



Guest loyalty programmes for business travellers: Will they help UK hotels in the recession?

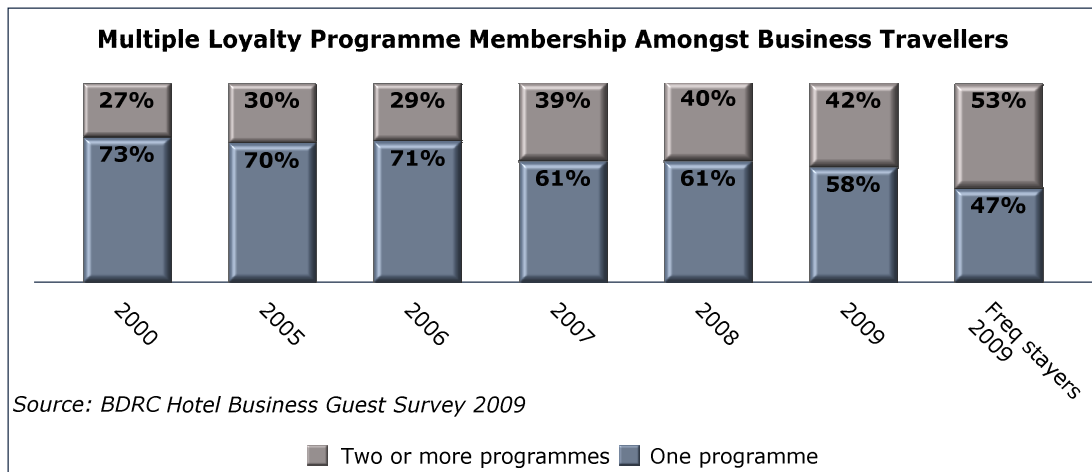
London, 2 April 2009: Specialist market research company BDRC (www.bdrc.co.uk) has just released the findings of their respected British Hotel Guest Survey. One aspect of the research examines loyalty programmes, their role in inspiring customer loyalty and the impact economic climate is having on their uptake and use.

Membership keeps rising

The uptake of loyalty schemes at hotels has shown consistent growth since 1997 when BDRC started tracking membership. More than a third (36%) of British business travellers and more than half (56%) of all frequent business customers belong to a hotel loyalty programme.

On average business travellers are more aware of loyalty programmes compared to their leisure counterparts. Many business travellers belong to more than one scheme: in 2000 27% of business travellers were members of two or more schemes; that figure has now increased to 42%. On average participants hold just under two programme memberships. This is partly because of the growth in the number of schemes available as well as an increase in marketing activity to promote membership.

Tim Sander, Research Director and author of the report says “The reason for increased uptake of loyalty programme membership is threefold. Firstly, they are more readily available. Secondly, travellers increasingly want to be rewarded for their custom and finally hotel chains are increasingly offering elite tier membership with their superior rewards as an entry level to encourage travellers to join.”



Consistency not loyalty most important for business travellers

The most important factors for business travellers when choosing a hotel are 'consistent quality and standards', 'appropriately located hotels', 'excellent staff service' and 'good value'. A worthwhile loyalty programme, relative to these attributes, is bottom of the list.

More than half (55%) of business travellers that belong to loyalty schemes redeem the points they've collected: 45% use them for free stays, 21% for in-hotel service and upgrades, 16% convert them to airline miles, 11% say they convert them to other retail points, 8% use them for other travel, 5.5% donate them to charity. Just under a fifth don't redeem their points indicating that members are either not engaged with the programme or that redemptions are far too difficult to transact.

Tim Sander, BDRC Director concludes "Even though loyalty programmes are rated lower than other service and product related attributes by business travellers, this does not mean they are unimportant. They are a key driver in recommending one hotel brand over another. This is even more crucial in an economic downturn as business travellers become eager to earn rewards in exchange for their custom.

Priority Club Rewards, the scheme offered by Intercontinental, Crowne Plaza, Holiday Inn and Holiday Inn Express, has been particularly successful in converting awareness into membership amongst frequent business travellers

and guests with conversion rates of 60% and above. However, loyalty programmes are not only used by the large international brands. In the past few years we have seen the emergence of similar schemes in the budget sector offered by the brands including Premier Inn and Travelodge. Our research indicates that awareness and membership of budget brands loyalty schemes are increasing, and with the current economic downturn, BDRC believe budget brands are set to grow their market share alongside their more experienced international competitors.

At present the majority of hotel loyalty schemes establish little more than a transactional relationship with customers, one that works only as long as the customer values the benefits. The key success factor in today's challenging economy for hotels is to understand how loyalty schemes can strengthen the emotional commitment to a brand. Some programmes are much more successful in achieving this than others."

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Note to editors:

The BDRC Hotel Guest Surveys were first launched in 1982 in Britain and are now conducted annually amongst more than 12,000 hotel business guests in the bespoke regions. The surveys focus on hotel brand awareness, usage, preference, and image perception. They also examine the hotel selection and reservation process, hotel & travel internet websites and other marketing issues. The BDRC Hotel Guest Surveys are conducted in almost 40 markets: Britain, Ireland, Germany, France, Italy, Spain, Netherlands, Belgium, Sweden, Norway, Denmark, Finland, Saudi Arabia, UAE, Egypt, Jordan, Kuwait, Oman, Bahrain, Lebanon, Qatar, South Africa, Brazil, Mexico,

Argentina, Chile, China, India, Hong Kong, Japan, Singapore, Malaysia, Thailand, Australia, United States, Canada, Russia, Poland and Turkey.

About BDRC

Founded in 1991, Business Development Research Consultants is a leading full service market research agency. Working primarily for service organisations, the company specialises in hotels, finance, travel and tourism and mobile telephony. The acquisition of Continental Research at the beginning of 2008 added media and advertising, public sector and technology research expertise to the portfolio of market sectors covered. Headquartered in London BDRC works internationally and has representation in South Africa and Asia. For more information, please visit www.bdrc.co.uk.