

# Managing customer loyalty in the hotel



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*Relationship*

*Communication*

**Loyalty**

*Management*

*Customer*

*Service*

# Customer loyalty

the result of consistently positive emotional experience, physical attribute-based satisfaction and perceived value of an experience, which includes the product or services.

CUSTOMER  
FEEDBACK  
SUPPORT  
INNOVATIVE  
QUALITY  
EXCELLENT  
FRIENDLY



# Loyalty dimensions

## Behavioural

*refers to a customer's behaviour on repeat purchases, indicating a preference for a brand or a service over time*

## Attitudinal

*refers to a customer's intention to repurchase and recommend, which are good indicators of a loyal customer*



# The main components to increase satisfaction and build customer loyalty:

Consumer  
Satisfaction  
Index

Feedback

Market  
Research

The personnel  
that work with  
consumer

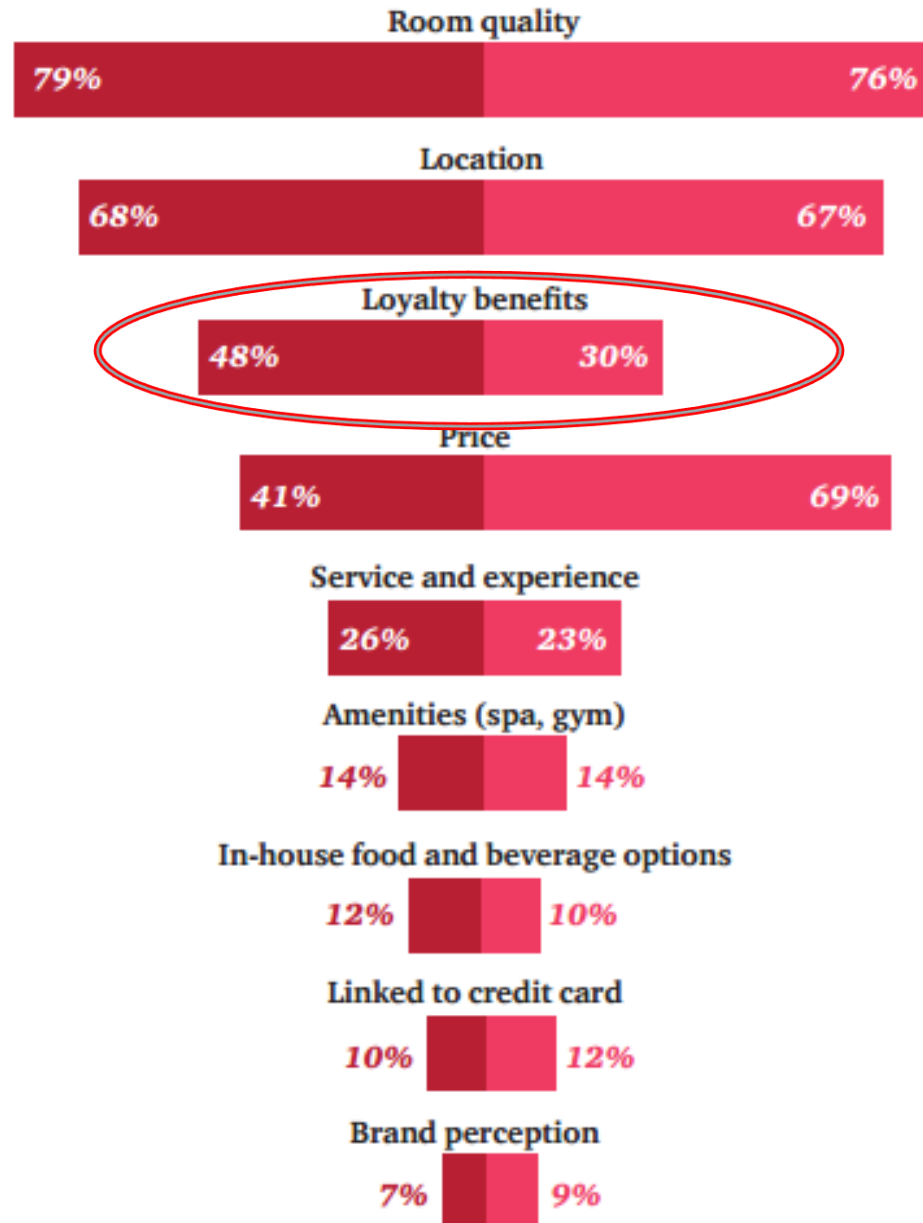
Strategic  
action

# Loyalty helps grow your business



# What do travelers value most about preferred hotel brands?

**Business** | **Leisure**



# Loyalty program

The program aimed at obtaining economic preferences for consumers

The programs aimed at increasing consumer confidence to the company

discounts

prices in low season

certificates

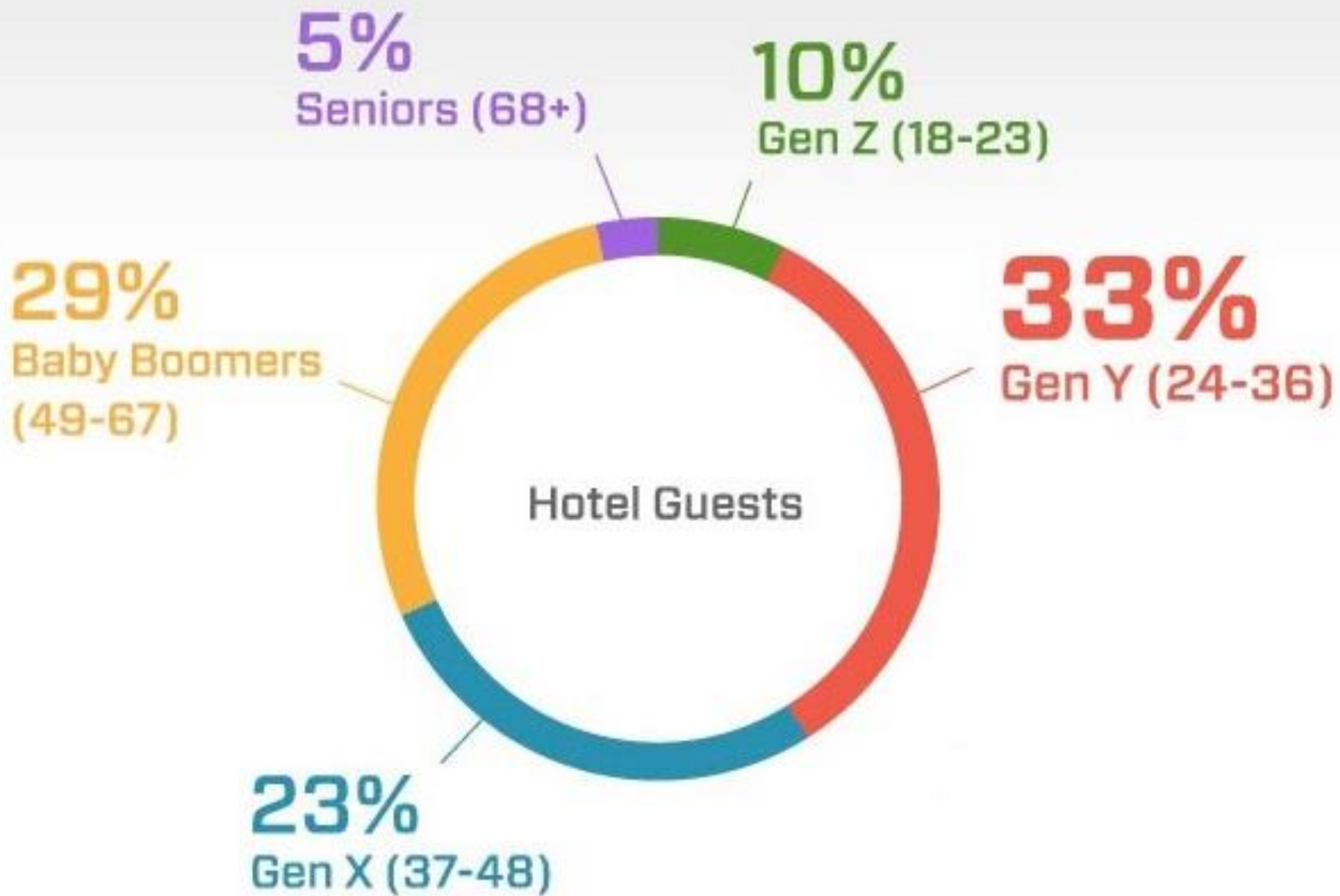
corporate programs

points system



unique proposition





# What we should know about millennials or generation Y



**47%** of Millennials have joined 3+ brand sponsored online communities



**47%** have written a positive online review, and

**39%** have written a negative online review

- ✓ Young travelers now represent 30% of international tourism
- ✓ One in four millennials are planning more overnight leisure trips this year compared to last year
- ✓ Millennials discover information mostly through social media
- ✓ Millennials touch their smartphones 43x per day
- ✓ 60% of millennials would rather spend money on experiences than material things

# Upgrading guests' loyalty in hotels

High-frequency travelers participate in multiple hotel loyalty programs, waiting to see which generates the most value before focusing on one. Once past this tipping point, guests will go out of their way to build equity with their brand of preference. As Millennials become a more dominant spending segment, it will be especially important for hotel companies and brands to understand their purchasing and loyalty behavior.



Customer enrollment alone does not translate into loyalty

Existing status and points are the biggest drivers of customer loyalty and brand preference

Once established, this loyalty is powerful and sticky, and transcends individual rewards

Average loyalty program participation:

Total population is...

Enrolled in

2.6

Active in

1.8

Millennials are...

Enrolled in

1.9

Active in

1.6

The majority of travelers (68%) declare themselves loyal to a specific hotel rewards program because that is where they have accumulated the most points.



Business travelers...

...claim loyalty to their preferred program because it is where they have the most points.



Millennials...

Even if they lost their points with their current program...



66% of travelers would stay loyal.

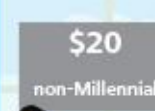


75% of Millennial travelers would stay loyal.

Once customers have identified a preferred loyalty program, they indicate willingness to go out of their way to enhance their participation. Additional dollars they are willing to pay to stay at a hotel covered by their program:

Business traveler

Leisure traveler



# Loyalty program effectiveness

Hotels	2014	2015
Hilton	44,6%	45,8%
Starwood	41,8%	45,4%
Marriott	45,0%	46,2%
Choice	36,8%	37,8%
Inter Continental	35,8%	36,6%
Hyatt	27,0%	31,3%
Wyndham	26,5%	28,9%



# 5 principles to build loyalty



Stay on brand

Be consistent with your brand core values.



Be social

Be always in the contact with consumer

Play your part

Use game mechanism to engage customers.



Keep moving

Business got mobile and your loyalty program should too.



Think different

Forget the copycat approach.

# Why do we need loyal customers?



***Thank you!!!***