

Travelers use hotels' loyalty programs to get instant perks and rewards

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Many travelers are members of multiple loyalty programs, and the role of these programs is often insignificant when choosing between different hotels. Credit: Varpu Heiskanen

Many travellers are members of multiple loyalty programmes, and the role of these programmes is often insignificant when choosing between different hotels, a new study from the University of Eastern Finland shows. Tourists use loyalty programmes when it's convenient and when they offer instant perks and rewards. The findings were reported in *Tourism Management*.

Traditionally, loyalty programmes are regarded as one of the best ways to increase [customer loyalty](#) and cash flow. Many tourism sector operators—and many hotel chains in particular—have their own loyalty programmes. These programmes seek to enhance [customer satisfaction](#) and to commit customers to a single chain or company. Earlier studies have shown that loyalty programmes can be beneficial for hotels, but they need to be designed properly.

Business and leisure travellers have significantly different wishes

The study found that business and [leisure](#)

travellers have significantly different preferences regarding the perks and rewards offered by loyalty programmes, and their preferences were also affected by travel frequency. The more leisure travel a person undertakes per year, the more important the level of the room becomes. For frequent business travellers, on the other hand, convenient location and good customer reviews are less important than for occasional business travellers. Furthermore, leisure travellers turn to loyalty programmes for instant rewards, whereas [business](#) travellers tend to accumulate perks over a longer period of time.

"Our findings highlight the importance of designing loyalty programmes for different traveller types. Business travellers look for different things than leisure travellers, and those travelling a lot look for different things than those travelling less frequently. Loyalty programmes should be designed to cater to the needs of frequent travellers. This way, it is possible to avoid a situation where [travellers](#) sign up for multiple [loyalty](#) programmes to get instant rewards," Research Manager Juho Pesonen from the University of Eastern Finland says.

The study was carried out in cooperation between the University of Eastern Finland and the Finnish hotel chain Lapland Hotels. A total of 1,315 people responded to the survey.

More information: Juho Pesonen et al, Plastic loyalty – Investigating loyalty card programs for a Finnish hotel chain, *Tourism Management* (2019). DOI: [10.1016/j.tourman.2019.01.023](https://doi.org/10.1016/j.tourman.2019.01.023)

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