

Does Loyalty in Travel Still Exist?

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Hotels.com®
The Obvious Choice™

Nelson Allen, Senior Director of Marketing, Hotels.com APAC

- 18 years marketing experience (15 in APAC)
- Moved from consulting to line management



Hotels.comTM



SAMSUNG

Does loyalty in travel still exist?

1

What is loyalty?

2

Building blocks

3

Real world case

4

The hypothesis

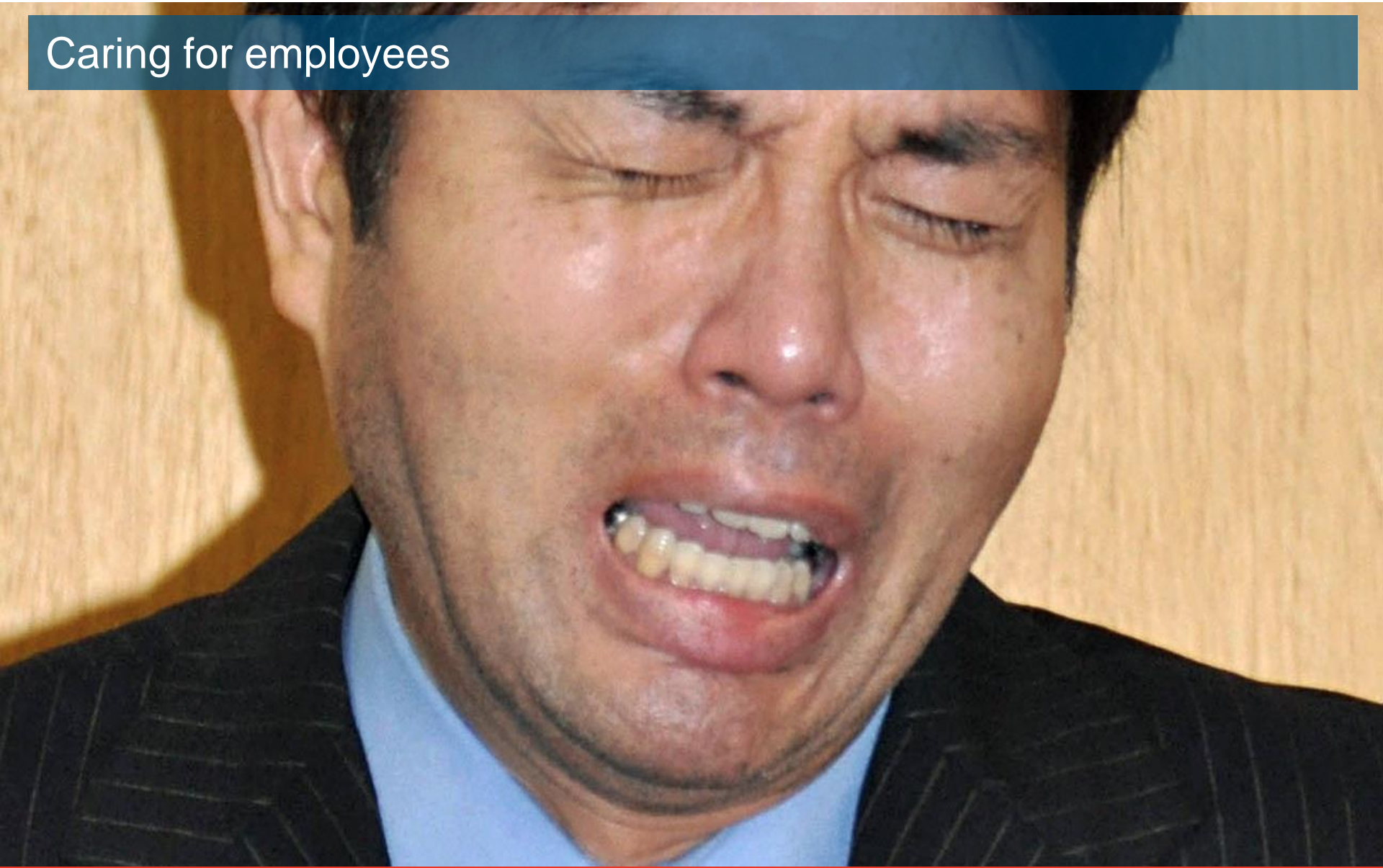
Connecting emotionally



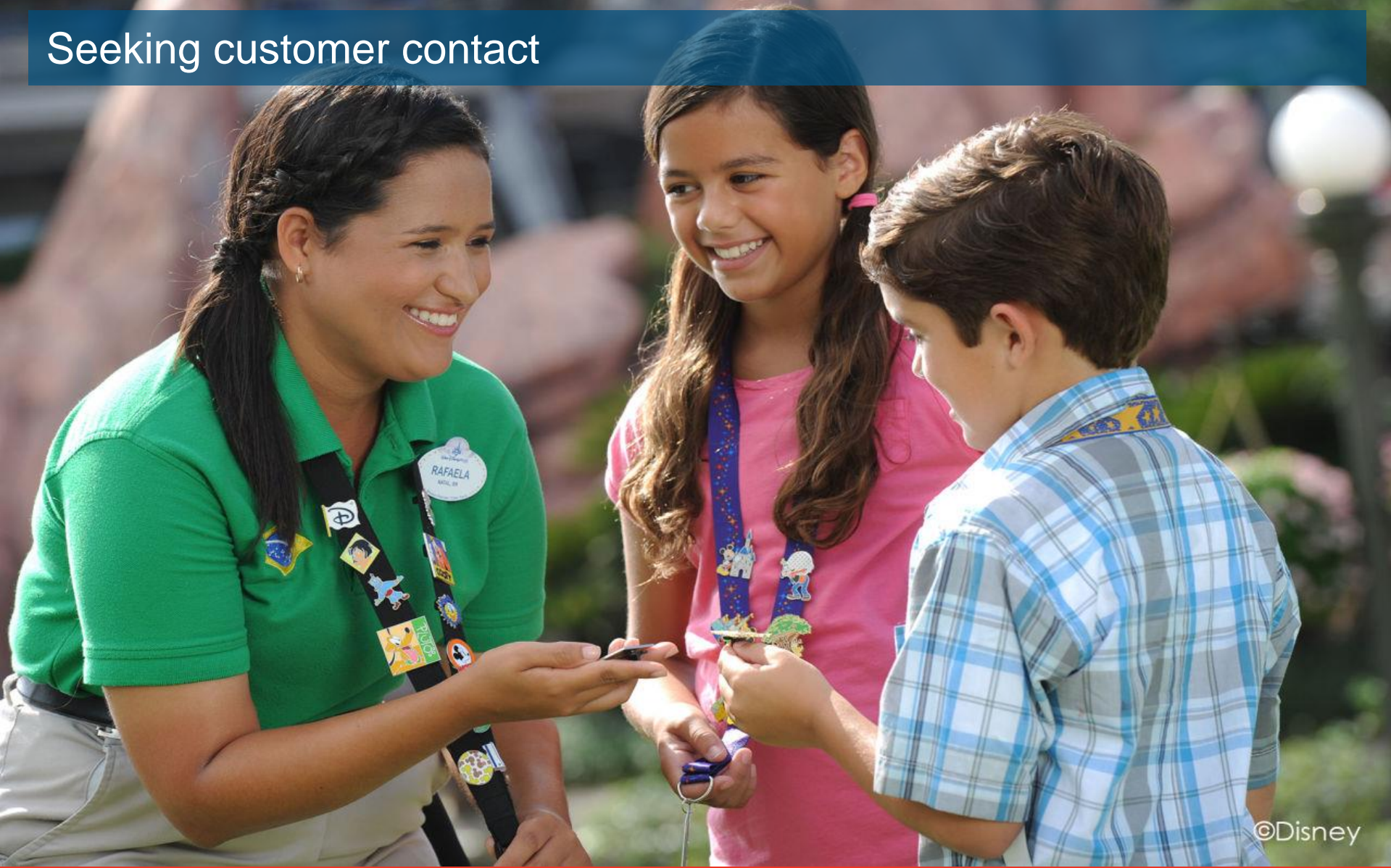
Earning repeat business



Caring for employees



Seeking customer contact



©Disney

Making it personal



IN SHORT...

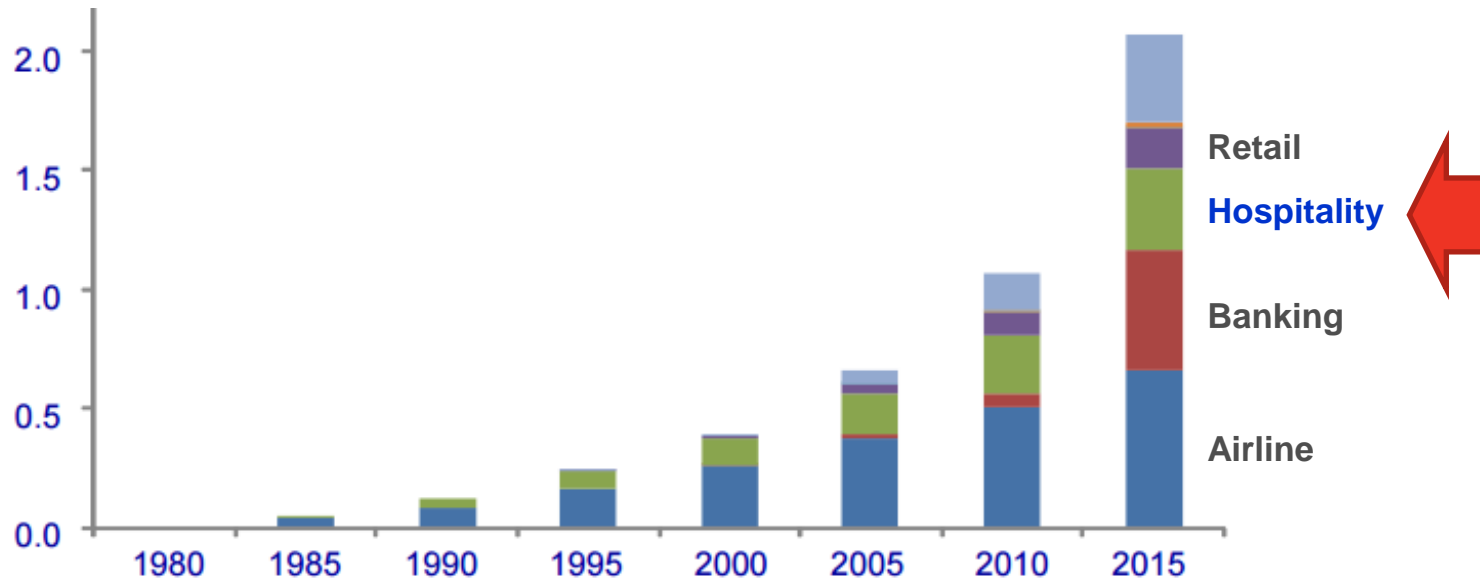
Superior customer experience



What about Loyalty Programs?

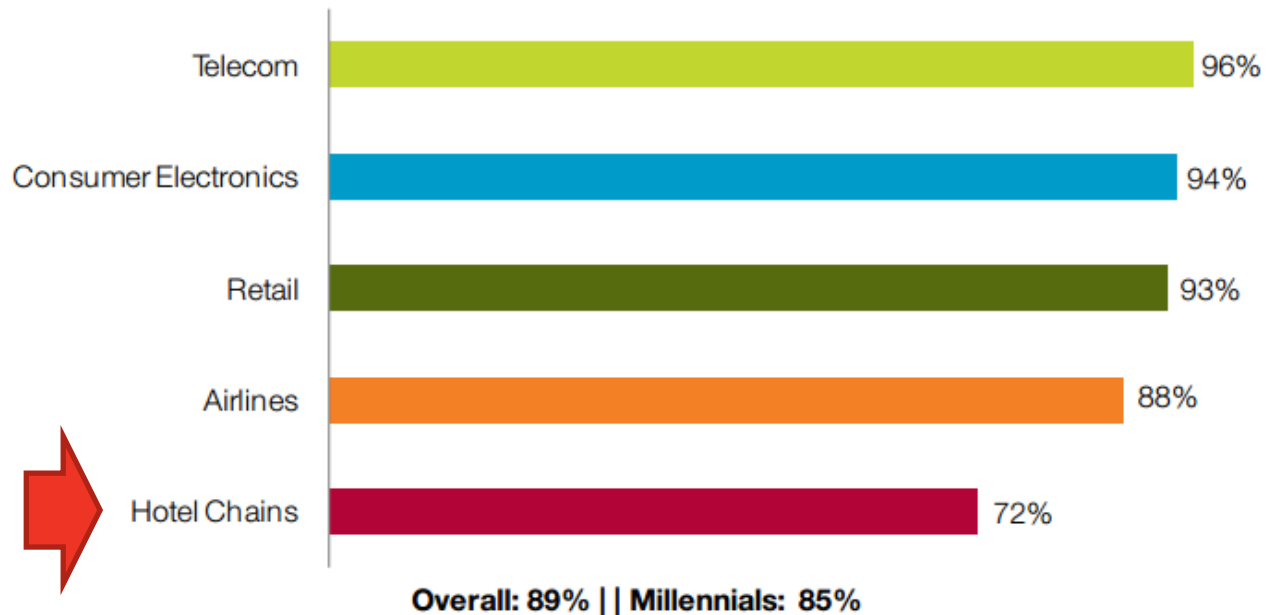
Crazy fast expansion

Estimated Coalition Loyalty Program Members (Global, Billions)



Questionable engagement

% Unfavorable Customer Opinions on Social Media (US)



What people really think

Survey Finding

1. 89% of opinions on loyalty programs are negative
2. 97% of loyalty programs are based on purchases
3. 9% of loyalty programs are offered across all channels

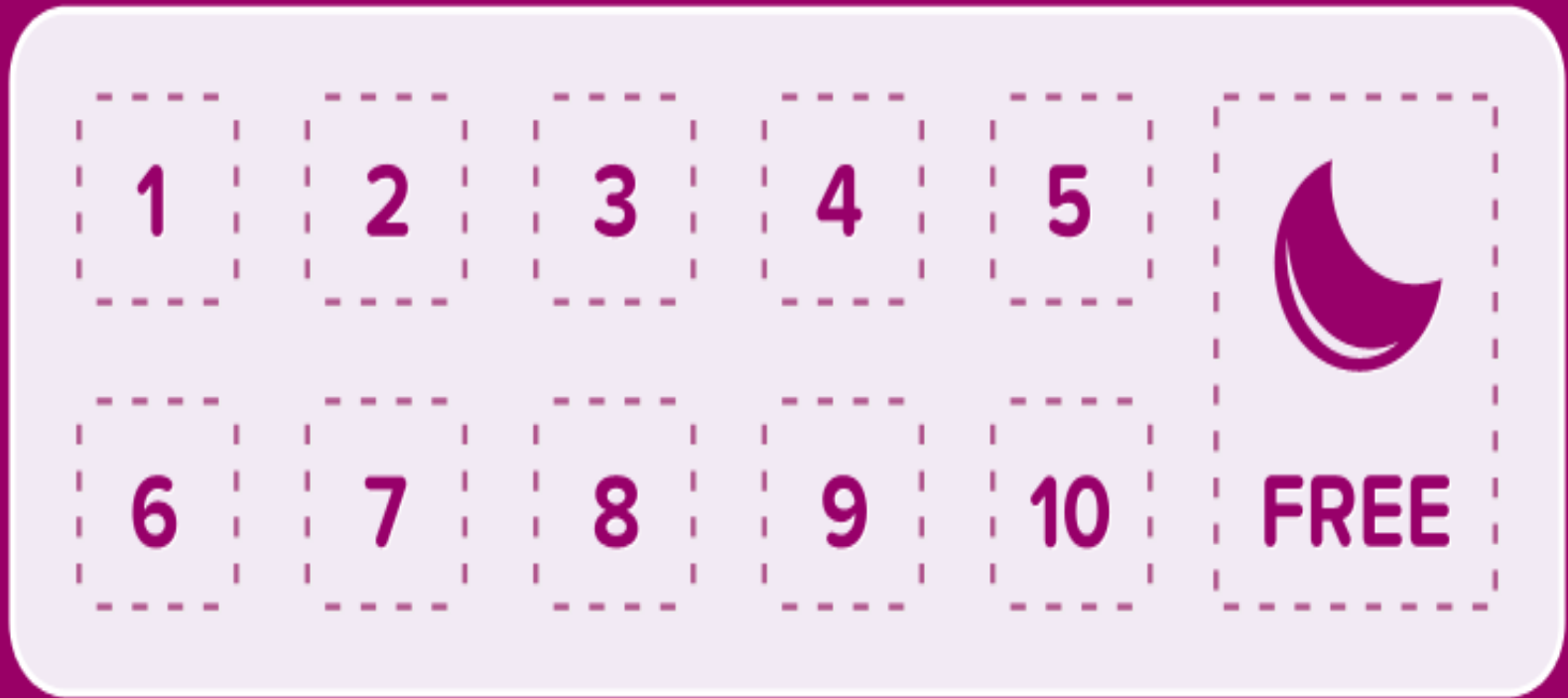


Translation

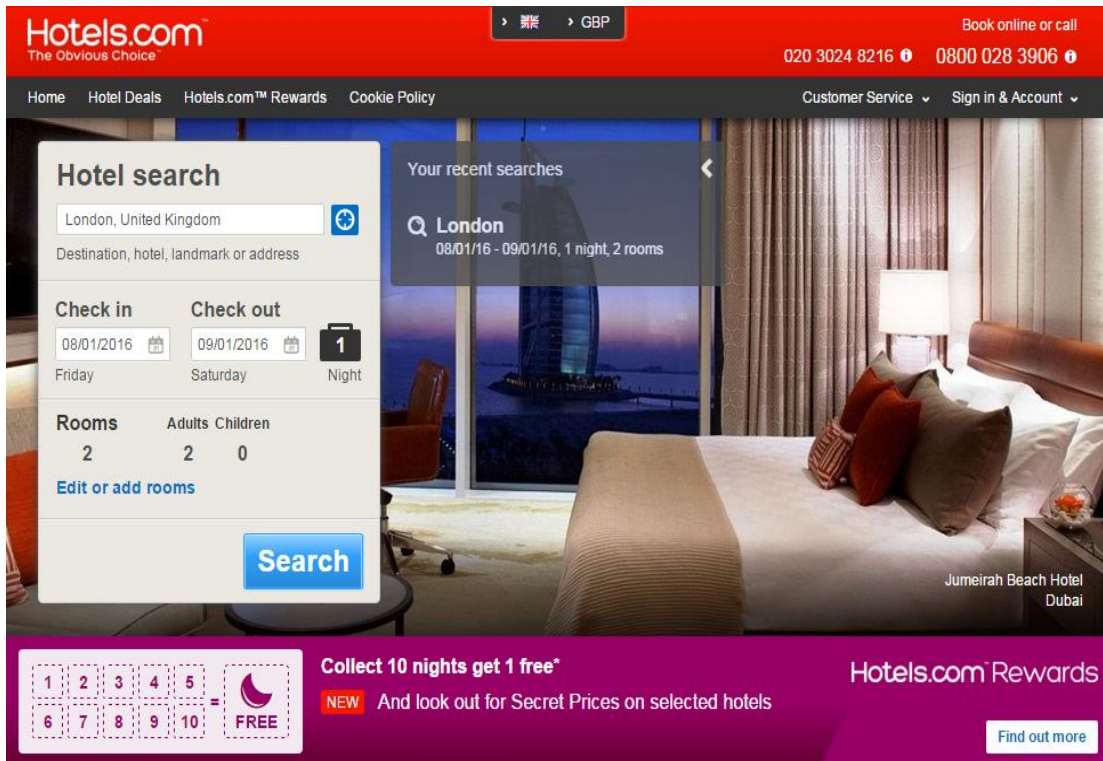
- *“9 out of 10 customers think loyalty programs suck”*
- *“We don’t care what you think, we care what you buy”*
- *“Loyalty programs serve our needs, not the customer’s”*

“Loyalty gained through bribery only lasts until another company offers a better bribe.”

Hotels.com Rewards



How it works



- 10 + 1 concept
- Secret prices
- Free to join
- High eligibility
- No restrictions

Front and center... 

How we align

1. Search Results

For every 10 nights, get 1 free!

The Grand at Trafalgar Square (Booked 1 hour ago)
 9 Northumberland Avenue, London, England, WC2N 5BY United Kingdom, 866-673-4235

Excellent 4.2 / 5
 1,142 verified guest reviews

\$267 nightly price
 Continue

Sponsored listing

West End
 0.1 miles to City center
 14 miles to Heathrow Airport (LHR)

3. Booking Form

Why sign up with Hotels.com?
 Earn free nights with **Hotels.com Rewards**.
 Learn more:

- Speed up your booking process
- View or change your bookings
- Print receipts and itineraries for your trips
- Save your favorite hotels and destinations for easy access
- Be the first to know about special offers.

Your details
 Email address (Your confirmation email goes here)
 Telephone number (We'll only contact you in an emergency)

Join Hotels.com Rewards (optional)
 Password: 6 to 20 letters, with at least 1 number

Collect 10 nights, get 1 free

2. Property Page

The Grand at Trafalgar Square, London 4.2 / 5

Jump to: Overview | Room choices | Property information

Hotels.com Rewards
 You've collected 10 nights with this stay. Remember, collect 10 nights, get 1 free!

Room type	Rate	Features	Hotels.com Rewards	Average nightly price
Small Double Room	\$267	Free breakfast, Free Wi-Fi, Free parking	Collect 10 nights, get 1 free	\$267
Free cancellation (Free by 18:00)	\$309			\$309

4. Email

Hotels.com The Obvious ChoiceSM

Hotels.com Rewards Silver Membership Number: 36852315

Hi Sara,

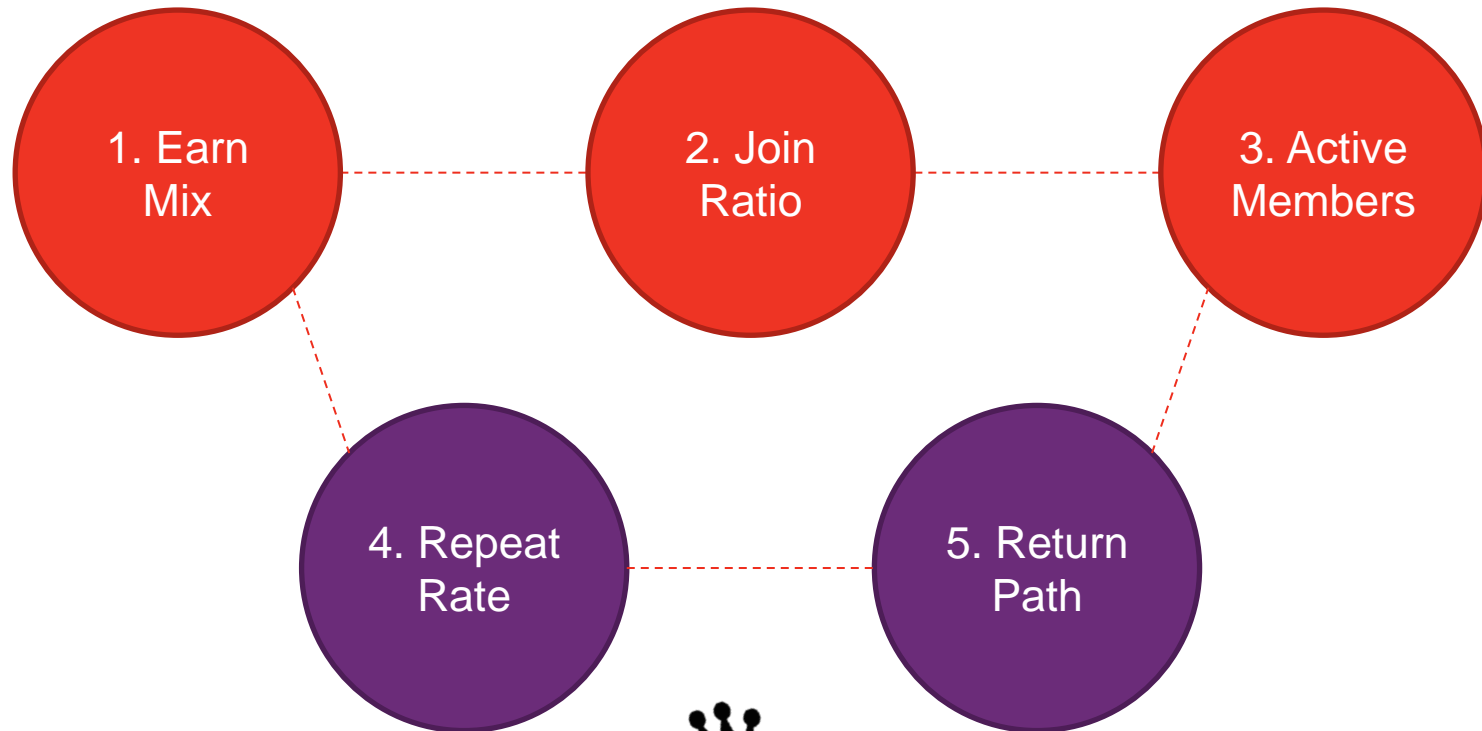
You've already earned 2 free nights, and you need to stay 7 nights to earn another free Hotels.com Rewards night!

Secret Prices are additional savings we don't share with comparison sites. Access deals

Benefit tiers

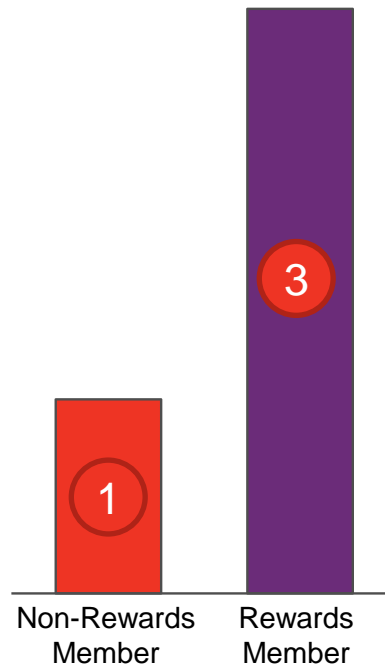
Tiers	Base	Silver	Gold
Tier criteria	0-9 nights stayed in 12 months	10 nights stayed in 12 months	30 nights stayed in 12 months
Tier benefits			
Collect 10 nights, get 1 free	✓	✓	✓
Secret Prices	✓	✓	✓
Dedicated customer service		✓	✓
Hassle free travel guarantee		✓	✓
Early access to deals		✓	✓
Exclusive deals			✓

How we track



Results we get

Hotels.com Net Room Nights



3x

So does
loyalty exist?

Loyalty may not exist, but Commitment does

Commitment Equation

Satisfaction



Alternatives



Investment



COMMITMENT



What can we do better?



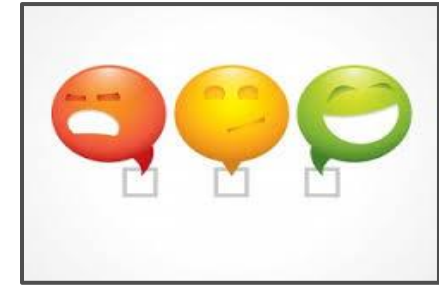
Expand reward
mechanisms

(not just
purchases!)



Build personal
relationships

(Customer VIP
events)



Track Net
Promoter Score

(“would you
recommend?”)

THANK YOU, AND ENJOY THE CONFERENCE!

*If you want
loyalty,
get a dog!*



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