

# The Importance Of Loyalty Programs To Gain **Direct Booking**

A man in a grey blazer is looking at his smartphone in a busy airport terminal. The background is blurred, showing other people walking. The overall tone is bright and professional.

 ROYALGUEST.COM

A Loyalty Alliance Network for independent hotels that provides better rewards to guests who book direct.

# WHY ARE LOYALTY PROGRAMS IMPORTANT ?



# Five-year trend showing reduced direct booking and increased OTA booking



\* Survey conducted by **LoyalGuest 2018** , sent to 25,000 members.

# Hotel Inventory is turning into a **Commodity**



# CONSUMER BEHAVIOR SURVEY

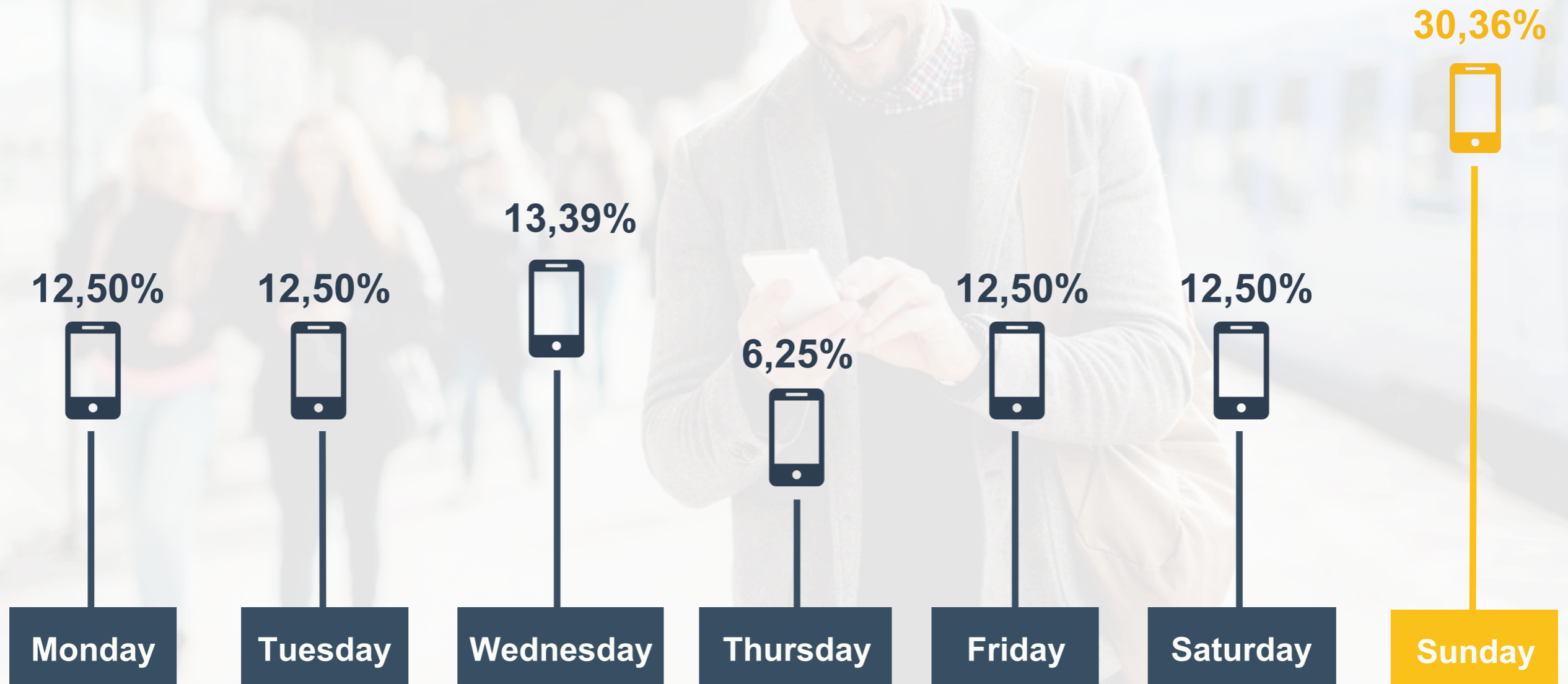


# How Likely To Check Hotel Official Website After Visiting OTA



\* Survey conducted by **LoyalGuest 2018** , sent to 25,000 members.

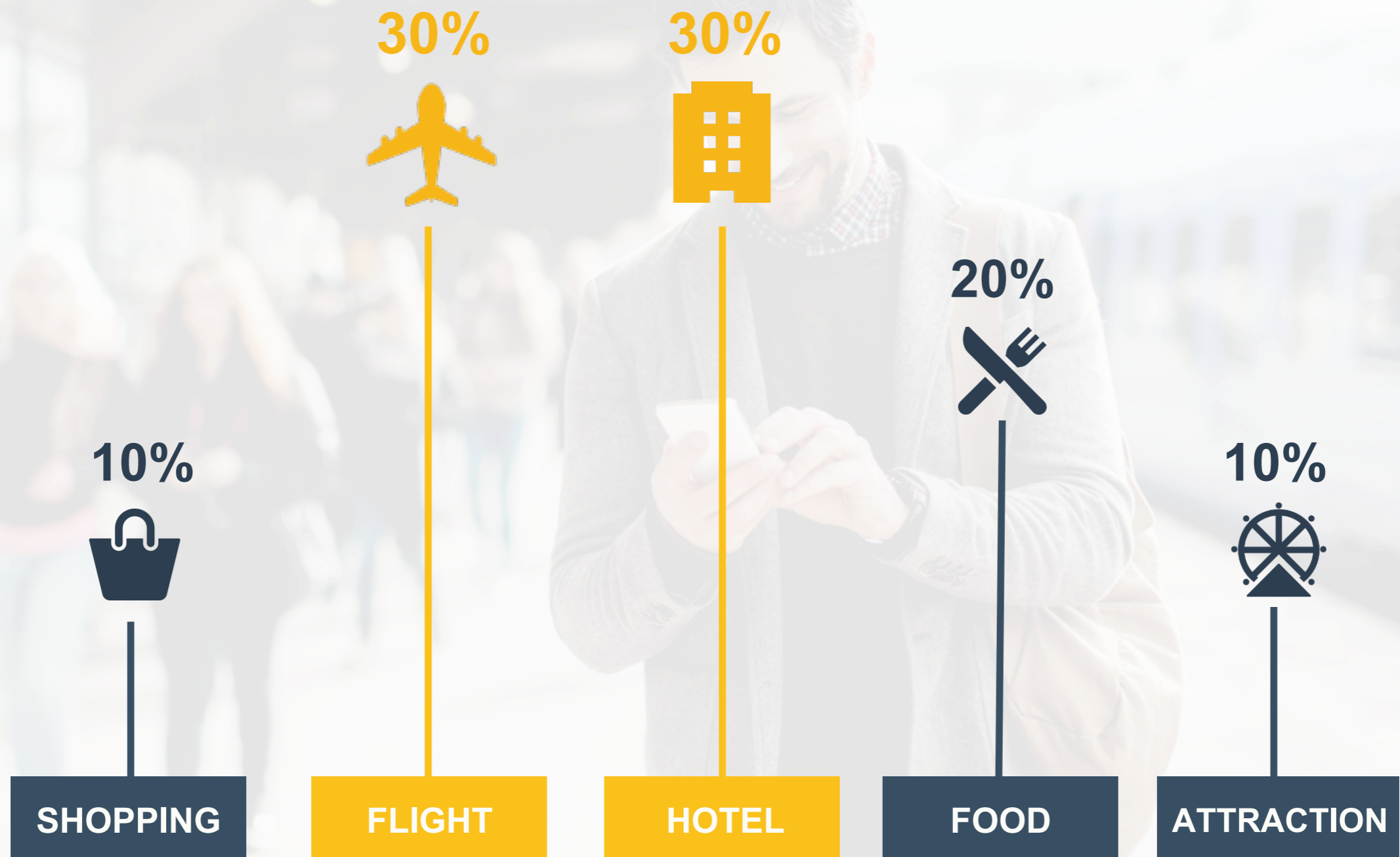
# What days are best when searching for **Holiday Deals**



\* Survey conducted by LoyalGuest 2018 , sent to 25,000 members.



# Budget Spend on **Allocations**



\* Survey conducted by **LoyalGuest 2018** , sent to 25,000 members.

# What do you look for in a **loyalty program**



\* Survey conducted by **LoyalGuest 2018** , sent to 25,000 members.

# How Likely To Recommend a membership program to friends?



\* Survey conducted by **LoyalGuest 2018** , sent to 25,000 members.

# HOW MILLENNIAL TRAVELERS DIFFER FROM OTHER GENERATIONS?



# How Millennial travelers different from other generations



Demand flexibility and variety



Value VIP treatments



Make quick buying decisions



Likely to share on social networks



Trust advice more from online strangers.



They are more Loyal



Redeem more on non hotel services






Check 10 online sources before making a purchase

# STRATEGIES FOR A SUCCESSFUL LOYALTY PROGRAM



## Differentiate your program from others

-  Give your customers variety and choices
-  Frequently introduce new rewards packages and benefits
-  Offer different reward programs for different guest type.



# Understand your member behaviors that **drive loyal bookings**



Shopping / booking lead time



Spending behavior



In-house activities behavior





## Treat them as though they are special



Pay special attention to each customer's needs



Have all staff call them by their name




Special thank you gift upon check in/out

# Need a proper automated system

 Point Management system

 Central Reservation system

 Customer Relationship Management system

 Interface with your PMS

 Mobile App



# Partnership with others

Expand your network partnership



**The more point redeemed, the more successful the loyalty program becomes**



# Four Keys Takeaways



It is important to consider having a loyalty program to stop turning hotel into a commodity product




Majority of guests still prefer to book direct when rewards are equal or better



Loyalty programs are not all about discount but also special privileges / treatment for the member



The more point redeemed, the more successful the loyalty program

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# Thank You

**HARTONO LIMAN**  
CEO, LOYALGUEST