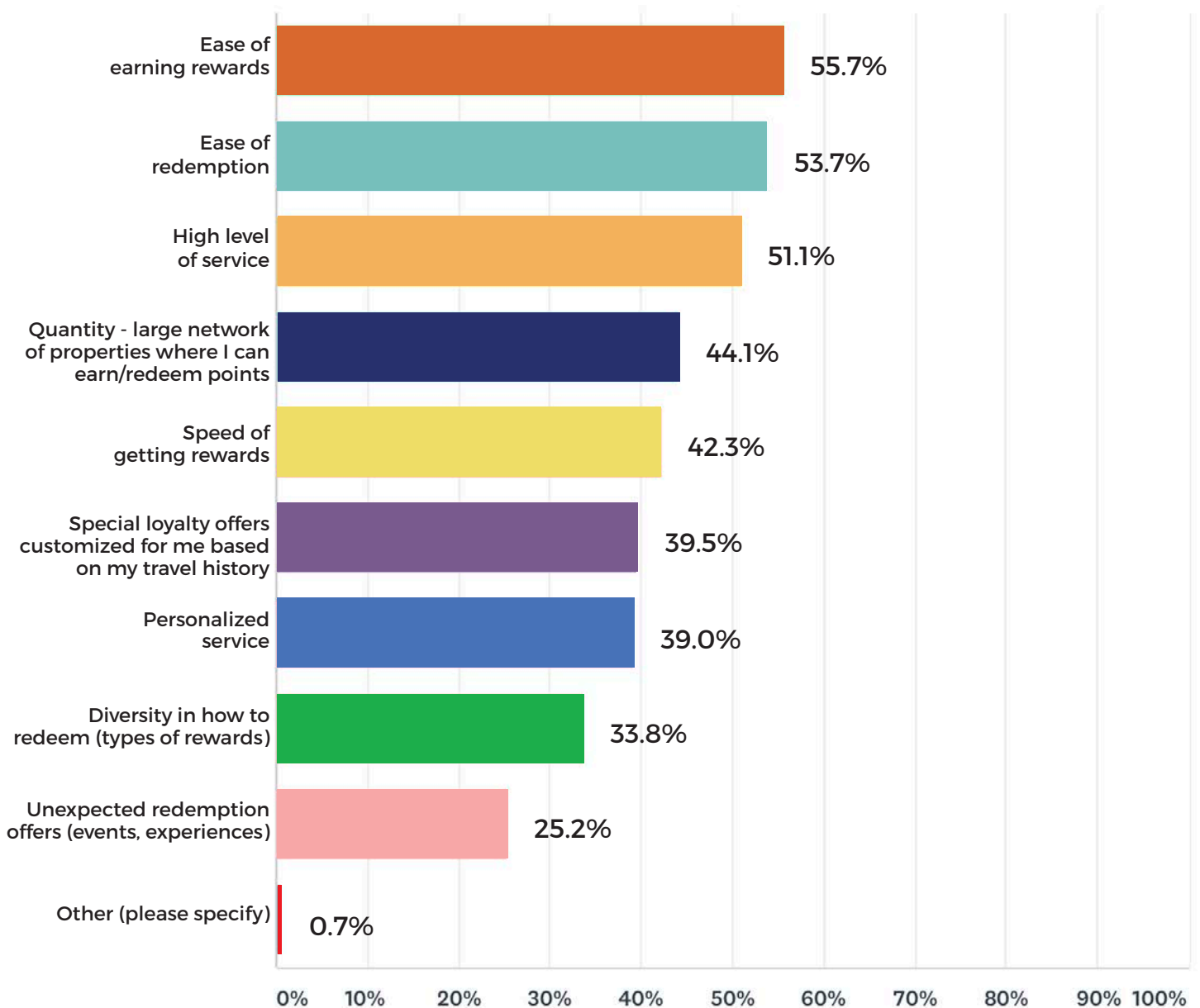


The preference for employee-only points systems is immediately obvious in the results, and those corporate travel managers who only negotiate for pooled company points often face frustration from employees who don't derive any benefits from their travels. As noted in the results above, a number of respondents reported that their organization offered both options.

When it comes to the most important loyalty program features, some aspects were clearly more important than others. Here's how business travelers ranked these loyalty program features in order of importance:

What are the most important features you look for in a hotel loyalty program?

Business travelers

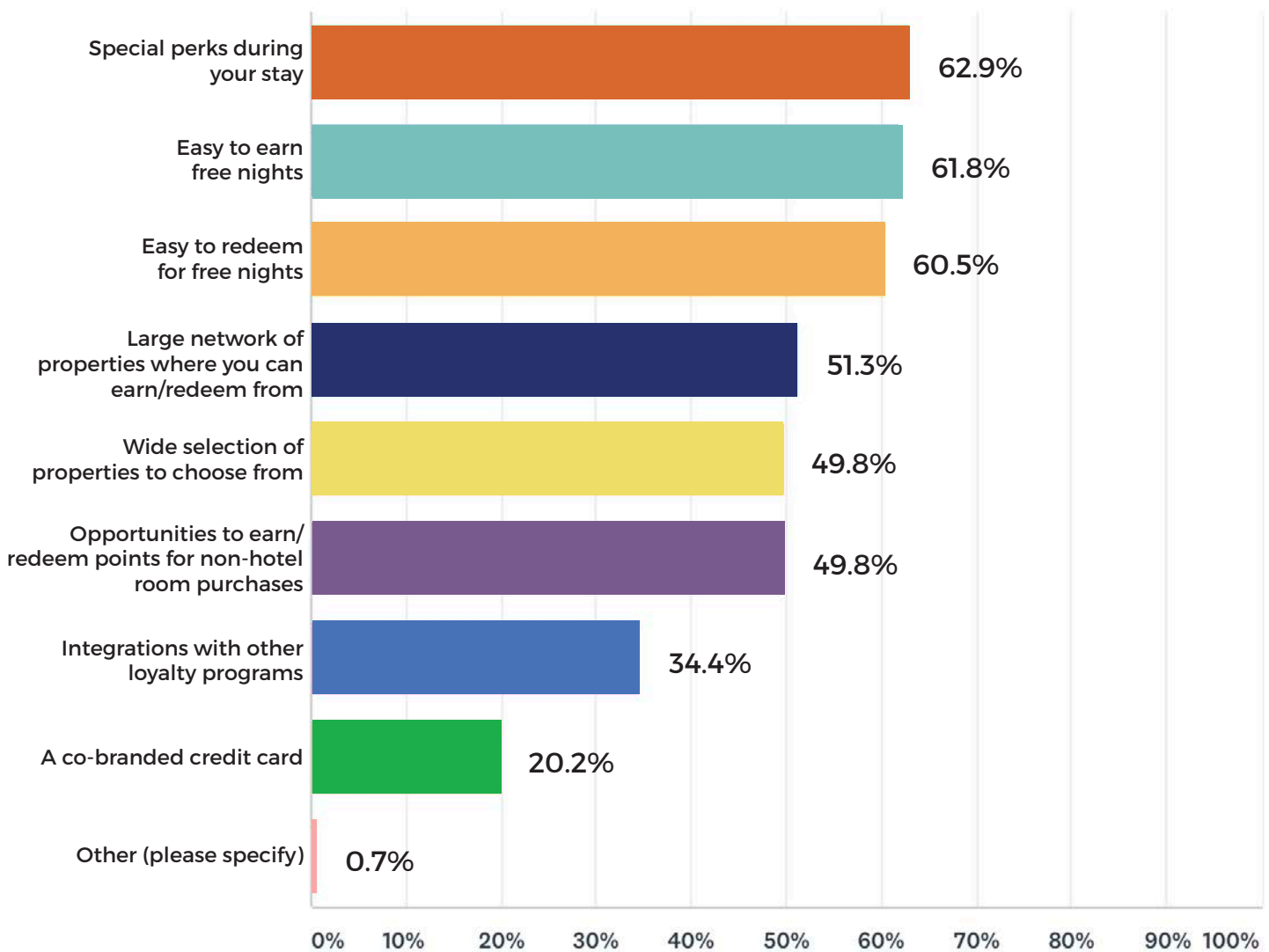


The ability to easily earn points and then redeem them for rewards were the two most important abilities that business travelers looked for. They also prioritized elevated quality of service; more than half of business traveler respondents identified those three attributes as the most important features they look for in hotel loyalty programs.

Business travelers also have clear preferences when asked to imagine their perfect loyalty program. Sixty-three percent said that special perks during their stay—like free upgrades, bonus amenities, and early check-in times—would be the most important feature. The ability to easily earn free nights was also very important, followed closely by the ability to easily redeem those free nights without restrictions like blackout dates.

What features (real or imagined) would your ideal hotel loyalty program offer?

Business travelers



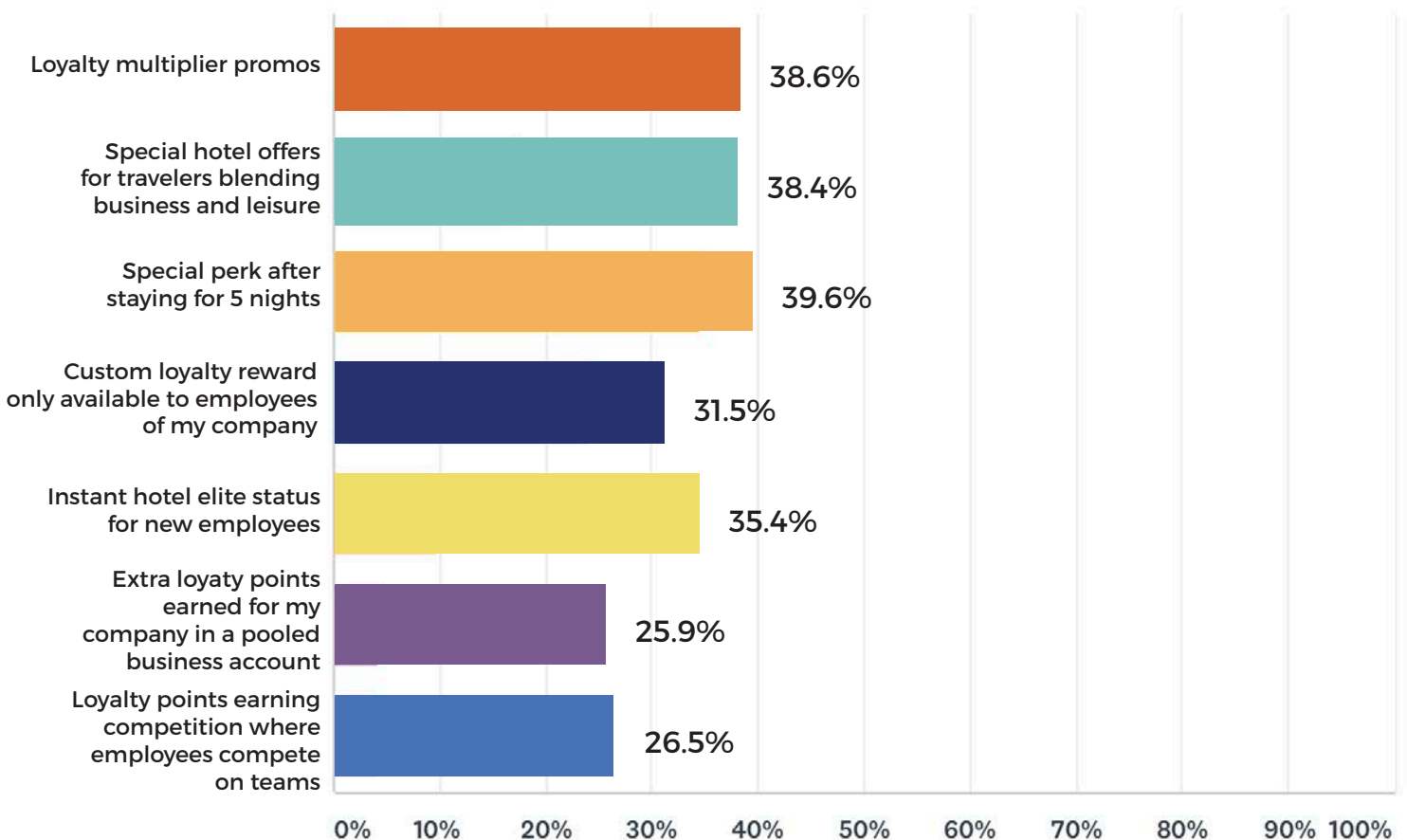
Other popular features of business travelers' imagined perfect hotel loyalty programs included a large network of diverse hotel properties where they can earn and redeem points, and redemption opportunities for purchases outside the specifics of the hotel stay, like meals, business center transactions, and even flights.

What remains consistent is that hotel loyalty perks that benefit business travelers directly are more impactful than perks that go back into the company more broadly or connect to other loyalty programs. That is to say, pooled points and rewards are less compelling than perks that they can use in their own future travel. But that doesn't mean corporate travel managers shouldn't negotiate broader business benefits in corporate loyalty programs. Instead, it reinforces attractiveness of loyalty programs that offer both, including perks and rewards that can satisfy individual employees and the company-wide community.

When asked about potential loyalty perks that would be most influential on their decision to book in-policy, business travelers mentioned loyalty multiplier promotions, special offers for trips blending business and leisure, and perks unlocked by longer stays (more than five nights) as most appealing. Other imagined perks, such as instant elite status for new employees, were less popular.

Which of the following perks, if any, would you find very influential on your decision to book an in-policy hotel for your next business trip?

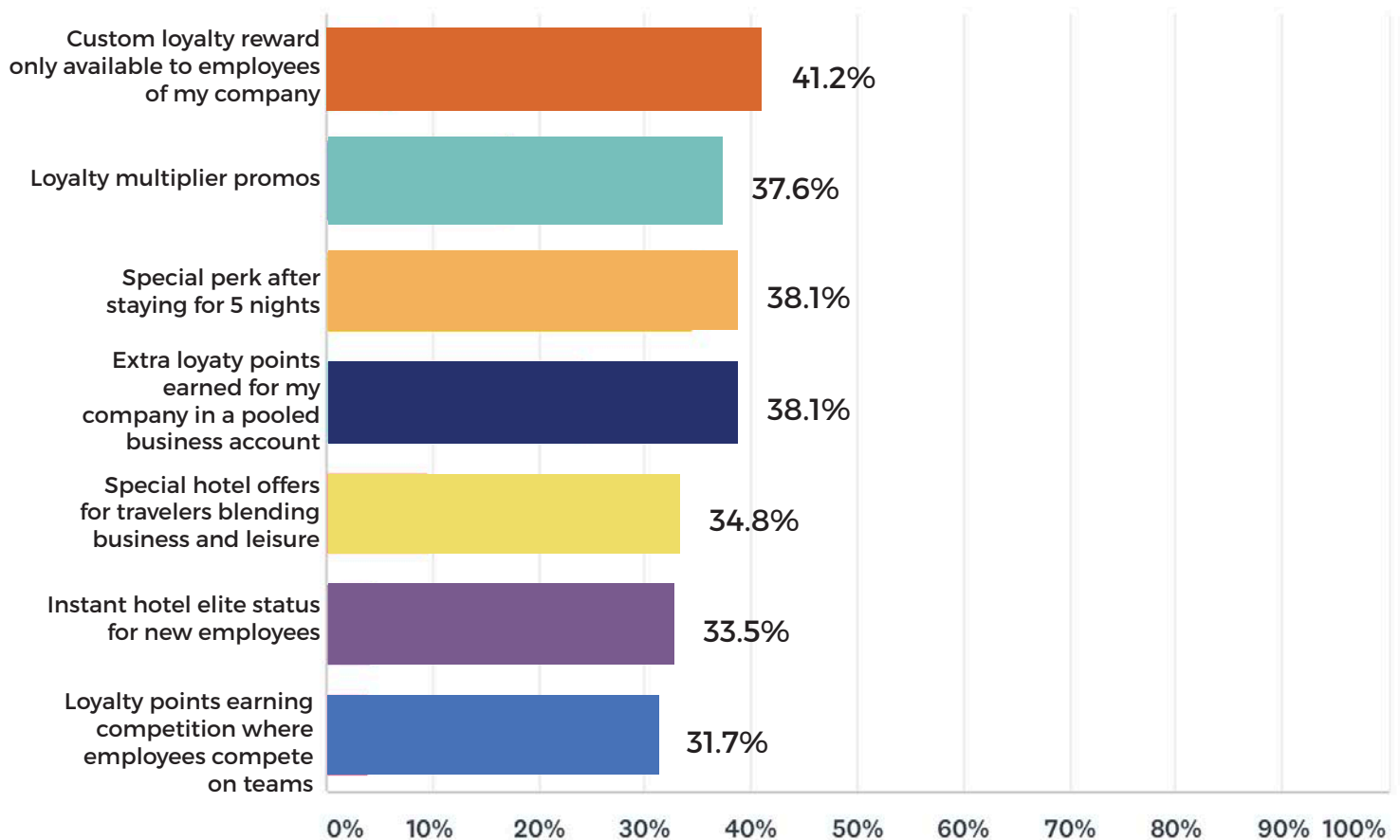
Business travelers



Meanwhile, corporate travel managers illustrated a slightly different set of priorities related to their preferred loyalty features. When asked to consider the loyalty features that would be most influential in their selection of a preferred hotel provider, the most popular option was a “custom company reward,” followed by “special perks” for longer stays and “extra points pooled in a company account” in second and third place. While there was some alignment (for instance, with special perks for longer stays) the responses suggest another potential gap between the corporate travel managers and the lived experience of business travelers; corporate travel managers would benefit from focusing on the feature requests of employees as they seek to increase compliance and build better programs moving forward.

Which of the following perks, if any, do you believe would be very influential on your employee’s willingness to book an in-policy hotel?

Corporate travel managers

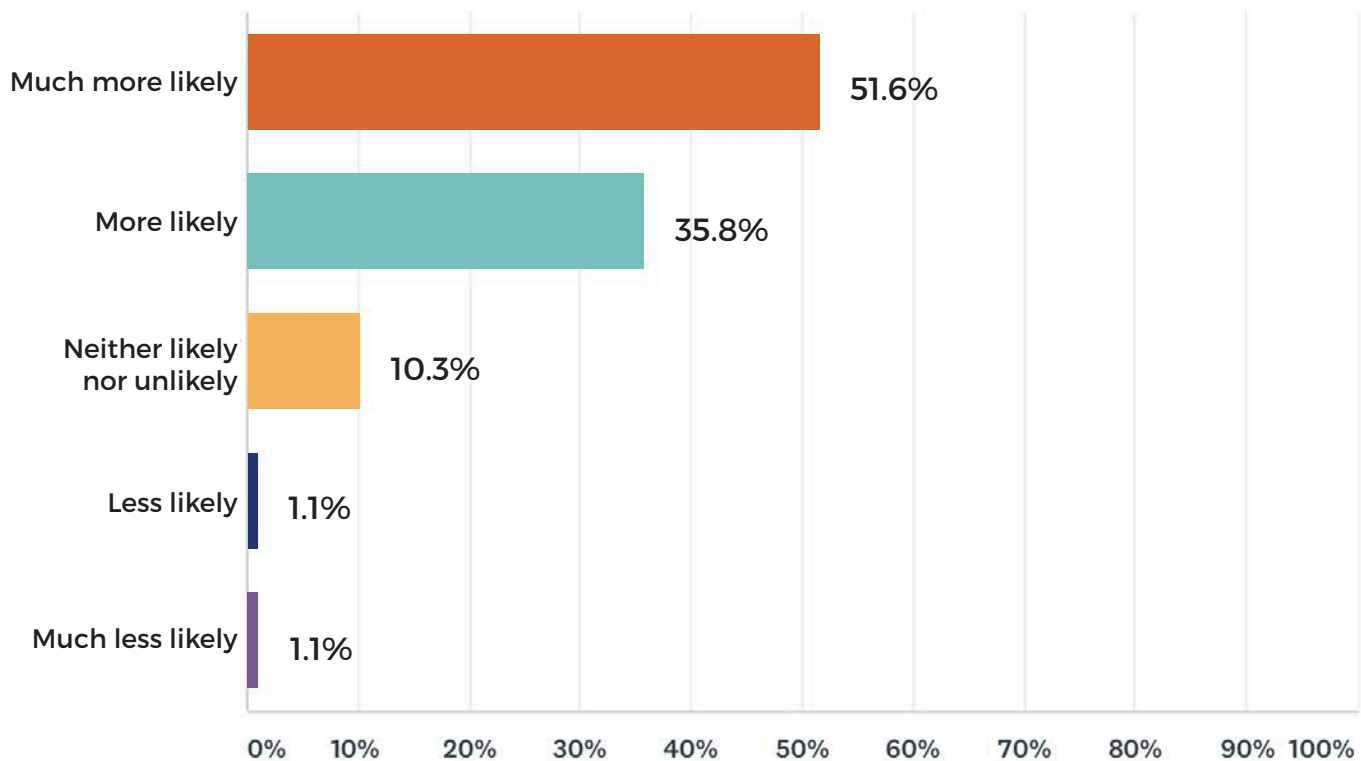


Hotel Loyalty Programs Impact Policy Compliance

In case there was any lingering doubt about the power of hotel loyalty programs as integral elements of corporate travel policies, more than half of business traveler respondents said they would be “much more likely” to book with their companies’ preferred hotel partners if they received special bonuses in the form of specialty loyalty points or perks. An additional 36 percent said they would be “more likely” to book in-policy if there were specialty perks involved.

How much more likely would you be to book with your company’s preferred hotel partner if you received special bonus perks?

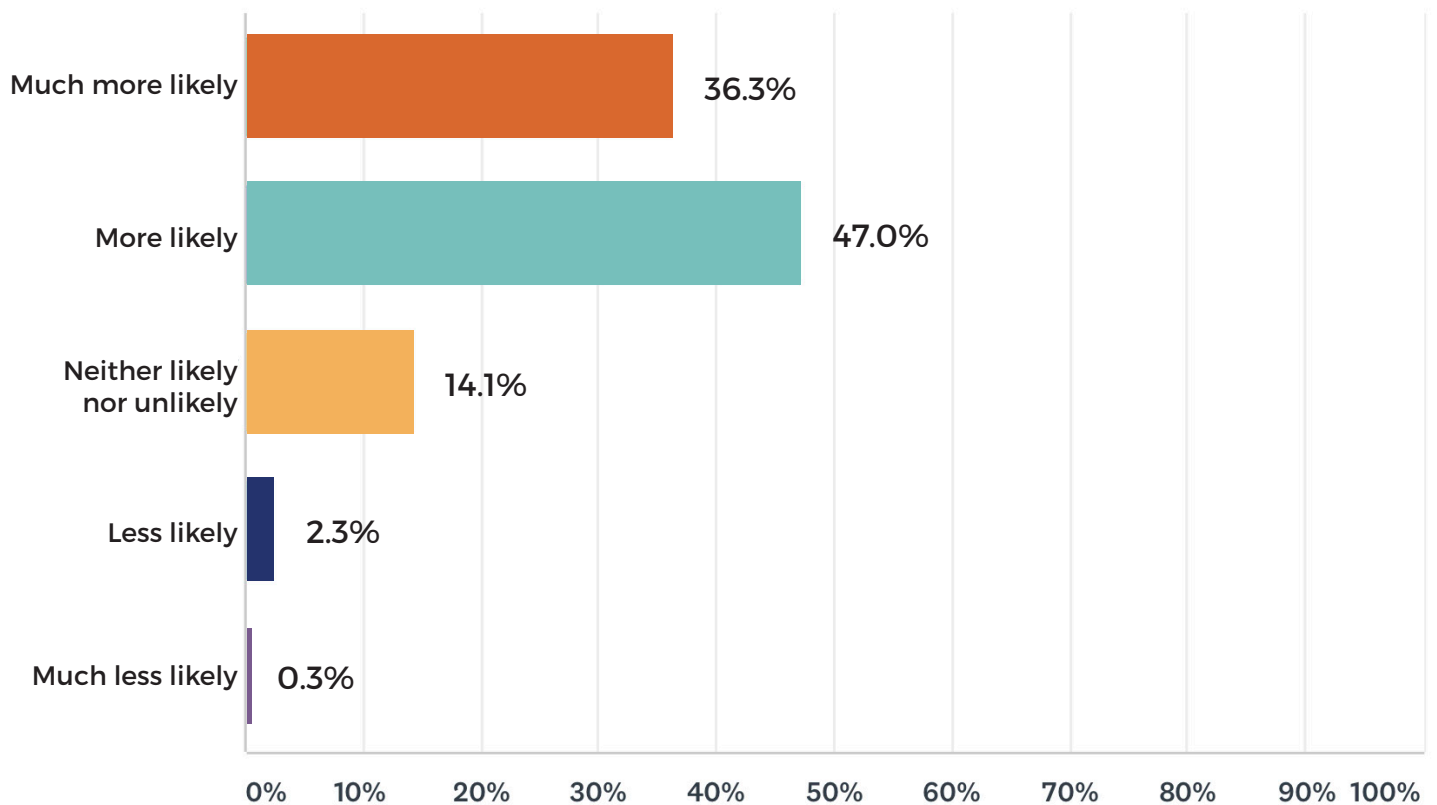
Business travelers



But by contrast, corporate travel managers weren't quite as ready to evolve their strategies around loyalty programs. Only about one third said they would be "much more likely" to choose specific preferred hotel partners if their employees receive special bonus points and perks, and 47 percent said they would be "more likely" to make that choice. Fourteen percent said they would be "neither likely nor unlikely" to choose preferred hotel partners based on the availability of bonus points for their employees, suggesting that there is a small segment of corporate travel managers who are unmoved by or unaware of the clear desires of their employees.

How much more likely would you be to work with a specific hotel partner for business travel if your employees received special bonus perks?

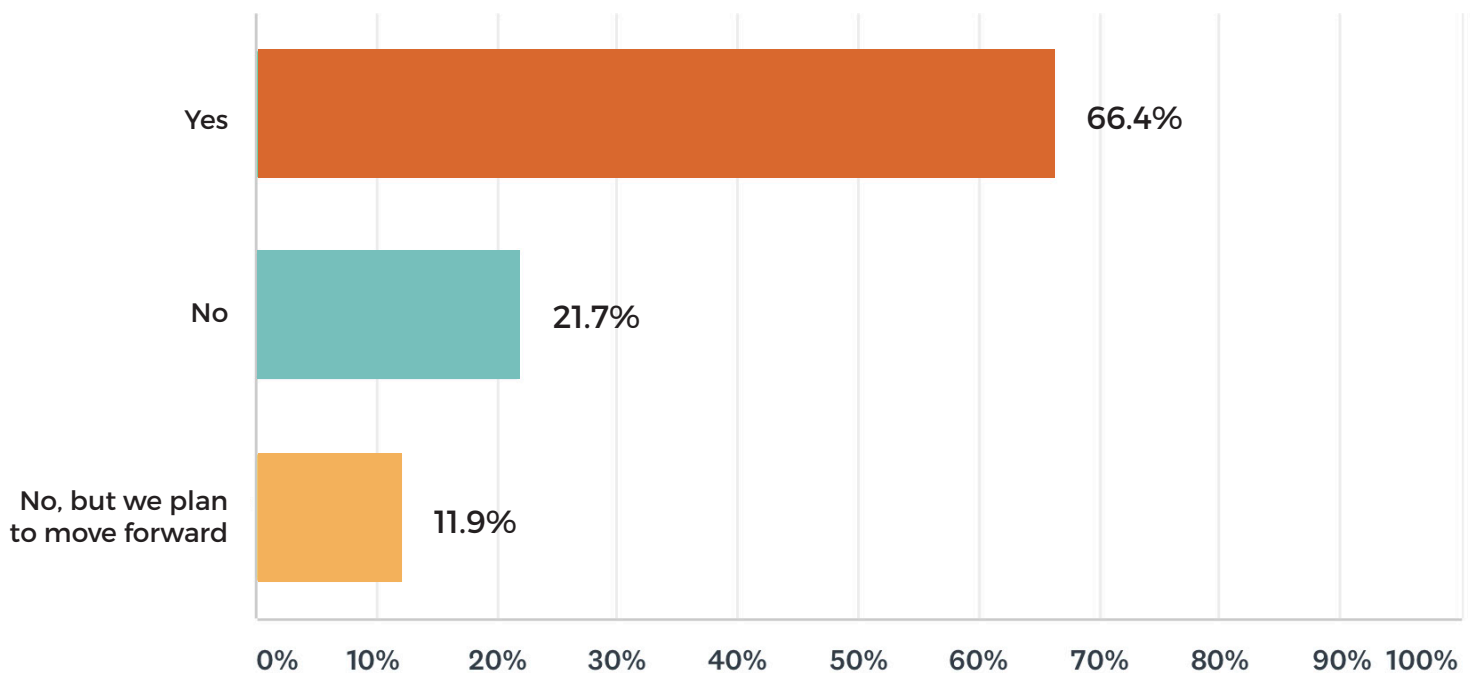
Corporate travel managers



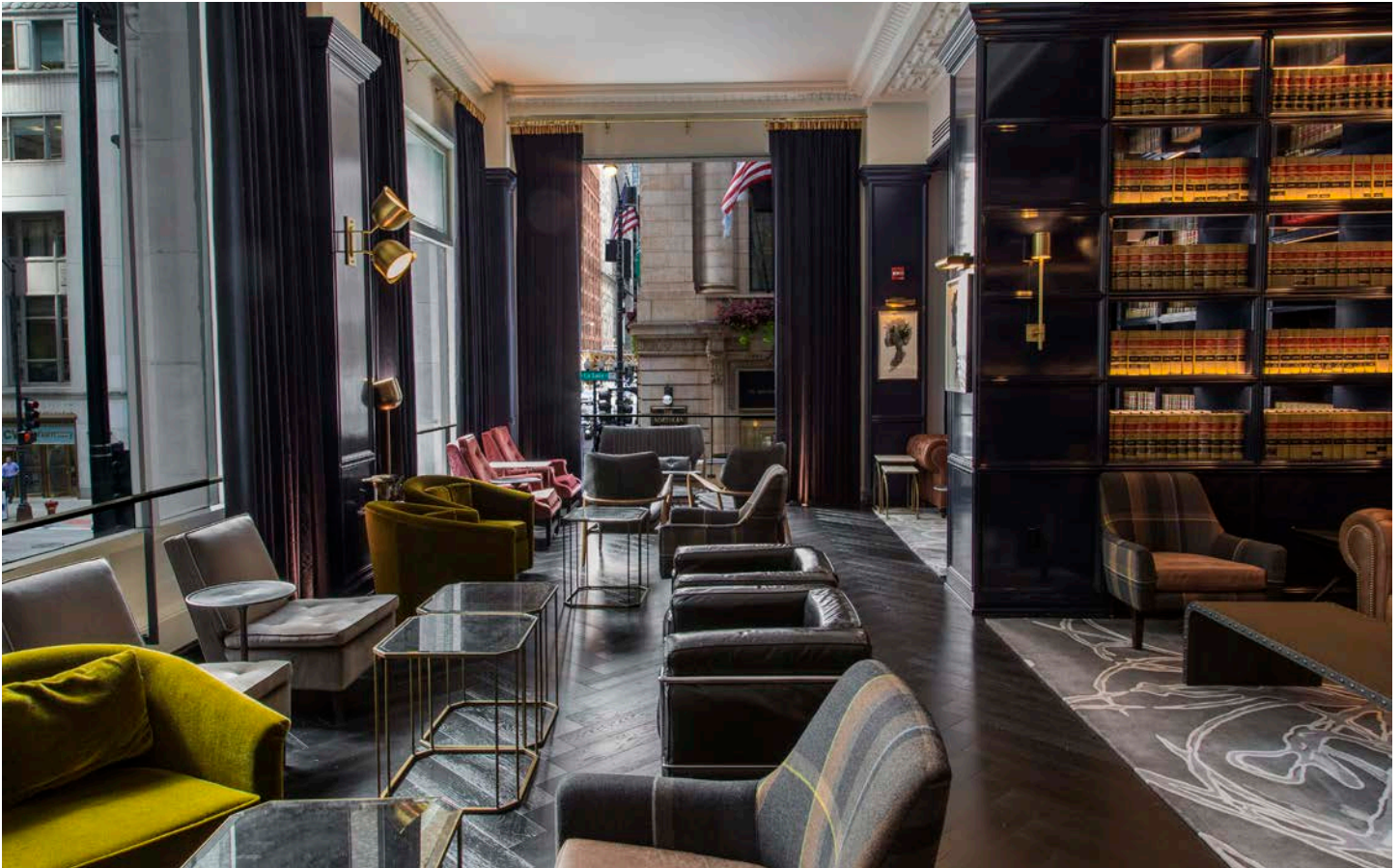
Those corporate travel managers uninterested in incorporating loyalty programs into their corporate travel policies remain in the minority, though. Two out of three said their organizations have already negotiated loyalty program benefits as part of their contract decisions with hotel suppliers, compared to 22 percent who said they had not negotiated such benefits. A further 12 percent said that they hadn't yet begun to negotiate loyalty program benefits in their contracts with preferred hotel partners, but that they already had plans to do so as their corporate travel policies continued to grow into the future.

Does your organization currently negotiate loyalty program benefits as part of its contract decisions with hotel suppliers?

Corporate travel managers



BUILDING A BETTER LOYALTY PROGRAM FOR CORPORATE TRAVEL



Source: Kimpton® Gray Hotel, IHG Hotels & Resorts

As the interest in loyalty programs continues to grow among business travelers, there's been increasing recognition of their value among corporate travel managers as well. In fact, those in the hotel sector suggest they are increasingly seeing loyalty program features included in recent contract negotiations.

"Loyalty has always been a part of the customer conversation, however now it's becoming a much bigger focus within negotiations," confirmed IHG's DeCross.

Nevertheless, many remain unsure of what features to ask for, and what may be available. "Travel managers are aware that their business travelers will sign up for loyalty programs and earn points from them—what they're not completely aware of is how to position them to add value to their travel programs," he said.

How might corporate travel managers make the most of loyalty to inspire policy compliance? Here are some of the ways IHG is already partnering with these decision makers to reimagine their programs with loyalty at their core, leading to more satisfying experiences and ultimately more compliant bookings.

Make In-Policy Bookings Easier, More Helpful, and More Satisfying

While it may seem obvious, hotel executives know one of the most effective ways to encourage business traveler compliance is by simplifying how corporate travel platforms store and integrate hotel loyalty information during the travel booking process. According to their experience, details like having a traveler's account number pre-loaded in a company's corporate booking tool can have a noticeable impact on booking decisions.

"We know we need to make it as easy as possible for our corporate customers and their business travelers," said DeCross. "One way we do this is by enabling them to input their corporate discount into their IHG.com profile and have that discount populate in their search results. Likewise, IHG was one of the first companies to enable Concur's TripLink product which allows business travelers to book on our direct channels and we pass back their booking information directly to Concur. This gives business travelers the flexibility to book through our app directly, for instance."

Translate the Best Benefits of Loyalty as Rewards for Business Booking

Adapting loyalty programs to integrate with corporate travel programs means putting business travelers' favorite benefits, rewards, and perks to use to help remove any lingering hesitation toward in-policy bookings.

This approach prioritizes the needs of business travelers, acknowledging that more satisfied employees are more likely to book again, and book in-policy. "Traveler satisfaction is at the heart of any good travel program," said DeCross, "and IHG Rewards Club can be a great tool to increase that. If a traveler can check in early, check out late, or receive an upgraded room on their business travel, that can play a big role in the overall enjoyment of their trip."

Personalized on-property benefits are another opportunity for hotel brands like IHG to further influence business traveler decision. "These benefits make each stay more comfortable and convenient," said IHG's Balsley. "Little things such as knowing if they want a room away from the elevator, to stay on a low floor, or a soft pillow. Benefits like complimentary upgrades when members reach Platinum Elite and Spire Elite status can go a long way in influencing decision making. These are things the guest can't always opt for in their room rate if they're traveling on business, but something they can receive at no cost from us as a thank you for choosing IHG."

Business Travelers Don't Just Want to Earn Points, They Want to Use Them Too

Since business travelers are often booking travel plans based on the needs of their companies, it can be hard to accumulate enough points to earn meaningful perks. "Generally speaking, you never earn enough points to qualify for a free night in a hotel," said an anonymous travel manager from a global consulting firm. "More flexibility around how to use points would be good."

This is precisely why hotel brands like IHG offer opportunities to spend points on things that travelers are likely to enjoy. "Within IHG Rewards Club we're just piloting the ability for members to pay with points on-property, giving them access to new redemption opportunities through a market-leading, mobile and technology enabled experience," said Balsley. "Members will be able to use points that they've earned on business travel to pay for food and beverage items, upgrades, or credit bills on their next business or leisure stay."

Reward the Most Loyal Business Travelers With Better Perks

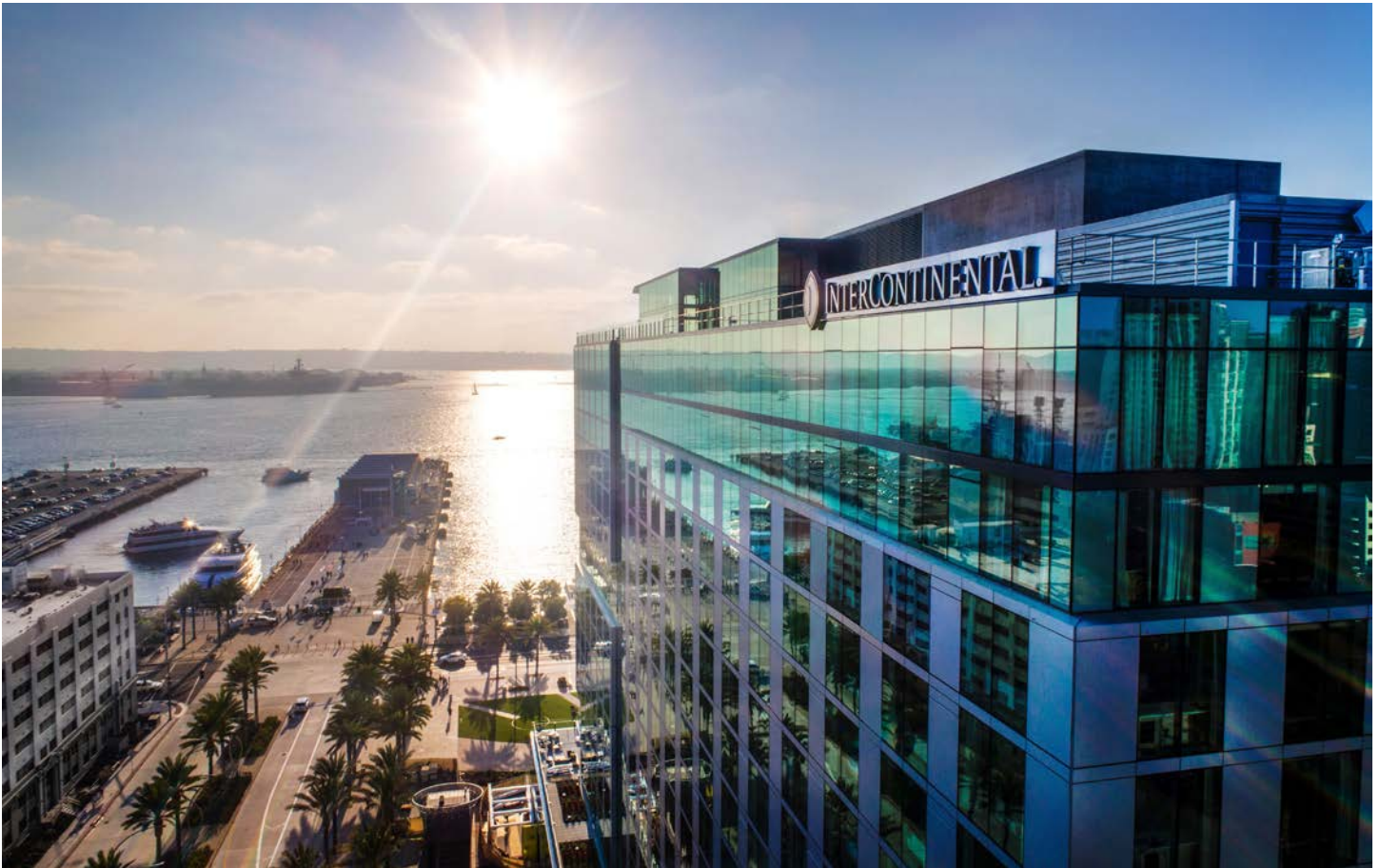
Every business traveler's needs are different. That's why there's an opportunity for corporate travel programs to use loyalty to reward more frequent travelers with better rewards.

IHG, for example, rewards frequent business travelers with more attractive earning abilities that accelerate the more they earn, translating to a faster path to better perks and earning even more rewards for future business or personal travel. "Strong redemption options also play a role in influencing decision making," said Balsley. "As our members accelerate through our tiers, the rate at which they earn points accelerates too. Once they hit Spire Elite with 75 qualifying nights, they'll enjoy 100 percent bonus points on top of their base points which means they can earn toward that Reward Night stay in New York City with their family twice as fast."

Better loyalty benefits also means reimagining rewards beyond traditional points-earning and redemption opportunities. "We've also been focusing on creating memorable moments through experiences money can't buy for our most valuable members," said Balsley. "As just one example, we recently invited some members to join us at the US Open where they got to play tennis with Andy Roddick, courtesy of IHG Rewards Club."

These experiences both derive from and further develop a more intimate understanding of what matters to IHG Rewards Club loyalty members and the business travelers that IHG serves. "Understanding our members provides us with an opportunity to build and create an emotional connection with them," says Balsley, "ensuring a consistent, rewarding stay experience which in turn allows us to create true advocates of our brands."

CONCLUSION



Source: InterContinental® San Diego, IHG Hotels & Resorts

Today, a growing chasm has opened between the needs of business travelers and corporate travel managers, creating an increasing problem related to travel program compliance. As more business travelers choose to “go rogue” with their hotel booking decisions, it’s creating growing company challenges related to areas like cost control, keeping employees safe on the road, and, ironically, more dissatisfied travelers who are unable to get support or assistance they need while traveling.

But this disconnect doesn’t have to persist. That’s because in the future, better corporate travel policies will utilize loyalty programs as a powerful tool to satisfy the needs of both corporate travel managers and business travelers alike. With all other factors equal—when hotels meet travelers’ needs by being well-priced and conveniently located—loyalty is a powerful way to encourage business travelers to book in-policy, making their travel arrangements at preferred partner hotels and using preferred booking tools.

Travelers want to be able to earn points that are easily redeemable for rewards that have an impact on their overall stay. On top of that, they want hotel providers that offer loyalty members a personal touch and customized stay experiences that go that extra mile. The ability to put rewards earned on business trips toward perks that benefit personal travel is also a great way to satisfy business travelers.

In order to incorporate loyalty benefits into their overall corporate travel policies, corporate travel managers also need to be able to provide those points, perks, and rewards wherever booking happens. For some, that may mean offering benefits through websites and apps managed by their preferred hotel providers, and for others that may mean better integrating such benefits into their companies' corporate travel booking tools.

These strategies, along with the results of the Skift and IHG survey, and the interviews with IHG executives listed in this report, all demonstrate how loyalty can inspire compliance among business travelers, and how corporate travel managers can better incorporate loyalty into their company policies. This shift in thinking will help better protect and support traveling employees while also benefiting their companies.

About IHG Hotels & Resorts



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IHG franchises, leases, manages or owns more than 5,700 hotels and nearly 856,000 guest rooms in more than 100 countries, with over 1,900 hotels in its development pipeline. IHG also manages [IHG® Rewards Club](#), our global loyalty program, which has more than 100 million enrolled members.

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