

How to use AI to boost your Guest Loyalty Programme

HiJiffy

We're so happy you're looking to

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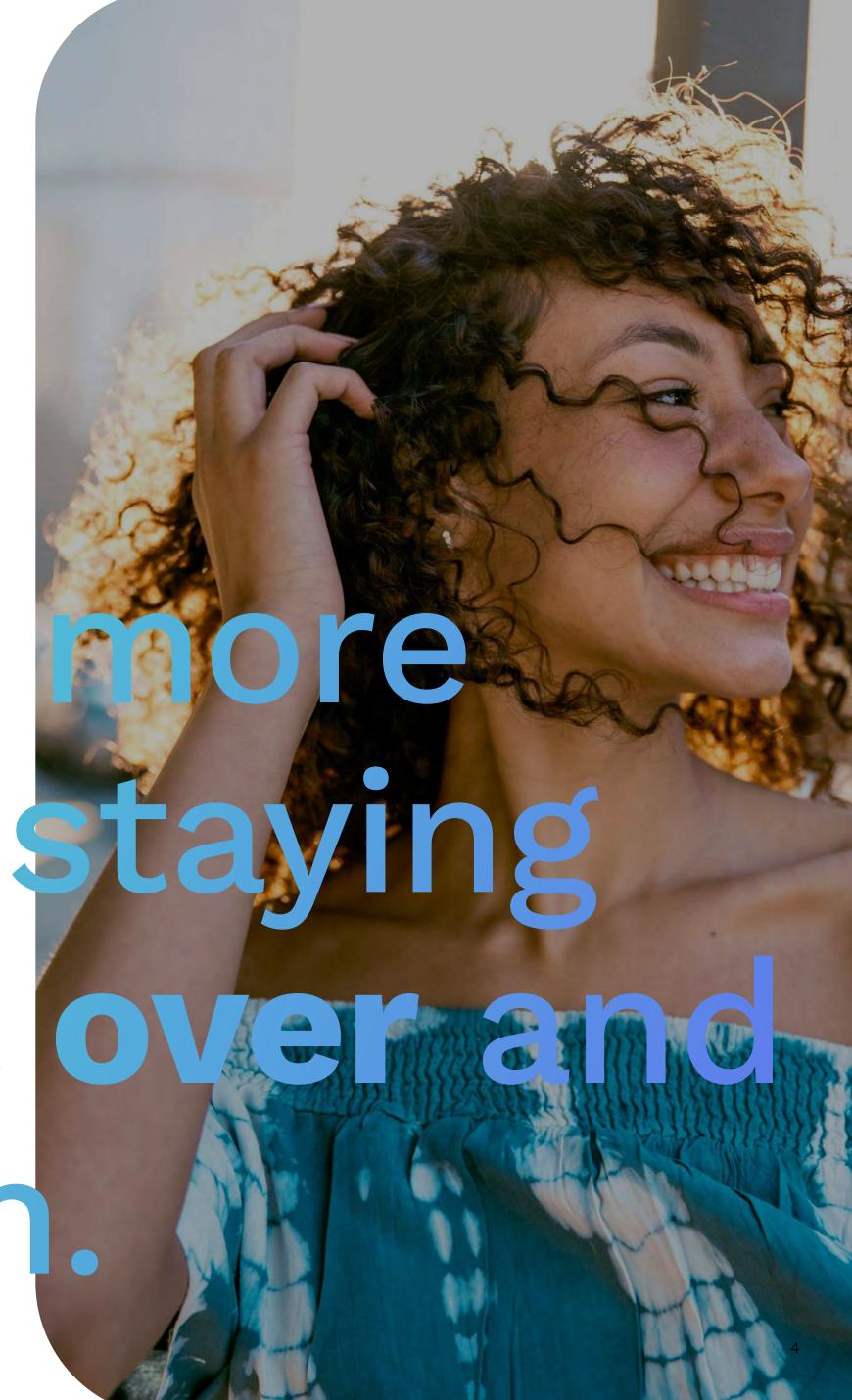
What are **Guest Loyalty** and Loyalty Programmes?

In the hospitality industry, the idea of guest loyalty has become a key part of revenue generation strategy, specially for direct bookings. Loyalty is more than just staying at a hotel over and over again. It means feeling connected and happy with the hotel brand emotionally and physically. Most studies on this subject, emphasise the importance of regular stays and the value of the experiences that forge a lasting bond between the guest and the hotel.

Complementing this is the strategic implementation of loyalty programmes, which have evolved to become more than just marketing tactics. These programmes, are designed to recognise and reward guests, using various mechanisms like points-based systems, tiered rewards, and personalised offers. They affect guests at every stage of their stay: prestay by providing incentives and information to enhance their upcoming visit; during their stay, by providing individualised services and experiences; and post-stay, by encouraging feedback and ongoing involvement.

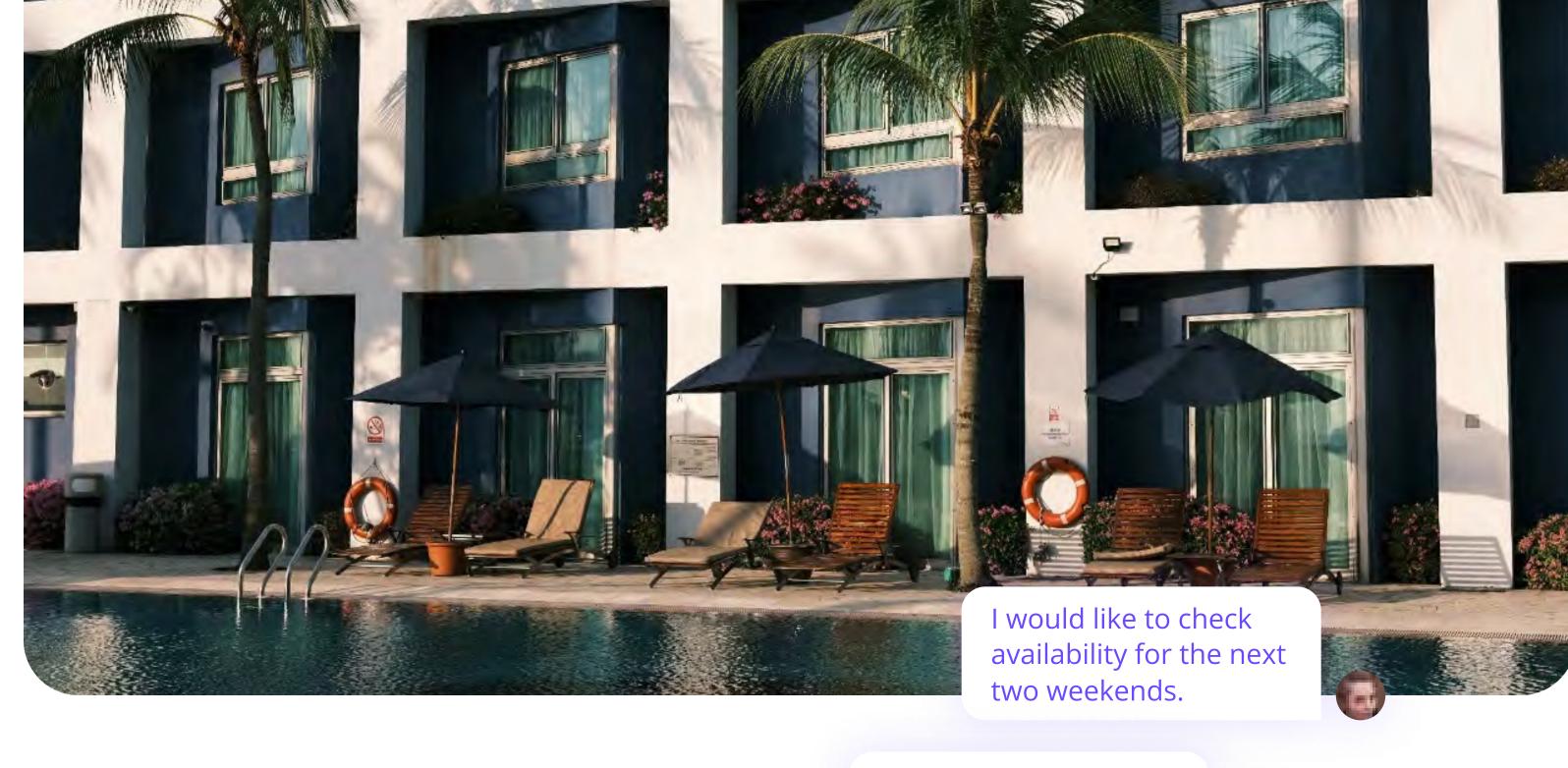
The evolution of these programmes shows a growing understanding of what makes guests loyal. They're not just about racking up points any more; they're about crafting a unique and lasting memory for each guest who comes through the door. This evolution is a response to a more competitive marketplace and a more discerning clientele, looking for more than just a place to stay, but also an experience that speaks to them personally.

Loyalty is than just staying at a notel overage over again.



The Importance of Loyalty Programmes in today's Hotel Industry

Today, the significance of loyalty programmes in the hotel industry cannot be overstated. They are crucial in enhancing customer retention. The hospitality industry is increasingly focusing on increasing revenue obtained through direct bookings through individual websites. This strategic shift is not just about reducing reliance on Online Travel Agencies (OTAs) but is also driven by the numerous benefits that direct bookings offer. The cost-effectiveness of encouraging repeat business through these programmes is clear, as loyal customers tend to spend more and engage more deeply with the brand.



These initiatives are especially important in boosting direct online reservations. Direct interaction with guests allows hotels to **avoid the commissions** of **online travel agencies**, resulting in **higher revenue margins** and the collection of **valuable customer information**. The programmes have an impact on all phases of the guest's journey, boosting pre-stay excitement, enhancing the stay itself through individualised care, and fostering post-stay connections via follow-up offers and communication.

Can you please help me with the reservation?



I would Love to stay there again!



Why should you focus a lot more on a direct booking strategy?

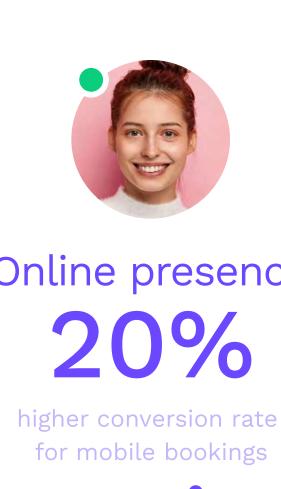
Direct bookings help in avoiding the substantial commissions, **typically between 15-25%**, charged by third-party booking platforms. By circumventing these fees, hotels can directly improve their profit margins. Additionally, direct bookings contribute to more stable and predictable revenue streams, offering long-term financial benefits. It is crucial that a bigger part of your channel distribution is in your hands.

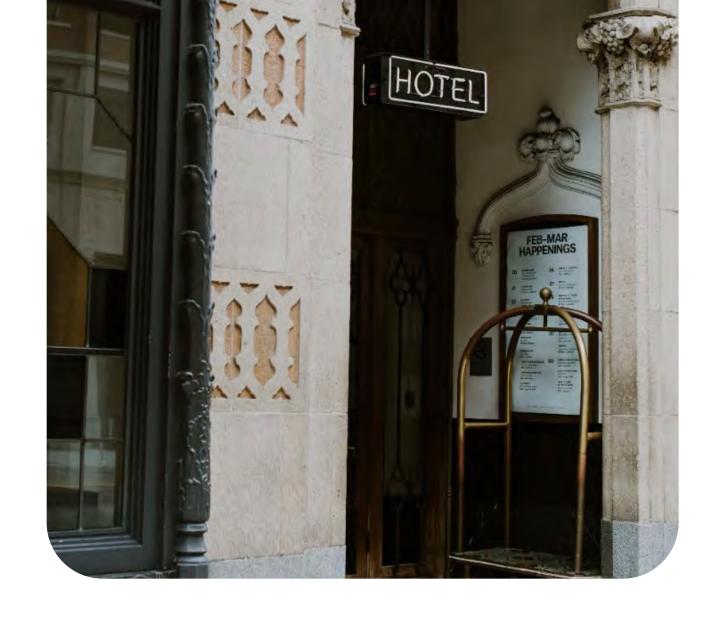
Online presence



Enhancing customer relationships

third-party booking platforms





Beyond financial gains, direct bookings play a crucial role in enhancing customer relationships. When guests book directly, hotels gain valuable insights from **customer data**, allowing them to tailor their marketing and services more effectively. This data acquisition is a key advantage of direct bookings. Direct bookings are associated with higher repeat booking rates, which underlines their importance in fostering customer loyalty.

The success of direct bookings is heavily influenced by a hotel's online presence. Website optimisation is therefore key, as it could lead to a substantial increase in conversion rates, by as much as 30%. Furthermore, there is a growing importance of mobile technology in booking trends, with a 20% higher conversion rate for mobile bookings on direct hotel websites compared to other platforms.

The competition between direct bookings and OTAs is a notable aspect of modern hospitality marketing.

The academic discussion lies on how hotels can offer value-added services to offset price parity issues with OTAs. Researchers and experts emphasise the importance of targeted marketing strategies to enhance the appeal of direct bookings with advantages and incentives, particularly when confronted with the widespread market presence of online travel agencies (OTAs).

Boosting direct conversions on hotel websites is a strategy that means much more than just financial benefits. It is about building a holistic approach that combines cost-effectiveness, enhanced customer relationships, technological advancements, and strategic positioning against OTAs. This approach reduces dependency on external booking platforms and cultivates a more direct and engaging relationship with guests, which is crucial for long-term business growth and customer loyalty.

It's all about cost-effectiveness, enhanced customer relationships, technological advancements and strategic positioning against OTAs.



So how do Loyalty Programmes help?

Loyalty programmes, when integrated into the hotel's official website, serve as a powerful tool to incentivise direct bookings. They not only reward repeat business but also create a sense of belonging and exclusivity among guests. As highlighted by various metrics and studies, the success of direct bookings is significantly amplified when coupled with well-structured loyalty programmes. These programmes encourage guests to book directly by offering them tangible hotel member benefits, such as discounts, complimentary services, or exclusive experiences that are not available through OTAs.

As mentioned previously, the importance of boosting direct booking conversion is not just about the immediate financial gains or technological leverage; it's also deeply rooted in the ability to foster a loyal customer base through personalised experiences and rewards. This symbiotic relationship between direct bookings and loyalty programmes creates a sustainable competitive advantage, enhancing both customer satisfaction and business profitability in the long run.



enable hotels to differentiate themselves in a crowded market by building long-term emotional connections. These programmes are not static; they evolve based on guest feedback and changing preferences, making every stage of the guest's journey—from pre-stay to post-stay—a tailored experience.

Hospitality loyalty programmes have demonstrated positive outcomes across various metrics, significantly influencing customer behaviour and business performance. These programmes, aiming to encourage repeat business and customer retention, take various forms and offer diverse benefits, contributing to their effectiveness:



Points and Tiered Programmes

Traditional points programmes, where customers earn rewards for future benefits, are effective in attracting sign-ups. Tiered loyalty programmes, offering rewards based on spending milestones, are especially popular in the hotel industry. They increase member engagement and give a sense of exclusivity and status, with higher tiers offering better benefits. This gamification aspect makes the hotel rewards programme more exciting and encourages continuous engagement.



Premium Loyalty Programmes

Aimed at high-end establishments, these fee-based programmes offer instant gratification and elite status benefits, strengthening relationships with top customers and encouraging repeat visits. However, it's crucial to balance the exclusivity of these programmes with accessibility to avoid creating too high a barrier for potential members.



Enhanced Customer Loyalty

Customers often show loyalty to hotels where they have positive experiences, even if these hotels have stricter policies or higher prices. Superior service leads to repeat visits and customer promotion through social media or word-of-mouth, creating more potentially loyal guests. Research shows that loyalty programs, which include things like benefits, how customers feel, and outside factors, are important for keeping customers loyal to a hotel. This works by making it harder for customers to switch to other options because they don't find better alternatives, or it costs them more to leave a loyalty program.



Diverse Rewards and VIP Tiers:

Offering a variety of rewards, including bonus points, discounts, and free services, caters to different customer preferences. VIP tiers encourage customers to climb the membership ladder, offering increased benefits for higher tiers. This strategy enhances customer retention and engagement.





Utilising loyalty programme software helps in managing complex loyalty schemes, especially for independent hoteliers. This technology offers dedicated apps for guests to track and use their rewards, simplifying the loyalty process.



Corporate Rewards

Differentiating rewards for leisure and business travellers, with specific perks for corporate stays, can further enhance loyalty programme effectiveness.



Personalisation and Relevance

Successful loyalty programmes offer rewards and recognise and understand the value of loyal customers through personalised experiences and relevant offers, going beyond mere discounts. There is an obvious and documented financial impact of these programmes on hotel industry performance metrics like occupancy rate, revenue, and operating margin.





Savoy Group's SAVOY Club Rewards
Programme offers points
redeemable for various benefits,
with tier-based privileges like room
rate discounts.



Novotel, part of Accor Live Limitless, provides a unique programme offering rebates on stays based on points, with tierbased benefits, as well as early check-ins. d a O

BY DORSETT

Dao by Dorsett's loyalty programme emphasises flexible rewards and tier-based benefits such as free breakfast and room upgrades.



Hilton Honors covers a wide range of properties and offers benefits like member discounts, points toward free nights, and late checkouts. Elite status tiers provide additional benefits like daily food and beverage credits and free premium Wi-Fi.



Marriott Bonvoy offers elite status levels with benefits such as free Wi-Fi, points bonuses, priority late checkout, and room upgrades. Higher tiers like Titanium and Ambassador Elite offer additional perks like United Airlines Premier Silver Status and Your24 concierge services.

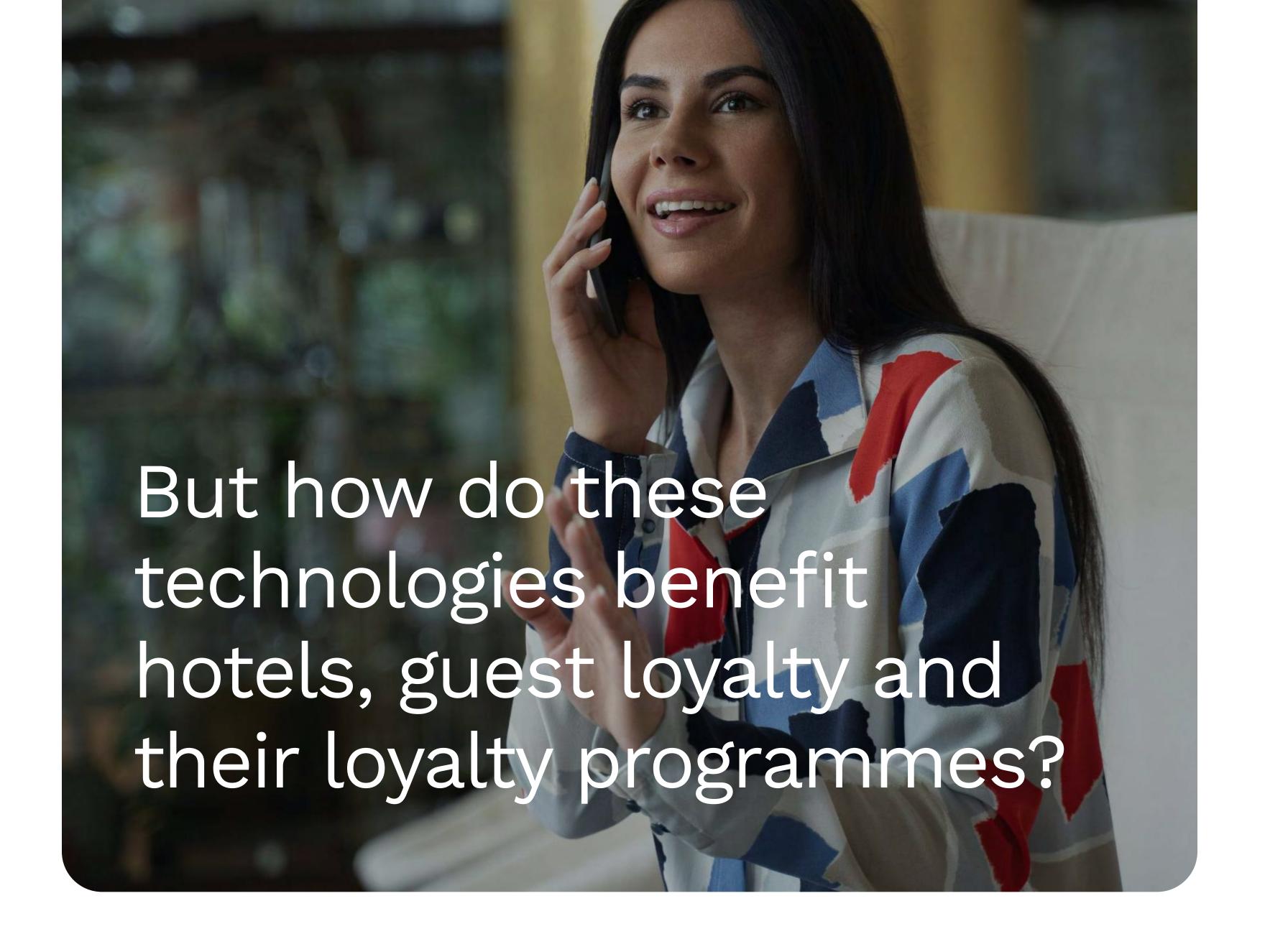
Examples of

Top Loyalty Programmes

What is the role of AI in enhancing and optimising Loyalty Programmes?

The integration of AI into these loyalty programmes marks a significant leap forward. AI's ability to analyse guest data and personalise experiences, transforms the guest experience at every touchpoint. The technology enables hotels to anticipate needs and preferences, offering tailored experiences during the pre-stay phase, customising services during the stay, and maintaining engagement post-stay.

Virtual Concierges and AI technologies, such as the one provided by HiJiffy, are increasingly being used in the hospitality industry to enhance guest experiences and promote loyalty.



Personalised Guest Experience

企 17%

from previous 30 days

Al-powered virtual concierges can help you **analyse guest data**, such as previous stays, preferences, and feedback, to offer personalised recommendations and services. This tailored approach makes guests feel valued and understood, increasing their likelihood of remaining loyal to the hotel brand.

Efficient and Responsive Service

help you with that

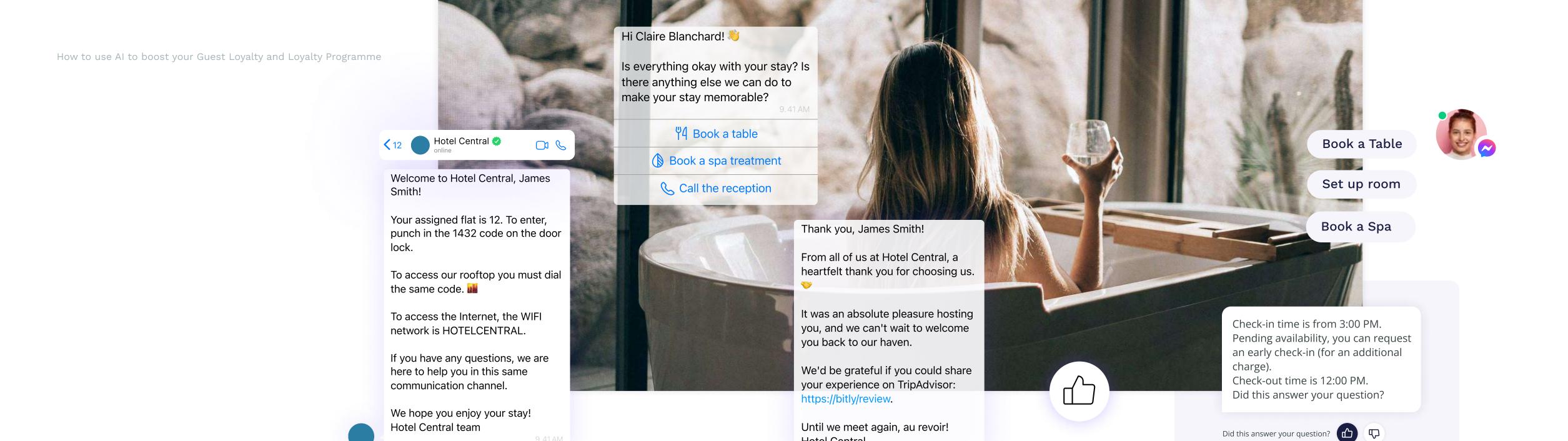
Virtual concierges provide instant responses to guest inquiries and requests, available 24/7. This efficiency improves guest satisfaction, as they receive prompt assistance whenever needed, leading to a more positive overall experience. In HiJiffy's case, this happens in over 130 languages.

Integration with Loyalty Programmes

Al systems can be programmed to boost loyalty programme membership sign-ups and offer them exclusive benefits, such as room upgrades, complimentary services, or personalised offers. By reinforcing the message, it makes the loyalty programme more valuable to guests and encourages them to keep coming back.

Data-Driven Insights

Al tools can collect and analyse vast amounts of data regarding guest preferences, spending habits, and feedback. These insights enable hotels to continually refine their services and loyalty programmes, ensuring they remain attractive and relevant to their guests.



Hotel Central

Automated Check-In/ Check-Out

With AI, hotels can offer streamlined check-in and check-out processes, reducing wait times and improving convenience. Loyalty programme members can receive expedited services or mobile check-in options, enhancing their experience.

Customised Marketing Communications

Al allows you to segment guests

based on their behaviours and

preferences, allowing hotels to
send targeted and personalised
marketing communications. This
can include special offers for loyalty
programme members, increasing
engagement and repeat bookings.

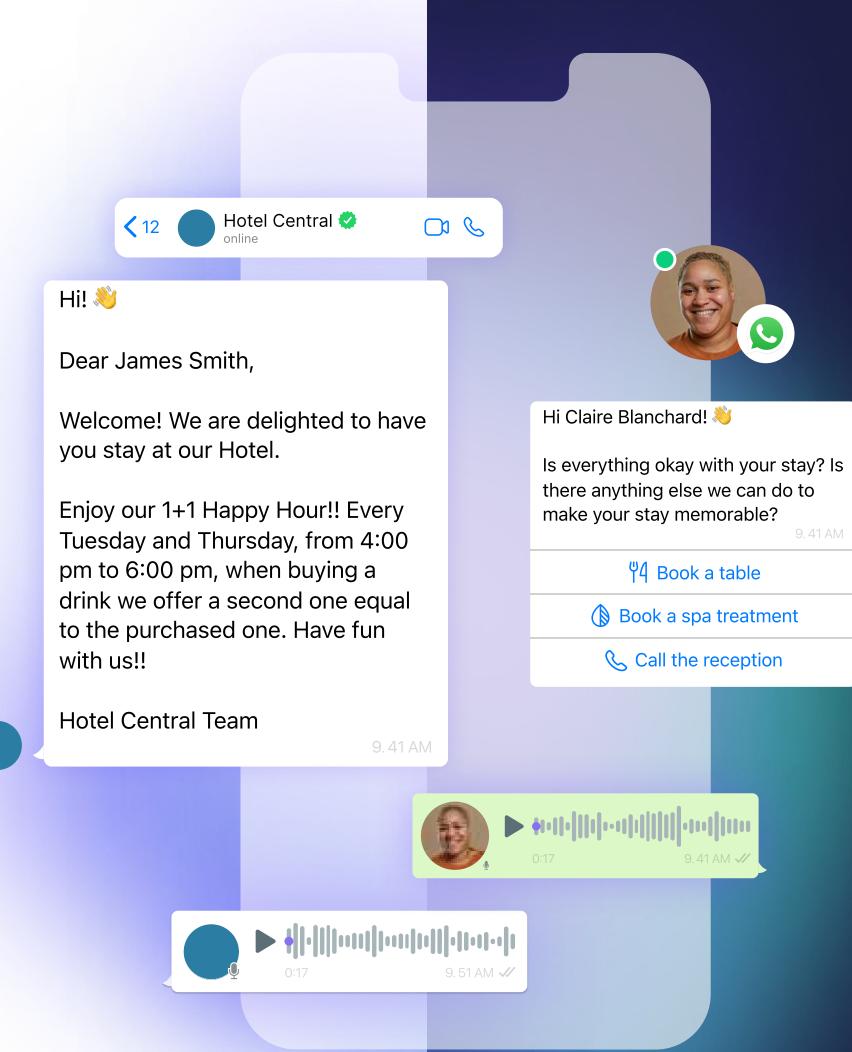
Feedback Requests and Promotion

Al tools can promote guest review and feedback requests, providing hotels with insights into what guests appreciate and what needs improvement. Addressing these areas can lead to better guest satisfaction and loyalty.

Convenience in Services Booking

Guests can use virtual concierges to easily book services like spa appointments, restaurant reservations, or local tours, often with loyalty programme discounts or perks, enjoying a much more automatised approach to crossselling and upselling.

Virtual concierges and AI technologies in hotels enhance the guest experience through personalisation, efficiency, and data-driven insights. By integrating these technologies with loyalty programmes, hotels can foster guest loyalty, encourage repeat visits, and maintain a competitive edge in the hospitality industry.



So the next question is -How is this all applied in practical terms?

Boosting your Guest
Loyalty and your Loyalty
Programme with the power
of Conversational AI

In each section, we will explore different options to boost your Loyalty Programme across the different stages of your guest journey using the power of Conversational AI.

Our ultimate goal is to shed light on the extensive range of alternatives available to hoteliers. We are not suggesting implementing every single option, especially because that would be too intrusive and impact negatively the customer experience. However, your strategy will only be successful if you really test and optimise your messaging:



Try messages at different stages of your guests' journey.



Play around with the content you use:
Adapt your tone,
message text,
images, icons and
buttons.

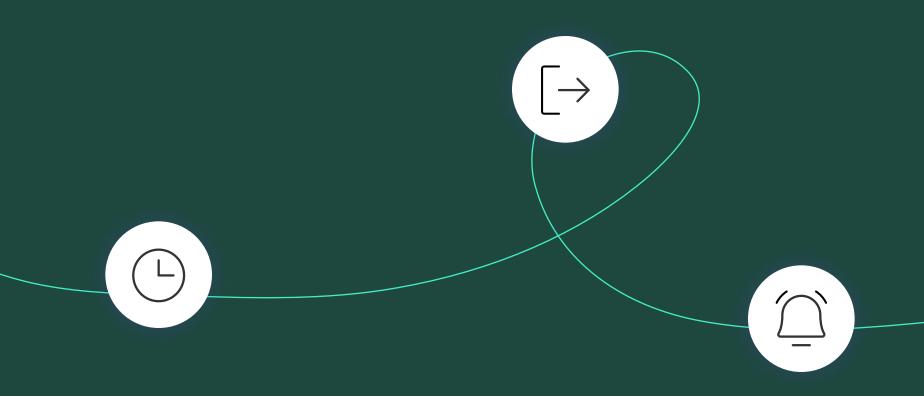




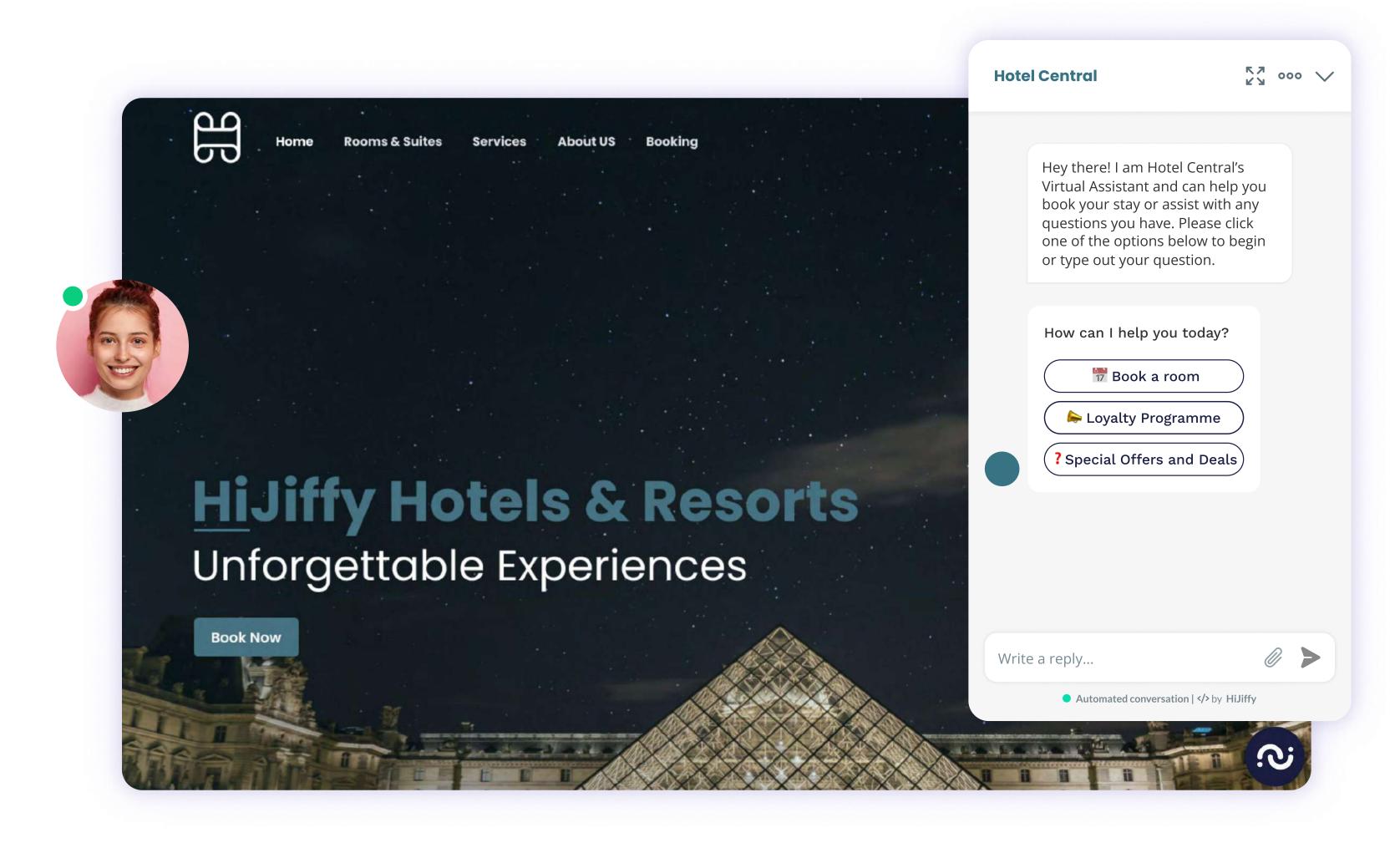
Really make your hotel's loyalty programme main features and benefits stand out. Are you going to focus more on restaurant and spa discounts they can get? Or maybe fast-tracking checkin and check-out processes?



It is really crucial to think about what your guest is looking for during their time at your hotel, but also to provide benefits that boost an experience that maybe they did not know about.



Below, you can find some of the examples we have seen work effectively for hotels actively boosting their **guest loyalty** and **loyalty programmes**. To make this easier to understand, we've broken down the examples by steps in the guest journey. Bear in mind that all of these messages are previously defined on your user-friendly HiJiffy Console.



Target your client while they are in the initial phase of the hotel discovery.

Pre-booking Phase

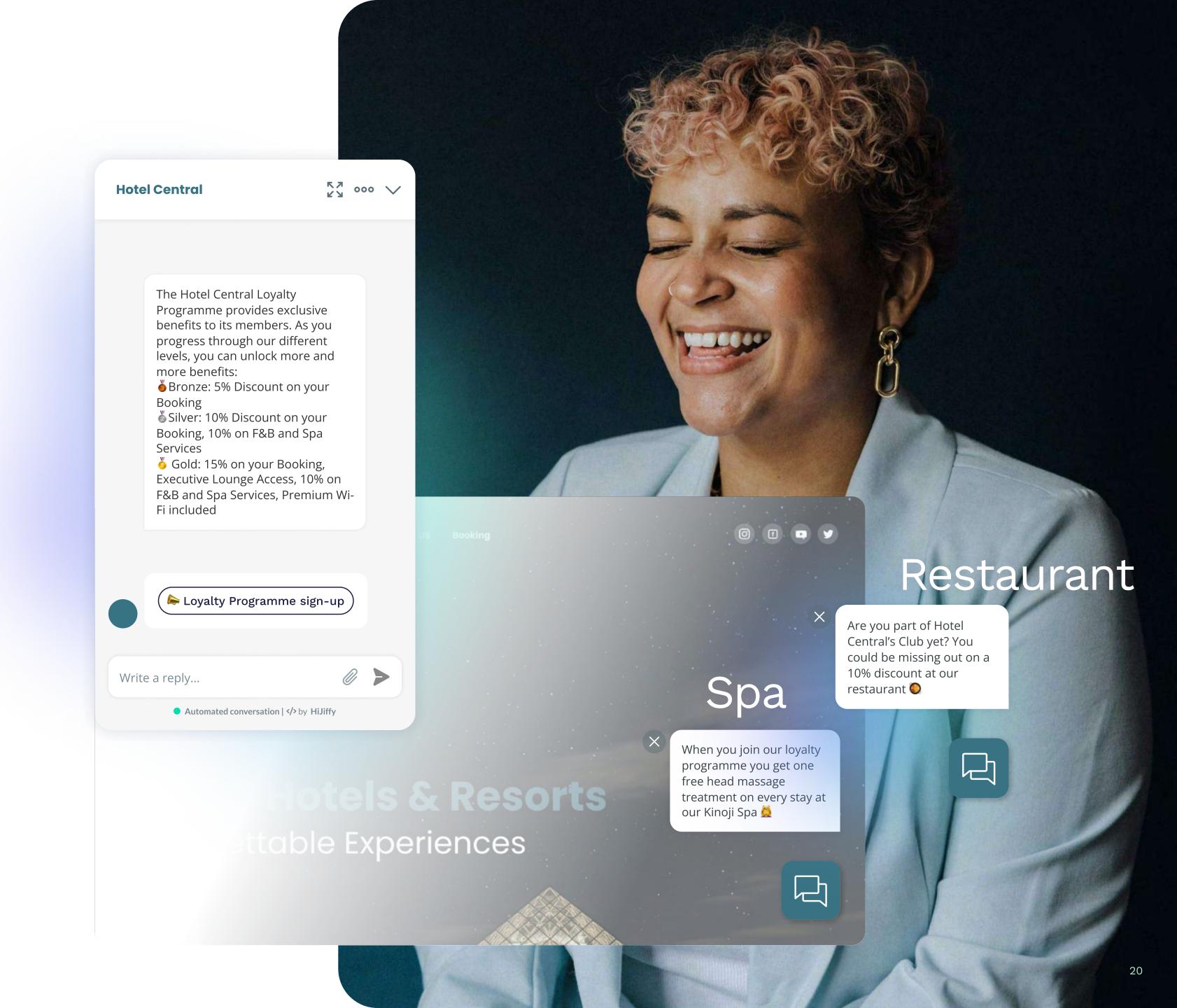
Example 1: When they join the hotel website, after welcoming and greeting them, let them know that you have a Loyalty Programme and create a button to link to its explanation.

When the potential client clicks the button, the chatbot will trigger the message on the chatbot explaining the benefits of your Loyalty Programme. Within this message, you should have a button linking directly to your Loyalty Programme sign-up page.

Spa & Restaurant

You can promote your Loyalty Programme through specific behavioural marketing. A good example would be if a guest is on your spa page, you can set a rule for the chatbot to push a notification message highlighting that they can get exclusive advantages for a specific service by being a loyalty programme member.

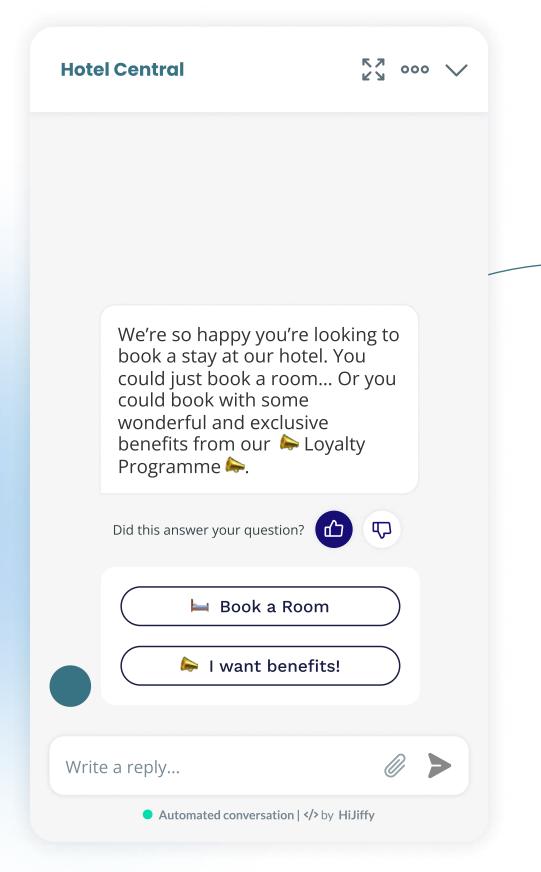
You're definitely not limited to just one page. There are endless possibilities to push your loyalty programme through notification messages on different website pages based on the preferences the potential guest shows while navigating.



Booking Phase

Explanation: Rather than having your guests go directly to your booking forms, you could, through a button, explain to them what they're missing out on if they don't sign-up to the **Loyalty Programme right before they book**.

Example 1:



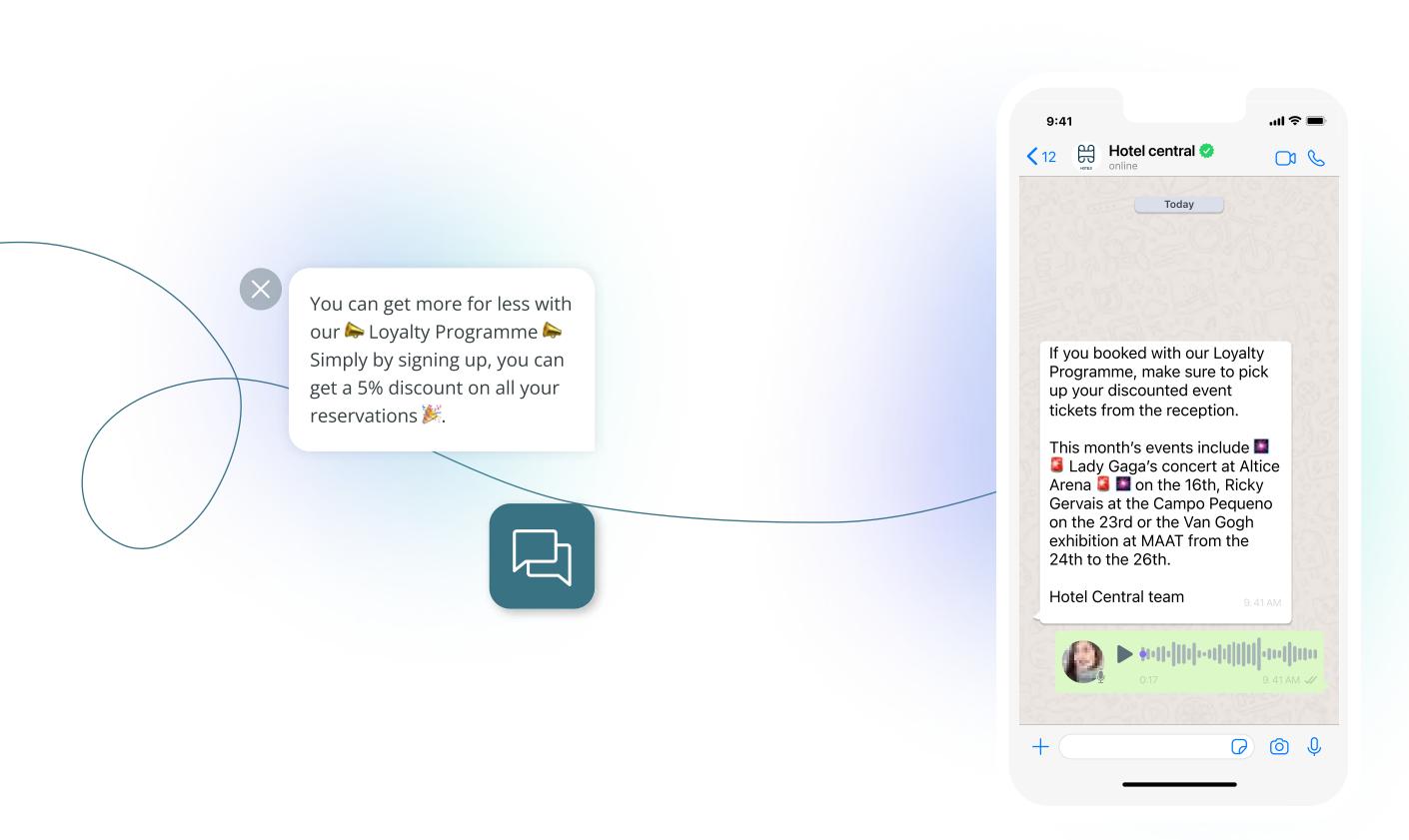
Explanation: You could also have the **chatbot flash a notification** when your guest lands on the site's booking page. This could once again stimulate their need to sign-up to the Loyalty Programme.

Example 2:

Pre-Arrival

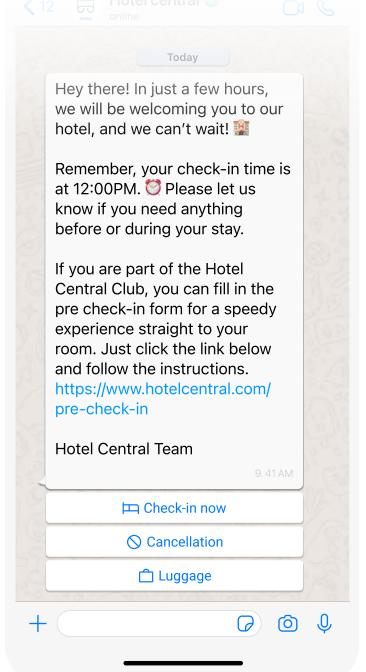
Share a teaser about exclusive events, services, or amenities available only for loyalty members.

Example 1 - A week before they arrive



Make sure to push the benefits of your loyalty programme from the get-go. A great experience during check-in, a moment where guests are tired from their trips and just want to get settled in, can make all the difference. This is a sure-fire way to benefit both your loyal guests and your reception staff in terms of time. You don't always need to have loyalty sign-up buttons. Just creating a little "FOMO" for your non-loyalty guests goes a long way to getting them to inquire more about your programme.

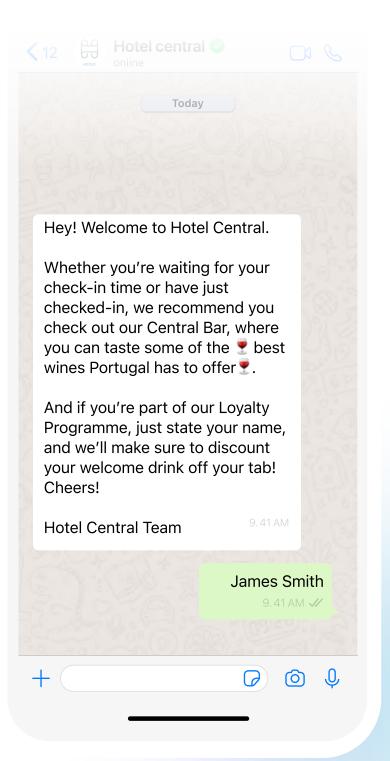
Example 2: A day before they arrive - Early check-in campaign



During the guests' stay

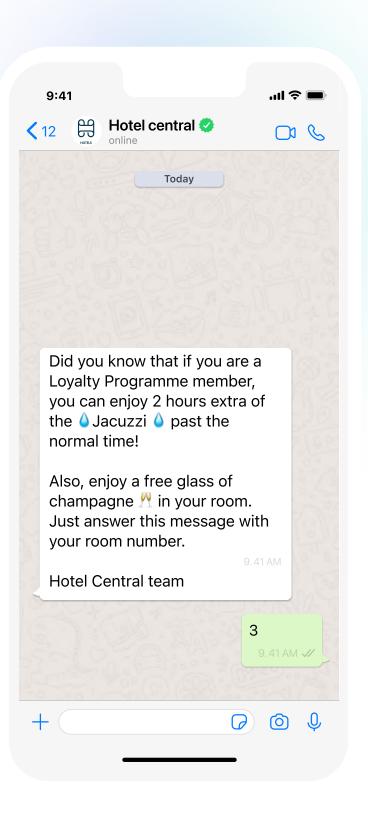
Deploy an online check-in campaign that highlights that Loyalty members or just Direct Booking Guests are entitled to a complimentary welcome drink. Make sure that the benefit creates a unique and memorable experience for the guest using it, as it really impacts how the programme and the hotel brand is perceived. It's all about making guests feel part of your community.

Example 1: Special Offer for Loyalty Member or Guests who book Direct



Use your in-stay campaign to suggest exclusive loyalty-member services like spa treatments, restaurant specials, or events.

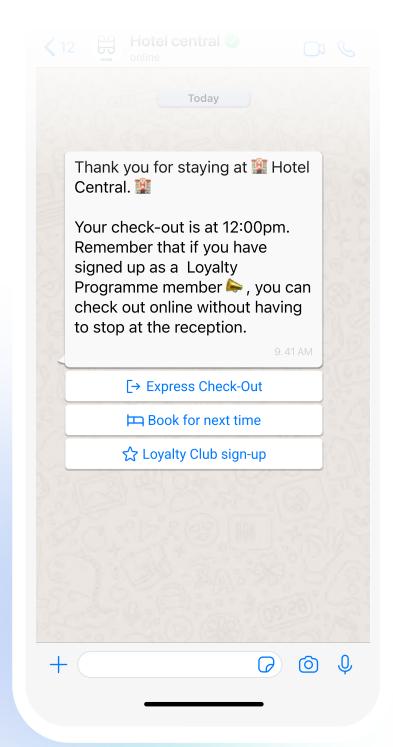
Exclusive Loyalty member or Direct Booking upselling campaign:



Pre-Departure

Offering an express or contactless check-out for loyalty members is a good way to get people signed-up or at least convince them that the next time they do, they should book as members of the Loyalty Programme. A hassle-free experience for a guest during their check-out is a great way to ensure a final positive lasting impression.

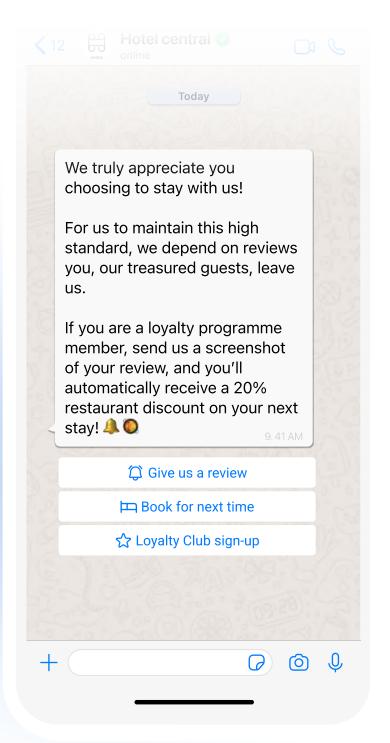
Example 1: Exclusive Streamlined Checkout with Al

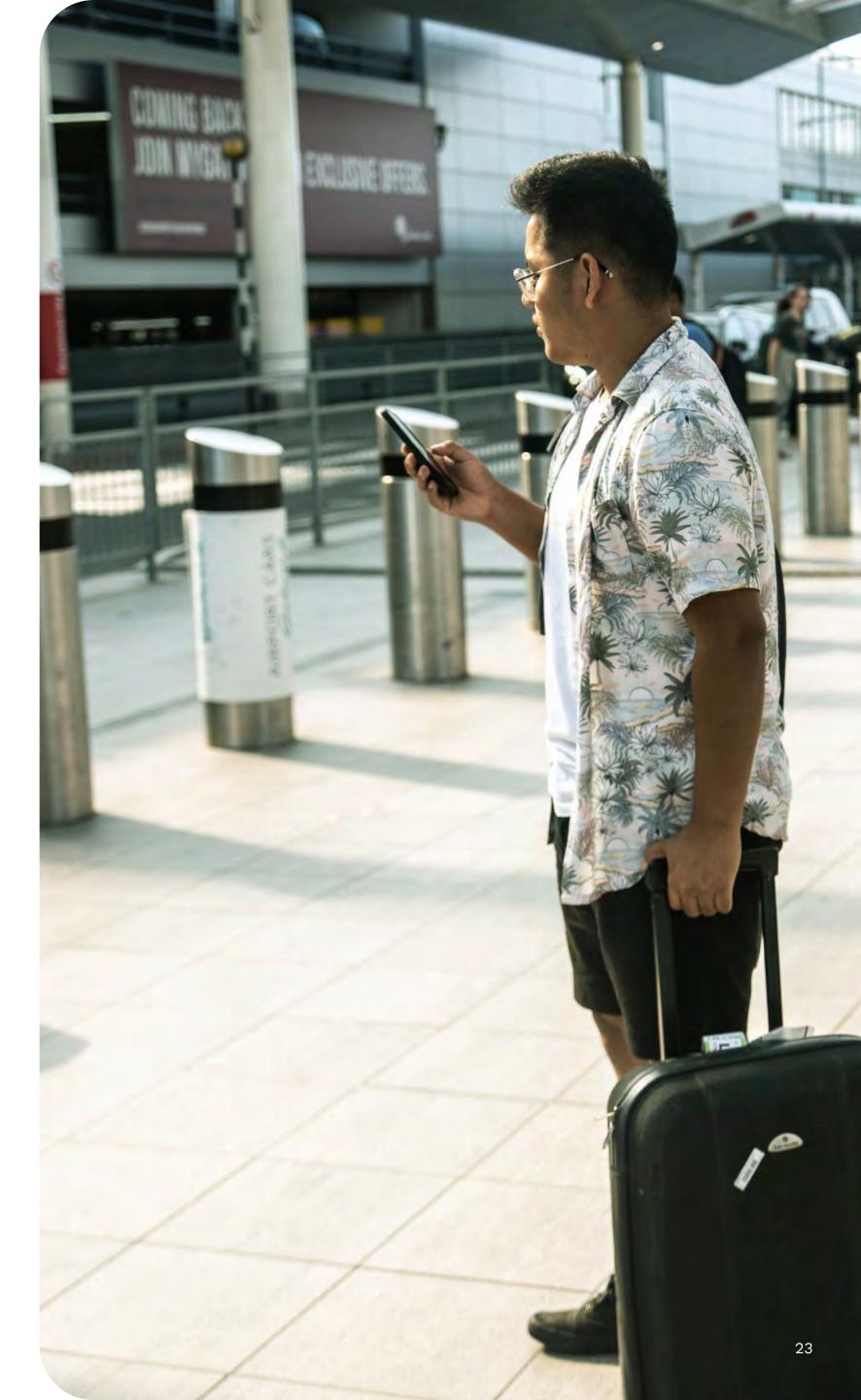


Departure

Highlight the importance of guest reviews and use bonus points as a strong motivator. Incentivise loyalty members to leave reviews in exchange for bonus loyalty points or discounts on certain services if you are known more locally. A good case for this are hotels with spas, who get more regional visitors or repeat stays.

Example 1: Encouraging Reviews through Incentives





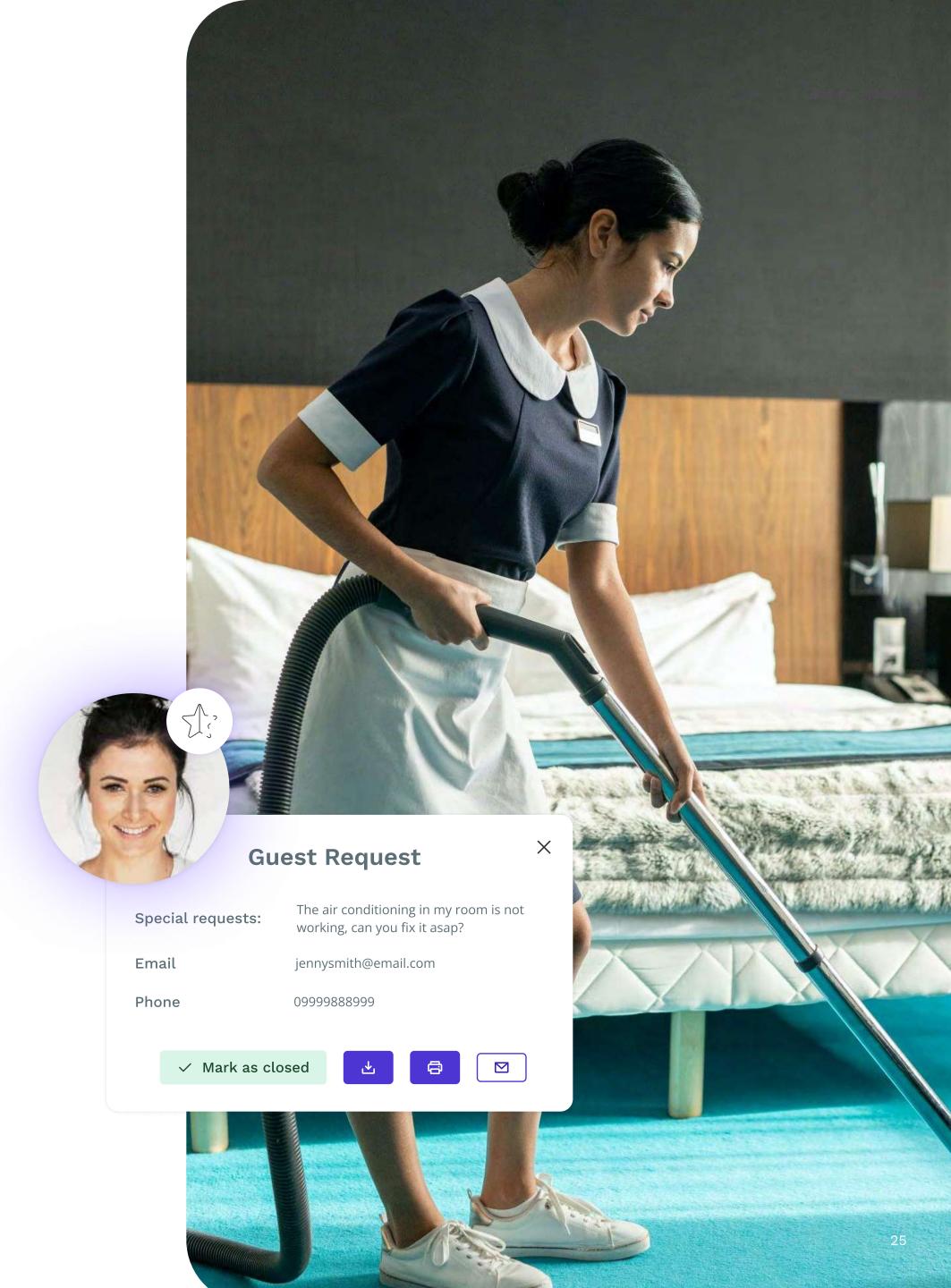
The **Power of Al** when combined with trained staff

Leveraging AI in the Hospitality Industry

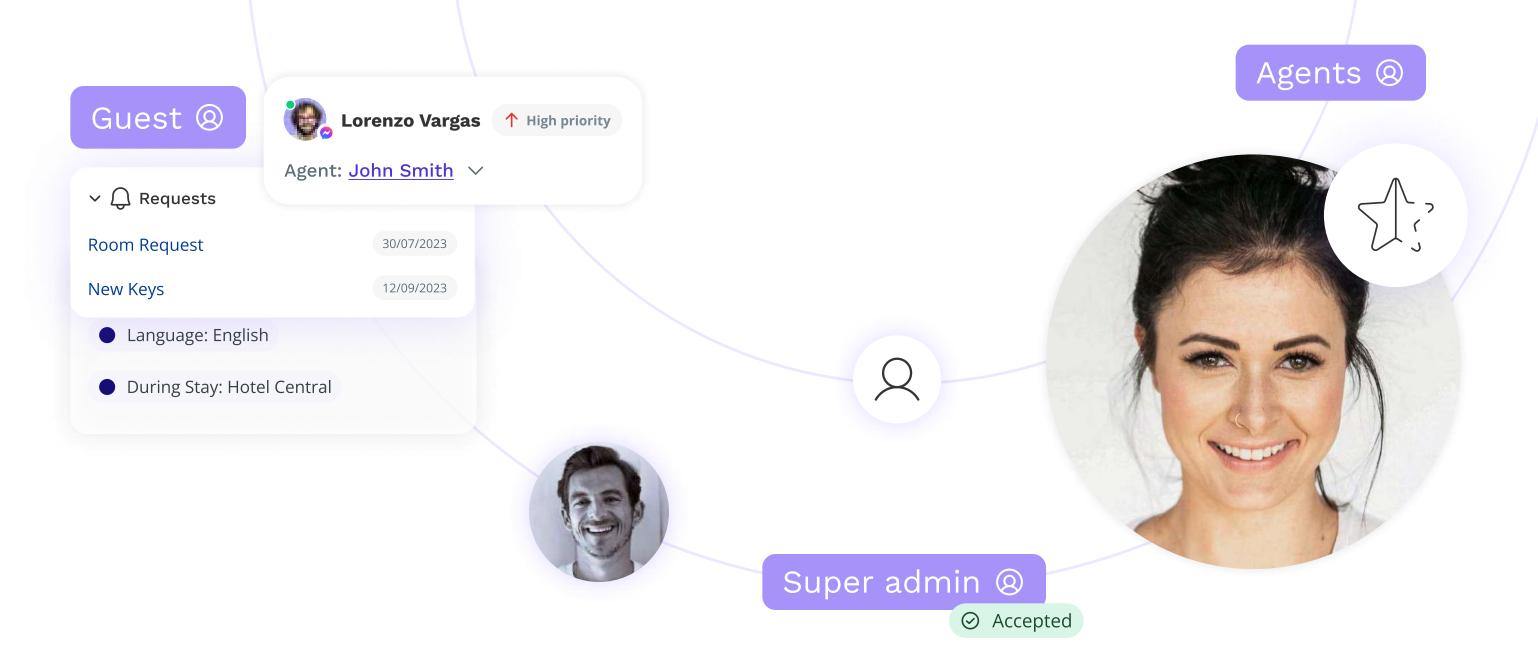
The incorporation of conversational AI into tools like virtual concierges and chatbots is reshaping the hospitality sector. This technological leap has revolutionised how hotels interact with guests, offering more personalised and efficient services. To harness the potential of these AI systems, ensuring that hotel staff are well-trained is vital. A wellprepared team can effectively understand and utilise the data and insights generated by AI to enhance guest experiences. This is particularly important in loyalty programmes, where the combination of AI's efficiency and human insight can significantly enhance the guest's overall experience. Proper staff training in this area paves the way for a seamless blend of technology and individualised service, essential for maintaining a high standard of service quality.

Elevating Customer Experience Through Staff Proficiency

In hospitality, the customer experience is the most important factor, and loyalty programmes play a pivotal role in shaping it. Training hotel staff to proficiently use AI-driven tools goes beyond technical competence; it also encompasses soft skills and emotional intelligence. Staff should be adept at utilising AI insights to deliver customised services, a key element in reinforcing loyalty programmes. For instance, when AI identifies a guest's preferences, staff should be ready to recognise and fulfil these desires, ultimately enhancing the perceived value of the loyalty programme. This tailored approach, informed by AI but executed by human hands, plays a crucial role in deepening guest loyalty and satisfaction.



How to use AI to boost your Guest Loyalty and Loyalty Programme



Effective Synergy Between Humans and Al

systems is essential for a seamless guest experience. Training, equips staff to work in harmony with AI tools, ensuring they can complement automated services with a human touch. This synergy becomes especially significant in loyalty programmes, where understanding and responding to guest preferences are central. Staff trained in this hybrid environment can provide a level of service that AI alone cannot replicate, crafting a more gratifying and memorable experience for guests.

Continuous Learning and Adaptation

Regular updates and ongoing training sessions on new AI features and functionalities are fundamental to keep staff proficient in using these tools. This continuous education empowers staff to leverage the latest AI capabilities for enhanced individualisation and efficiency. Furthermore, consistent training fosters confidence and competence among staff, leading to improved performance and heightened guest services.

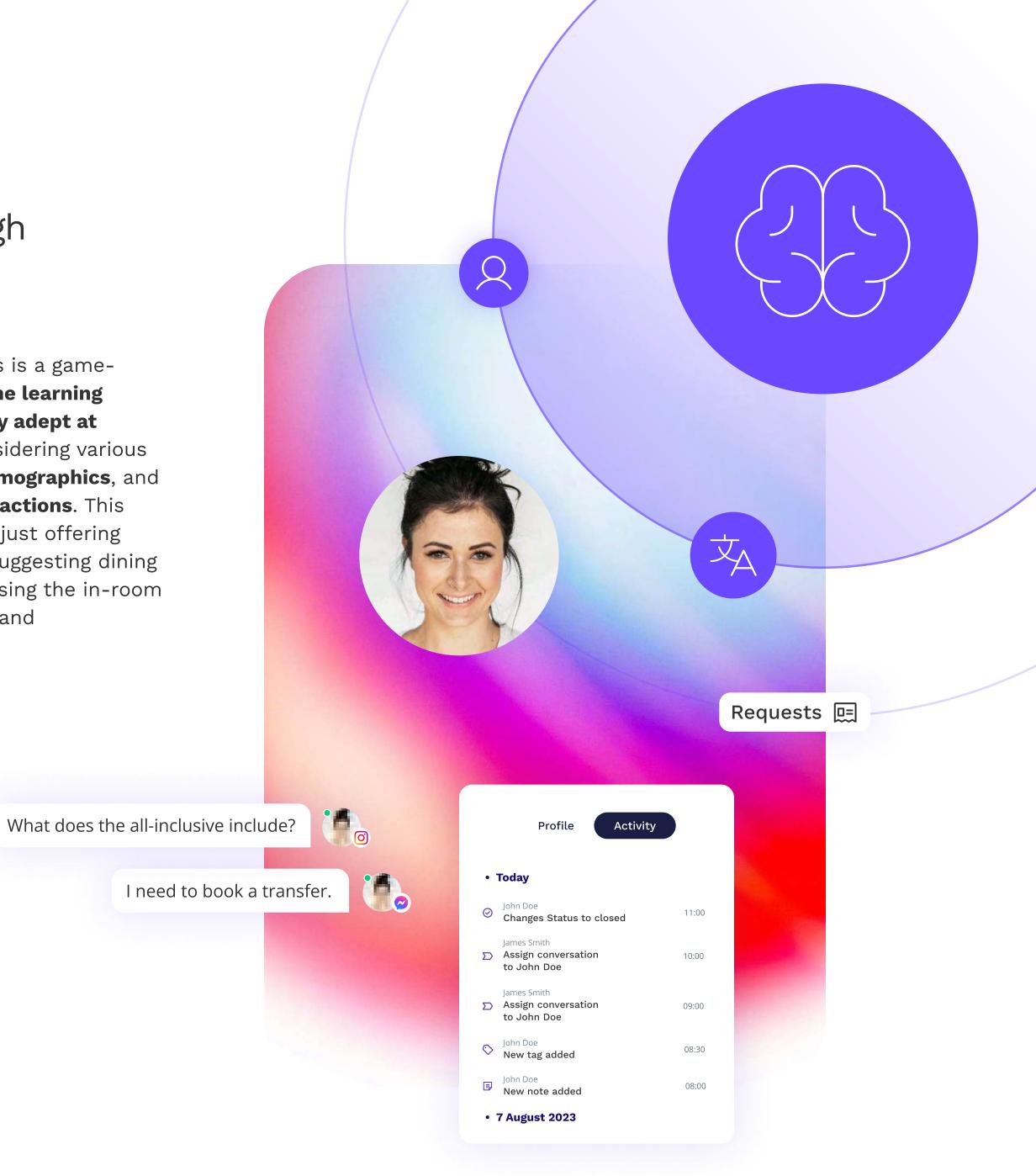
In conclusion, training hotel staff to work with conversational AI is a game-changer in the hospitality industry, particularly within the context of loyalty programmes. It's not just about understanding technology; it's about enabling staff to wield these tools to provide exceptional, personalised guest experiences. This synergy between human service and AI efficiency represents the future of top-tier hospitality.

Future Trends and Possibilities

The integration of Artificial Intelligence (AI) into hotel loyalty programmes represents an ongoing transformative shift in the hospitality industry. The potential of AI to personalise guest experiences, enhance customer engagement, and predict future trends in guest behaviour is vast and promising, and we are only beginning to take full advantage of its potential

Personalisation through Machine Learning

Al's capacity to analyse vast datasets is a game-changer in the hotel industry. Machine learning algorithms are becoming increasingly adept at predicting guest preferences by considering various factors, such as past behaviours, demographics, and even real-time data from guest interactions. This level of personalisation goes beyond just offering room preferences; it can extend to suggesting dining options, activities, and even customising the in-room amenities to cater to specific needs and preferences.

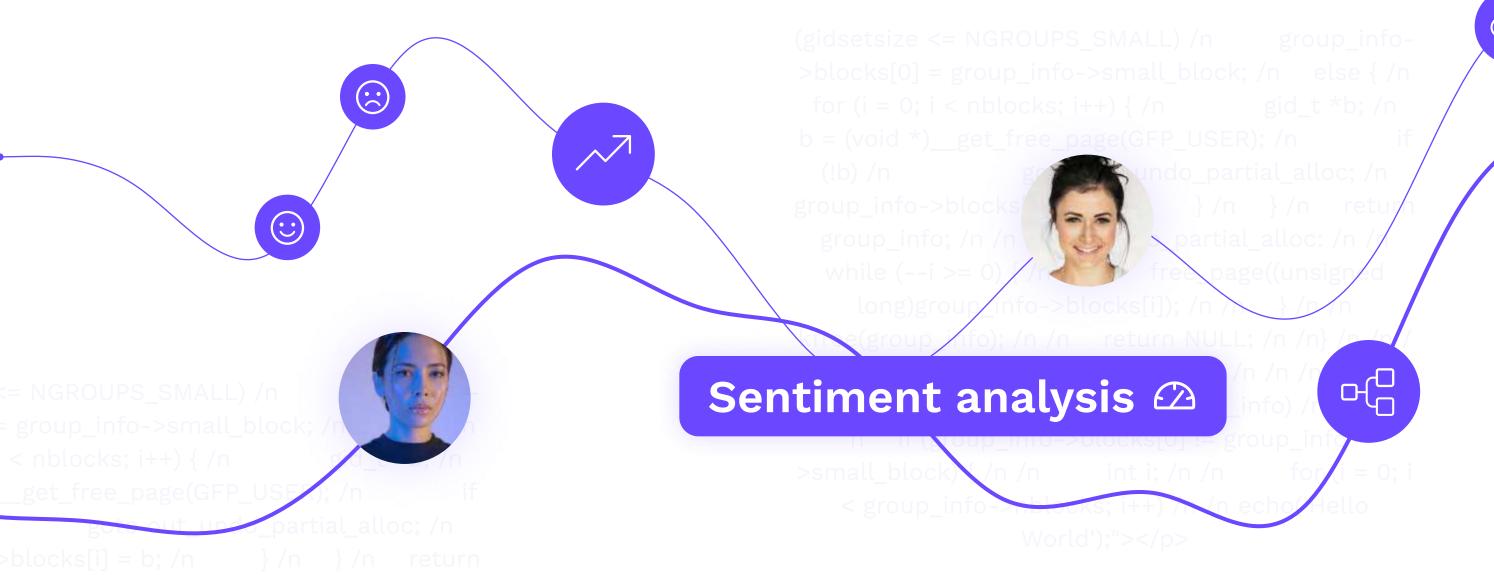


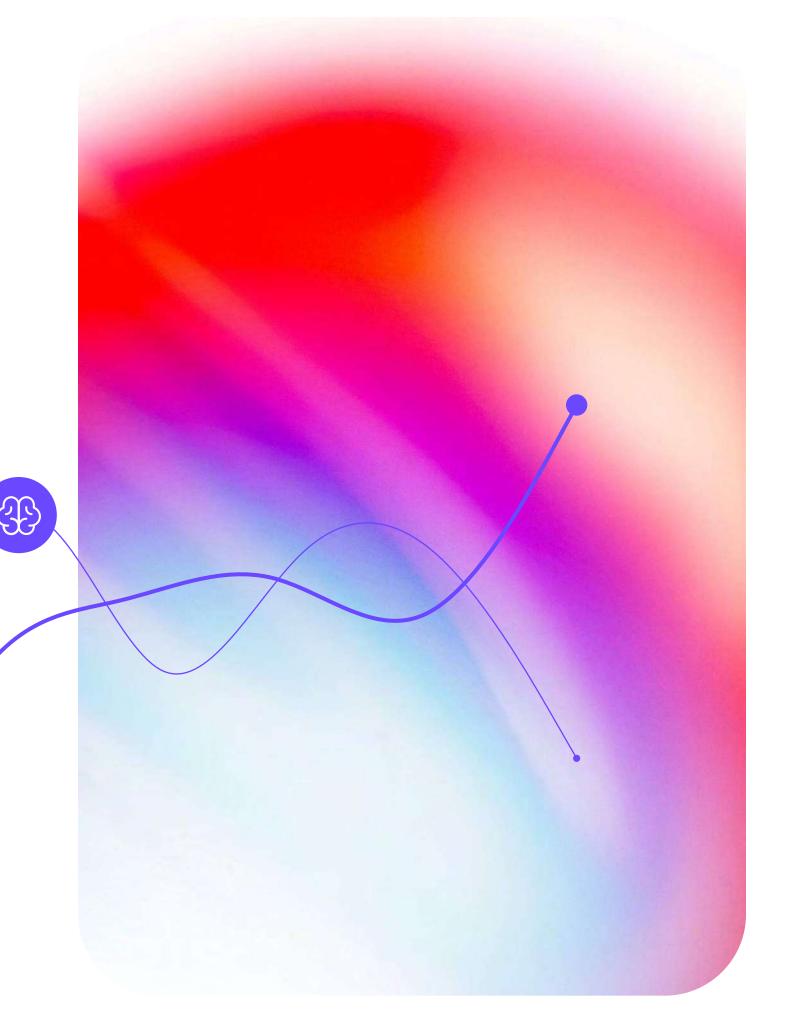
Predictive Analytics

The utilisation of predictive analytics is evolving rapidly in hotel loyalty programmes. Hotels are not just relying on historical data but are using Al-driven predictive analytics to forecast future guest needs and preferences. For instance, Al can analyse patterns in booking behaviour and recommend tailored promotions or room upgrades in advance, making guests feel valued and appreciated.

Integration with IoT Devices

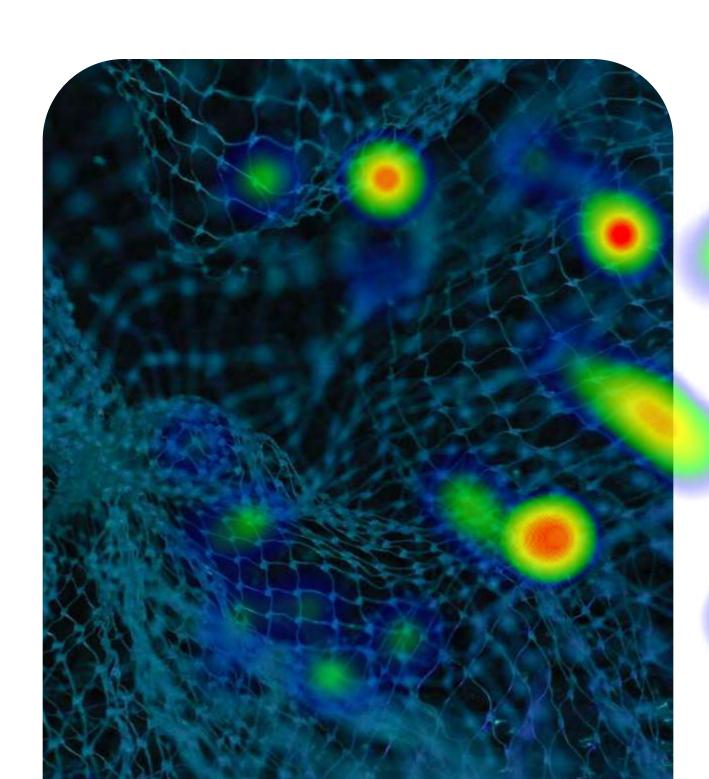
The integration of AI with Internet of Things (IoT) devices in hotel rooms is at the forefront of enhancing guest experiences. These IoT devices can adjust room settings like lighting, temperature, and even music based on guest preferences and behaviour. Moreover, AI can leverage data from IoT sensors to anticipate guests' needs, such as restocking minibars or offering spa services when it detects signs of fatigue or stress.





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Speculation and Predictions for the Future of AI-powered Hotel Loyalty Programmes



Seamless Omnichannel Experiences

The future of AI in hotel loyalty programmes is expected to **bring about even more seamless omnichannel experiences**. AI-driven chatbots and virtual concierges can provide consistent and personalised service whether guests interact through a mobile app, website, social media, or in-person. This level of consistency and convenience enhances customer satisfaction and boosts guest loyalty.

Dynamic Reward Systems

Al's role in loyalty programmes is likely to evolve into more **dynamic** and **flexible** reward systems.

Traditional loyalty programmes often follow a fixed hotel loyalty **points-based model**, but AI can enable real-time adjustments to rewards based on guest behaviours. For example, if a guest frequently books last-minute stays, the **AI system might offer them unique discounts or promotions** in real-time to encourage their continued loyalty.

Enhanced Guest Profiling

As AI technology advances, guest profiling will become more sophisticated. AI systems will continuously gather data from various sources, allowing hotels to anticipate guests' needs even before they express them. This proactive approach can extend to things like suggesting local activities, dietary preferences, or even anticipating room service requests.

Ethical Use of AI and Data Privacy

As AI becomes more ingrained in the hospitality industry, ethical considerations and data privacy concerns will become of utmost importance. Hotels will need to strike a delicate balance between providing personalised experiences and respecting guests' privacy rights. Implementing robust data protection measures and obtaining informed consent will be crucial to maintain trust and compliance with privacy regulations.

The future of AI in hotel loyalty programmes is definitely positioned for significant growth and innovation. **The focus will remain on personalisation, predictive analytics**, and **enhancing guest engagement**. As these technologies continue to evolve, they will not only transform how hotels interact with their guests but also how guests perceive and value their relationship with hotel brands, ultimately fostering stronger and more lasting loyalty.

The world of hospitality is undergoing a transformation, with guest loyalty and loyalty programmes playing a central role. We've explored the significance of loyalty programmes, the benefits of direct bookings, and the impact of AI.

Direct bookings are essential to reduce reliance on online travel agencies (OTAs) and gain valuable customer data. AI, especially through virtual concierges and chatbots, enhances guest experiences and boosts loyalty programme sign-ups.

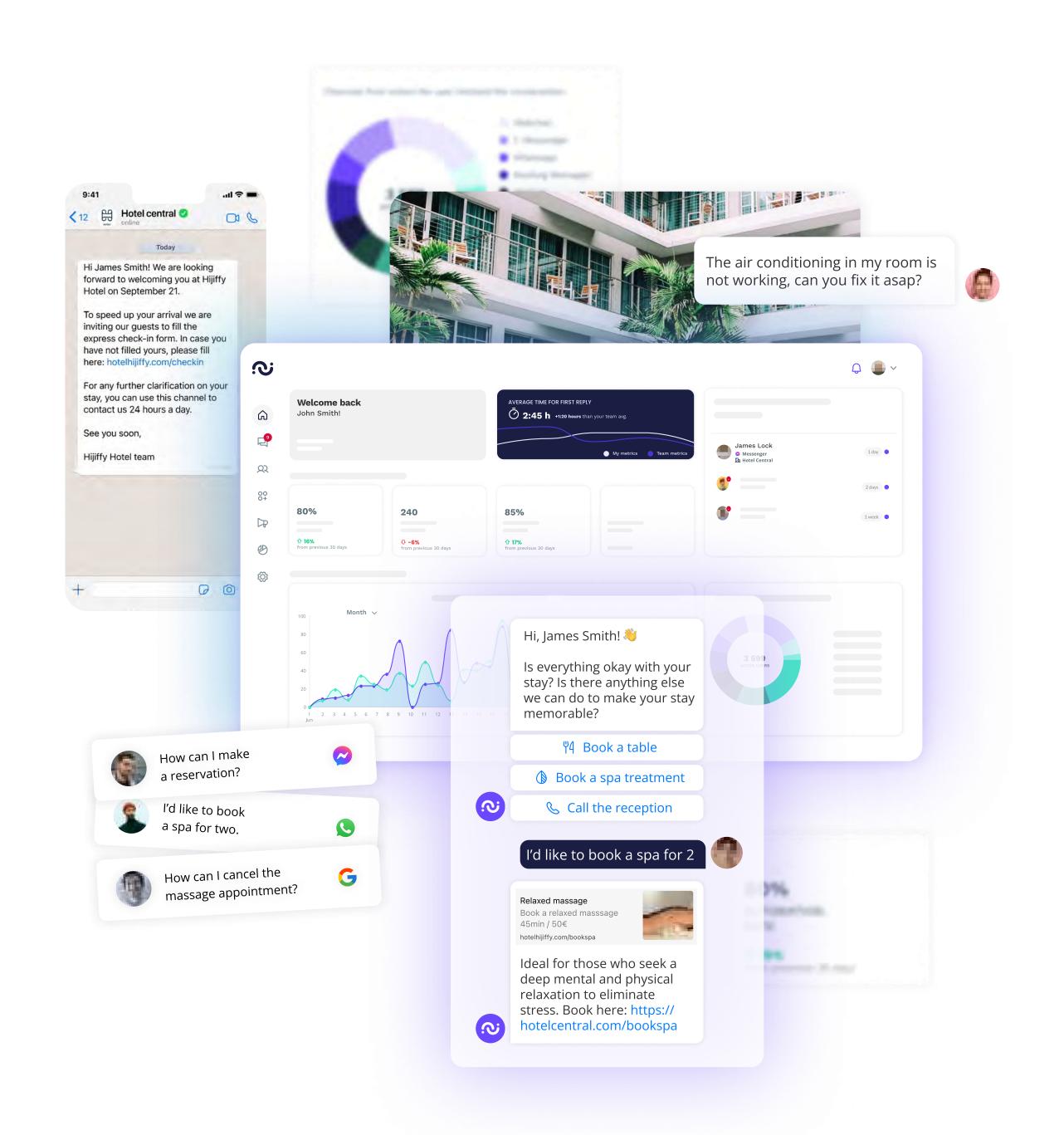
We've also provided practical examples for hoteliers to enhance loyalty programmes across the guest journey. As you can see, the synergy between AI and welltrained staff is crucial for success. Furthermore, the future of AIpowered hotel loyalty programmes looks promising with personalisation, predictive analytics, and IoT integration on the horizon. Hoteliers have the opportunity to create lasting connections and exceptional experiences, ensuring guests return for more. Which, at the end of the day, is what this industry is all about!

Concluding thoughts

About HiJiffy

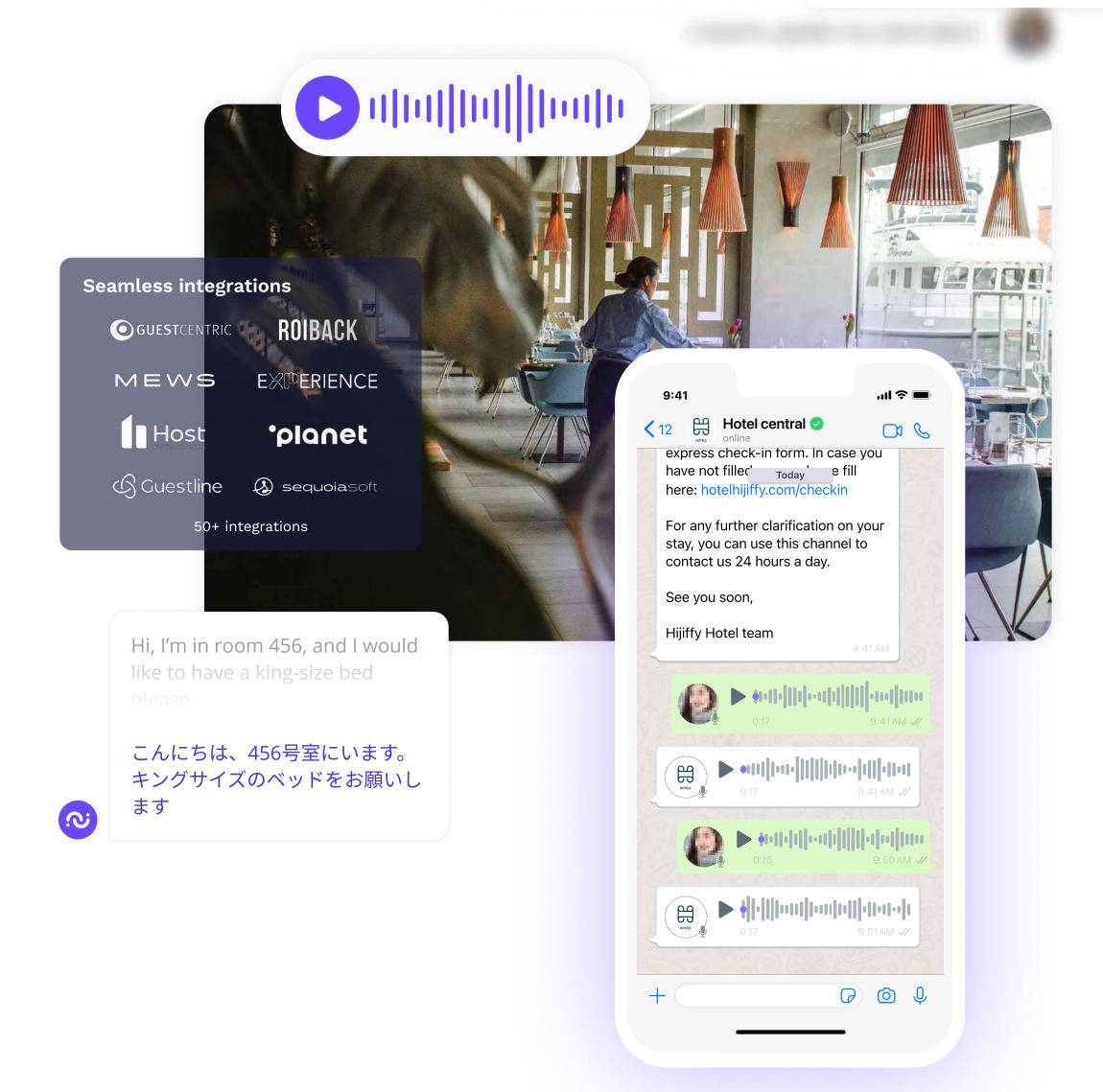
HiJiffy was founded in 2016 with the mission of developing the most advanced conversational AI for hospitality. Seeking the perfect connection between hotels and their guests, HiJiffy created a powerful Guest Communications Hub.

Powered by its proprietary AI - Aplysia OS - across the full guest journey, HiJiffy allows hoteliers to increase revenue from direct bookings and upselling while automating repetitive tasks to reduce operating costs and mitigate staff shortages.



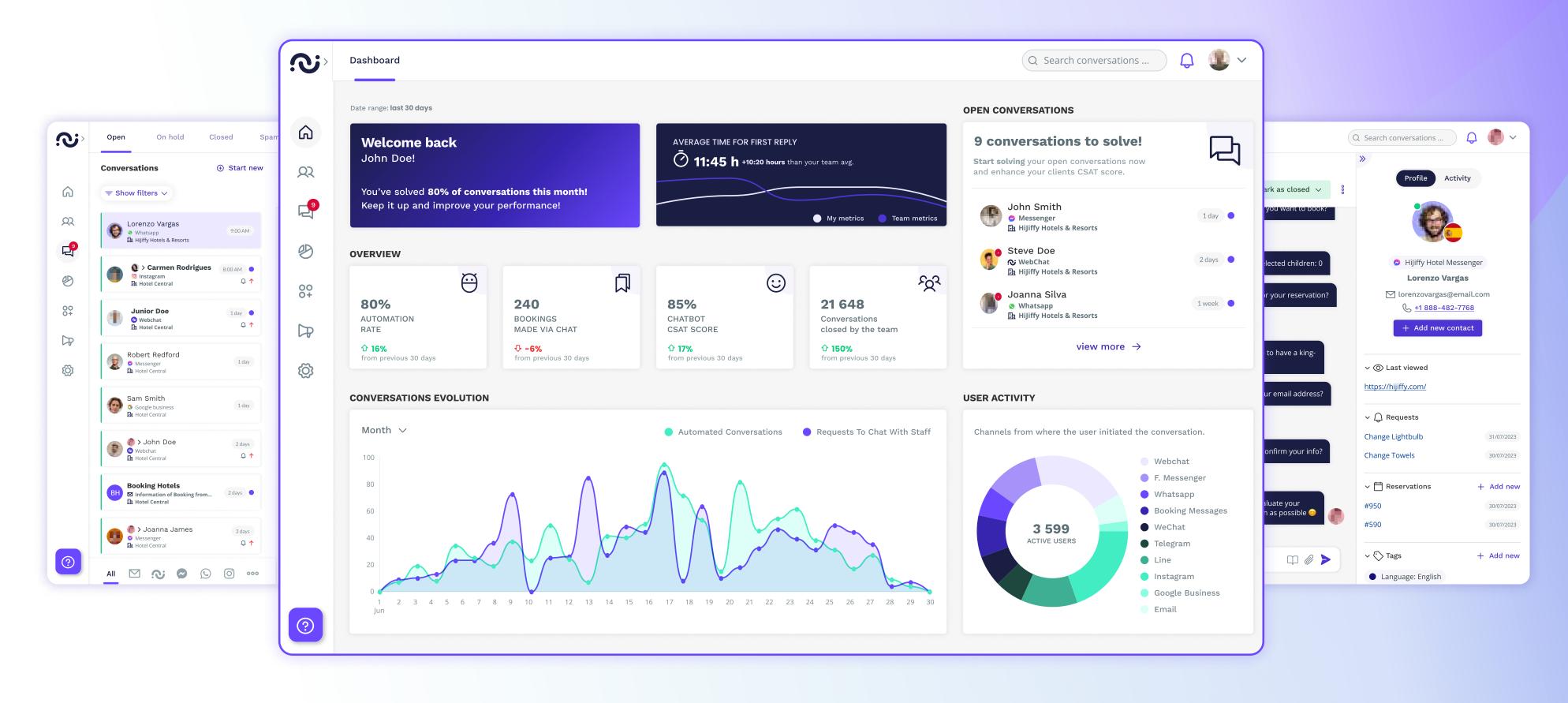
I need to update my reservation





In 2023, more than 1,800 hotels in over 50 countries reimagine guest communications with HiJiffy's omnichannel solution featuring cutting-edge tech innovations like self-learning AI, sentiment analysis, voice assistance, GPT-4, and more.

Customer experience managed in one place.



Centralise, automate and measure your customer care and communications in a single powerful platform.

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