

LOYALTY PROGRAMS: AN EXAMINATION OF THE BEST PRACTICES IN
SELECTED LUXURY CHAIN HOTELS

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ABSTRACT

LOYALTY PROGRAMS: AN EXAMINATION OF THE BEST PRACTICES IN SELECTED LUXURY CHAIN HOTELS

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Loyalty programs enable companies to reward their return customers. In the hotel industry, a loyalty program is a useful and beneficial tool to improve their customer service and entice their guests to stay with them on return visits. The purpose of this study was to conduct a best practices study on loyalty programs in luxury hotel chains. The researcher used a best practices matrix to examine the loyalty programs of Fairmont Hotels and Resorts, Omni Hotels and Resorts, and Kimpton Hotels and Restaurants. The study found that companies should benchmark their programs by aligning their benefits with companies similar to theirs. Loyalty programs should try to offer differentiated rewards to guests to entice them to join that program. Hotels should try to create partnerships with other businesses to create advantages that are mutually beneficial for the guest as well as the company.

Keywords: hospitality, loyalty, hotels, tourism, tourists, management

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Chapter 1

INTRODUCTION AND REVIEW OF LITERATURE

Background of Study

In recent years, loyalty programs have been growing in number of memberships and program options. In 2012, the average number of loyalty programs per home in the U.S. was 21.9, as compared to 18 per household in 2011 and those numbers have been steadily rising every year (Berry, 2013; Hlavinka & Sullivan 2011). Loyalty programs are a way for returning customers to gain benefits for their loyalty to a company. Companies in all sectors of the business industry use loyalty programs as a way to keep a steady flow of returning customers.

In the hospitality industry, superior service is what creates happy guests, while rewarding guests incentivizes them to return. Loyalty programs are a way for hotels to offer guests to join a membership that gives them benefits the more often they stay and the more they spend; examples of such benefits include free wifi, free breakfast and discounts on future stays. While some hotel chains rely heavily on their loyalty programs, some boutique hotels do not have any form of program. When hotels can create a balance between positively rewarding guests for their loyalty, and creating a great experience every time they stay, said hotels could create even more constant business for the property. The purpose of this study was to examine the best practices of loyalty programs in luxury hotels.

Review of Literature

Research for this review of literature was conducted at Robert E. Kennedy Library on the campus of California Polytechnic State University, San Luis Obispo. In addition to books and other resources, the following online databases were utilized: Academic Search Premier, Hospitality and Tourism Complete, Business Source Premier, ABI/INFORM, and Sociological Abstracts.

Every business, no matter what the industry, wants to find the best ways to increase their profits. Businesses must research what creates happy customers, which in turn creates loyal customers, and customers that help grow the business through reviews online and personal contact. Satisfaction influences repurchase intentions and the likelihood of recommending the business to friends (Thomas, 2013). Satisfaction in an experience does not automatically create loyal customers, meaning that companies must try to go above and beyond expectations, creating a reason for customers to come back and spend more (Oliver, 1999). This is where companies must find possible improvements and additions to make to their business that will keep guests coming back and talking about their great experiences to other people. One good improvement to make is to create a loyalty program.

The loyalty marketing industry is worth an estimated \$48 billion dollars, with almost 90% of Americans taking part in at least one loyalty program (Berman, 2006, Berry, 2013). While currently nearly every American takes part in loyalty programs, these programs only began recently and grew rapidly. American Airlines created the first loyalty program in 1981, with many industries following suit, from hotels to grocery stores to casinos and more, creating their own loyalty programs (Xie & Chen, 2013).

Loyalty programs have spanned across the globe, as well as across industries. This impressive growth rate is proof that loyalty programs and loyalty marketing are becoming a necessity for organizations in all fields of business.

Loyalty programs give businesses the opportunity to narrow in on what each customer, or even groups of customers desire to purchase. Retailers are able to use loyalty programs to gather information on shoppers and use the data to segment their consumers based on their sensitivities and preferences (Meyer-Waarden, 2007). It is useful to be aware that not only do loyalty programs keep customers returning, but also they are also beneficial in that they give companies data from each purchase a customer makes. There is a small positive connection between loyalty programs and share-of-wallet or the amount of money a consumer will spend with one business, however even a small connection is very significant for any business (Leenheer, van Heerde, Bijmolt, & Smidts, 2007). Loyalty programs also have positive effects on the lifetime of the customer with the business and the share of consumer expenditure (Meyer-Waarden, 2007). Customers like to be rewarded for their purchases, no matter the size of their purchase. Any positive effect of loyalty program membership should not go without notice, because beyond the repurchase power of loyalty programs, companies can use the programs to gain insight on their customers. This insight is useful in the future profitability of the business, and therefore it is vital for customers be a part of loyalty programs. Managers should impress upon customers the economic benefit of the discounts they earn from loyalty programs, and the benefits that customers forego by not joining the loyalty programs (Leenheer, van Heerde, Bijmolt, & Smidts, 2007).

According to Berman (2006), there are four types of loyalty programs. In the first type of loyalty program members receive a discount at the register and anyone can join the program; these are typical programs of supermarkets. The second type of program is where members receive something, like a free item or stay, when they have purchased a certain number of a product. In this program, membership is free and the business does not keep a database on customer purchase history. This second program is usually done with a punch card of some sort, customary of a nail salon or car wash. In the third type of loyalty program members receive rebates based on all of their purchases. This membership incentivizes customers to spend enough to get discounts. Type three memberships include airlines, hotels and credit card programs. Finally, in the fourth type of loyalty program customers are sectioned into groups based on their buying history and receive advertisements and discounts targeted towards them. Select supermarkets, casinos and Hallmark use type four memberships.

While loyalty programs are beneficial for customer retention, a way to enhance customer loyalty beyond the membership is through a true connection to the business. When buyers perceive that they had a good quality relationship with the seller, they tend to repurchase from that seller (Hewett, Money, & Sharma, 2002). Even investing in employees who have a real interest in the company or their job, can entice customers to come back. Many companies try to invest in keeping their employees engaged because engaged employees lead to a profitable and productive environment (Greenwood, 2007). Employees who love their jobs take more interest in their customers, which leads to brand or company loyalty. Businesses that are customer-oriented are the types of businesses that use loyalty programs (Leenheer & Bijmolt, 2008).

Businesses must also consider how quickly loyalty programs are growing and the amount of people that are a part of multiple programs. As the number of loyalty program memberships that one person is a part of goes up, the effectiveness of loyalty programs for that person as whole goes down (Leenheer, van Heerde, Bijmolt, & Smidts, 2007). Also, the more loyalty program memberships that a person has from the same geographic area, the shorter a persons' loyalty to all businesses in that area becomes (Meyer-Waarden, 2007). Beyond that, businesses should be wary because frequent customers are not always profitable. Sometimes frequent customers show cherry-picking behaviors, meaning that they are not loyal and use loyalty programs as a way to get the best discounts, and that is the reason behind them being a member of a loyalty program (Leeheer & Bijmolt, 2008). Retailers should try to attract customers with a low number of program memberships and create loyalty programs that reward customers progressively. With the amount of businesses that offer the same benefits to joining a loyalty program, most customers have no way of understanding the difference between each program and company. One way for a business to work on their brand management is to create a clear brand personality (Siguaw, Mattila, & Austin, 1999). A corporate brand gives a corporation a set of values as well as a level of quality that customers learn to trust; people expect corporations to be consistent in their service (Balmer & Gray, 2003). According to Berman (2006), "in this environment, undifferentiated loyalty programs, regardless of type have little chance of meeting the objectives of brand managers, retailers, and service providers" (p. 145).

With the amount of businesses that use loyalty programs, companies must find new ways to entice people to join their program over other programs. One of the newer

ways to gain customers in a loyalty program is through dual programs. These programs can include airline credit cards, or loyalty programs that cover multiple businesses. Delta Air Lines and Starwood Hotel Group created what they call “Crossover Rewards,” which is a membership to both an airline and a hotel. Since the “Crossover Rewards” began, it gained a record number of new memberships because it gave users the opportunity to gain rewards for both parts of the travel experience at once (Berry, 2013). Partnerships in loyalty programs increase their desirability to customers, and can help businesses by being able to access each other’s databases, thus finding ways to cross-sell (Berman, 2006).

Loyalty programs are used worldwide and across many categories of business. While loyalty programs work across industries, hotels have to use them differently because hotels try to sell an experience rather than a product. While they want to satisfy customers, hotels strive for great memories or experiences that stay with the customer. “Enhanced customer satisfaction leads to increased customer loyalty, occupancy rates, and revenue per available customer and, ultimately, hotel profitability.” (Renaghan, Dubé, Enz, Sigauw, & Practices, 1999, p. 82). Boutique hotels around the country are coming together to create loyalty programs of their own (Higgins, 2011). These businesses want to compete with large chain hotels that have already begun loyalty programs and benefits for customers. These collaborations make it easy for guests to earn discounts on stays at independent hotels all over and local experiences such as wine tastings and hot air balloon trips. Perks independent hotels are offering have gotten Hilton’s loyalty program, HHonors, to rebrand its program to be more experience-based rather than discount-based.

Loyalty programs are a growing industry that hotels must master to reap the most benefits. They are a way for hotel properties to show guests their appreciation for their repeat business. When properties are able to segment their market, become part of a loyalty partnership, and offer the best rewards in their area and industry, they will gain the most profits. Beyond their programs, hotels must build their brand recognition and create a lasting connection with their guests so that word of mouth travels and new guests come to stay and enjoy as well. Through following all these steps, hotel companies can create a loyalty program that not only entices their guests to return, but also promote the hotel company to their friends and family.

Purpose of the Study

The purpose of this study was to determine the best practices of customer loyalty in luxury hotel chains.

Research Questions

This study attempted to answer the following research questions:

1. Do hotel chains create customer loyalty through their loyalty programs?
2. How can luxury hotel chains use loyalty programs to help their business as well as their guests?
3. What can hotel chains do to improve their customer loyalty?
4. What parts of loyalty programs entice guests to return?

Delimitations

This study was delimited to the following parameters:

1. Information on loyalty programs was gathered from various chain companies that have their own loyalty programs.
2. Luxury hotel chains were analyzed.
3. The data were collected during the winter of 2014.
4. Information for this study was gathered using a best practices research method.

Chapter 2

METHODS

The purpose of this study was to conduct a best practices analysis of loyalty programs in luxury hotels. This chapter includes the following sections: description of context, description of instrument, and description of procedures.

Description of Context

A best practices study was conducted on loyalty programs in luxury hotel chains throughout North America. There were 2.65 billion U.S. loyalty program memberships in 2012, with the loyalty industry valued at nearly \$48 billion dollars (Berry, 2013; Hlavinka & Sullivan, 2011). Loyalty programs are used through multiple industries including: fuel & convenience, supermarkets, bookstores, travel and hospitality, retail and more (Berry, 2013). The travel and hospitality loyalty program segment grew 17% from 2008 to 2010, and grew 22% from 2010 to 2012. Hotel loyalty programs had a 26% growth from 2010 to 2012, up from 176.8 million memberships to 223.5 million.

Description of Instrument

The instrument utilized in this study was a best practices matrix developed by the researcher (see Appendix A). It was developed after having gathered information from the Review of Literature on the most important parts of a loyalty program. The instrument was developed to allow the researcher to analyze the loyalty programs of luxury hotel chains. It includes qualitative and quantitative data. The researcher did a

pilot study of the instrument on an airline loyalty programs on February 16th, 2014. From the pilot study, the researcher edited the instrument to reach the best informative analyses of said loyalty programs. Many of the direct points to take note of at each property changed based on what true differences there might be in different loyalty programs. A notes section was included in the instrument for any relative information that may not fit in the matrix.

Description of Procedures

A best practices study was conducted on loyalty programs in luxury hotel chains throughout North America, including: Fairmont Hotels and Resorts, Omni Hotels and Resorts and Kimpton Hotels and Restaurants. The instrument utilized in this study was a best practices matrix developed by the researcher. Research for the study began February 13, 2014 and concluded on February 26, 2014. The researcher visited the websites of the luxury chain hotels previously stated for analysis. The research gathered from the websites was used to assemble information on the loyalty programs used by the properties.

The websites were systematically analyzed by the researcher using the instrument. The researcher completed an instrument for each luxury hotel chain including a notes section during the study. The information gathered was both quantitative in terms of the benefits that accompanied the loyalty program, as well as qualitative in terms of how each loyalty program runs.

Chapter 3

PRESENTATION OF THE RESULTS

The purpose of this study was to determine the best practices in luxury hotel customer loyalty programs. A best practices approach was utilized to examine hotel loyalty programs in the following luxury chain hotels: Fairmont Hotels and Resorts, Omni Hotels and Resorts, and Kimpton Hotels and Restaurants. This chapter includes the following sections: overview of selected properties, partnerships, rules and perks, and individuality.

Overview of Selected Properties

Fairmont Hotels and Resorts was founded in 1907 and has over 60 properties throughout the world. Fairmont has a goal of creating memories, they also work to ensure engaging service, and have an unrivalled presence and an authentic experience of local culture. Fairmont's loyalty program is called the Fairmont President's Club, which has three tiers: platinum, premier and club.

A family from New England founded Omni Hotels and Resorts in 1958. Omni has 50 properties across North America, employing approximately 12,500 associates. Omni's mission is to exceed the expectations of its guests through exemplary service and superior financial performance. Omni believes in a balance of importance between the owner, associate and guest. Omni's loyalty program is Omni Select Guest, which also has three tiers: black, platinum and gold.

Kimpton Hotels and Restaurants was created in 1981, by Bill Kimpton whose dream was to have a hotel chain that still offers a personal feel. Kimpton has more than 60 boutique hotels throughout North America and employs over 7,500 people. Kimpton wanted to create a hotel chain with a boutique hotel feel and luxury amenities that still celebrates the individuality of its guests. Kimpton's loyalty program is called InTouch and the second tier is Inner Circle.

Partnerships

Fairmont has international properties and is also part of the Fairmont Raffles Hotels International, also known as FRHI Hotels and Resorts alliance that includes Raffles and Swissôtel. Fairmont has a Visa card associated with it where people can earn rewards at Fairmont with every purchase they make with that card. Fairmont President's club has partnered with TaylorMade Golf to offer complimentary use of golf clubs. Fairmont President's club members have the ability to request Reebok workout apparel for men and women, such as yoga mats and stretch bands, if they need these items during their stay. Fairmont also offers complimentary access to BMW bicycles at select hotels for members of the President's club. Fairmont has also partnered with 14 airlines that offer airline miles per stay on qualifying rates, including such companies as: American Airlines AAdvantage, British Airways, Emirates Skywards, Lufthansa Miles and More, and United Mileage Plus.

Omni has many properties throughout America, two properties in Canada and two properties in Mexico. Omni is a part of the Global Hotel Alliance (GHA). Becoming a member of Omni Select Guest also transfers to being a member of GHA Discovery.

There are 21 Global Hotel Alliance brands with over 350 resorts, palaces, and spas. Each of the brands enable guests to experience the local culture in a way that they may not have been able to had they stayed at a chain of another nationality. Such activities include staying at a venue after its closing hours, volunteer opportunities, skipping the queue at a venue, custom-made local gifts, and lessons from locals. Omni Select Guest members are also offered exclusive discounts from Avis for car rentals.

Kimpton Hotels and Restaurants does not have any collaboration with another business or partnerships with other hotels. However, Kimpton offers to match premium or elite member status at another chain or brand, making it easier for guests to switch their loyalty if they so choose. Kimpton believes that loyalty is about the relationship between the property and the members and therefore does not want to create a complicated earning schema. Kimpton offers their guests a complimentary night after seven stays and does not have any other way to accrue points. They allow their guests to transfer free nights if they wish, but as with their belief on loyalty programs, it is a simple addition of nightly stays to earn a free night.

Rules and Perks

All three companies studied have multiple tiers to their loyalty programs, with all memberships being free to join. Fairmont President's Club requires five stays or 10 room nights per calendar year to move up to the Premier membership and 10 stays or 30 room nights per calendar year to move up to the Platinum membership. Omni's Select Guest necessitates 10 to 29 nights annually to move up to platinum level and 30 or more nights

annually to move up to black level. Kimpton's loyal members become an Inner Circle member when they have accrued 15 stays or 45 nights in a calendar year.

Fairmont offers a complimentary room night every year to their platinum members. Also, the more nights those members stay, the more opportunities for free nights are available. Once a platinum member has stayed 40 nights in one year, they earn a free night. After this point, the member will earn another complimentary night each time they stay 10 more nights. Omni offers a free night to each of its Select Guest members every time they stay 20 nights. Kimpton offers its loyalty program members a free night every time they have accumulated seven stays or 20 nights, whether or not the stays were within a calendar year.

Many properties offer similar perks to the members of their loyalty program. Fairmont, Omni and Kimpton all offer their members free wifi and newspaper delivery and have their members fill out their personal preferences in order to personalize the rewards offered to their members. Both the Fairmont and Omni offer their members a private reception for check-in and checkout, as well as free shoe shines. Omni also offers morning coffee, free pressings of two shirts and nightly turndown for its members of Select Guest. Members of Fairmont's President's Club gain discounts at the store and the spa whenever they stay. Kimpton In Touch members get a \$30 in-room spa credit for their loyalty, but this offer is limited to select properties. All three companies reward their guests for their loyalty in similar fashion and sometimes change the rewards slightly with the rewards that they propose.

Individuality

Each of the three hotels studied are individual entities and brand themselves accordingly. Fairmont's website is very professional in both the way it is set up as well as the way the website is written. They have pictures of some of their grandest properties and of guests enjoying their stay. Omni's website includes offers for guests to gain discounts on getaways and resort stays, depending on if they are coming for a romantic stay, a family getaway or any other possible reason to visit. Their website also has a pop-up that allows customers to chat with a guest service agent while browsing. Kimpton's website is more informal, with all information written out in the format of a conversation between friends. Their facts page for their loyalty program is set up as questions that a customer may ask, with a direct answer given as if the company is speaking directly with the guest. The main bar on the website explains some of the values that Kimpton supports, including: LGBT rights, pet friendly properties and women's rights. Kimpton also highlights its program, "Kimpton Cares," which allows its employees to volunteer their time to local charities and highlights Kimpton's ties with local nonprofits.

Each of the three companies offers rewards to their guests in addition to complimentary wifi and morning newspaper. Fairmont developed "Passion Packages," a vacation package available in certain destinations, which are only available to members of Fairmont's President's Club. The packages are separated into groups based on the activity, such as arts and entertainment, food and drink, leadership and philanthropy, shopping and style, spa and fitness, and sports and adventure. Omni offers its guests special getaway packages based on the reason for the guests' visit. They have family getaway packages, romance packages, seasonal packages, on a whim packages, and

packages for guests reserving a longer stay, as well as hotel-specific packages. Kimpton offers a complimentary wine hour from 5 P.M. until 6 P.M. complimentary for hotel guests every night. Kimpton invites hotel guests to go on a morning run with the hotel's General Manager and offers on-demand yoga classes. For Inner Circle members, Kimpton offers a complimentary one-night stay at each of their new properties, as well as preferred seating in the restaurant and a treat from the chef. Each company has its own style and uses that style to offer different opportunities to their loyal guests.

Chapter 4

DISCUSSION AND CONCLUSIONS

Loyalty programs are a tool that hotels are able to employ to reward their returning customers. These programs entice their guests to return as well as promote the company to their peers. This concluding chapter will include the following: a summary of the study, a discussion of the findings, limitations, conclusions based on the research questions, and implications of the findings, and recommendations for future research.

Summary

Loyalty programs have been growing in number of memberships since they originated. They are an opportunity for companies to show guests appreciation for their repeat business. Through the connection of a loyalty program, companies can create a stronger relationship with the guests, which in turn will create more repeat business. The purpose of this study was to determine the best practices in customer loyalty programs amongst chain hotels.

This study was conducted between January and March of 2014. The researcher systematically analyzed the loyalty programs detailed on the websites of three luxury hotel chains: Fairmont Hotels and Resorts, Omni Hotels and Resorts, and Kimpton Hotels and Restaurants. The instrument used was a best practices matrix consisting of both quantitative and qualitative data.

The findings of the study illustrated the similarities and differences in hotel loyalty programs. The Fairmont and the Omni hotels had partnerships with other hotel

chains and businesses that help them increase the likelihood that guests will join their loyalty program. All three hotels offer complimentary membership to their loyalty program. Each property offers similar perks to the members of their loyalty programs, and offer even better perks to their more elite members.

Discussion

Hotels use different steps to ensure the profitability of loyalty programs, and all hotels go about these steps differently. The Four Seasons, one of the biggest names in luxury hotels, has just recently adopted a loyalty program. They believe that all guests should be treated with the same quality service and respect, and for that reason held out on creating a loyalty program. Recently, it has become harder to compete in the hotel industry without a loyalty program, and therefore the Four Seasons is working to create a loyalty program for their company. Many boutique hotels are beginning to create their own loyalty programs or are becoming a part of larger loyalty programs to contend with the market. There is no specific outline for how loyalty programs are to be made and utilized, but they typically are created similarly across industries.

Partnerships between hotels and other hotel brands or other businesses altogether are beneficial for both the guest, and ultimately can bring more revenue to the property. Dual programs are a new way to increase the number of members to loyalty programs (Berry, 2013). These dual programs can be with credit cards that earn guests points at a hotel, or some sort of partnership with another business that can be used by guests, such as a hotel and airline partnership. The Fairmont has multiple partnerships including a credit card that earns guests points for each purchase, a grouping with other hotel brands,

and an arrangement with other companies. While Omni does not have a real international presence, all of its loyalty members instantly become a member of the Global Hotel Alliance. Through partnerships, guests are able to get more out of their membership, and the companies get more business by cross-marketing their product.

Offering many differentiated benefits in a loyalty program increases the value for the guests joining the program. Undifferentiated loyalty programs will not meet the intention of having a program, and therefore will not be beneficial (Berman, 2006). All three properties examined have members of their program enter information about themselves, including what kind of benefits they would desire to receive. By doing this, hotels are able to gather information on the preferences of guests without utilizing surveys or paying for already collected data. Businesses can also use the loyalty memberships to track the sensitivities of guests' purchases and purchase history (Meyer-Waarden, 2007). All three hotel chains studied offered some unique benefits through their programs that entice guests to keep staying with them. Kimpton offers spa credit to each of their loyalty members. Extras such as these then entice members to spend money on spa services more often because only members get the discount. In addition, guests who really enjoy spa services are more likely to join the loyalty program, as it automatically gets them the discount. Omni offers its loyalty members free pressings of two shirts and a shoeshine at each of its city center properties. Offering a benefit that other chains do not can make the difference for a guest when deciding on what loyalty program to join.

At the rate that loyalty programs have been growing, it is critical that all companies create a loyalty program. The hotel industry had a 26.7% growth from 2010

to 2012 in terms of loyalty marketing (Berry, 2013). As with The Four Seasons, to stay competitive in the hospitality industry, it is a necessity to have a loyalty program to keep guests returning. Using each company's character as a way to help differentiate from other companies is helpful with branding. Each property studied brand themselves very differently and thus heightens their brand awareness for customers. Corporate brands also create a level of quality that customers trust and return for (Balmer & Gray, 2003). Having these differences in brands help customers decide what companies match most with their values and where they want to be loyal. It could happen that people that are very involved in the LGBT community join Kimpton's loyalty program because their values are aligned. Having a loyalty program for guests to join is the best first step for companies to offer a way for guests to reap benefits in repeat business.

The study was influenced by certain limitations. Due to the best practices approach, the research was limited to online sources. The quality of the loyalty programs was hard to assess because of the lack of qualitative data. As all data was collected through the websites of the three hotel chains studied, data may be skewed in favor of the properties. The researcher may also have influenced data and discussion through a subjective bias. This study was limited to a ten-day data collection period. Despite these limitations, the information gathered on loyalty programs in luxury hotel chains was plentiful and relevant to the study.

Through this study, the researcher was able to conclude that loyalty programs are beneficial to luxury hotel chains. To increase the advantage that comes with loyalty programs, hotels should benchmark by researching other loyalty programs in the industry, and should include similar benefits and also differentiate themselves so as not to

have identical programs. Through aligning loyalty program benefits with brand image, companies create the opportunity for consumers to create an allegiance to that company.

Conclusions

Based on the findings of this study, the following conclusions are drawn:

1. Hotel chains across America create customer loyalty through their loyalty programs.
2. Luxury hotel chains can use partnerships with businesses to help their business as well as their guests.
3. Hotel chains can benchmark and differentiate their benefits to improve their customer loyalty.
4. Differentiated and unique rewards persuade guests to return.

Recommendations

Based on the conclusions of this study, the following recommendations are made:

1. Kimpton should create a partnership with other hotels or other businesses to reap additional benefits.
2. Omni and Fairmont should add more personality to their websites to make them more interactive and involving for the guest.
3. Hotels should benchmark other hotel loyalty programs to see what other companies offer their members.
4. Differentiate benefits to align with corporate brand image to make loyalty program unique.

5. Establish partnerships with other companies that are mutually beneficial for both companies and customers.
6. Track guest purchases and benefit choices and use information for marketing of hotel.
7. Future research should evaluate the best practices of international loyalty programs.
8. Future research should examine a larger number of hotel chains that range from low-price, to business and luxury.

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APPENDIXES

Appendix A

Instrument

Guide

Name of Hotel Chain:

Number of tiers in program	
By points or by stays	
Room nights benefit	
Concierge benefits	
Free nights	
Yes/ No	
International properties	
Membership fee	
Collaboration with other business	
Partnership with other hotel	

Notes: