

# Cutting through the Fog

JANET FORMAN's look into the nuanced and often opaque policies behind hotel loyalty clubs will help put you on the right path towards making the most of your bookings.

**T**he riddle of the sphinx has nothing on the mysterious workings of hotel loyalty programs. They promise suite upgrades, resort stays, even heart-stopping exploits like driving a racecar full-throttle or flying a combat plane—but tracking the points that deliver these exceptional experiences can be a bit like herding cats. While online charts duly compare the number of points required for free rooms, executive club access and elite status, these outlines don't even come close to telling the whole story, as two crucial variables in this equation are the ease of earning points (through travel partners, credit cards, limited-time bonus offerings and a host of loyalty incentives yet to be conceived) and how easily these points can be redeemed: Will it take two minutes and a few clicks on a clearly designed website? Or, instead, will it require multiple phone calls to 1-800 operators with a tenuous knowledge of the program?

## FEATURE

A recent poll by Kelton Global for Club Carlson, the Carlson Rezidor Hotel Group's loyalty club, revealed that earning free nights is the top motivator for joining a hotel rewards club, followed by gratis Internet and the number of hotels in the program. Yet, while hotel loyalty programs are enormously popular with *Premier Traveler* readers—many belong to at least six; some, up to a dozen—our own survey told us that even these savvy travelers find the rule books confusing.

### BRING A SPREADSHEET

Like many readers, Eric Carlson of Herndon, Virginia, finds loyalty clubs extremely rewarding—as long as you pay close attention to the terms. But when it comes to weighing one program against the other, or deciding which is most suitable for you, even a CPA with an Excel spreadsheet may find these complex, behemoth plans difficult to assess. Marriott Rewards has about 3,800 global hotels spread across 13 brands; IHG Rewards (formerly Priority Club) encompasses approximately 4,600 hotels across nine brands around the world; and Hilton HHonors covers more than 4,000 properties in 90 countries and territories, each slotted into as many as nine point-redemption levels.

Add more moving parts—such as *if* and *when* points expire or whether the plan partners with your preferred airlines, not to mention a rotating smorgasbord of alluring redemption

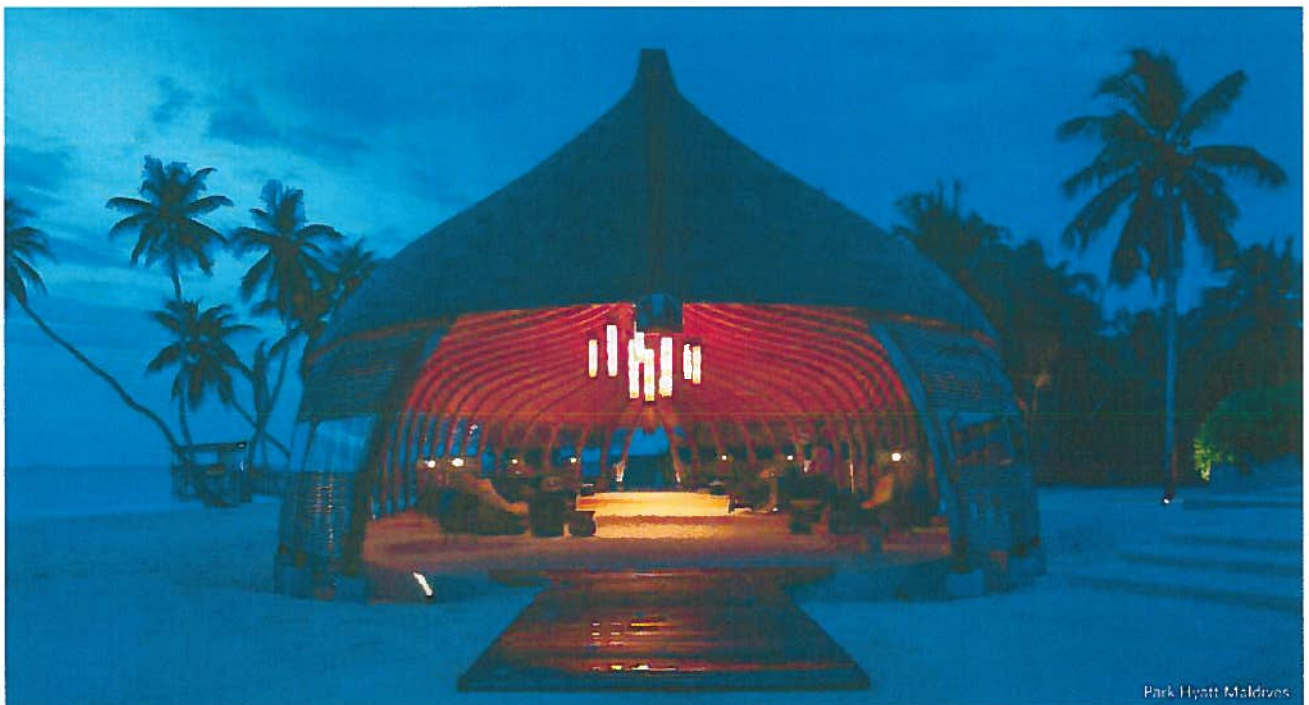


options like dinners, spa treatments and vacations at five-star resorts—and any chance of a successful comparison seems to evaporate. Consistency is also an issue, as reader Alan Howard of Monterey, California, observed, particularly when "different hotel brands inside the same loyalty program can provide different benefits for no clear reason."

Confronted by this carnival of benefits enmeshed in a web of rules, *PT* readers have found a number of ways to cope: "I sign up for all of them," said one reader who chose to remain anonymous, "and stay wherever I want. Eventually, a pattern emerges in which I'm using some more than others, so I focus

on those." *PT* reader Thierry Altuna of Paris, France, has landed a stay in a Presidential Suite more than once in this way. Randy Brock of St. Albans, Vermont, simply wings it: "I don't attempt to understand the rules," he admitted. "I don't have time for trivia."

Then there's the key issue of how well that check-in clerk knows the program. While many hotel groups do their best to keep employees informed—Starwood Preferred Guest (SPG) has a club expert at each hotel, and IHG designates a Loyalty Champion for each property—reader James Tipton of Palm Springs, California, has found that he frequently knows more about these programs



Park Hyatt Maldives

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Radisson Blu Resort Fiji, Denarau Island

than the staff does. To that end, landing promised benefits can sometimes be a struggle, readers said, especially with sudden changes in the fine print. So it comes as little surprise that Bo Gustawson of Frankfort, Illinois, who said he knows (and expects) his benefits, is satisfied when they are simply offered without argument.

### SHIFTING SANDS

Akin to airline clubs, hotel loyalty programs move in harmony with one another; and, this year, they are trumpeting a symphony of change. Gary Gross of Sherman Oaks, California, is one of many travelers taking note of the devaluation of hard-earned points as properties are bumped into high-level redemption tiers. “[Hotel loyalty schemes] are going the way of frequent-flyer programs,” lamented Maarten Albarda of Stamford, Connecticut, another traveler who sees his point value diminishing—“as is, consequently, my loyalty,” he added.

Far more important in establishing loyalty, said PT readers, is a general sense of hospitality. Certain phrases—such as “on discretion,” when applied to Executive Club access, or “on availability” appearing

### POINTS VS. LOYALTY

Free Wi-Fi, late checkout and gratis breakfast aside, when we asked PT readers how loyalty clubs influenced their choice of hotels, the reaction was decidedly mixed. For Wendy Merrill of Corte Madera, California, “Cost and geographic considerations supersede loyalty.”

“Points are important,” admitted Jo Dalton, “but my loyalty goes to better service.” Mark Stanley of Los Angeles agreed. As the number of points required for elite levels has soared, he no longer considers loyalty clubs when booking. “It’s now down to convenience, location and price.”

According to our poll, the majority of PT readers still base their hotel choice on old-fashioned hospitality. “Some hotels make me feel special,” said a reader from Michigan. “I frequent those more often.”

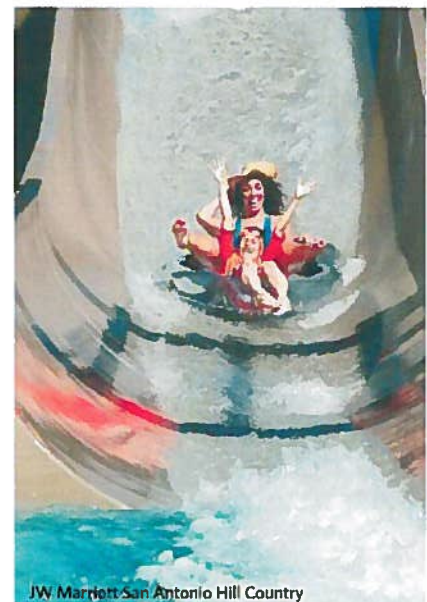
What’s not so special is the treatment one reader received that left him feeling as though his loyalty was not reciprocated: After earning elite status for more than a decade, the advantage of that cachet was lost as soon as his room nights decreased.

in the same sentence as “suite upgrade” or “late checkout”—raise immediate red flags. For Florida M.D. Joseph Ostroski, part of hospitality is providing a room when no one else in town has any available. Yet, that’s precisely when it can be most difficult to redeem reward nights.

Another globe-trotting reader, who often spends as many as 100 nights per year with one brand, put it bluntly: “Tick me off, and I’m gone. Raising redemption rates and not offering special inventory are my pet peeves.”

Indeed, the Kelton Global poll confirmed that travelers are more sensitive to negative experiences with hotels than with other types of goods and services: “Forty-one percent of those polled would discontinue their affiliation with a hotel after just one unsatisfactory experience,” said the published survey results—while, with brands in general, only 25 percent would jump after one bad turn.

On the flip side, some hotels have performed extraordinary feats that win a customer’s loyalty forever. Witness the aid HHonors provided when member Jim Kerr was evacuated from his hotel during the Colorado Springs brush fires: Along with hundreds of others suddenly without a place to sleep and finding every hotel north of Denver sold out, Kerr simply didn’t know where to go. While waiting in a seemingly endless line of traffic, he called the HHonors 1-800 number and connected with an agent who doggedly persevered until she found him a room. “It was a long drive,” he recalled, “but it was a bed for the night and, as a goodwill gesture, HHonors



JW Marriott San Antonio Hill Country



paid for the lodging. I was one happy, tired traveler when I finally went to sleep at about 2 a.m.," added Kerr, who vowed to be a Hilton HHonors member forever.

### EARNING POINTS: A HOW-TO

Scroll through your loyalty plan's website and you'll find a bounty of point-harvesting opportunities, not only from partners within the travel industry—airlines, car rentals, cruise lines (Hyatt Gold Passport has a staggering 28 travel partners, including American Airlines, Delta Air Lines and Etihad Airways)—but from wildly disparate sources, such as electricity providers or mortgage companies (for example, Marriott allots points for payments to Energy Plus and Chase Home Mortgage). Most programs also accelerate the earnings rate for elite-level members and run frequent, if fleeting, bonus-points promotions, often notifying members about these deals via email.

One of the fastest ways to gather points, however, may be through affiliated credit cards—IHG has two credit cards that bring on the loyalty points, Marriott Rewards offers three and Hilton HHonors claims 11—yet only 35 percent of PT readers who responded to our survey have these in their wallets.

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## FEATURE



Private Guitar Lesson with Ellie Goulding

Still, while one reader considers these cards a “waste of spending power” (even though some cards save real dollars by eliminating international exchange fees), others appreciate the opportunity to quickly earn points and reach an elite status tier—sometimes without ever setting foot in a hotel. Credit cards can also offer a sanctioned path to double-dipping: Guests can receive one set of points for staying at a hotel and another set for charging that stay to the affiliated card; alternatively, members can earn points in two clubs at the same time by charging the stay to another club’s branded card.

Meanwhile, some loyalty programs award both hotel points *and* airline miles for the same stay. Take, for example, SPG’s Crossover Rewards, a program available to travelers who have reached elite levels in both SPG and Delta SkyMiles: When SPG elites fly Delta, they receive priority check-in/boarding, one free checked bag and one Starpoint per dollar spent on eligible flights, in addition to the airline miles already accrued for the flight. On the flip side, when Delta elites stay at a Starwood hotel, they receive priority check-in, 4 p.m. checkout and free in-room Internet, all while earning one mile per dollar spent on eligible room rates—in addition to the Starpoints usually earned for the stay.

### SEEKING REDEMPTION

The arena for spending these points has now mushroomed far beyond travel. “Hotel loyalty programs have become a game of one-upmanship,” maintained SPG VP Gretchen Kloke. “We introduce free Wi-Fi; you introduce free Wi-Fi. We give more points; you give more

points.” So, these days, hotel programs are looking for ways to differentiate themselves by evolving with members’ changing lifestyles.

In an attempt to appeal to those members who are philanthropically inclined, just about every program is affiliated with a charity or two. SPG facilitates donations to UNICEF and the American Red Cross, while Hilton HHonors claims more than 20 charitable partners, ranging from the World Wildlife Fund and Habitat for Humanity to Operation Hug-a-Hero, which provides “Daddy Dolls” to children with parents in the military.

Perhaps the most thrilling way to use points is towards the “dream of a lifetime” designed by many plans. Hilton HHonors offers the chance to drive a full-size, Indy 500-style racecar; a spot in the NHL Penalty Box with players during a game; even the pilot’s seat in a military aircraft is on the table. Through IHG’s Concierge Rewards Program, members receive guidance about redeeming points for anything they can dream up, like a Jet Ski Island Tour of Key West. The IHG team then calculates the number of points needed—and presto, we have a reward!

Starwood’s auction program, SPG Moments, lets members bid on otherwise unattainable experiences like a personal interlude with U2 or a one-on-one tennis clinic with Andy Roddick at the U.S. Open. “Our Platinum members spend a lot of time on the road away from their families,” said SPG’s Kloke, who sees some globe-trotting executives using points to enhance their precious family time. One member snared a private guitar lesson with Ellie Goulding, along with tickets to her Dublin concert, all as a 16th birthday gift for his

daughter—likely securing for himself “World’s Greatest Dad” status for years to come.

Now, what sort of far-fetched fantasy or sublime scheme would a hotel loyalty club have to promise in order to become the “World’s Greatest Program,” in your opinion? See our sidebar for some motivation.

### THE ULTRA VIPS: A PEEK BEHIND THE INVISIBLE VELVET ROPE

Several hotel groups are recognizing their top customers with highly selective, unpublished loyalty levels. Many of these invitation-only programs ignite the imagination, suggesting an exclusivity akin to legendary secret societies, like Yale’s Skull and Bones.

#### MARRIOTT

Marriott’s Platinum Premier is limited to a “very small percentage of top customers,” a spokesperson told us—usually, those reaching Platinum Elite (75 nights or more) at least three years in a row.

#### M-LIFE

M-Life’s NOIR (which covers stays at 12 Las Vegas hotels, including the Bellagio, Aria and MGM Grand) is an invitation-only club that gets members “the best of everything—period,” we were told by a company spokesperson. That “best” includes guaranteed room, show and restaurant reservations, as well as complimentary airport limo service.

#### STARWOOD

Staying with Starwood for 75 eligible nights in a calendar year earns Your24 status, which allows rolling 24-hour check-in/check-out time: Arrive at 9 p.m. and you can stay until 9 p.m. the following day. Guests staying 100 nights per year also receive access to a personal ambassador for help with all their travel needs. What’s more, members can stop counting nights when they reach SPG Lifetime levels: 250 eligible nights and five years of elite status, for Gold; 500 nights and ten years of elite status, for Platinum.



High-Octane Redemption Opportunities Abound