



# ***STATE OF LOYALTY: 2022 HOSPITALITY ANCILLARY REPORT***

**A BENCHMARK OF THE LOYALTY ENGAGEMENT STRATEGIES  
OF THE WORLD'S LEADING HOSPITALITY BRANDS**

**iSeatz®**



# WINNING LOYALTY IN THE NEW NORMAL

When will business travel return? Is the “bleisure” trend here to stay? What does the future look like for business travel? These are just a few of the article titles you’ll find posing the question on what the landscape of business travel will look like in a post-pandemic world. While the past 2+ years have shown us that nothing is ever completely predictable, there’s general consensus that while business travel will come back, there won’t be a true return to the pre-pandemic status quo. The way we work has fundamentally changed, so it’s no surprise that the way we travel for work has also changed.

“

While we’re in a period of renaissance for travel, guests needs continue to evolve. People are excited to travel again, are blending business and leisure travel and they want to be taken care of after 2+ years of doing most things at home. Loyalty programs need to continue to deliver exceptional value through points and discounts to members while also evolving to offer more flexible benefits as customer needs change. That is why we introduced Milestone Rewards which puts our members in control to pick the perks that matter most to them.

**Heather Balsley**

SVP Global Loyalty & Partnerships, IHG Hotels & Resorts

”

It's not just that business travel hasn't returned to pre-pandemic levels, but that leisure travel has surged. From pent-up demand, stockpiled points, or renewed appreciation for experiences, people are spending more on vacations. This significant shift to leisure travel is creating a pivotal moment for hospitality reward programs. Business travelers have historically made up over half of hotel room revenue, with fewer total travelers, but more frequent and lucrative trips. Business travelers have also historically been more loyal than leisure travelers; many viewing the loyalty points earned with business travel as a significant job perk that they can use to offset their own leisure travel.

Hotels are facing competition both from the growing vacation rental market and OTAs like Expedia, Booking, and Hopper, who have all announced their own loyalty programs. So how will they adapt their rewards to lure and retain leisure travelers?

This pivot has already begun. Several brands have recently launched or announced revamped loyalty programs. Hotels recognize that their previous status tiers, and associated amenities, driven by annual room nights are geared more toward frequent business travelers. IHG recently launched their IHG One Rewards program, which includes a new mid-frequency status tier and a benefit of choice option for guests to choose from a selection of options to enhance their stay. With leisure travelers on the road less frequently, but more likely to purchase ancillaries like rental cars and activities to complete their trips, perhaps hotels should follow the airline model, where both spend and segments contribute to status (or in the case of American Airlines, who recently removed qualifying segments from their Advantage program, become exclusively spend-driven)?

## BUSINESS TRAVEL CLIMBING BACK TO A NEW NORMAL

# 42%



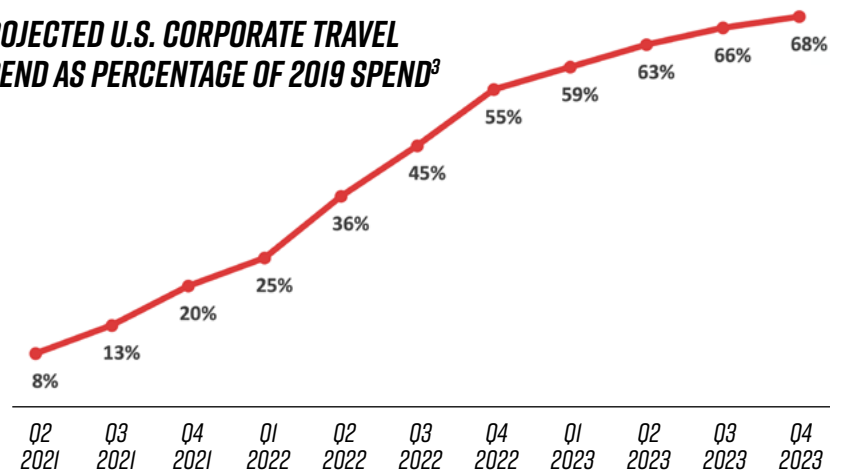
FREQUENT BUSINESS TRAVELERS WHO SAY THEY'LL NEVER RETURN TO THE ROAD<sup>1</sup>

# 44%



ROOM REVENUE PROJECTED TO BE BUSINESS TRAVEL<sup>2</sup>, DOWN 9% FROM 2019

### PROJECTED U.S. CORPORATE TRAVEL SPEND AS PERCENTAGE OF 2019 SPEND<sup>3</sup>



## LEISURE TRAVELERS CONTINUE TO COME BACK STRONG

# 54%



PLAN TO SPEND MORE ON TRIPS THAN THEY DID PRIOR TO THE PANDEMIC<sup>4</sup>

# 40%



PLAN TO USE POINTS FOR AT LEAST PART OF A TRIP THIS YEAR<sup>4</sup>



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## ABOUT ISEATZ

Founded in 1999 and based in New Orleans, iSeatz provides digital commerce and loyalty tech solutions that enable travel and lifestyle bookings. Our clients represent the best in travel, hospitality, and financial services, including American Express, Expedia, Air Canada, IHG Hotels & Resorts, and Wyndham Hotels & Resorts. Focused on customization and backed by proven deliverability, reliable advanced analytics, and travel lifecycle expertise, iSeatz sets the bar for a superb travel journey from the very first search.



**\$4 BILLION**

Bookings Made  
Annually



**180 BILLION**

Loyalty Points  
Processed Annually



**+4 MILLION**

Travelers  
Annually

Learn more at [iSeatz.com](https://www.iseatz.com). Have a unique product or partnership you've integrated into your loyalty program? We want to hear about it! Contact us at [marketing@iseatz.com](mailto:marketing@iseatz.com).

## ABOUT THIS REPORT

The “State of Loyalty: 2022 Hospitality Ancillary Report” is intended as a benchmark for the hospitality customer engagement landscape today. The goal of this report is to help hospitality executives understand where they sit in the competitive landscape in order to develop a truly differentiated rewards strategy that drives engagement, loyalty, and customer satisfaction.

The content was created using publicly available information on hospitality loyalty program websites and mobile applications. Information was verified when possible. If you are a hospitality brand with additional information on your loyalty rewards portfolio or engagement strategies, please reach out to [marketing@iseatz.com](mailto:marketing@iseatz.com).





# ANCILLARY PORTFOLIO OVERVIEW

While hotels emphasized their ancillary portfolios during the pandemic, as restrictions have been lifted and leisure travelers are back in record numbers, there's been refocus back onto their core business. In our 2021 report, we saw 48 additions year-over-year of earn or burn ancillary opportunities across the major hotel brands, as compared to the prior year's report. This year we've noted only 13, and 5 point earn or redemption opportunities are no longer offered. Casino loyalty programs however, have seen a number of changes. Of the 4 casino programs included in this report, there were 12 earn or burn additions, half of which can be attributed to MGM, who launched their revamped MGM Rewards program (formerly M Life) earlier this year.

“

Some of the other businesses we launched over the last couple of years are meant to be complementary to our core business because they make Marriott Bonvoy stickier. As leisure becomes a bigger part of the customer equation, we've wanted to offer these Bonvoy members more things.

**Stephanie Linnartz**  
President, Marriott Intl

Source: [Phocuswire](#)

”

# ANCILLARIES OFFERED BY HOTEL LOYALTY PROGRAMS

Hotels	Air	Car Rental	Dining	Experiences	Live Events	Ground Transport	Food Delivery	Wellness	Gift Cards & Merchandise	Cruise	Gaming	Charitable Giving	Sustainability
Marriott	Earn/Burn	Earn/Burn	Earn/--	Earn/Burn	Burn	Earn	Earn	Burn	Burn	Earn/Burn	-	Burn	-
Hilton	Earn/Burn	Earn/Burn	Earn/Burn	Burn	Burn	Earn/Burn	-	Burn	-	--	-	Burn	-
IHG Hotels & Resorts	Burn	Earn	Earn	Earn/Burn	Burn	Earn	Earn	-	Burn	-	-	Burn	Earn
Wyndham Hotels & Resorts	Earn/Burn	Earn/Burn	-	Earn/Burn	-	--	-	-	Earn/Burn	-	Earn/Burn	Burn	-
Accor	Earn/Burn	Earn/Burn	Earn/Burn	Earn/Burn	--/Burn	Earn/Burn	-	-	Earn/Burn	-	-	Burn	-
Best Western	Earn/Burn	Earn	Earn	-	-	-	-	-	Earn/Burn	-	-	Burn	-
Choice Hotels	Earn/Burn	Earn	-	-	-	Earn/Burn	-	-	Earn/Burn	Earn/Burn	Earn/Burn	Burn	-
Radisson Hotels Americas	Burn	Earn	Earn	-	-	-	-	-	Burn	-	-	Burn	Burn
Hyatt	Earn/Burn	Earn/Burn	Earn/Burn	Earn/Burn	-	-	-	Earn/Burn	-	Earn	Earn	-	-
Melia Hotels	Earn/Burn	Earn/Burn	Burn	Burn	-	Earn/Burn	-	Earn/Burn	Earn/Burn	-	-	-	Burn
Red Roof Inn	-	-	-	-	-	-	-	-	Burn	-	-	-	-
Shangri-La	Earn/Burn	-	Earn/Burn	Earn/Burn	-	-	-	Earn/Burn	Burn	-	-	Burn	-
Global Hotel Alliance*	--	-	Earn/Burn	Earn/Burn	-	-	-	Earn/Burn	-	-	-	-	-
Preferred Hotels	-	-	-	Burn	-	-	-	-	-	-	-	-	-
Omni Hotels	-	-	-	--	-	-	-	-	-	-	-	-	-
Magnuson	-	-	-	-	-	-	-	-	-	-	-	-	-
Sonesta & Red Lion	-	-	-	-	-	-	-	-	-	-	-	-	-
Four Seasons	-	-	-	-	-	-	-	-	-	-	-	-	-
Motel 6	-	-	-	-	-	-	-	-	-	-	-	-	-
Extended Stay America	-	-	-	-	-	-	-	-	-	-	-	-	-
Oyo Rooms	-	-	-	-	-	-	-	-	-	-	-	-	-
Rosewood	-	-	-	-	-	-	-	-	-	-	-	-	-



## Earn

- ◆ The ability to accrue loyalty points with a purchase or action.
- ◆ The ability to link one loyalty program to another so that purchases from one loyalty program accrue points in the other.

✱ New for 2022 Report



## Burn

- ◆ The ability to use loyalty points as currency to make a purchase or bid at an auction.
- ◆ The ability to easily transfer loyalty points from one program to another for the purpose of redemption.

■ Change from 2021 Report

\*The content was created using publicly available information on hotel loyalty program websites and mobile applications. Information was verified when possible. If you are a hotel brand with additional information as it relates to your ancillary or engagement portfolio, please reach out to marketing@iseatz.com.

# OTHER HOSPITALITY LOYALTY PROGRAMS

Vacation Ownership / Time Share Brands	Air	Car Rental	Dining	Experiences	Live Events	Ground Transport	Food Delivery	Wellness	Gift Cards & Merchandise	Cruise	Gaming	Charitable Giving	Sustainability
Hilton Grand Vacations	-	-	-	Burn	-	-	-	Burn	Burn	Burn	-	-	-
Marriott Vacation Club	Earn/Burn	Earn/Burn	-	Burn	Burn	-	-	-	-	Burn	-	-	-
Club Wyndham	Burn	Burn	-	Burn	-	-	-	-	-	Burn	-	Burn	-
Diamond Resorts	Burn	Burn	-	Burn	-	-	-	-	-	Burn	-	-	-
Bluegreen Vacations	-	-	-	-	-	-	-	-	-	-	-	-	-

\*The content above refers to point earn and redemption opportunities exclusive to the vacation ownership/timeshare program. It does not include point earn and redemption opportunities for their hotel counterparts, though in most cases these points may be converted into hotel loyalty points and redeemed for ancillary products via those programs.

Hotel / Casino Brands	Air	Car Rental	Dining	Experiences	Live Events	Ground Transport	Food Delivery	Wellness	Gift Cards & Merchandise	Cruise	Gaming	Charitable Giving	Sustainability
Caesars	-	-	Earn/Burn	Earn	Earn/Burn	-	-	Earn/Burn	Earn/Burn	-	Earn/Burn	-	-
Boyd Gaming	Earn/Burn	-	Burn	-	-	-	-	-	Burn	-	Earn/Burn	-	-
MGM Resorts	Earn/--	-	Earn/Burn	-	Burn	-	-	Burn	Burn	-	Earn/Burn	-	-
Station Casinos	-	-	Burn	Burn	-	-	-	Burn	-	-	Earn/Burn	-	-



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# EMERGING TRENDS

We may be transitioning into a post-pandemic new era, but COVID-19 is still significantly shaping the way we live and work, as well as the way we view travel. Increased safety and cleanliness are now the standard. Flexibility is still extremely important to travelers. And after being stuck at home, there's a renewed value placed on the experiential. Travel has become more personal, with consumers looking to get the best value from their purchase and their time. According to American Express Travel's [2022 Global Travel Trends Report](#), "81% of respondents agree they want to travel to destinations where they can immerse themselves into the local culture and 62% of respondents agree they want to be more thoughtful about where and how they travel."

“

The past two years proved how special exploration can be, as well as the weight our travel decisions hold for local communities. Looking ahead, travelers are making decisions with purpose in mind – from understanding where their money is going to finding time to connect with loved ones.

**Audrey Hendley**  
President,  
American Express Travel

”

Source: [Phocuswire](#)

A woman with long brown hair, wearing a bright red short-sleeved dress and gold-rimmed sunglasses, is smiling and looking off to the side. She is holding a silver vintage-style camera with a black strap. She stands on the deck of a boat, with a yellow and red striped railing in front of her. In the background, a historic city with stone buildings and a large cathedral with a dome is visible under a clear blue sky. The image is framed by a thin black line that forms a large 'L' shape, and a red banner at the top left contains the title.

## POINTS VS STATUS

Business travelers love status. Strategizing travel plans to maximize their point earning potential and building toward a coveted tier - it's a language they understand and a currency they regularly trade in. Leisure travelers are on the road less frequently and funding trips from their own pocket, so they care less about the quest for status or stockpiling of points, and more about realizing value on their next trip. Versatility in point earn and redemption is paramount. Many loyalty programs have begun to adapt to the shift to leisure by creating mid-frequency status tiers to target these travelers. With status expiration periods coming back as we emerge from the pandemic, though, achieving a certain tier may not be as valuable to someone not guaranteed to maintain it year-over-year, and the ability to earn rewards is still the most desirable benefit of loyalty membership. With more time spent at home than on the road, it's no wonder that leisure travelers appreciate opportunities to earn and redeem points on lifestyle products in addition to travel.

Despite this desire for versatile reward products, we've seen little change year-over-year in offerings from hospitality loyalty programs. Global Hotel Alliance's DISCOVERY program added earn and burn of points on dining and spa services, but as with almost all the other brands who offer these products, it's applicable for on-property outlets during the guest stay only. Having a more versatile reward portfolio is not just about meeting the needs of guests. Less frequent travelers also mean less earning on the core line of business. Adding more options to earn points will increase guest engagement and the bottom line.

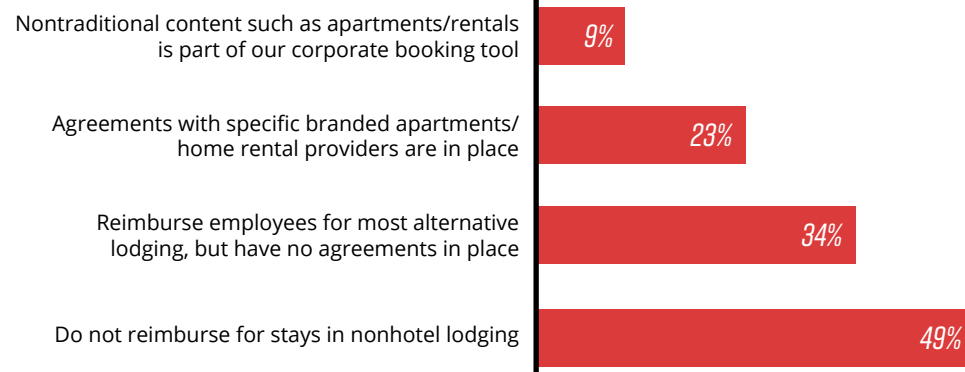




## VACATION RENTALS

The pandemic has seen a rise in short term rentals for leisure travels. Airbnb's reported earnings increased 38% from Q4 2019 to Q4 2021. There are many attractive features rental properties provide that are driving this growth - more privacy and space, particularly for families and groups traveling together, flexibility to prepare your own meals, a more home-like atmosphere, access to destinations and areas where hotels and resorts don't exist, and of course a safer, socially-distanced stay. However, short term rentals have a lot of variability between property owners and also lack several amenities traditionally available at hotel properties, including early/late check-in, free breakfast, included cleaning services (cleaning fees on AirBnb and

## CORPORATE TRAVEL MANAGERS' APPROACH TO NONHOTEL LODGING PRODUCTS



Source: [Deloitte Corporate Travel Survey 2022](#)



VRBO rose nearly 6% from 2019 to 2021 and are frequently more than the nightly rate). And limited loyalty rewards, at least for now... There have been rumblings for years about loyalty programs being in the works for the major vacation rental platforms, and those rumors are slowly coming to fruition. Expedia announced last fall that they were unifying Expedia Rewards across all of their brands, which includes VRBO. Hopper announced both their Carrot Cash program and Hopper Homes vacation rentals inventory earlier in the year. And VacayMyWay recently announced their own proprietary rewards program.

Business travelers so far haven't been at risk of making a material shift to vacation rentals. Corporate travel managers want consistency, broad geographic coverage, and the ability to negotiate economies of scale, which isn't possible with individual property owners. According to Deloitte's Business Travel Trends Outlook only 9% of companies have non-traditional lodging in their corporate booking tools and 49% do not reimburse for non-hotel lodging. This is good news for hoteliers, but with a string of acquisitions and consolidation within the rental space and pandemic safety concerns and staffing shortages forcing cuts to amenities, hotels may be at risk of losing their competitive edge. Re-establishing these benefits and strengthening loyalty programs will be critical to maintaining market share.

“

More capital is being poured into technology and acquisitions, leading to a standardisation of the end product (the rental unit).

**Amiad Soto**  
CEO, Guesty

Source: [Rentals United](#)

”



# SUSTAINABILITY

New for this year is the addition of a sustainability column to our Ancillary Portfolio Comparison chart (page 7). Sustainability is reaching a tipping point. Many brands include environmental efforts as part of their corporate social responsibility initiatives, but with more consumers looking for sustainable travel opportunities, and 59% willing to pay more for them, it's time that brands view it as a revenue-driving necessity. The market is beginning to demand it. We think it's important to keep an eye on this space and track how hoteliers and other hospitality brands are helping create a more sustainable travel ecosystem, and make environmentally-friendly travel accessible for the average consumer. While almost every brand has a sustainability policy of some sort, very few have it

incorporated into their loyalty programs.



IHG Hotels & Resort offers guests 500 points for declining housekeeping service during their stay at participating properties.



Melia Hotels launched their Planet We Love program last year. This partnership with Climatetrade allows members to donate points to emissions reduction projects in Mexico and Brazil.



Radisson Hotels Americas offers carbon offsets through First Climate, where members can offset the equivalent of 1 ton of CO2 for 4,000 points.







Carbon offsets would appear to be low-hanging fruit for travel rewards. As we wrote in an article last year, carbon offsets have been around for more than a decade, but still see little integration into loyalty schemes. Adding ancillary products like offsets are just one option - there are multiple ways brands can incorporate sustainability into their loyalty programs through partnerships and technology already in place today.

- ✎ Offer micro point bonuses for declining housekeeping, or for using less energy during their stay.
- ✎ Incentivize voluntourism projects, like the [Malama Hawaii](#) Program.
- ✎ Allow redemption for carbon offsets, and incorporate offsets into the booking transaction to increase take rate.
- ✎ Promote sustainable certifications in search results on internal and external distribution channels, allowing filtering for sustainable properties.
- ✎ Incorporate environmentally-friendly inventory into existing ancillaries, like electric vehicle rentals.
- ✎ Apply business rules to list environmentally-friendly inventory at the top of the sort order.
- ✎ Offer point bonuses or reduced redemption amounts for those environmentally-friendly choices.
- ✎ Create itineraries for low-impact trips to target Millennial, Gen z, and top tier reward members - who all show higher preference for sustainable travel opportunities.



# ***WHAT HOTELS CAN LEARN FROM CREDIT CARD ISSUERS***

In February 2022, iSeatz published our first State of Loyalty: Credit Card Rewards Report, an expansion of our State of Loyalty report series into the financial services market. In that report, our opening question was, “Is lifestyle the new travel?” Credit card issuers have the luxury of being able to quickly adapt the point-earning structures to meet changing consumer spending habits, and did just that with increased point earnings on lifestyle products like groceries and gas, where consumers were spending more while travel was down. Despite the popularity of lifestyle products to earn rewards, we saw little adoption of redemption opportunities for lifestyle products within credit card reward programs. As we mentioned in the report, “Offering point redemption for lifestyle products provides instant gratification and a quicker path to realized value for members.”



# FINTECH TRENDS

In the report, we identified 4 fintech trends that provide purchasing versatility and flexible financing and are seeing strong growth in the credit card travel rewards space. Here are 2 of those that we think provide immediate value for the hospitality industry as well.

## BUY NOW, PAY LATER

Amex Trendex data shows “**69% of consumers** want to book a trip now while prices are low, and **54% of Millennials** are interested in using a buy now, pay later feature for travel.” But it’s not just offering customer convenience that makes this an attractive feature for travel retailers, RBC Capital Markets estimates that BNPL options at checkout “**increases conversion rates 20-30%** and **lifts average ticket sales 30-50%.**”

## PAY WITH POINTS

Integrations with retailers like Amazon, Apple, and Best Buy offer attractive benefits to both the loyalty program and its members. Retailer-direct redemption opportunities are often at a lesser point value, but not every loyalty member is calculating for maximum return. The ability to apply points at checkout is seamless and convenient - features that outweigh maximizing monetary value for many consumers. According to The Wise Marketer’s 2021 Delphi Report, **70% of consumers** are likely or extremely likely to pay with points, and **only 8% said they were not likely** to or would never use Pay with Points

To learn more about these and other trends in credit card rewards, download a free copy of the report [here](#).





# LOYALTY AND THE LEISURE TRAVELLER

Loyalty programs have always been a critical touchpoint for guest engagement, and their significance has only been reinforced these past 2 years while travelers were grounded. Now that travelers are coming back en masse, how are these loyalty programs adapting to meet the new standard that guests expect?

With leisure travelers, trips are personal - happening on their own time, paid for from their own wallet, and their experience is the measure of ROI. And because it's personal, they also want their rewards to be personalized. Hotels leaned on their loyalty programs to engage members in their everyday lives during the pandemic, and while driving revenues back to their core business is critical, they shouldn't lose those everyday touchpoints with their customers.

Leisure travelers aren't playing the points game like business travelers, looking to maximize every redemption. Often convenience and accessibility win out. Helping them complete their trips by adding a rental car, tour or activity, or restaurant reservation will do more to win their loyalty during the trip planning process, while offering micro earn and burn opportunities like food delivery, wellness, and gift cards will keep them engaged while they're at home.

**KENNETH PURCELL**

Founder & CEO of iSeatz







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