

## ITINERARIES

# Loyalty Programs For One-of-a-Kind Hotels

## Independents Join Forces to Challenge Chains

By JULIE WEED

It's a decision many business travelers would rather not have to make: stick with the big, predictable hotel chain and accumulate rewards points, or stay at the offbeat independent hotel but give up any rewards.

Now, independent hotels are finding a way around that decision by banding together to offer loyalty programs that reward repeat customers and attract new ones.

Groups including Leading Hotels of the World, the Preferred Hotel Group and the Stash Hotel Rewards program are among the rising number of groups offering incentives to repeat customers who stay at their independent hotels.

The result is that guests "no longer need to choose between staying at a unique property and earning credit toward a free stay," said Jeff Low, chief executive of Stash Hotel Rewards, a three-year-old program that has signed up 200 independent hotels.

A frequent-stay program lets independent hotels better compete with big brands, said Lindsey Ueberroth, president of the Preferred Hotel Group.

"We want to attract customers who haven't stayed at our hotels before and shift the loyalty of corporate travelers, who really value points, away from the chains," she said.

Amy Chen, a community manager for LinkedIn, has loyalty memberships with "all the major chains," she said, but prefers to stay in boutique properties, for their "décor and the intimate feel." She joined the Stash guest reward program when she found out that two boutique hotels she planned to book in Arizona were members.

"It was a happy surprise," she said.

In some cases, the independent hotels may not have the resources to create and manage their own loyalty programs, so "we provide this service for them," said David Rompf, senior director of loyalty marketing at Leading Hotels of the World. His program includes more than 400 luxury hotels.

Typically in these types of programs, points are awarded only to guests who

book directly with the hotel, so the loyalty plans can also be a way to steer customers away from online travel agents, like Hotels.com, which keep part of the nightly rate, Mr. Low said.

A recent study showed that travelers joining independent hotel loyalty programs spent more nights, and dollars, at those hotels. Guests who signed up for the loyalty program stayed an average of 50 percent more room nights and spent about 50 percent more over the course of a year at that hotel than guests at the same hotels who did not join the loyalty program, according to research

### Travelers inclined to the offbeat can get upgrades and other rewards, too.

sponsored by Stash and managed by the Cornell School of Hotel Administration and the University of Michigan.

Stash designed its program to be simple for customers, who earn five points for each dollar spent, but flexible for the participating properties to each set their own level of points required for a free night. Stash includes hotels along the price spectrum — current listings in the Seattle area include the Larkspur Landing in nearby Bellevue, an all-suite hotel with kitchens for 7,000 points per night and the trendy downtown Hotel Andra for 15,000 points.

Another independent loyalty program is Voila Hotel Rewards, which includes more than 100 hotels around the world.

The Preferred Hotel Group updated its iPrefer program last year, and about 450 of the group's 650 hotels participate, offering one point for each dollar spent. Guests exchange points for certificates they can use for hotel rooms, and in some cases dining or other products and services. Ms. Ueberroth said she hoped that partnerships and promotions

planned for this year would increase the number of program members to two million from the current one million.

The Leading Hotels of the World group has taken a different path with its program. For a \$150 annual fee, members receive breakfast with their room, Wi-Fi, upgrades and late checkout if available, and one free room night if they stay five times a year. For \$1,200, members receive guaranteed room upgrades, a card that gives them access to 600 airport lounges, membership for three people in their family and other benefits.

Barry Pozmantier travels frequently and has elite status at Hyatt, Starwood and the Intercontinental Group. Despite this he pays the yearly fee at Leading Hotels of the World to receive free room upgrades when they are available. He said sometimes a single room upgrade, like a recent one at Prague's Hotel Paris, more than paid for the annual membership costs.

The independent hotels have a chance to make some inroads with brand-loyal travelers because many of those brands have been making it harder to redeem a free room. Over the last year Hilton and some of the other major hotel chains devalued their loyalty points. Higher-level tiers were added, some hotels were moved to lower or higher tiers (but mostly higher) and some added seasonal pricing.

In January, Hyatt added a new, more expensive redemption level to its program, and in March, Club Carlson, which includes Radisson Hotels, increased the points needed to stay at some of its properties. The chains are aware of the potential effect these changes have on their guests and try not to push things too far, said Daraius Dubash, who runs the Million Mile Secrets travel website.

"The goal is often to move the goal post just enough so that folks keep staying and redeeming points at the hotel chain and don't feel persuaded to give up," Mr. Dubash said.

These industry changes however, represent "one more reason," Mr. Low said, that a traveler might try the new independent hotel loyalty programs.