

# STATE OF LOYALTY

## 2023 HOSPITALITY REWARDS REPORT

---

iSeatz®

A BENCHMARK OF THE LOYALTY-INTEGRATED REWARD  
PORTFOLIOS AND ENGAGEMENT STRATEGIES OF THE  
WORLD'S LEADING HOSPITALITY BRANDS

# CAN LOYALTY PROGRAMS KEEP UP WITH THE ONGOING TRAVEL SURGE?

If 2022 was the year of Revenge Travel, what should we call the ongoing surge in travel demand continuing into 2023? While we're not seeing the consistent spike of last year, travel bookings and average booking values are staying well above pre-pandemic levels. And recent surveys and studies shows that consumer appetite for travel remains strong, so strong that they're willing to pay higher prices even with fluctuating economic uncertainty.

Indeed, it seems there's been a societal return to what we value most, and travel is very high on the list. Consumers of all ages are looking to travel more and spend more to make their previously aspirational travel dreams become a reality. Business travel also continues to recover. It's a prime opportunity to engage these consumers and capture a greater share of the growing market. Are loyalty programs ready?

**55%**

Of consumers plan to travel more in 2023 than they did last year<sup>1</sup>

**14%+**

Increased leisure travel revenue for U.S. hotels, exceeding pre-pandemic levels<sup>2</sup>

**\$595B**

Expected market size for Bleisure travel in 2023, with a CAGR of 19.5%<sup>3</sup>

**98%**

Recovery to 2019 corporate travel budgets are expected this year<sup>4</sup>

# TABLE OF CONTENTS

- ABOUT THIS REPORT \_\_\_\_\_ 4
- REWARD PORTFOLIO OVERVIEW \_\_\_\_\_ 5
- REWARD PORTFOLIO COMPARISON \_\_\_\_\_ 6
- EMERGING TRENDS \_\_\_\_\_ 8
- LOYALTY REWARDS & ANCILLARIES \_\_\_\_\_ 14



## 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, 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.



**\$8.2 BILLION**  
Bookings Made  
Annually



**+292 BILLION**  
Loyalty Points  
Processed Annually



**+11 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: 2023 Hospitality Rewards Report” is intended as a benchmark for the hospitality customer engagement landscape today. The goal of this report is to help hospitality executives understand the competitive landscape in order to develop a rewards strategy that drives engagement, loyalty, and customer satisfaction.

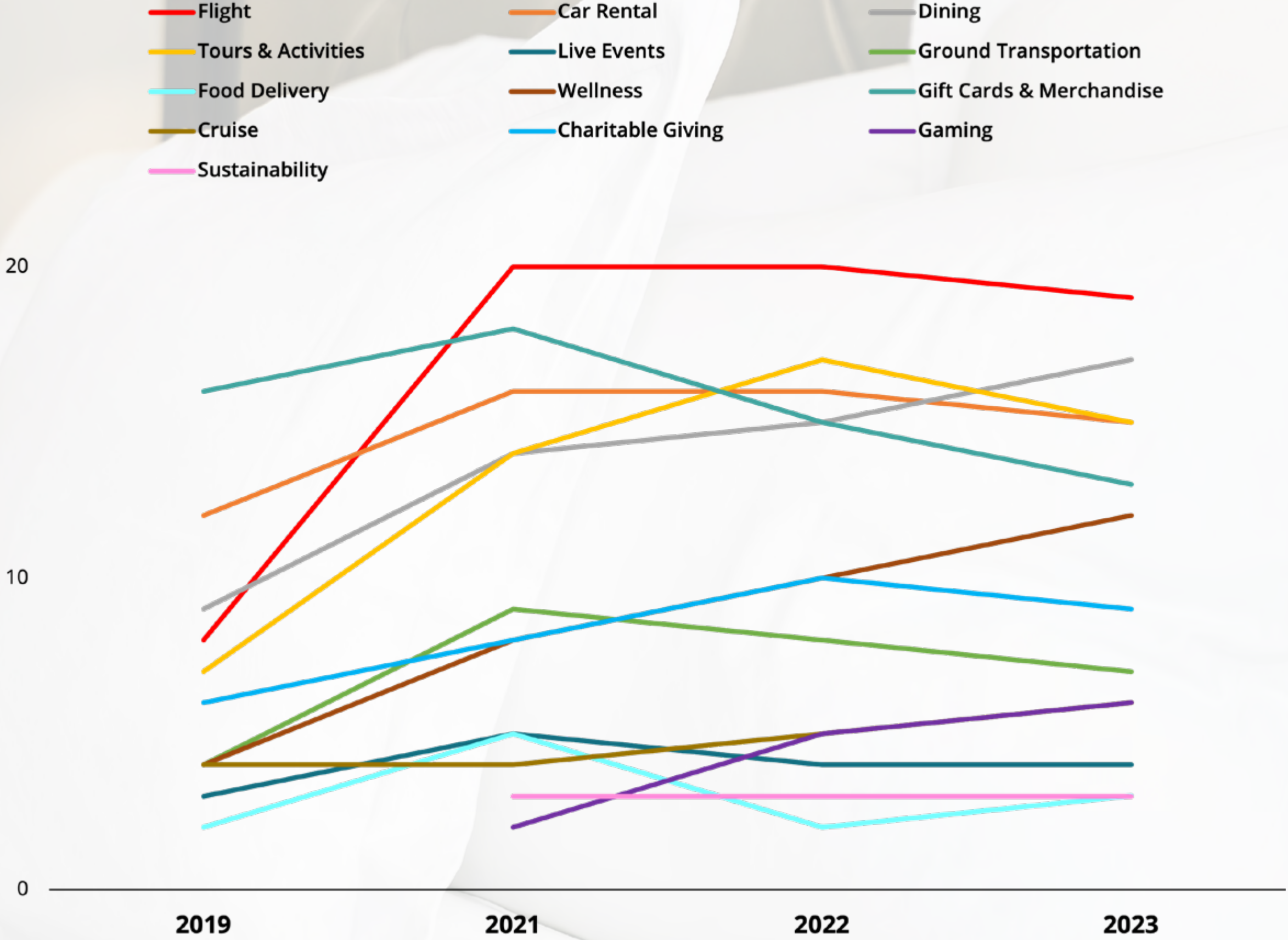
The content was created using publicly available information on hospitality loyalty program websites and mobile applications. Information was verified when possible. If you are a hospitality brand with additional information on your loyalty rewards portfolio or engagement strategies, please reach out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



# REWARDS PORTFOLIO OVERVIEW

The pandemic brought the need for a diversified reward portfolio into sharp focus. We saw many hotels leverage their programs to connect with guests when they couldn't be on property, driving both customer engagement and revenue. As a result, from 2019 to 2021, there was an increase in the point earn and redemption offerings from hotel brands, as seen in the accompanying chart. In 2022 the industry seemed to refocus back onto core business as travel, particularly leisure travel, made a strong recovery. That trend now continues into 2023.


Not only did point earn and redemption options plateau from 2021 to 2022, with only a net of 4 additions from the hotel programs reviewed year-over-year, but that number is now in decline for 2023 with a net total of -1 additions to total point-integrated reward categories this year. The travel industry has experienced big swings over the last few years, and it's critical for programs to keep pace to maintain relevance. With the current surge in demand and booking values, will we see a reinvestment in loyalty programs to capture the growing market?



Note: iSeatz did not issue a report in 2020, due to the COVID-19 pandemic. Tracking of Gaming and Sustainability reward opportunities began in 2021.


# TRAVEL & LIFESTYLE REWARDS OFFERED BY HOTEL LOYALTY PROGRAMS

HOTELS	AIR	CAR RENTAL	DINING	TOURS & ACTIVITIES	LIVE EVENTS	GROUND TRANSPORT	FOOD DELIVERY	WELLNESS	GIFT CARDS & MERCHANDISE	CRUISE	CHARITABLE GIVING	GAMING	SUSTAINABILITY
<b>Marriott</b>	Earn / Burn	Earn / Burn	Earn / Burn*	Earn / Burn	Burn	Earn / <b>Burn</b>	Earn / <b>Burn</b>	Earn* / Burn*	Burn	Earn / Burn	Burn	-	-
<b>Hilton</b>	Earn / Burn	Earn / Burn	Earn / Burn*	--	Burn	Earn / Burn	-	Burn*	-	-	Burn	-	-
<b>IHG Hotels &amp; Resorts</b>	Burn	Earn	Earn	Earn / Burn	Burn	Earn	Earn	-	Burn	-	Burn	-	Earn
<b>Wyndham Hotels &amp; Resorts</b>	Burn	Earn	-	Earn / Burn	-	-	-	-	Earn / Burn	-	Burn	Earn / Burn	-
<b>Accor</b>	Earn / Burn	Earn / Burn	Earn* / Burn	Earn / Burn	Burn	Earn / Burn	-	-	Earn / Burn	-	Burn	-	-
<b>Best Western</b>	Earn / Burn	Earn	--	-	-	-	-	-	Burn	-	Burn	-	-
<b>Choice Hotels</b>	Earn / Burn	Earn	<b>Earn</b>	-	-	-	-	-	-- / Burn	Earn / Burn	Burn	Earn / Burn	-
<b>Radisson Hotels Americas</b>	Burn	Earn	Earn*	-	-	-	-	<b>Burn*</b>	Burn	-	Burn	-	Burn
<b>Hyatt</b>	Earn / Burn	Earn / Burn	Earn* / Burn*	Earn / Burn	-	-	-	Earn* / Burn*	-	Earn / <b>Burn</b>	-	Earn / <b>Burn</b>	-
<b>Melia Hotels</b>	Earn / Burn	Earn / Burn	<b>Earn*</b> / Burn	<b>Earn</b> / Burn	-	--	-	Earn* / Burn*	Earn / Burn	-	-	-	Burn
<b>Red Roof Inn</b>	-	-	-	-	-	-	-	-	Burn	-	-	-	-
<b>Shangri-La</b>	Earn / Burn	-	Earn* / Burn*	--	-	-	-	Earn* / Burn*	Burn	-	Burn	-	-
<b>Global Hotel Alliance</b>	-	-	Earn* / Burn*	Earn / Burn	-	-	-	Earn* / Burn*	-	-	Burn	-	-
<b>Preferred Hotels</b>	-	-	-	Burn	-	-	-	-	-	-	-	-	-
<b>Omni Hotels</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Magnusson</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sonesta &amp; Red Lion</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Four Seasons</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Oyo Rooms</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Rosewood</b>	-	-	-	-	-	-	-	-	-	-	-	-	-



**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.



**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 2022 Report  
✘ Denotes point earn or redemption available at on-property outlets only

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 on your ancillary or engagement portfolio, please reach out to [marketing@iseatz.com](mailto:marketing@iseatz.com).


# OTHER HOSPITALITY LOYALTY PROGRAMS

VACATION OWNERSHIP / TIMESHARE BRANDS	AIR	CAR RENTAL	DINING	TOURS & ACTIVITIES	LIVE EVENTS	GROUND TRANSPORT	FOOD DELIVERY	WELLNESS	GIFT CARDS & MERCHANDISE	CRUISE	CHARITABLE GIVING	GAMING	SUSTAINABILITY
<b>Hilton Grand Vacations</b>	-	-	-	Burn	-	-	-	Burn	Burn	Earn / Burn	-	-	-
<b>Marriott Vacation Club</b>	-- / Burn	-- / Burn	-	Burn	Burn	-	-	-	-	Burn	-	-	-
<b>Club Wyndham</b>	Burn	Burn	-	Burn	-	-	-	-	-	Burn	Burn	-	-

\*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	TOURS & ACTIVITIES	LIVE EVENTS	GROUND TRANSPORT	FOOD DELIVERY	WELLNESS	GIFT CARDS & MERCHANDISE	CRUISE	CHARITABLE GIVING	GAMING	SUSTAINABILITY
<b>Caesar's</b>	-	-	Earn / Burn*	Earn*	Earn / Burn	-	-	Earn* / Burn*	Earn / Burn	-	-	Earn / Burn	-
<b>Boyd Gaming</b>	-- / Burn	-	Burn	-	-	-	-	-	Burn	-	-	Earn / Burn	-
<b>MGM</b>	Earn	-	Earn* / Burn*	-	Earn* / Burn*	-	-	Earn* / Burn*	Earn* / Burn*	-	-	Earn / Burn	-
<b>Station Casinos</b>	-	-	Burn	Burn	-	-	-	Burn*	-	-	-	Earn / Burn	-

\*All content was created using publicly available information on hotel loyalty program websites and mobile applications. All of the hospitality brands included were invited to verify their information prior to publication. If you are a hospitality brand with additional details on your ancillary engagement portfolio, please reach out to [marketing@iseatz.com](mailto:marketing@iseatz.com).



**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.



**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 2022 Report

✱ Denotes point earn or redemption available at on-property outlets only

# EMERGING TRENDS

In some ways, the two trends we reviewed for this report are opposed. Unbundling of ancillaries is breaking apart components of a booking, whereas much of how generative AI is used in travel right now is about trip planning - bundling multiple components into a single itinerary. But the underlying driver of unbundling is actually to provide a more personalized experience for hotel guests.

We have found that a core connection amongst travel trends over the past few years has been about control. Namely, giving more control to the consumer. From being able to easily shop for the trip components they want, to feeling confident they're getting the best value, to paying for that trip in the way they prefer, and managing trip interruptions as they occur, consumers want to be in the driver's seat. Providing personalization and a rewarding experience at each stage of the customer journey creates a virtuous cycle and true brand loyalty.





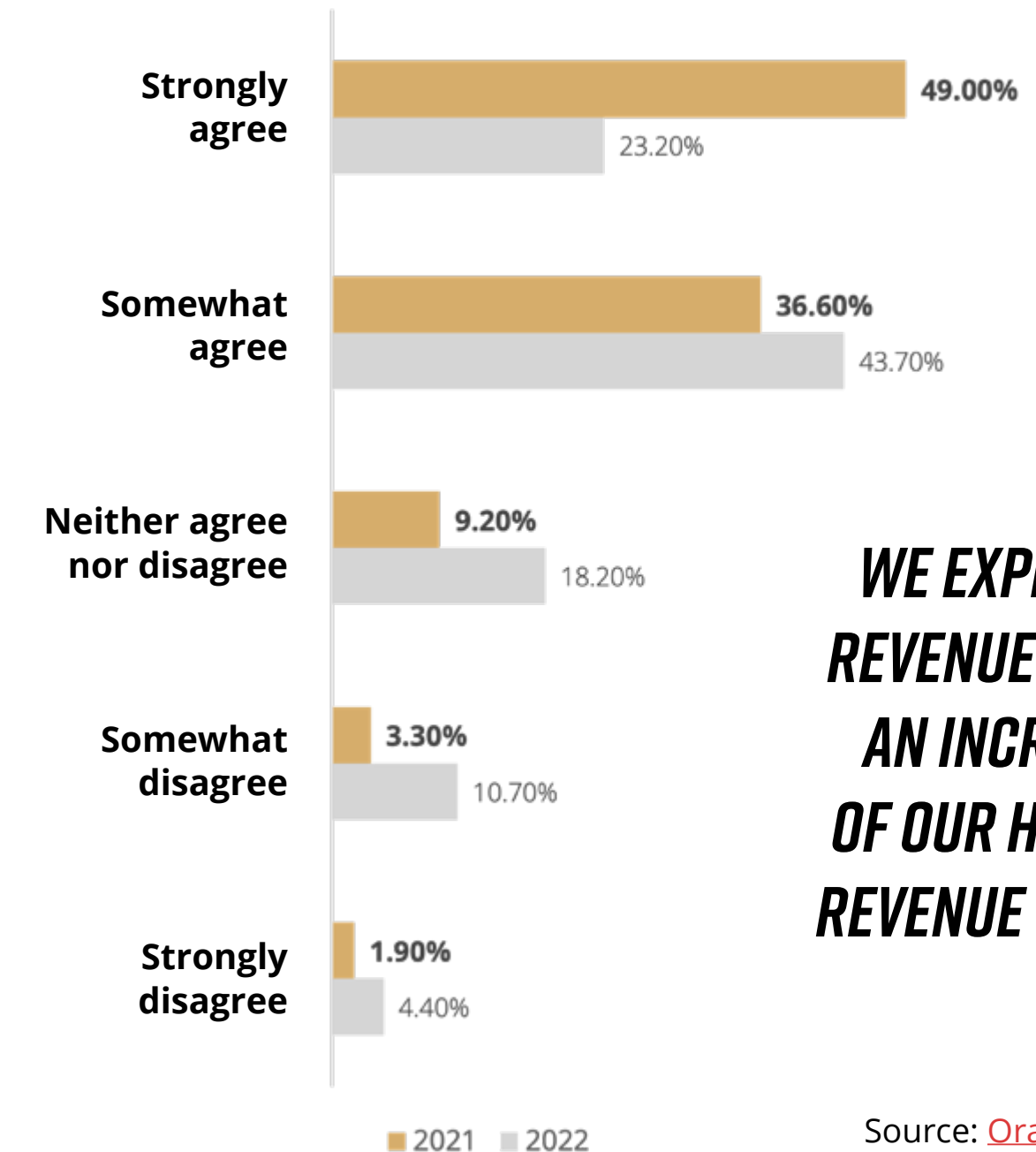


# UNBUNDLING & UPSELLING

Airlines began unbundling their base fares in the late aughts, converting products like checked bags and seat selection into ancillary products. This shift in pricing strategy drew criticism for a lack of transparency, but the increase in revenues for these ancillary products grew dramatically. According to the [U.S. Bureau of Transportation Services](#), “U.S. airlines reported a seven-fold increase in baggage fee revenues, from \$464 million in 2007 to \$3.4 billion in 2010.”

So what does this have to do with the hospitality industry? There’s a growing trend of hotel brands starting to unbundle and upsell their ancillaries. This does not mean consumers will be charged for previously included items like towels or coffee makers, but on perceived upgrades, like selecting your floor, room location, and view.

According to a [report from Oracle Hospitality and Skift](#), over 85% of hoteliers expect ancillary revenues to make up a larger share of their annual revenue by 2025, and 49% strongly agreed that special amenities and upselling are critical to their revenue strategy.



**WE EXPECT NON-ROOM REVENUE TO REPRESENT AN INCREASING SHARE OF OUR HOTEL'S ANNUAL REVENUE OVER THE NEXT THREE YEARS**

Source: [Oracle & Skift Hospitality in 2025 Report](#)

And consumers seem open to unbundling, viewing it as an opportunity for more control over their experience. [Per the American Hotel & Lodging Association](#) (AHLA), “Over half of consumers from across the world (54%) said they are willing to pay more to choose their view; 38% to choose their room; and 32% to choose their room floor.”

The shift to an unbundled pricing structure coincides with another trend we’ve noticed the past 2 years, earning and paying with points at on-property outlets, like restaurants and spas. Despite the overall drop in loyalty-integrated offerings noted earlier in this report, Dining and Wellness have seen steady growth since we started tracking in 2019, primarily driven by on-property retailing. Upselling ancillaries to guests also provides an opportunity to incorporate loyalty-integrated products, from on-property dining to car rentals and activities. Both product portfolios help guests to enhance their stays and more efficiently manage their experience, while driving engagement and incremental spend at the property for franchisees.

Additionally, expanding the earning and redemption opportunities available to guests while they’re on property helps increase the utility and perceived value of the loyalty





On-property retailing. We believe selling additional services — from pizzas to tour experiences to upgraded Wi-Fi — will be critical. *[When asked “What’s something we aren’t talking about enough right now that you believe will be integral in hospitality by 2025?”]*

**Scott Strickland**  
Wyndham Hotels & Resorts

Source: [Oracle Hospitality in 2025 Report](#)

program, which leads to a boost in program engagement levels. By making loyalty membership relevant beyond the booking and check-in processes, hotels offer members a reason to interact with the program and highlight the benefits of program membership.

Increased loyalty program interactions on property give hotels broader insight into how guests are consuming the products and services available. It also provides opportunities to create more connected journeys, linking the

hotel stay to dining to the spa experience to on-premise entertainment, all under the umbrella of the hotel loyalty program experience.

The relative lack of on-property earning and redemption options beyond dining and wellness as reflected in our analysis of rewards programs indicates a real opportunity for hotels to gain a competitive advantage by expanding the loyalty-integrated choices they offer. Any ancillary service or experience a hotel can offer guests – private cooking classes

with a renowned chef, premium beach access or cabana rentals, golf or other sports, tailored children’s activities – can also be integrated into the loyalty framework. Just as incorporating a broader array of lifestyle rewards and microburn options can increase a hotel loyalty program’s relevance before and after a trip, adding more on-property alternatives makes the program top-of-mind when guests are most valuable to a hotel – during their stay.

# PERSONALIZATION & AI

Personalization and artificial intelligence (AI) are not “emerging trends.” These have existed in the hospitality industry and the worldwide business community for years. So why include them here? For AI, there’s one name dominating the conversations: Chat GPT. Its lifecycle from inception to launch to integration has been meteoric. The platform was launched by Open AI in October of last year, and big names in travel are already incorporating it into their booking platforms. Its interface makes searching for travel feel more personal, but is it delivering personalization? Yes and no.

AI is only as intelligent as the data sources fed into it. As we discussed in our recent [State of Loyalty: Credit Card Rewards Report](#), “The disconnect has been in connecting disparate customer data sources - marketing teams are working from Customer Relationship Management (CRM) and Customer Data Platform (CDP) tools, while booking platforms collect their own data. Any synching tends to come after a customer activity, for example getting a marketing email about Mexican resorts after you’ve browsed the travel platform for that destination.”

Connecting these data sources is key to creating a 360-degree view of the customer and delivering true personalization along every stage of



the guest's journey. For hospitality brands, their most valuable guests are their loyalty members, due to their repeat patronage and the wealth of data they provide. iSeatz

The way we have searched for travel has been the same since online travel was invented. ChatGPT completely changes the way one searches for travel and one concocts an itinerary that's in a human, readable way.

**Kenneth Purcell**  
CEO, iSeatz

Source: [PhocusWire](#)

research mapped loyalty member data with transaction data on our travel rewards platform and found that members who frequently used the platform to earn and redeem points on rewards like car rental and tours and activities had a 5X higher 10-year average customer value, booked 8X more frequently (with 50% fewer cancellations), and had a 10X higher

spend on core products.

With AI, brands can examine patterns among their guests with the highest Customer Lifetime Value (CLV) and deliver personalized offers to guests with similar attributes. Personalization, AI, and Loyalty working hand-in-hand is the key to increasing CLV.



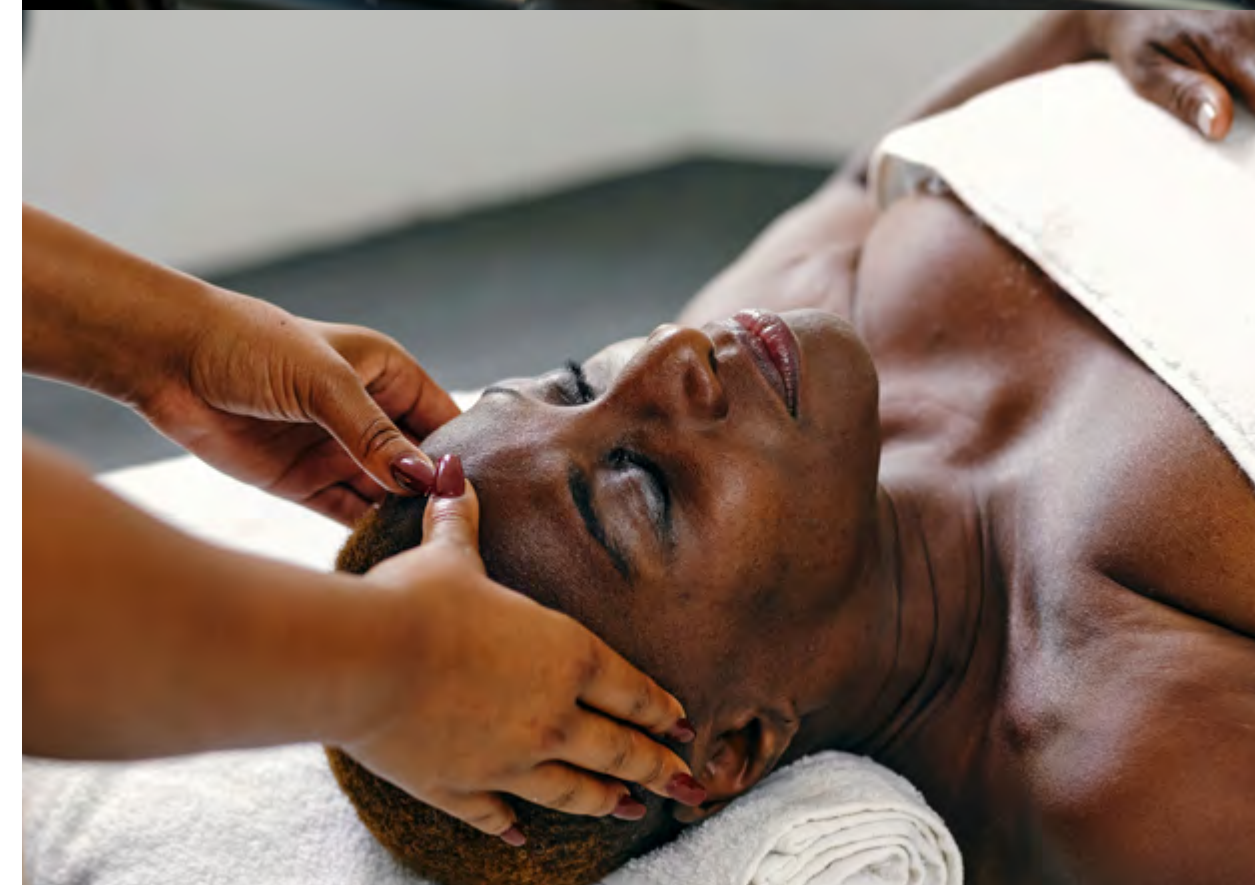
# LOYALTY REWARDS & ANCILLARIES

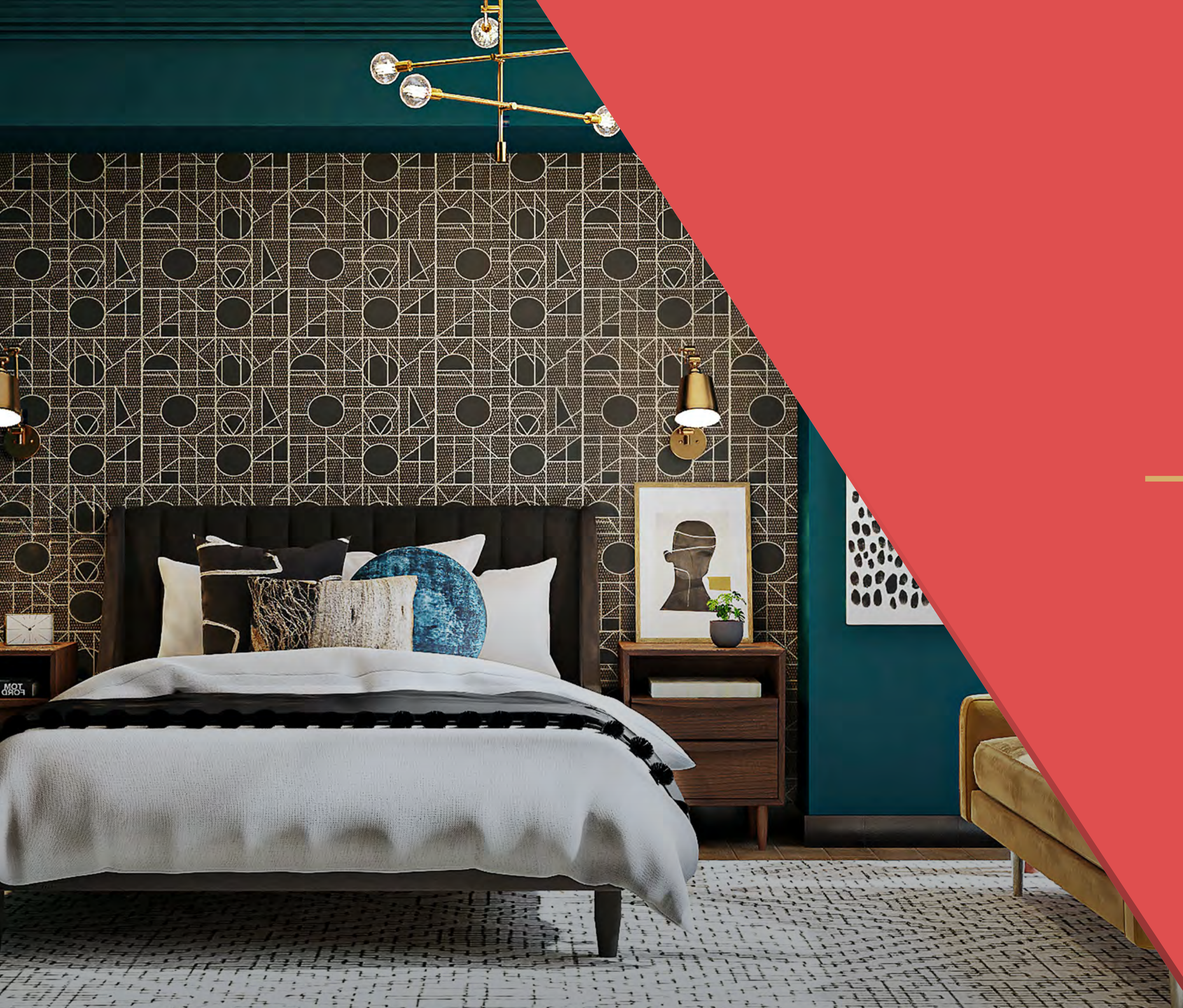
iSeatz has always thought of reward products, like car rentals and tours and activities, as ancillaries for hospitality brands. Along with the traditionally-defined ancillary products and services, these rewards help a guest enhance their experience and remove friction from the booking process by being able to shop and book with a trusted brand, manage their itinerary in one place, and earn or burn points with their bookings.

Loyalty programs have always been a touchpoint for guest engagement, and when leveraged effectively, help drive top line revenue and profitability. An [iSeatz' report from earlier this year](#) found that being unable to book all the wanted options in one place was consumers' biggest frustration with their loyalty programs. And 40% said that a broader selection of rewards would increase their engagement. Hospitality brands must continue to invest in these programs to maintain relevance and drive CLV.

## KENNETH PURCELL

Founder & CEO of iSeatz





# iSeatz<sup>®</sup>

---

[marketing@iseatz.com](mailto:marketing@iseatz.com)

(504) 586-1234

643 Magazine St, Ste 100

New Orleans, LA 70130