

**THE KEY TO THE SUCCESS OF HOTEL LOYALTY PROGRAM
ENROLLMENTS: AN ASSESSMENT OF THE BEST PRACTICES
WITHIN THE THREE HOSPITALITY TIERS**



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Title: The Key to the Success of Hotel Loyalty Program Enrollments:
An Assessment of the Best Practices within the Three Hospitality
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Thesis Title: The Key to the Success of Hotel Loyalty Program Enrollments:
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Abstract

The objective of this study was to identify the numerous effective ways of capturing new members to participate in the brand hotel loyalty programs through the following objectives: (1) To differentiate the appropriate approach on selling the loyalty program to the different consumer market within their tier; (2) to evaluate the different behavioral degree of guests from different aspects of class and preference; (3) to compare the 3 hospitality tiers and the best tactic of approach according to their target market; (4) to assess the best practices suitable to the category of hotel in their specific tier.

This study is a mixed methods research which involves both qualitative and quantitative. The qualitative research consisted of twelve management level respondents from 6 different hotels. These hotels were subdivided into 3 hotel tiers -- Luxury Hotels Upper Upscale Hotels and Mid-Scale Hotels—and the research studied two hotels of each hotel tier. Meanwhile, the quantitative research was conducted to further confirm and enhance the results by the means of guest post-stay surveys.

Research findings of the qualitative research were as follows: (1) There are no differentiated best practices in capturing new enrollments based on the hotel tier. (2) There is only one key tool that determines the hotel loyalty program enrollment success. Meanwhile, the research findings of the quantitative research lead to the conclusion that most guests do not participate in the loyalty program was because they were not invited from the start.

Keywords: Loyalty Program, Hospitality Tier, Best Practices

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Nicole Monsanto



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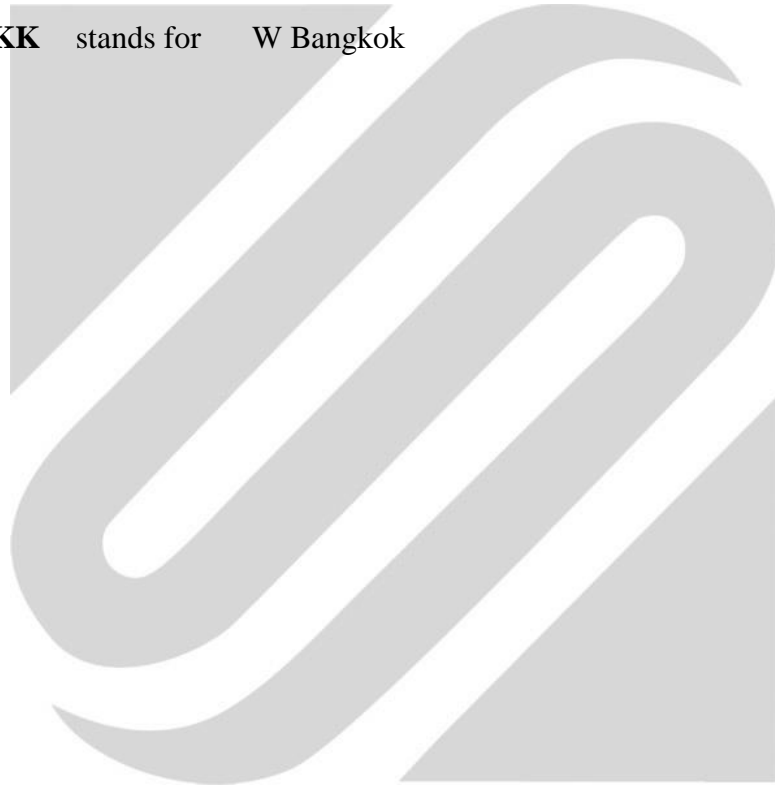
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LIST OF ABBREVIATIONS

ALBKK	stands for	Aloft Bangkok
CPV	stands for	Consumer Perceived Value
FPS	stands for	Four Points by Sheraton
LMBKK	stands for	Le Méridien Bangkok
ROSH	stands for	Royal Orchid Sheraton
SPG	stands for	Starwood Preferred Guest
SGS	stands for	Sheraton Grande Sukhumvit
WBKK	stands for	W Bangkok



CHAPTER 1

INTRODUCTION

1.1 Overview

The competition of the hospitality industry has increasingly intensified over the years. International hotel chains such as Starwood Hotels and Resorts, Hyatt Hotels and Resorts, InterContinental Hotel Group, Accor Hotels and the like, have found themselves in the middle of this contest of being the top of all the hospitality line. Without a doubt, each brand is unique and has their own winning factor which aided their success throughout the years. However, in this age of agility, for hotels to remain sustainable and continue their competitive advantage, customer loyalty programs are ever more indispensable and should be given greater emphasis.

In the face of this growing rivalry, hotels are heavily relying on their exclusive loyalty programs. Each brand aims to maintain competitive parity and repeat patronage, and each offering diversified benefits to attract more and more hotel guests. The more guests who joins the specified loyalty program, the higher the chance of these guests returning to the same property or the higher the chance of these guests preferring to stay in the same brand. Thus, hotel loyalty programs are implemented to retain guests and increase their tendency to keep returning to the same brand.

Out of the hundreds of hotel loyalty programs, this research focuses only to one— Starwood Preferred Guest (SPG) by Starwood Hotels and Resorts. SPG loyalty program was established on 1999, 8 years after the founding the company. The program made headlines in the industry and aided in the ongoing success of the world renowned company (SPG Program Guide, 2015). Henceforth, the SPG loyalty program is viable for this study and will facilitate in producing a specific result on the hotel tier comparison.

1.2 Statement of Problem

Nowadays one of the biggest challenges in the hospitality industry is to provide and sustain customer loyalty. As such, an effective loyalty program is to be considered a necessity and not merely an option. Bolton, R. N., Kannan, P. K., &

Bramlett, M. D. (2000) concluded in their study of customer retention that loyalty reward programs have a long-run positive effect to companies. Furthermore, Bowen, J. and Chen, S. (2001) mentioned the tendency of loyal customers to help promote the hotel by providing strong word-of-mouth, business referrals, and serve on advisory boards. Thus, this patronage not only retains their trust, but also extends the opportunity of gaining more business in the company.

Several research studies have been conducted proving the direct correlation with loyalty programs and higher revenue return. PricewaterhouseCoopers LLP (2013) reported that loyalty programs propagate customer retention, amplify customer spending, influence customer spending habits, and encourage the purchase of additional products. In the report of Dr. Ruchi Jain and Sakshi Singhal, Amity Universtiy (2012), the researchers briefly explain the correlation between consumer loyalty and consumer profitability. The figure below demonstrates the connection between the two from the consumer purchase behavior.



Figure 1.1 Impact of Loyalty Programs on Consumer Purchase Behavior and Increased Revenue per Customer

Source: Jain & Singhal, 2012: Online

Figure 1.1 simplifies the domino effect of the impact of Loyalty Programs to increased revenue. This increase in revenue from customer retention was a product from acquiring greater profits which resulted from customers who are willing to pay for a higher price for unique products/services, increase their average purchase size, decrease the hotel's marketing and system costs, and decrease unsold expired inventory (Oracle, 2005).

Guest loyalty is a driver of RevPAR Performance in every hotel. As such, for hotels to increase customer retention, they must increase their efforts in acquiring as much guests in their customer loyalty program. Therefore, this study attempts to uncover the best ways of inviting guests in their appropriate hotel tier.

1.3 Research Questions

The research question examines the association between the importance of the loyalty program and the guest intention of participating in such program basing on their suitable tier.

1. What are the best practices in inviting guests?
2. Are their various methods employed that corresponds to the different type of guest?

1.4 Objectives

The hotel's loyalty program is a strategic asset of the organization. It will not only retain repeating guests and build further loyalty to the brand, it will additionally drive higher revenue. Henceforth, the aim of this dissertation is to identify the numerous effective ways of inviting guests to participate in the brand hotel loyalty programs through the following objectives:

1. To differentiate the appropriate approach on selling the loyalty program to the different consumer market within their tier.
2. To evaluate the different behavioural degree of guests from different aspects of class and preference.
3. To compare the 3 hospitality tiers and the best tactic of approach according to their target market.
4. To assess the best practices suitable to the category of hotel in their specific tier.

1.5 Significance of Study

The significance of this study is to better understand the characteristics of a particular guest in their designated hotel tier and how the hotel tier should approach these guests into enticing them to participate in their brand customer loyalty program.

With this, the hotel tier will be able to assess and practice these approaches and increase their enrollment percentage.

1. To understand the consumer behaviour of each hotel tier in order to modify the appropriate invitation approach.
2. To increase the percentage of customer participation in the brand's customer loyalty program through the evaluation of the different behavioural degree of guests from different aspects of class and preference.
3. To improve the hotel's enrollment percentage scores which will result to a positive overall hotel performance by the appropriate approach on selling the loyalty program to the different consumer market within their tier.

1.6 Scope of Research

1. There are four aspects of focus in this research: Consumer Behaviour, Loyalty program Benefits, Hotel Staff Competence, and Hotel Tier.
2. The target population of the qualitative research are hoteliers in the front office department particularly the front office management employees.
3. The data gathering of the qualitative research is from April to May 2015.
4. The target population of the quantitative research are actual guests of Starwood Hotels.
5. The quantitative research was conducted from July to August 2015.

1.7 Theoretical Framework

The objective of this research is to investigate the best methods of inviting guests to join customer loyalty programs in their designated hotel tier. This involves the varied consumer behaviour of each particular tier and their perception of customer loyalty programs. This report will embark on the decision making process of each guest in their appropriate hotel tier and how to approach them in the best possible way.

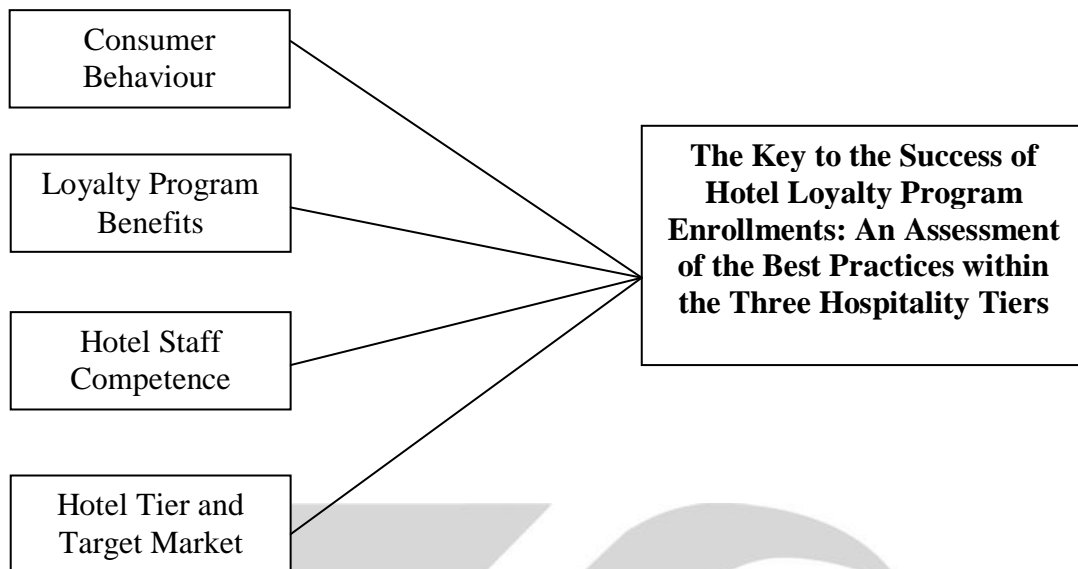


Figure 1.2 Theoretical Framework
Source: Adapted from Shrestha, 2014:9

1.8 Definition of Terms

Customer Loyalty Program is defined by Sharp, B., & Sharp, A. (1997) as a planned marketing efforts which reward, and therefore promote loyal behaviour, behaviour which is hopefully of benefit to the firm.

Customer loyalty is defined by Jones & Sasser (1995) as an attached feeling affection for a company's products, services, and people. These views manifest themselves in many forms of customer behaviour. The ultimate measure of loyalty, of course, is share of purchases in the category.

Loyalty as defined by Dick & Basu (1994) is a long-term commitment to repurchase involving both repeated patronage and positive attitude.

In a business context, Mallory & Barnett (2000) defined loyalty as a customer's commitment to do business with a particular organization, purchasing their goods and services repeatedly, and recommending the services and products to other people.

Staff Competency as comprehensively studied by Burke, Travis (2002, pp. 20) defined it as "the employee's capacity to meet (or exceed) a job's requirements by

producing the job outputs at an expected level of quality within the constraints of the organizations' internal and external environments.”



CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature of the Hospitality Loyalty Programs with special focus on customer loyalty programs and consumer perception. The literature will allow the author to create a theoretical base of the research through the use of these data. The chapter will include the overview of the Hospitality Industry, Hotel Loyalty Programs, Consumer Perceived Value, Factors influencing customer decision, Benefits and Disadvantages of loyalty programs.

2.2 Overview of the Hospitality Industry

2.2.1 The International Hospitality Industry

“Home away from home” ever heard of this phrase? Though the phrase may be simple, it is the true essence of hospitality. Jones P. (2002) explains, “Hospitality is made up with two distinct services – the provision of overnight accommodation for people staying away from home, and the provision of sustenance for people eating away from home or not preparing their own meals. Both of these services meet very basic human needs – the need to sleep and need to eat.” Another description of hospitality by Mackenzie M. (2009) is the relationship practice between a guest and a host. Thus, when we speak of the “Hospitality Industry”, we are pertaining to establishments providing food and/or drink and/or accommodation to people who are away from home.

Furthermore, Mackenzie subdivides accommodation into two main groups: Non-commercial and Commercial. (Compare Figure 2.1).

Over the years, the hospitality industry has evolved from a minimal domestic establishment to a larger internationally acclaimed organization. Hotels may be categorized in various ways, for different purposes, to diverse countries.

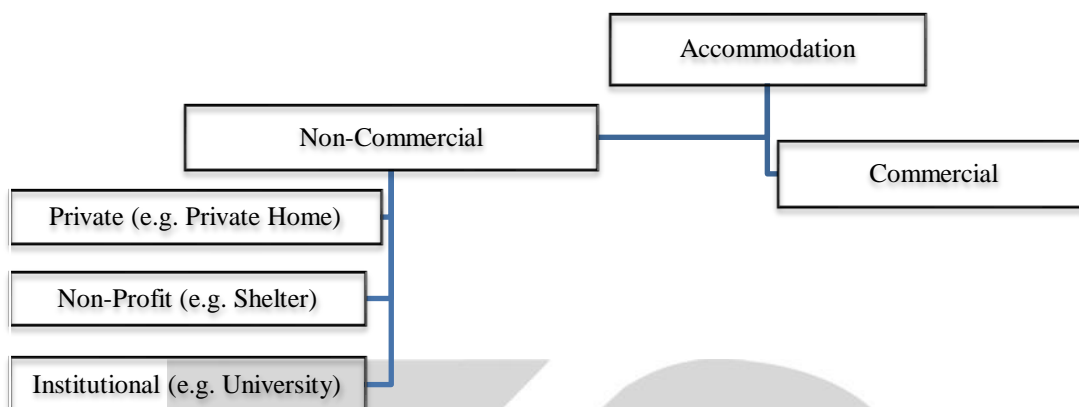


Figure 2.1 Accomodation Structure

Source: Mackenzie, 2009: Online

A hotel may be distinguished into different classifications in terms of the following:

Table 2.1 Hotel Classification

Classification	Example
Location	Urban
	Suburban
	Rural
	Airport
	Resort
	Tourism Center (near attractions)
Form of Ownership	Business Center
	Independently owned
	Hotel Chain
	Franchise
Facilities	Syndicate owned
	Boating
	Golf
	Conventions
	Ski
	Condominiums
	Room Service Menu

Source: Careers Guide, n.d.: Online

Table 2.1 Hotel Classification (Cont.)

Classification	Example
Type of Client	Business people
	Community
	Tourist
	Traveller
	Holiday Maker
	Family
Star Rating	e.g. 1,2,3,4,5 stars
Size	Number of beds or bedrooms

Source: Careers Guide, n.d.: Online

The hospitality market is very vast. As such, a hotel may fit into more than one category in the classification above. This may be an intentional strategy in order to attract to a broader market, to support greater occupancy and encourage varied occupancy patterns.

2.2.2 Tiers of Hospitality

International hotel brands may have more than one of the following hotel categories that cater to different target markets. Table 2.2 Brands by Pricing Category classifies the differentiated hotel categories by brand and pricing.

Table 2.2 Brands by Pricing Category

Luxury	Upscale	MID w/o F&B
Ritz-Carlton	Hilton	Wingate Inn
Fairmont	Sheraton	Country Inn & Suites
Shangri-La	Walt Disney Resorts	Fairfield Inn & Suites
Four Season	Crowne Plaza	La Quinta
St. Regis	Wyndham	Holiday Inn
Upper Upscale	MID w/ F&B	Economy
Renaissance	Homewood Suites	Sleep Inn
Mandarin	Courtyard by Marriott	Microtel
Le Méridien	Ramada	Extended Stay America
JW Marriot	Howard Johnson	Red Roof Inn
Upscale		Days Inn

Source: Shields, n.d.: Online

To further narrow down the study to its core focus, the author subdivides the hotel industry into 3 tiers. These 3 tiers are differentiated by their specified target markets and consumer behaviour. As each tier will be distinctive from the other, it is easier for the study to conclude the best practice of approaching the type of customer. Table 2.3 illustrates the AAA description of each type in accordance to their ratings and classifications.

2.2.3 Tier 1: Luxury Hotels

This hotel category is classified as the bespoke and individualized (Greenwood, 2007). AAA Lodging Diamond Rating Guidelines (2007) defined a luxury hotel with 5 diamonds. Furthermore, AAA describes these establishments as, “hotels that reflect the characteristics of the ultimate sophistication. Accommodations are first class. The physical attributes are extraordinary in every manner. The fundamentals hallmarks at this level are to serve and exceed all guest expectations while maintaining an impeccable standard of excellence. Many personalized services and amenities enhance an unmatched level of comfort.”

Examples of this hotel tier are St. Regis Bangkok (Starwood Hotels and Resorts), Four Seasons (Four Seasons Hotels), InterContinental Bangkok (InterContinental Hotel Group), Mandarin Oriental Bangkok (Mandarin Oriental Hotel Group), and Shangri-La Hotel (Shangri-La Group).

2.2.4 Tier 2: Upper Upscale Hotels

Upper Upscale Hotels have four diamond ratings by AAA. They are described as establishments in upscale areas with stylish and refined accommodations. They reflect a physical attribute of enhanced level of quality throughout. They comply to the fundamental hallmarks that include an extensive array of amenities combined with a high degree of hospitality, service, and attention to detail (AAA Publishing, 2007).

Examples of this hotel tier are Le Méridien Bangkok (Starwood Hotels and Resorts), Sofitel So Bangkok (Accor Hotels), Pullman G Bangkok (Pullman Hotels and Resorts), and Royal Orchid Sheraton (Starwood Hotels and Resorts).

2.2.5 Tier 3: Mid-Scale Hotels

Mid-Scale Hotels are rated with three stars in the AAA standards. AAA Publishing (2007) described these hotels to appeal to the traveler with comprehensive needs. They have all the basic necessities with their own brand style, including marked upgrades in the quality of physical attributes, amenities, and level of comfort.

Examples of this hotel tier are Aloft Bangkok (Starwood Hotels and Resorts), Novotel Silom (Accor Hotels), Hotel Indigo Bangkok (InterContinental Hotel Group), and VIE Hotel Bangkok (Accor Hotels).

Table 2.3 Diamond Rating Guidelines

FACILITY	TIER 1	TIER 2	TIER 3
Building Structure	Significantly enhanced in form and function with some residential appointments, such as: enhanced roofs, intricate moldings, window treatments, balconies, chimneys, etc.	3D, plus: Obviously upscale	4D, plus: Extraordinary with unique architectural features
Parking	2D, plus: Lighting is well positioned, from multiple sources, and provides a good level of overall illumination	3D, plus: Lighting fixtures reflect upscale characteristics with respect to the design of the property Valet parking upon request or some other upgraded feature, such as: covered/indoor parking, shuttle service, or evidence of added security	4D, plus: Valet parking is automatic
Main Entrance	2D, plus: Increased capacity (two-car width); Structure is decorative	3D, plus: Oversized capacity (two-car width and depth); Upscale design and appointments	4D, plus: Elegant design and appointments

Source: AAA, 2007: Online

Table 2.3 Diamond Rating Guidelines (Cont.)

FACILITY	TIER 1	TIER 2	TIER 3
Landscaping	Various landscape features are well coordinated for form, function, and seasonality; An ample quantity and variety of plants are integrated with buildings, walkways, parking lots, courtyards, gardens, etc.	3D, plus: Excellent variety of mature plants; Obviously professionally planned and manicured	4D, plus: Elegant and extensive variety of landscaping, with meticulous attention to detail in placement and care
General Curb Appeal	The exterior elements are obviously enhanced and are well coordinated for form, function, and seasonality; Some areas have a residential feel; Overall, conveys a very attractive	3D, plus: The combination of all exterior elements is substantial, impressive, well integrated, and imparts an excellent level of curb appeal which is upscale in style	4D, plus: The combination of all exterior elements imparts an extraordinary and luxurious feel; Appointments are unique and contribute to an elegant level of curb appeal
General Décor Style	Predominantly residential style with decorative appointments that are attractive, well-coordinated for form and function, and provide an obvious degree of comfort	3D, plus: Predominantly upscale style that provides an exceptional degree of comfort	4D, plus: Predominantly elegant style with luxurious, unique, and artistic appointments
Signage	2D, plus: Decorative enhancements in design	3D, plus: Upscale design in ample locations	4D, plus: Custom design creatively placed for a unique effect

Source: AAA, 2007: Online

Table 2.3 Diamond Rating Guidelines (Cont.)

FACILITY	TIER 1	TIER 2	TIER 3
Wall Coverings including Interior Corridors	Decorative wall treatments, such as: drywall with textured and painted finish, decorative vinyl coverings, or select grade wood/stone; Chair rails and carpeted baseboards	3D, plus: At least one significant upscale design enhancement, such as: accent wall(s), furniture-finish wood paneling, soft wall coverings, ceiling trim, architectural feature, wainscot, etc.; Wood baseboards	4D, plus: Wall finishes are of the highest grade materials; Accented with multiple luxurious design enhancements
Exterior Corridors	2D, plus: Building structure and design is significantly enhanced in form and function with some residential appointments, such as: enhanced roofs, moldings, window treatments, etc.	3D, plus: Building structure and design is obviously upscale	4D, plus: Extraordinary with unique architectural features
Wall Coverings including Interior Corridors	Decorative wall treatments, such as: drywall with textured and painted finish, decorative vinyl coverings, or select grade wood/stone; Chair rails and carpeted baseboards	3D, plus: At least one significant upscale design enhancement, such as: accent wall(s), furniture-finish wood paneling, soft wall coverings, ceiling trim, architectural feature, wainscot, etc.; Wood baseboards	4D, plus: Wall finishes are of the highest grade materials; Accented with multiple luxurious design enhancements

Source: AAA, 2007: Online

Table 2.3 Diamond Rating Guidelines (Cont.)

FACILITY	TIER 1	TIER 2	TIER 3
Lobby/Reception	No restrictions, as placement of appointments is well-proportioned to area size; Expanded seating arrangement accommodating two small groups; Placement of appointments is well-proportioned to area size and traffic flow	Area size and placement of appointments provide an obvious degree of spaciousness allowing increased ease of movement for many guests; Multiple conversational groupings, including one or more privacy areas; Identifiable guest service area and bell stand	Area size and placement of appointments provide a free flowing abundance of space that contributes to the ultimate level of comfort and relaxation for many guests; Identifiable concierge area
Furniture	Decorative and well-coordinated for form and function; Overall construction and design reflects current industry trends, such as: Melamine resins, solid wood trim, or upgraded laminate finishes; Provides an obvious degree of comfort	3D, plus: Modern or antique upscale style and materials, such as: solid wood, polished metals, leather, designer fabric, veneer finishes with solid wood accents, laminate insets, etc.; Provides an exceptional degree of comfort	4D, plus: Luxurious, unique, and elegant custom design and workmanship
Business Center	Dedicated open area (out of traffic pattern) with desk and chair, to include at least three business-related items, such as: PC, printer, copier, fax machine, supplies, etc.	3D, plus: Well-appointed, enclosed area; Multi-guest capability with comprehensive office supplies	4D, plus: Luxurious surroundings include the latest business technology; Professionally

Source: AAA, 2007: Online

Table 2.3 Diamond Rating Guidelines (Cont.)

FACILITY	TIER 1	TIER 2	TIER 3
Elevator	2D, plus: Primarily dedicated to guests' use; Prompt response, quick moving, and spacious; Elevator includes decorative appointments; Landing includes a limited (four) amount of decorative furnishings, such as: tables, lamps, phone, artwork, chair, mirror, flowers, etc., and is recessed from the lobby and guestroom	3D, plus: Multiple elevators include upscale appointments; Landings include a variety of upscale furnishings (five), such as: sofa table, lamps/wall sconce, phone, artwork, chair, coffee table, mirror, flowers/plants, etc.; Additional service elevator is available for staff's use	4D, plus: Elevator cabs have dual call button panels; landings are elegant with luxurious, unique, and artistic appointments
Food & Beverage Area:	Expanded continental breakfast, or more, is served in a dedicated area that is distinctly separate from the lobby traffic; Appointments are well-proportioned to area size, with appropriate seating for the size of the establishment; Television	Upscale, full service restaurant (comparable to a three diamond restaurant); Separate lounge or bar area; Room service available for breakfast, lunch, and dinner	4D, plus: Multiple outlets (at least one is comparable to a four diamond restaurant); Room service available 24/7
Miscellaneous	Good variety of live plants or artificial floral arrangements used as appropriate for decorative accents throughout the property	Abundant variety of live plants, silk, or dried floral arrangements used as appropriate to enhance an upscale theme throughout the property	Garden-fresh condition, outstanding variety of live plants and flowers that are uniquely arranged to provide a luxurious appeal throughout the property

Source: AAA, 2007: Online

Table 2.3 Diamond Rating Guidelines (Cont.)

FACILITY	TIER 1	TIER 2	TIER 3
Meeting Rooms	<p>Expanded meeting space with decorative appointments; Increased variety of audiovisual equipment available, such as: dropdown projector and screen, smart lectern, controlling lights and surround sound, multicasting, wireless communication, etc.; Some conference services available, such as: planning assistance, catering, and most technology needs</p>	<p>A variety of meeting rooms, such as: ballroom, boardroom, theatre, and/or meeting rooms of various sizes, with upscale appointments; All audiovisual equipment is state-of-the-art; Full conference services available including on-site professional conference planner and technical support</p>	<p>4D, plus: Luxuriously appointed, first-class facilities; Custom conference services</p>
Food & Beverage Area:	<p>Expanded continental breakfast, or more, is served in a dedicated area that is distinctly separate from the lobby traffic; Appointments are well-proportioned to area size, with appropriate seating for the size of the establishment; Television</p>	<p>Upscale, full service restaurant (comparable to a three diamond restaurant); Separate lounge or bar area; Room service available for breakfast, lunch, and dinner</p>	<p>4D, plus: Multiple outlets (at least one is comparable to a four diamond restaurant); Room service available 24/7</p>

Source: AAA, 2007: Online

Table 2.3 Diamond Rating Guidelines (Cont.)

FACILITY	TIER 1	TIER 2	TIER 3
Recreational Facilities	Weather appropriate pool (usable at least nine months annually); Area is well-appointed with a good variety of decorative, comfortable pool furniture; Hot tub or whirlpool spa	3D, plus: Pool area reflects the use of upscale building materials and design, with a variety of pool furniture; Hot tub or whirlpool spa, steam room, or sauna; Food and beverage service is available poolside	4D, plus: Pool area is of elegant design, with unique appointments, such as: sculptures, waterfalls/features, exotic plants and gardens, stone/tile surfaces with designer inlays, etc.; Outstanding variety of luxurious furniture; Cabanas; Full-time professional attendant is on duty
SPA		Full spa services available	Full spa onsite
Guest Information	2D, plus: Guest-service directory; Complimentary daily newspaper available; Notepad and pen	3D, plus: Enhanced guest service directory in folder, binder, or digital format; Complimentary daily newspaper delivered to room; Additional reading materials, such as: magazines, books, etc.; Upgraded stationery package (envelopes, postcards, writing paper)	4D, plus: Uniquely appointed guest-service directory in folder, binder or digital format; In-room comfort menu providing exercise, spa, butler, or other personalized services; Assortment of complimentary daily newspapers available for delivery to room

Source: AAA, 2007: Online

2.3 Hotel Loyalty Program

2.3.1 The Definition of Loyalty Programs

A “Loyalty Program” can be defined as a program that allows consumers to collect free rewards when they make frequent purchases with an establishment (Yuping Liu, 2007). According to Oliver Richard (1999), consumer loyalty is the consistent commitment to “rebuy” or “repatronize” a favoured product or service in the future. Furthermore, Oliver implied that loyalty develops overtime and the consumer is influenced through one’s belief, affect, intentions and action.

Yi, Y., & Jeon, H. (2003) stated in his theoretical background on his research that a loyalty program is a promotional tool that is conceived by offering incentives to build loyalty and more profitable customers.

Hanover Research (2011) detailed the assumptions about Customers in Loyalty Programs. Customer loyalty programs seek three results: “to enhance the overall value proposition of the product or service;” “to motivate buyers to make the next purchase of a product;” and to “support other aspects of the firm’s offensive and defensive marketing strategies.”(Dowling and Uncles, 1997)

2.3.2 History of Loyalty Programs

As summarized by Berman, B. (2006) the onset of the first existence of the loyalty program was traced back with the airline industry. During the 1980’s, the introduction of frequent flier programs by airlines was introduced to the community. American Airlines’ Advantage was the very first frequent flier program that aimed in rewarding their loyal customers with their repeated purchases with their airline.

Loyalty programs were initiated and adopted to numerous hospitality industries with an objective of rewarding customers for their sustained support and purchase over time (Kumar and Reinartz, 2008). The success of the frequent flier was then adapted to the hotel industry. However, the hotel industry altered it a bit by not only rewarding customer loyalty but retain guest preference for future stay references (Yokota-Landou, M., Kitamura, T., & Gillies, L., 2006). Since then, Customer Loyalty Programs have been highly used in the tourism and hospitality industry.

2.3.3 The Hospitality Loyalty Program Competition

The hospitality industry grows by either customer acquisition or by getting more business from their existing customers (Robinson, D., 2011). In order for a brand to retain and outperform the tough competition, the company's customer relationship should be cultivated and managed properly. In return, this equates to a higher revenue reach and a more improved knowledge of their target guests (Kumar and Shah, 2004).

With the convenient use of technology nowadays, consumers are more educated and informed than ever, and have the opportunity of seeking out superior alternatives from one product to another (Urban, G., 2004). Nordstrom, an American upscale fashion retailer, experts observed that "basic rewards programs" are no longer enough in retail – "they have to add experiential benefits to stay ahead of all the other options that are in the marketplace" (Todé, C., 2007). Thus, hotels are able to gain the devotion of their elite members by offering benefits more than just points. Upgrading customers to better rooms is like a different form of extra points, a "nice to have, not a must to have" (Robinson, D., 2011).

Fast-growing hotel companies are then compelled to devise a customer loyalty program that sets them apart from the rest. Table 2.4 shows a preview of some of the well-known international brands and their point reward system.

Table 2.4 Hotel Loyalty Program Point Reward Comparison

Hotel Loyalty Program (Basic)	Brands	Math	Sample of Current Deals
Hilton Honors	Double Tree, Hampton Inn & Suites	10 points per dollar spent, free night starting at 7,000 points	Free nights stay after 10 nights or four stays
Marriot Rewards	Courtyard, Fairfield Inn	10 points for each dollar spent, free night's stay starting at 7,000 points	Earn triple the number of airline miles (some chains offer this as an alternative to earning hotel miles) for qualifying visits

Source: Learnvest, 2010: Online

Table 2.4 Hotel Loyalty Program Point Reward Comparison (Cont.)

Hotel Loyalty Program (Basic)	Brands	Math	Sample of Current Deals
Starwood Preferred Guest	Sheraton, Westin, W Hotels	Earn 2 Starpoints per eligible dollar at participating properties, free nights starting at 2,000 points	Earn 2 Starpoints per eligible dollar at participating properties, free nights starting at 2,000 points

Source: Learnvest, 2010: Online

Each hotel brand has their own unique selling point and different benefit offer to their elite members. Consider these hotels, each offers a high competence of service and comparable room standards. However, what influences a program member to go to their preferred hotel despite enduring that extra 30 minutes in traffic and passing competitors along the way? A few extra points are definitely not just the reason (Robinson, D., 2011).

2.4 Consumer-Perceived Value

Customer Perceived Value (CPV) is the distinction between customers' assessment in his/her standing point of view of all the benefits and all the costs of an offering and the perceived substitutes (Kotler P. & Keller K., 2009). Figure 2.2 illustrates the determinants of Customer-Perceived Value which incorporates the total customer value and total customer cost. Kotler P. and Keller K. (2009) further explain the definition and difference between Total customer value and Total customer cost. Total customer value is the perception of the monetary value in relation to the economic, functional, and psychological benefits customers demand from a given program offer. While Total customer cost is the perception of how much cost that customer is willing to incur for the said program benefit.

Figure 2.2 is a useful framework that can be utilized to many circumstances and generates insights. Perceived costs include monetary payments and nonmonetary sacrifices. Once a marketer understands the CPV concept, enticing customers to purchase or join such loyalty program will become uncomplicated and straightforward.

Chang, T. Z., & Wildt, A. R. (1994) stated that CPV is the main motive to purchase intention. Early empirical research of Bolton, R. N., & Drew, J. H. (1991) has identified CPV as a major determinant of customer loyalty in different fields of the hospitality industry. As Holbrook defined customer value as “the fundamental basis for all marketing activity” (Holbrook, 1994: p. 22), this therefore is the driving factor of purchase intention.

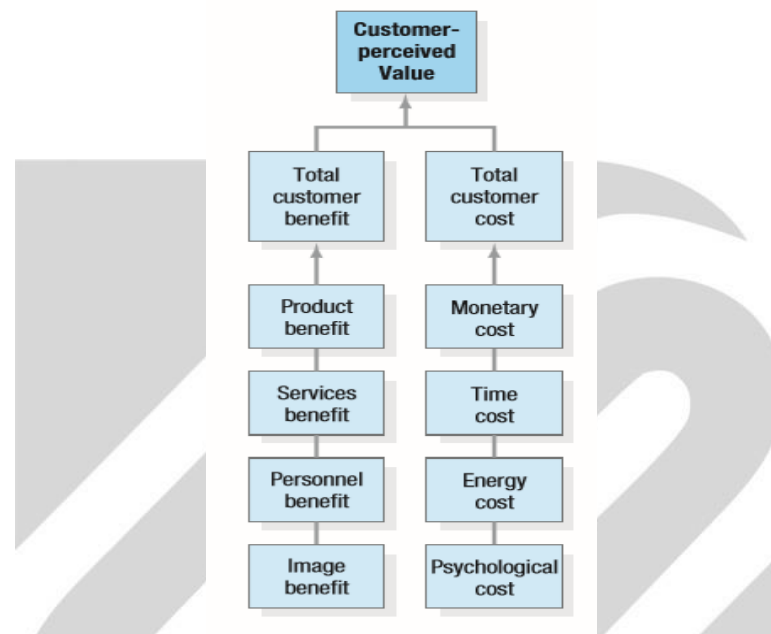


Figure 2.2 Determinants of Customer-Perceived Value

Source: Kotler & Keller, 2009: Online

Bolton, R. N., Kannan, P. K., & Bramlett, M. D. (2000) firmly considers customers who are members of a certain loyalty program have higher likelihood to make favorable decisions inclined to the brand. In the research study, their main hypothesis was the relation between members of the loyalty program weigh repatronage intentions more heavily than non-members in making repatronage decisions.

2.4.1 Factors Influencing Customers' Decision

Demoulin, N.T.M. and Zidda, P. (2009) studied a common grocery store and found that there are three driving factors that influence customers to accept (or reject) a loyalty program membership, these are: program complexity, customer proximity to the store, and number of loyalty program cards in their possession. The researchers

additionally established that behavioural loyalty (perception to actual product from the store) and customer loyalty in terms of attitudinal loyalty (customers’ outlook towards the store) also heightens the chances of a customer accepting the membership invitation. However, the researchers have narrowed their conclusion stating that attitudinal loyalty has a greater influence between the two in the customers’ decision to accept or not accept the membership program.

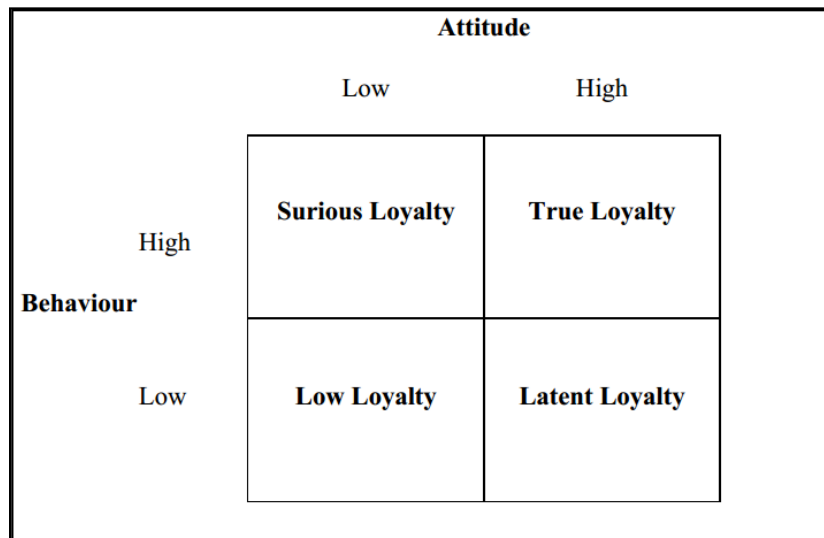


Figure 2.3 Customer Loyalty Segmentation by Behavioural and Attitudinal Loyalty

Source: Baloglu, 2002: 48

Acceptance/Rejection of Loyalty Program Membership

Purchase	Attitude	Concerns	Loyalty program characteristics	Sales persons’ expertise
*Frequency	*Toward store/brand	*Privacy	*Membership	*Knowledge
*Value	*Towards loyalty programs in general	*Convenience	*Policy	*Proactiveness
		*Loss of freedom	*Rewards	

Figure 2.3 Acceptance/Rejection of Loyalty Program Membership

Source: Mathew S. and Agrawal R., 2013: Online

A qualitative study was done by Mathew S. and Agrawal R. (2013) which tried to understand the factors affecting customers’ decision to accept or not accept a loyalty program invitation. The study comprised of 25 interviews and had five main

themes. Figure 2.4 demonstrates these five main themes: Purchase, Attitude, Concerns, Loyalty program characteristics, and Sales persons' expertise.

Reiterating researchers Yi, Y., & Jeon, H. (2003) on his theoretical background stating that loyalty programs are promotional tools that has been conceived by offering incentives enabling loyalty and more profitable customers, the researcher raised several other intentions of the efficacy of a loyalty program to a firm, such as the following:

1. A percentage of these customers show positive trend to be loyal
2. These customers are a profitable group
3. A stronger relationship of customer and product rapport.
4. A higher possibility of strengthening the customers' loyalty through the loyalty program (Dowling and Uncles, 1997)

Hanover Research (2011) emphasized that in order for a loyalty program to maximize its returns, this requires a keen comprehension of consumers' perception and a deep understanding of the use of customer loyalty programs. Five assumptions were established on how customers respond to these incentives:

- A number of customers would like a relationship with the product
- A number of customers tend to be hard-core devotees to that one brand
- These hard-core devotees are a money-making group as they are frequent buyers
- Loyalty is emphasized by reinforcing the loyalty of these buyers and promoting them up a 'loyalty ladder'
- Database technology can be used to establish a personalized dialogue with customers who will bring about moves up the loyalty ladder."

2.5 Benefits of Loyalty Programs

Oracle (2005) states that loyalty programs can deliver significant, long-lasting benefits to the company when properly implemented. It has noteworthy effect in the areas of customer knowledge, product and service differentiation, customer retention, and profitability.

2.5.1 Greater Customer Knowledge

With the customers' consent, companies are able to gather more information about its customers (Oracle, 2005). Primarily in hotels, loyalty programs have a database that stores guests' preferences and profiles. As such, the company is able to cater better to its customers basing on the knowledge they have on file.

2.5.2 Increased Customer Retention

Omotayo Oyeniyi, J., and Abolaji Abiodun, J. (2010) defines switching costs as incurred costs by buyers for ceasing a transaction relationship and starting a new transaction relationship to a different product or service. Therefore, an efficient loyalty program aims to increase a member's "switching cost" as it most likely produces has a higher chance that members remain loyal to the brand.

Loyalty programs which fail to provide a higher switching cost will eventually lose their members to a better program which offers better benefits. (Oracle, 2005) For instance, hotel A's and Hotel B's loyalty programs provide the same product and service (5 star hotel service) and the same membership benefits (One point per dollar spent, enhanced room, free internet). If Hotel A decides to add in an extra benefit such as double-point or upgrade service, members could easily switch to Hotel A from Hotel B.

However if Hotel B starts to add in that extra special benefit, it would lessen the tempting factor for members to switch. These switching costs are fashioned by companies for loyalty program usage by

- Improving member profile and information data to enhance unique offers and product/service opposed to a competitor, which does not have the member's preference profile.
- Offer attractive service consistently across all outlets

This method of increasing the switching cost and personalizing the benefits which are best attractive to members through the data collected from loyalty programs create a better relationship between their members and cannot be easily imitated by their competitors.

2.5.3 Differentiated Service and Brand Equity

A loyalty program has the capacity to detail information on transactions, demographics, and personal preferences (Oracle, 2005). This function allows the company to identify and categorize unique groups basing on the company's collection of their database and then devise unique products or services that meet those groups' needs.

This is most useful especially to the hotel industry as they aim to provide a more personalized service and attending to their needs provide value. As such, guests have a higher likelihood of paying for those products and services that meet their unmerited needs. Value over price holds a more motive for guests to prefer one from the other.

Figure 2.5 below shows that companies creating additional value by setting apart from the usual to targeted (personalized) products and services produces a more positive outcome. Thus, the more differentiated the service is in comparison to its competitors, the more loyal guests/customers tend to be with the brand.

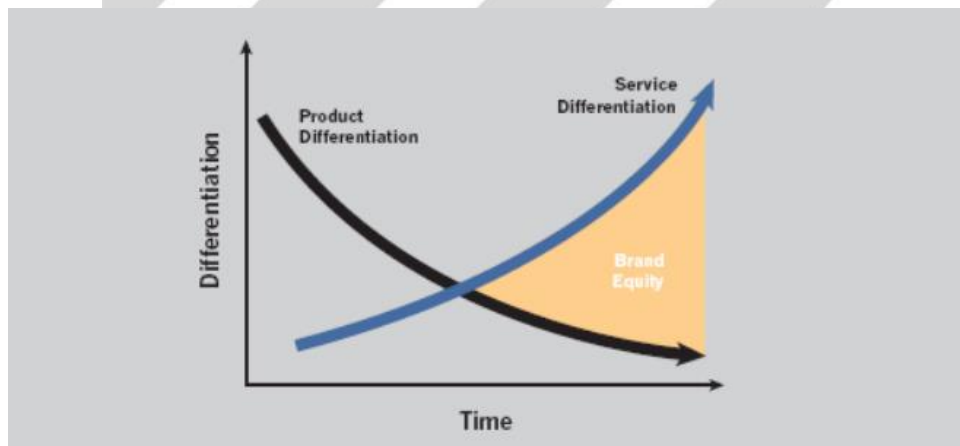


Figure 2.5 Brand Equity as a Source of Competitive Advantage

Source: Oracle, 2005: Online

2.5.4 Improved Profitability

A well-honed loyalty program's key purpose is improved profitability. When customer retention is attained, companies can manipulate prices, purchase size, marketing costs and decrease unsold expired inventory. (Oracle, 2005) According to Reichheld, F. F., & Teal, T. (2001), customer retention has a direct relation to an

improved company's profitability. Figure 2.6 demonstrates the positive effect to the company's profitability with only 5% of customer retention.

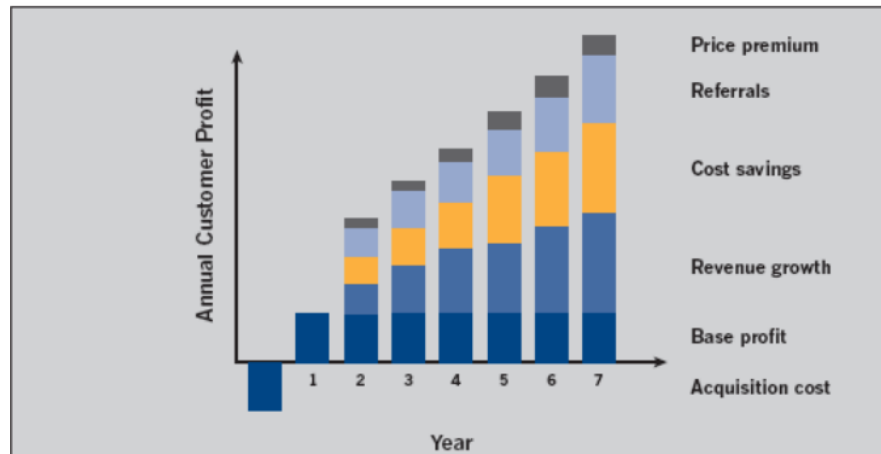


Figure 2.6 Research Showing 5% Increase In Customer Retention Yielding 25%-100% Increase In Profitability

Source: Reichheld & Teal, 2001: Online

2.6 Disadvantages of Loyalty Programs

Deloitte (2013) studied the current trend of loyalty programs and have come to conclude that consumers enroll in a vast number of brand loyalty programs, but only a rare few actually are faithful to any of the brands. The failure to utilize significant consumer data collected at enrollment or at the time of purchase equates to the failure of the business to differentiate their loyalty programs across customer segments. Sadly, nowadays employees treat customers as exchangeable commodities and overlook on delivering customized rewards or personalized experiences to connect with high-value customers.

Furthermore, Deloitte (2013) conducted its research with the premise that loyalty programs do not prevent brand switching or build brand affinity. According to the research, loyalty members are far from loyal. Hotel travelers are members of several hotel loyalty programs. 45% of hotel travelers and 80% of high frequency (16+ nights per month) hotel travelers possess two or more loyalty cards. 41.6% amongst the high frequency travelers was recorded to hold four or more loyalty programs (see **Error! Reference source not found.**).

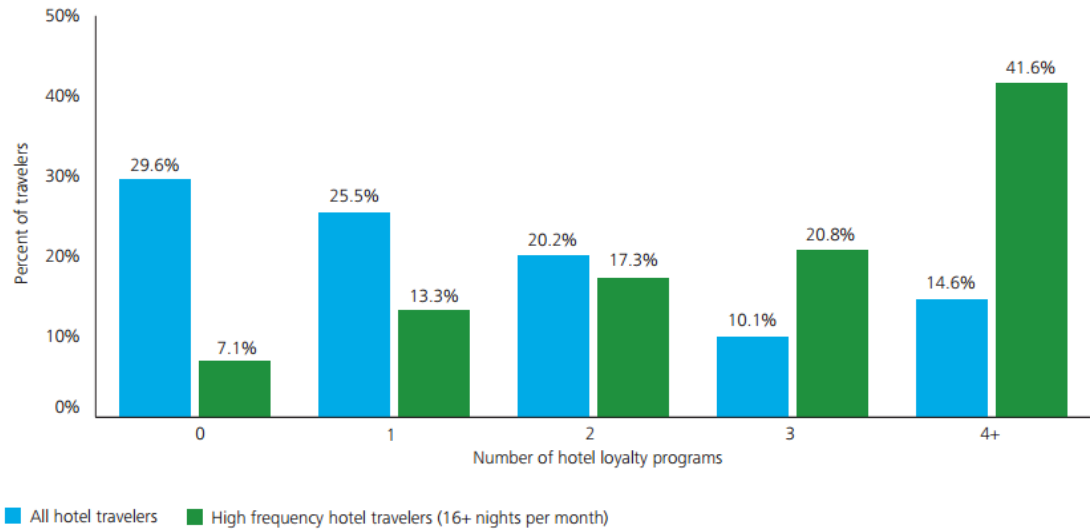


Figure 2.7 Loyalty Program Membership Among Hotel Travellers
Source: Deloitte, 2013: Online

Brand switching in the hotel industry has become more apparent, and this may have been an effect of a younger consumer market. The internet era has brought about the technology and has made it easier for consumers to compare and switch from one brand to the other. (Deloitte, 2013) Figure 2.8 demonstrates the share of wallet consumers are willing to give to their preferred brand.

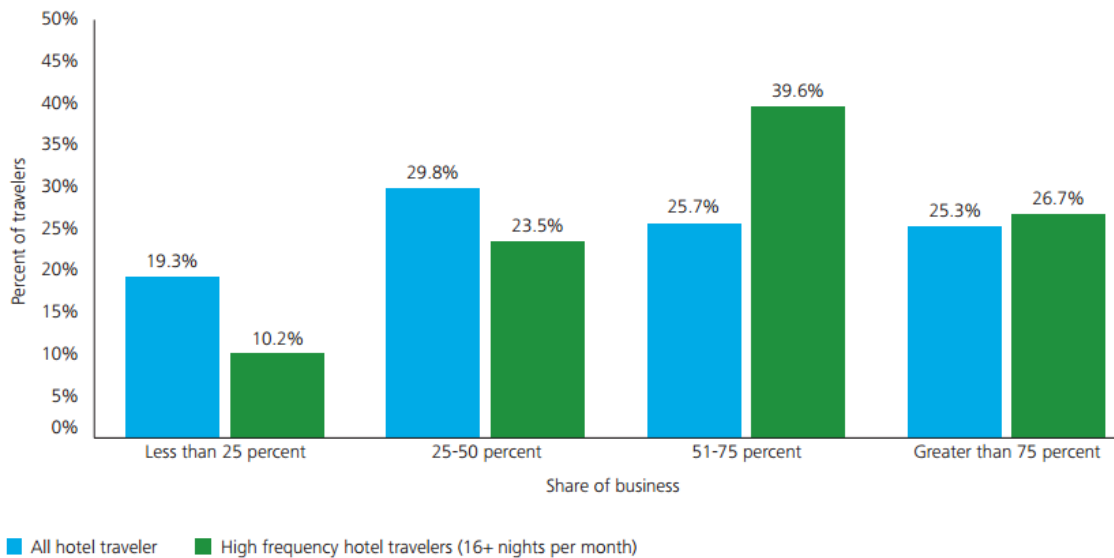


Figure 2.8 Share of Wallet Given to Preferred Brand
Source: Deloitte, 2013: Online

2.7 Summary

The related research results have detailed the background of the hospitality industry and customer loyalty programs. The importance of the customer loyalty program to the hospitality industry was briefly incorporated to signify the implication of the study.

Moreover, the author encompassed consumer perception on loyalty programs and the customer intention to join the membership program. In an effort to further illustrate the significance of a loyalty program to the hotel industry, the author detailed the benefits of loyalty programs as well as the disadvantages of the current generation. Table summarizes the authors and their main research which has been explored in the purpose of this related research study.

Table 2.5 Related Researches

Author, Year of Publication & Research Title	Research Method	Findings
Mathew S. and Agrawal R. (2013) “Loyalty Program Membership: A Study Of Factors Influencing Customers' Decision”	Qualitative - Interview	There are five themes that influence customers' decision to participate in loyalty program membership – purchase, attitude, concerns, loyalty program characteristics and sales persons' expertise.
Deloitte (2013) “Developing a Blueprint for reinventing Loyalty Programs”	Quantitative - Survey	In restoring the efficacy of loyalty programs, firms should: redefine loyalty, refocus on priority customers, reinvent programs and experiences, reimagine loyalty programs.
Hanover Research (2011) “Customer Loyalty Programs”	Qualitative - Observation	Loyalty Programs are increasingly prevalent, the connection between participation and enduring Loyalty is unclear. To not have a loyalty program today can negatively affect a company's business.
Kumar, V. And Reinartz, W.J. (2006) “Customer Relationship Management: A Databased Approach”	n.a.	Customer Relationship Management integrates the resources, action and organizational objectives in fostering a mutually beneficial relationship between companies and customers.

Table 2.5 Related Researches (Cont.)

Author, Year of Publication & Research Title	Research Method	Findings
Yokota-Landou, M., Kitamura, T., & Gillies, L. (2006) “Adding Value to Hotel Loyalty Programs for both Guest and Hotel”	Quantitative Survey Qualitative Interview	To provide a basis to make recommendations as to how to add value to hotel loyalty programs to the customer and the hotel.
Barry Berman (2006) “Developing an Effective Customer Loyalty Program”	n.a.	A firm must assess the sustainability of loyalty programs and then carefully plan, evaluate, and constantly revise the program.
Youjae Yi and Hoseong Jeon (2003) “Effects of Loyalty Programs on Value Perception, Program Loyalty, and Brand Loyalty”	Quantitative Experimental	Loyalty programs are usually designed toward loyal customers, loyalty programs can also be used as an effective tool in service recovery programs or customer revitalization programs.
Ruth N. Bolton, P. K. Kannan and Matthew D. Bramlett (2002) “Implications of Loyalty Program Membership and Service Experiences for Customer Retention and Value”	n.a.	Customers make repeat patronage decisions for the credit card services on the basis of their prior repatronage intentions or behaviour, updated by comparisons of their prior satisfaction levels with the company versus their satisfaction with a competitor.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology used for the collection and interpretation of the research. The method, the instrument of the method, and the different approaches will be presented in their appropriate justification. Furthermore, limitations of the research process will be further discussed.

3.2 Research Design

As indicated in the research overview, the research will be conducted solely to Starwood Hotels and Resorts' loyalty program, Starwood Preferred Guest (SPG). This brand is selected as it has a strong international background and has a diversified global market reach. The researcher has chosen 6 hotels in Bangkok and conducted an extensive qualitative research. The hotels are subdivided into 3 different tiers as identified in section 2.2.2 Tiers of Hospitality. Chosen hotels are categorized in Table 3.1 in its respective tier and number of employees in the department.

In addition, to further support the conclusion of the obtained results from these interviews, the researcher underwent a supplementary research by conducting a quantitative investigation with actual hotel guests.

Therefore, the research design of this study is a mixed method research incorporating both qualitative and quantitative studies.

3.3 Qualitative Research

Quinn, P. M., & Cochran, M. (2002) explores the tedious research methodology that is qualitative research. "Qualitative research is characterized by its aims, which relate to understanding some aspect of social life, and its methods which (in general) generate words, rather than numbers, as data for analysis." (Quinn, P. et al, 2002: 4) This type of research does not aim to measure something (such as percentage of a number of people) unlike that of a quantitative research method. However, this type of research can seem vague from the researcher's point of view as it has the tendency of having: smaller sampling size that might not necessarily

represent the general population, findings may lack precision, findings may be challenging to distinguish of how far these are biased by the researcher's own opinion.

Nonetheless, some research projects may not be obtained by utilizing the quantitative research method such as assessing people's experiences of a product, obtaining feelings of a certain situation and so forth. These can be addressed through qualitative methods such as interviews or focus groups. This is most effective when employed in situations where little is known, it is often better to start with qualitative methods. By generating the hypotheses, it can then subsequently be tested by quantitative methods.

For the purpose of this research, the author identified that a qualitative research method is the appropriate research tool as it aims to investigate and assess best practices that are presently being exercised in hotels. With this method, the author is able to compare and contrast the array of hotels examined by performing detailed interviews to hotel employees with the most direct guest contact.

3.3.1 Population, Sample Size and Sampling

To determine the sample size was a significant point to the author as it had a direct correlation to the result of the research basing on the relevant respondents the author aims to interview. In this research, the approach involved a small sample size as it necessitates only respondents who have the best knowledge of loyalty programs in their specific hotel.

The target population of this study are the front office managers of the international hotel brand, who are known to the researcher as competent hotel ambassadors. Due to the limitation of the survey, the research focused on investigating the 3 hotel tiers of the hotel brand, Starwood Hotels and Resorts. The research will subdivide the hotel tiers with the following categorization:

Tier1: Luxury Hotel: W Bangkok, Sheraton Grande Sukhumvit (Luxury Collection)

Tier2: Upper Upscale Hotel: Le Méridien Bangkok, Royal Orchid Sheraton

Tier3: Mid-Scale Hotel: Aloft Sukhumvit, Four Points by Sheraton Sukhumvit

The researcher interviewed 2 respondents of each property whom have the most experience and knowledge about the hotel's loyalty program (e.g. Front Office Manager, Loyalty Program Champion, Director of Rooms, etc.). Such number enabled the research to gain a deeper understanding of participant experience and to develop a deeper depiction of experience. (Creswell, 2009; Merriam, 2009) Participants will be recruited by the researcher via email to complete a question interview that should take approximately 25-30 minutes.

Demographics such as education background and nationality are not variables of this study. There will be no interview questions that will enforce the interviewee to feel uncomfortable or unwilling to participate.

3.3.2 Data Collection

To use the qualitative method in this research means that the author will be generating data that is primarily in form of words, not numbers. In-person interviews were conducted in a quiet location, most likely in their respective hotels. Table 3.1 exhibits the population size of the participants of the initial research. In total, the research was conducted to only 12 participants basing on their competent industry background of the field of study.

By means of conducting the qualitative form of research, sample size is generally much smaller in comparison to quantitative studies (Mason, Mark, 2010). Ritchie, Lewis and Elam (2003) supported the statement above stating that qualitative research confronts a point of diminishing return at a certain stage of the study – “as the study goes on more data does not necessarily lead to more information.” (Mason, 2010; pp. 1) Moreover, this type of research rarely necessitates frequencies as one or two events of the data are potentially as functional as many in the pursuit of understanding the process behind a topic. Crouch and McKenzie (2006) complemented the idea by stating that a qualitative research focuses on meaning and not making generalized hypothesis statements.

Qualitative samples should suffice an appropriate number of participants to assure that most or all of the perceptions that may possibly be essential are discovered. If the sample is too large, data becomes redundant, time consuming and often simply impractical. (Mason, 2010)

For the purpose of this study, the research applied saturation as a guiding theory of the data collection. Charmaz (2006) suggested that a small study with “modest claims” (p. 114) which covers an adequate sample size might achieve saturation quicker. Furthermore, Jette, Grover and Keck (2003) advocated in their study that choosing experts of the field of study of the topic can reduce the number of participants needed in a study. Henceforth, this research study condensed the sample size to its adequate size as supported by the statements of the indicated studies.

Table 3.1 Qualitative Population Size of Data Colelction

Hotel Tier	Hotel	Front Office Staff Count	Number of Interviewees
Hotel Tier 1: Luxury Hotels	W Bangkok	16	2
	Sheraton Grande Sukhumvit (Luxury Collection)	18	2
Hotel Tier 2: Upper Upscale Hotels	Le Méridien Bangkok	11	2
	Royal Orchid Sheraton	31	2
Hotel Tier 3: Mid- Scale Hotels	Aloft Sukhumvit	13	2
	Four Points by Sheraton Sukhumvit	14	2
Total		103	12

The data will be recorded in the form of detailed interviews to the specified number of interviewees in every hotel at convenient times and locations. That is, the researcher will interview the participants based on a list of questions expanded from the research question: “What are the best practices in inviting guests? Are their various methods employed that corresponds to the different type of guest?”

All questions are open ended, which allowed the participants to freely express their experiences, thoughts, and ideas about their hotel’s best practices in loyalty programs. Follow-up questions were improvised during the course of the interview.

The questionnaires are to be conducted in three phases. The first phase will consist of basic questions about the current quantitative success of their loyalty program. This will involve percentages and scores of their most recent quarter and so forth.

The second phase will be comprised of open-ended questions, which allows the interviewer to gather as much information as possible and also go further into details when required. The interview will explore the interviewee's personal opinion and observation. Depending on the answer given to the question, the researcher will improvise or continue by developing the issue mentioned from the respondent to obtain more information relating to the answer. Hereafter, the researcher will follow with questions relating to other variables determined as key determinants as stated in the Theoretical Framework: Consumer Behaviour, Loyalty Program Benefits, Hotel Staff Competence, and Hotel Tier.

The third part of the questionnaire will consist of close-ended question which would limit the answer of the responded to three possibilities: Yes, No, Others. However, considering that the method of research is qualitative, the author further asked why no or yes to their answers.

This questionnaire aims at knowing if all actions relating to the five variables are known to the respondent and taken into consideration by the hotel. The second part of the questionnaire would enable us to put in evidence what is exactly undertaken by the hotel in view of assessing the best practices of enticing hotel guests.

The order of the questions for the second part may have been adapted according to the answers given by the respondent. The responses were transformed as notes in the course of the interview as all respondents did not allow recording.

3.3.3 Data Analysis Procedure

Interviews of front office manager are transcribed verbatim by the researcher as recording was not allowed. The manuscript summarized in Appendix A was thoroughly captured word for word from the interviews. With the results from the questionnaires, the researcher aims to fulfil the four parts, such as follows:

Part 1: Consumer Behaviour

The questions in this part will evaluate the target market of the hotel tier and the common types of guests that comprises most of their total hotel occupancy.

Part 2: Loyalty Program Benefits

The questions in this part will assess the hotel's offering to newly invited guests and the efficacy of these benefits as enticement for enrollment.

Part 3: Hotel Staff Competence

The questions in this part will appraise the level of aptitude of the staff in the department.

Part 4: Hotel Tier

The questions in this part will consider the Hotel's rank/category and the type of hotel they operate.

3.4 Quantitative Research

To further support the findings of the qualitative research, a secondary research was conducted to verify and support the preliminary study. Thus, the quantitative research was employed which was conducted through the form of surveys.

Quantitative research requires the collection of numerical data and standardized measures in its aim to evaluate varying perspectives and experiences of people into a limited number of predetermined response categories (Bryman and Burgess, 1999).

3.4.1 Population, Sample Size and Sampling

This quantitative research utilizes the non-probability sampling which is described to be a sampling technique where collected samples do not necessarily provide all the individuals in the population equal chances of being selected (Explorable.com, 2009). Due to the time constraint, non-probability sampling was a fitting method for this research study as it was almost impossible to randomly sample the entire population and the retrieved samples of the research were selected based on their accessibility of the researcher.

With the 6 hotels incorporated in this research, an equal number of surveys were distributed to each property. The target population were Starwood guests who did not participate in the loyalty program. The questionnaires were a portion of the hotel's post survey that focuses on the reason as to why the guest declined the membership program. For the purpose of this study and the limited authorized data endowed, only that part has been incorporated in this research. Nevertheless, only that portion had a direct correlation to the research and was the only useful information for the intention of the research.

Table 3.2 Quantitative Population Size

Number of Hotels	Number of Surveys distributed	Number of non-member Responses Received	Valid Number of Respondents who answered the loyalty membership portion
6	600 (100 each)	37	25

Out of the 600 guest post-stay surveys distributed to all hotels, most were already SPG members and only 37 non-members responded to the survey. However, the actual non-member respondents who answered that portion as to why they did not participate in the loyalty program were only 25 valid responses.

3.4.2 Data Collection

The data gathering of the quantitative research was through collecting the results of the hotel's post-stay survey. This section of the hotel post-survey directed to non-members only and solely focused on the reason behind their rejection of the loyalty program.

The researcher was permitted by the hotel's management team to utilize this data for the sole purpose of this research. However, the researcher was restricted in sharing other information from the post-survey results.

The research aimed a goal of collecting 600 respondents from the 6 hotels in Bangkok, however only gathered 37 in the limited time allotment. This research targeted guests from different hotel tiers and demographic. The data collection was

performed in 1st to 10th August 2015 with the assistance of the managers of each hotel.

3.4.3 Data Analysis Procedure

Distributed surveys were recorded and translated into a statistical analysis software. Descriptive statistics played the role in analyzing the quantitative data obtained which allowed the researcher to get the general view of the data and distributions in the form of diagrams, tables and basic statistics.

The questionnaire was a direct inquiry with the question “Is there a reason why have you not enrolled to become a Starwood Preferred Guest (SPG) Member?”

Answers were subdivided into 4 categories following the 4 theoretical themes of the research study. See Table 3.3.

Table 3.3 Questionnaire Themes

THEME	QUESTION
Consumer Behavior	I do not travel enough to benefit from the program
	I did not have time to enroll
Loyalty Program Benefits	I do not think the benefits are worth it
	Hotel loyalty programs are not interesting to me
Staff Competence	I was not invited to enroll at check-in
	I do not understand the benefits of the program
Hotel Tier	I prefer to stay in other hotels
	I prefer a different hotel loyalty program

3.5 Ethical Considerations

It is imperative to abide several guidelines when preparing a questionnaire that follows by the research ethics. Firstly, it is important to convey the intention and purpose of any intrusion which may occur when conducting any survey or interview. In this case, it is necessary to state the purpose of the interview and obtain their consent of a scheduled interview.

If at some point the interviewees are reluctant to answer certain inquiries, the researcher will not by all means interrogate further and shall respect the confidentiality of the respondent.

3.6 Trustworthiness

The validity and reliability of the study will be based upon dependable sources from actual people who work in the hotel and actual guests of the hotel brand. The population will consist of only dependable number of people with high credentials in the hospitality industry for the qualitative research and only valid number of population for the quantitative research.

3.7 Potential Research Bias

The author is convinced that the interviews will produce constructive and informative results that will have the future potential of being implemented in hotels as best practices of inviting guests to enroll in the loyalty program membership. When the data will be collected and summarized, these results may have the potential to facilitate hotels in deciphering the best approach when confronted with guests in the designated hotel tier. As a consequence, increasing the percentage of hotel loyalty members resulting to a higher chance of customer retention and profitability.

3.8 Limitations

This research study will only focus on one brand loyalty program, “Starwood Preferred Guest” (SPG). As such, this could be a constraint to fully employ the results of the study to a broader loyalty program line. Nonetheless, the SPG program is an effective assessment in assisting with this research study because it would give a more specific result on the hotel tier comparison from the same brand with the different hotel category.

Furthermore, the interviewees disagreed to use a recorded for the interviews. Recording the interviews would have aided in the veracity of the responses of the interviews summarized in this research, however strict note-taking was applied thoroughly during every interview with the researcher’s keen interest of their every response.

Finally, as this research is a mixed-method study, most of the analyses were based on the qualitative research and the quantitative research was done as a supporting data to further interpret the qualitative study. Therefore, the research does

not necessitate the use of an inferential statistic as there are no hypotheses integrated in the research process.

Moreover, one other constraining limitation to this study is that it was only conducted to hotels in Bangkok in an inadequate period of time.



CHAPTER 4

RESEARCH FINDINGS

4.1 Introduction

The results of the analysis of both researches will be presented in this chapter. The themes identified within the data include: (a) enrollment success rate, (b) current strategies and practices used in their property, (c) the impact of the four variables determined as key determinants as stated in the Theoretical Framework: Consumer Behaviour, Loyalty Program Benefits, Hotel Tier, and Hotel Staff Competence.

During the in-depth interviews, study participants described their perceptions and experiences. They also discussed their current effective methods implemented in their respective hotels in maintaining or improving their enrollment percentages. Meanwhile, the survey results from guests provide the research the supporting findings of the qualitative research.

The research findings that this chapter reports are based on analysis of the following data sources: semi-structured interviews, hotel statistics, and guest post stay survey.

4.2 Qualitative Research Findings

4.2.1 Background

The participants of this study were comprised of twelve managers from six different hotels. They ranged in age from 24 to 35 years old; seven were female, and five were male. On average, participants had 3 to 7 years of front office experience. All twelve managers are the persons in charge of their loyalty program in their respective hotels.

Interviewees' contributed differing amounts of information to the four key determinants that comprise the Theoretical Framework. Some participants talked at length on one or two keys; some participants made clear on only one determinant. Thus, all participants' voices and views are represented in this study.

4.2.2 Enrollment Success Rate

Table 4.1 shows a preview of the data gathered of the current year-to-date statistics of each property included in the research. This illustrates the hotels that have reached their current target and the hotels that have yet to reach it by the end of the year. Additionally, this will give the audience a preview of which hotels are currently having a strong hold on their loyalty program invitation methods and which hotels need more improvement to achieve the company goal.

As shown in the table, Sheraton Grande Sukhumvit and W Bangkok are the only two hotels out of six that have achieved their year to date goal, while Le Méridien Bangkok, Sheraton Grande Sukhumvit, Aloft Bangkok and Four Points by Sheraton are behind target.

Table 4.1 Enrollment Success Rate as of April 2015

Property name	Full year goal	YTD goal	YTD success rate %	At/above YTD goal	Monthly success rate %	Month to date goal
Sheraton Grande Sukhumvit	57%	57%	73%	YES	81%	YES
W Bangkok	54%	54%	56%	YES	51%	YES
Lm Bangkok	57%	57%	56%	NO	64%	YES
Sheraton Royal Orchid	33%	33%	32%	NO	48%	NO
Aloft Bangkok	57%	57%	30%	NO	37%	NO
Four Points	50%	50%	44%	NO	36%	NO

Source: Kodama, 2015: Personal Communication

4.2.3 Hotel Loyalty Program Strategies

The focus of the research is on interviewing the loyalty program managers, also known as SPG Champions, of each property as they have the most knowledge of the loyalty program and are the key persons in charge of attaining company goals.

Each shared their current strategic approach of their respective teams. Every hotel presented varying styles and provided handful effective tactics employed by their team members and themselves. Table 4.2 summarizes these in detail.

Table 4.2 Summary of Hotel Loyalty Program Strategies

Hotel	Year Goal	YTD Success Rate	Strategy
Sheraton Grande Sukhumvit	57%	73%	<ul style="list-style-type: none"> • Active follow up by Manager • Daily update • One on one discussion on employees who need improvement • Active group enrollment follow up • Top enroller of the month incentives • Continuous coaching and training to team members • Management recognition • Guest assigned to SPG preferred floors • Monetary incentive: THB20/enrollment • Freebies to employees • New member benefits: varying FB discount on varying outlets (20% - 30% discount)
W Bangkok	54%	56%	<ul style="list-style-type: none"> • Active follow up by Manager • Daily Update • Active group enrollment follow up. Incentive to Group Tour leaders: free drink, dinner voucher or SPA voucher • Top enroller of the month incentives • Continuous coaching and training to team members • Management recognition • Guest assigned to SPG preferred floors

Table 4.2 Summary of Hotel Loyalty Program Strategies (Cont.)

Hotel	Year Goal	YTD Success Rate	Strategy
W Bangkok			<ul style="list-style-type: none"> • New member benefits: free in-room internet or free drink in Woo Bar • Additional New member benefit: 15% discount on FB
LM Bangkok	57%	56%	<ul style="list-style-type: none"> • Active follow up by Manager • Daily Update • Continuous coaching and training to team members • Management recognition • Top enroller of the month incentives • Top enroller of the year incentive • New member benefits: free in-room internet and 15% discount on FB • Guest assigned to SPG preferred floors
Royal Orchid Sheraton	33%	32%	<ul style="list-style-type: none"> • Daily Update • Continuous coaching and training to team members • Management recognition • Top enroller of the month incentives • Guest assigned to SPG preferred floors with more bottles of water • New member benefits: free in-room internet, 15% discount on FB and newspaper options
Aloft Bangkok	57%	30%	<ul style="list-style-type: none"> • Daily Update • Continuous coaching and training to team members • Management recognition

Table 4.2 Summary of Hotel Loyalty Program Strategies (Cont.)

Hotel	Year Goal	YTD Success Rate	Strategy
Aloft Bangkok	57%	30%	<ul style="list-style-type: none"> • Top enroller of the month incentives • Guest assigned to SPG preferred floors
Four Points by Sheraton	57%	44%	<ul style="list-style-type: none"> • Continuous coaching and training to team members • Top enroller of the month incentives • Guest assigned to SPG preferred floors • 15 THB incentive per valid enrollment

4.2.4 Key Determinants of Motive for Guest Enrollment

To fulfil this research, detailing each determinant is imperative to indicate the level of impact to their respective property and hotel tier. With this procedure, the research can establish which key determinant appeals the most to the overall outcome of the success of their enrollment results in each property.

Consumer Behaviour Impact

The questions that were generated for this part were for the intention to evaluate the target market of the hotel tier and the common types of guests that comprise most of their total hotel occupancy. Every hotel demonstrated a different mix of market and an assortment of current challenges they face. Table 4.3 details the hotel statistic based on their consumer behaviour.

Table 4.3 Consmer Behaviour Comparison

Hotel	Target Market	Intent of Travel	Demographic	Challenge
Sheraton Grande Sukhumvit	Corporate	Business	European, Korean, Japanese, SEA	Group
W Bangkok	Mix (Corporate & Leisure)	Leisure & Business	SEA, Hong Kong, Taiwan	Group

Table 4.3 Consmer Behaviour Comparison (Cont.)

Hotel	Target Market	Intent of Travel	Demographic	Challenge
Le Méridien Bangkok	Corporate	Business	European, SEA, Japanese	Group
Royal Orchid Sheraton	Mix (Corporate & Leisure)	Leisure, Business, Conference	China, Japanese, SEA, English, Dutch	Group and Airline Crew
Aloft Bangkok	Leisure	Leisure	Australia, America, India, Chinese, SEA	Group
Fourpoints by Sheraton	Corporate	Business	Japanese, America, SEA	Language barrier from non-English speakers

These six hotels are situated in the heart of Bangkok (see Figure 4.1). Location is definitely one of the advantageous factors of each hotel and determines the traffic of people staying in the hotel. Thus, this factor has a direct correlation to the hotel's consumer behaviour and influences the main target market of every hotel.

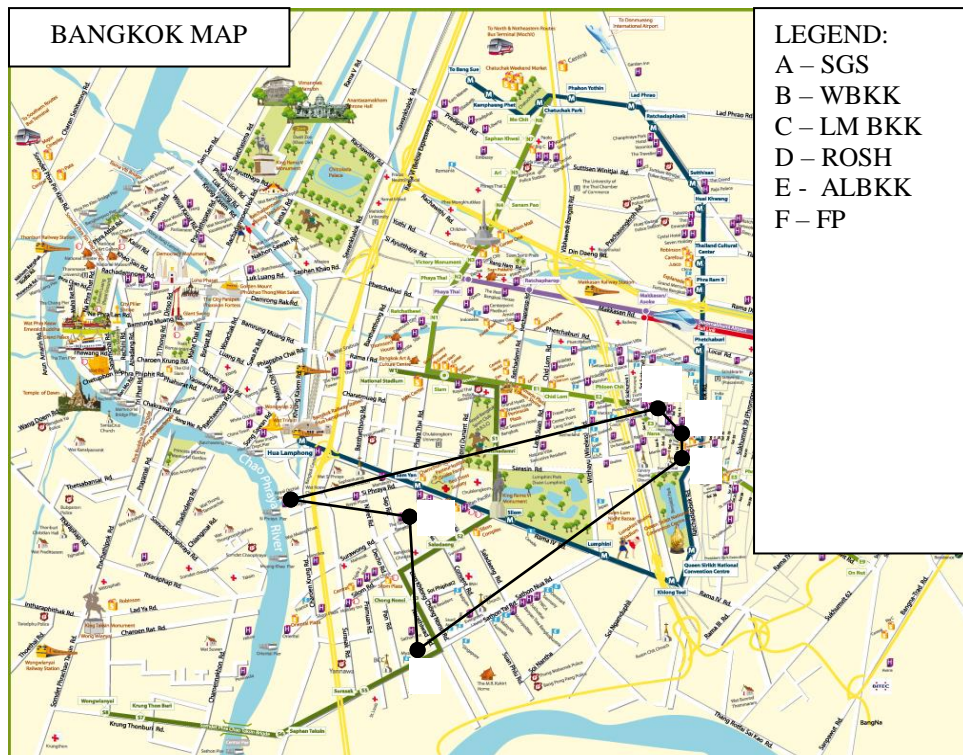


Figure 4.1 Hotel Location in Bangkok

Source: Map of World, n.d.: Online

Five out of six hotels cater mostly to business travellers as these five hotels are positioned in the business districts of the city. Sheraton Grande Sukhumvit and Fourpoints by Sheraton are situated in central Sukhumvit with only 350 meters of distance from each other. While Le Méridien Bangkok, W Bangkok and Royal Orchid Sheraton are in the financial district of Sathorn/Silom with an average distance of 1.5 km from each other.

With this being established, the researcher examined whether the consumer behaviour had a direct correlation to the success of loyalty program enrollments. Table 12 shows the respondent's view on the impact of the consumer behaviour in their respective establishment.

Table 4.4 Consumer Behaviour Responses

RESPONDENT	RESPONSE ON CONSUMER BEHAVIOUR
SGS	“Most of our guests are business travellers. These types of guest are the easiest to enrol as their rates are eligible for points and the company pays for their expenses. They have nothing to lose.”
WBKK	“Most business travellers are interested with the loyalty program because they know the benefits they get from it. However, leisure travellers usually are a challenge. You need to offer them something they want first, otherwise they’ll reconsider. “
LMBKK	“We cater to a very international target. Most business travellers are Japanese, which makes it very easy to enrol because they usually agree to it with no question. Free independent travellers are mostly the guests who need more convincing since they rarely travel and don’t see the need of a loyalty program.”
ROSH	“Our hotel is known for big groups who come for conventions or conferences. Some travellers come in groups, which are the most challenging to enrol because you barely get the chance to interact with the guest and only correspond with the tour leader. Another challenge is the air crew, they usually come in odd times of the day and they see no need to be enrolled as they don’t earn the points anyway.”
ALOFT	“We cater mostly to leisure travellers and most of the time from America or Australia. They’re very opinionated and don’t usually like to be offered enrollments.”
FP	“Non-English guests are the most challenging for us. Whether they come for leisure or business, the language barrier usually deters both employees and guests to participate with the loyalty program”

When respondents were asked with the close-ended question of whether the consumer behaviour has a direct impact with the overall enrollment success, all agreed that there is a relation between their enrollment success and the consumer behaviour of the hotel.

Loyalty Program Benefits Impact

Starwood Preferred Guest is the award winning loyalty program of Starwood Hotels and Resorts. By becoming a member, one can access more than 1,200 world-class hotels and resorts in over 100 countries. This is the very first hotel loyalty program that offers free night awards with no blackout dates. Table 4.5 details the SPG member benefit.

Table 4.5 At-a-Glance SPG Member Benefit

BENEFITS AT A GLANCE	MEMBER TIER		
	Preferred	Gold	Platinum
Starpoints earned per eligible US dollar spent	2	3	3
Starpoints earned for meetings & events	1 per \$3	1 per \$2	1 per \$2
Credit earned toward elite status on paid and Award stays	Yes	Yes	Yes
Free Night Awards and Award Flights without blackout dates	Yes	Yes	Yes
4 p.m. late check out		Yes	Yes
Welcome gift at check in		Yes	Yes
Enhanced room (room with a preferred view, corner room, etc.) at check in, when available		Yes	Yes
Room upgrades at check-in, including Select Standard Suites			Yes
Complimentary in-room internet access when reservations are booked through SPG sites	Yes	Yes	Yes
Complimentary in-room high-speed internet			Yes
SPG Nights Benefits award Platinum members with even more after 50, 75 and 100 eligible nights in a calendar year			Yes

Source: SPG Program Guide, 2015: Online

This research features six Starwood hotels in Bangkok that offers the stunning benefits the SPG loyalty program award offers. The author specifically intended the research to explore only SPG hotels because this can attest to an equal assessment on the loyalty program benefits, whereas if the research compared several brands, the benefits could result to a very diverse and complex outcome.

The questions that were generated for this part were to assess the hotel's offering to newly invited guests and the efficacy of these benefits as enticement for enrollment. The researcher investigated whether the loyalty program benefits for first time enrollments had a direct correlation to the intention of guests to agree on the program invite. Table 4.6 details the incentive each hotel offers to first time members of the loyalty program.

Table 4.6 Loyalty Program Benefits for New Enrollments

HOTEL	LOYALTY PROGRAM BENEFITS
SGS	2 points for every \$1 eligible spent in hotel (minimum \$10 to activate) 20% - 30% discount on FB outlet (depends on which outlet) Preferred floor (high floor) room assignment
WBKK	2 points for every \$1 eligible spent in hotel (minimum \$10 to activate) 15% discount on FB outlet Choose between: free internet or free cocktail drink at Woo Bar Preferred floor (high floor) room assignment
LMBKK	2 points for every \$1 eligible spent in hotel (minimum \$10 to activate) 15% discount on FB outlet Complimentary internet Preferred floor (high floor) room assignment
ROSH	2 points for every \$1 eligible spent in hotel (minimum \$10 to activate) 15% discount on FB outlet Complimentary internet Preferred floor (high floor) room assignment Newspaper selection More bottles of water set in room Welcome amenity in room
ALOFT	2 points for every \$1 eligible spent in hotel (minimum \$10 to activate) 15% discount on FB outlet Preferred floor (high floor) room assignment
FP	2 points for every \$1 eligible spent in hotel (minimum \$10 to activate) 15% discount on FB outlet Preferred floor (high floor) room assignment

All six hotels show similarities with their benefits offered to newly enrolled guests – points, preferred floor allocation and FB discount. However, some offer more while some offer lesser. Basing on the detailed loyalty benefits in Table 4.6, WBKK and ROSH offers more enticing benefits to newly enrolled members. While SGS and Aloft has the least offerings. Assessing from the year-to-date success of every hotel from Table 4.1, SGS leads all six hotel with the success rate of 73% while Aloft has the lowest score of only 30%. Considering that these two hotels offer the least, they both have varying results. On another hand, the two hotels that offer the most benefits

for new members also presents varying results. WBKK has a year-to-date success rate of 56% while ROSH is behind with only 32%.

The above analysis determines that although loyalty program benefits are essential in every hotel chain to attract more new members, the research however disputes the correlation of the success of the enrollment and the loyalty program benefits.

Hotel Tier Impact

The questions that were generated for this part were to measure whether there is a direct correlation between the loyalty program success rate and the Hotel's rank/category and the type of hotel they operate. While considering this component in this research, the author assessed if this impacts the overall results of the study.

Starwood Hotels and Resorts classify their properties as Category 1 through 7 and is determined by its U.S. dollar average daily rate (ADR) budgeted from the current year. This method also determines the number of points that a member must use per night for a Free Night Award in a standard room. Table 4.7 lists the hotel category determination of SPG. This research incorporates 3 tiers following this classification.

Table 4.7 SPG Hotel Category Determination







Starpoints							
Award	1	2	3	4	5	6	7
Category							
Average Daily Rate (ADR)	\$0.00 - \$75.99	\$76.00 - \$104.99	\$105.00 - \$137.99	\$138.00 - \$195.99	\$196.00 - \$314.99	\$315.00 - \$478.99	\$479+
	3,000	4,000			12,000	20,000	30,000
Starpoints per night	Sun-Thu 2,000 Fri or Sat	Sun-Thu 3,000 Fri or Sat	7,000	10,000	low 16,000 High	low 25,000 high	low 35,000 high

Source: SPG Program Guide, 2015: Online

Following from SPG's hotel category determination through ADR, Sheraton Grand Sukhumvit and W Bangkok are considered to be in Category 4. Le Méridien Bangkok and Royal Orchid Sheraton are considered to be in Category 3. And finally, Aloft Bangkok and Four Points by Sheraton Bangkok are considered to be in

Category 2. Table 4.8 classifies the hotels in their respective hotel categories with their individual brand positioning.

Table 4.8 Starwood Hotels and Resorts Brands

Brand	Brand Identity
	<p>All hotels within The Luxury Collection®, some centuries old, are recognized as being among the world's finest. In renowned cities and resort destinations, The Luxury Collection provides an exceptional experience.</p>
	<p>Well, hello there. Experience the perfect balance of both style and soul with W® Hotels. While you're with us you'll delight in signature restaurants, iconic design, select spa treatment with Bliss, our exclusive Whatever/Whenever® service and more. W Hotels is the place to eat, drink, flirt and play all within one prime location.</p>
	<p>Embark on a voyage of discovery and enrichment with Le Méridien®. Authentic locations and inspiring cultures are the backdrop to an exclusive selection of hotels and resorts in over fifty countries</p>
	<p>Sheraton® Hotels & Resorts welcomes guests in all corners of the world – from Australia to Uruguay. From full-service hotels to relaxing resorts, Sheraton enables you to connect to your location and to those back home.</p>
	<p>A new destination sensation. A world that's lively, not lonely. AloftSM delivers a fresh, fun and fulfilling reinvention of the travel experience.</p>
	<p>Four Points® by Sheraton Get everything you're looking for with style and service you want, all at a great price. We have what matters most to you like stylish rooms, comfortable beds, delicious breakfast and fresh coffee. Plus you'll find free Internet and free bottled water in your room, great local beer with Best Brews™ and other extras that you'll love. Everything you need to travel the way you like</p>

Source: SPG Program Guide, 2015: Online

Considering the hotel's category, the researcher investigated whether this factor is relevant to the enrollment success of their property. When the respondents were asked with the close-ended question about this, the results are as follows, see Figure 4.2.

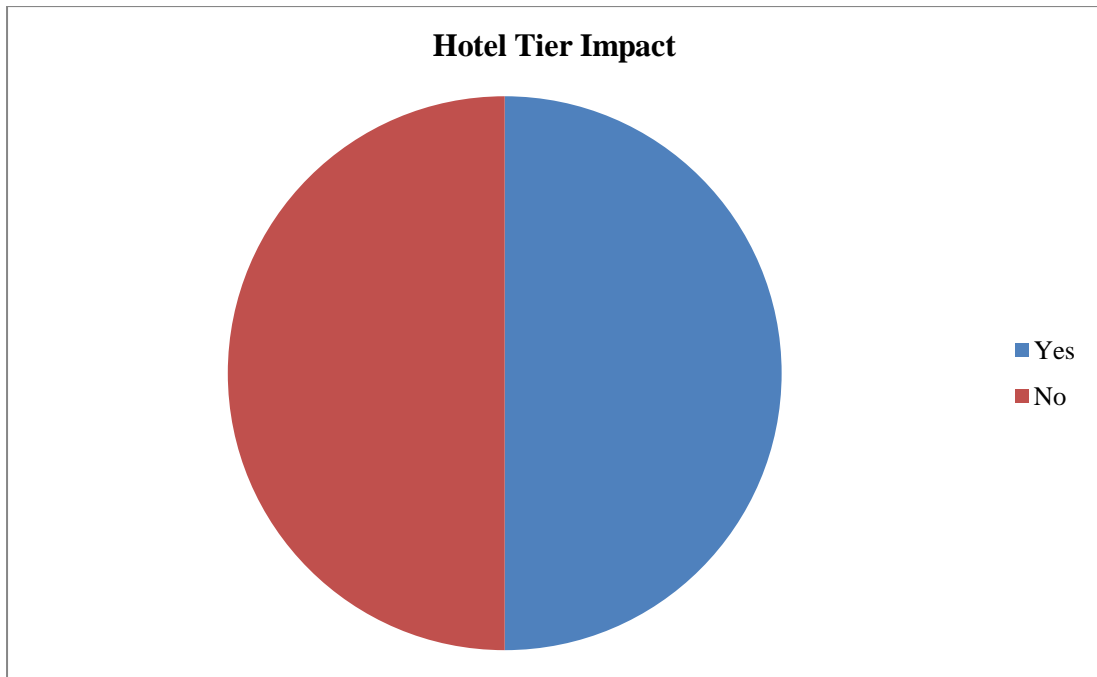


Figure 4.2 Respondent Results on Hotel Tier as a Viable Impact

Figure 4.2 shows a 50-50 result when respondents were asked if the hotel tier had a direct impact on the enrollment success. The more popular the hotel name worldwide is, the more the hotel tier had an impact. Hence, the respondents that answered yes were from a more popular hotel brand. With the reputation they have internationally, guests tend to have a certain expectation to it.

Hotel Staff Competence Impact

The questions that were generated for this part were to determine and appraise the level of aptitude of the staff in the department and how this affects the overall success of the enrollment results. Responses gathered from this part of the questionnaire offered valuable and unexpected insights. All respondents provided their unbiased replies and reactions which will comprise this part of the chapter.

Each manager understood the importance of empowering each team member in the department that is why each manager deployed an incentive scheme to encourage them to drive enrollments. Table 4.9 specifies each hotel incentive program.

Table 4.9 Employee Incentives

HOTEL	LOYALTY PROGRAM BENEFITS
	FB dinner/lunch voucher to sister properties in Bangkok for top enroller of the month Weekly incentive for high period times Incentive for most improved employee
SGS	THB20 / valid enrollment Management Recognition One on one coaching to employees with low scores 50 Starpoints / activated enrollment
WBKK	FB dinner/lunch voucher to sister properties in Bangkok for top enroller of the month Management Recognition 50 Starpoints / activated enrollment Choice of SPA voucher in-house SPA or FB dinner/lunch voucher to sister properties in Bangkok for top enroller of the month
LMBKK	Management Recognition Overnight stay in sister property in Bangkok for top enroller of the year Group competition. Assigned in groups, which group wins will get movie tickets Assigned individual goals, when reached gets Starbucks Card worth THB300
LMBKK	1000 bonus points for staff with most emails collected 50 Starpoints / activated enrollment
ALOFT	FB dinner/lunch voucher to sister properties in Bangkok for top enroller of the month Management Recognition Individual competition with incentive 50 Starpoints / activated enrollment Individual competition with incentive
FP	50 Starpoints / activated enrollment Monthly monetary incentive for top enrollers (THB 1,000) Quarterly incentive for top enroller of 10,000 bonus points

Furthermore, through this research, the author obtained through the follow up questions that hotels with a high turnover rate showed the lower enrollment success rate in comparison to the hotel with a more reliable turnover rate. Seasoned staffs who have been working in the department for six months or more possesses more knowledge and confidence in their daily task, whereas fresh and newly hired staff tend to have less confidence and only grasp little knowledge of the loyalty program.

To assess a more in depth study with the correlation of the turnover rate and staff competence, the position of Le Méridien Bangkok demonstrates a concise connection of these two points. Figure 4.3 charts the turnover change from December 2014 until April 2015. It is noticeable that from December 2014 to February 2015 the turnover was very significant. This has resulted to the declining trend of the enrollment rate as seen in Table 4.10.

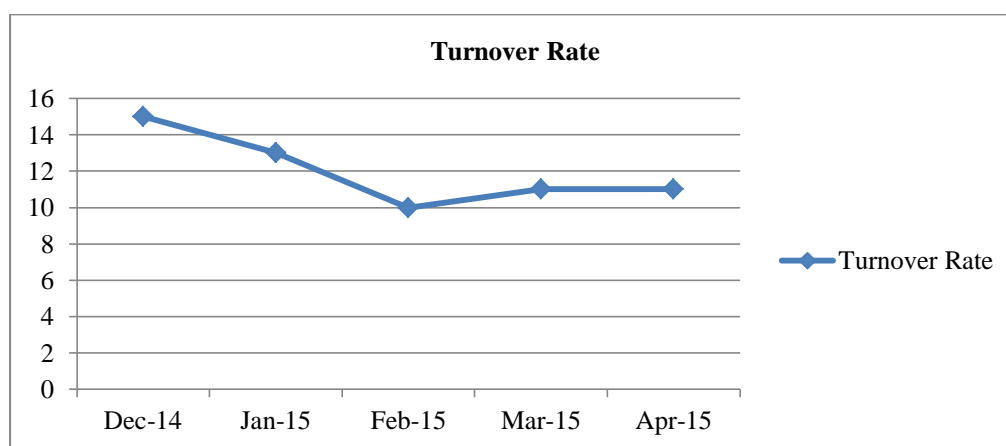


Figure 4.3 Le Méridien Bangkok Turnover trend from December-14 to April-15

Table 4.10 Le Méridien Bangkok Monthly Enrollment Statistics

LM BANGKOK	ENROLLMENTS			
	Goal	YTD Total	Monthly Success rate	YTD Success rate
January	57%	695	53%	53%
February	57%	1492	48%	50%
March	57%	2352	60%	53%
April	57%	3,157	64%	56%

Source: Cantin, 2015: Personal Communication

Amongst the six hotels the research has involved in this study, Sheraton Grande Sukhumvit stands out the most with its year-to-date enrollment success rate of 73% in comparison to its annual goal of 57%. This puts them to the lead of all Starwood hotels in all of Bangkok with 16% over their target. This remarkable enrollment achievement percentage motivated the researcher to probe the manager on how this was attained. With a few brief follow up questions, the researcher was able to collect this information:

- Always follow up on your team. Every day.

- Motivate your team with attractive incentives.
- Establish enrollment ‘buddies’ so associates can mentor each other
- Immediate coaching and feedback by managers if they see an associate struggling with or not offering enrollment.
- Management recognition: GM’s personal words of encouragement.


All respondents were convinced that their staffs’ competence undeniably impacts the overall success of the enrollment success. Every manager puts in every effort in ensuring that their staffs are constantly motivated and are on the right track.

Starwood has a dedicated website focusing solely on the SPG program and how to drive enrollments in every property worldwide. The company promotes constant training to associates and supports every hotel’s endeavour in achieving their goals. For this reason, the SPG Champion is appointed in each property to be the person in charge of steering the enrollment success in their own respective hotels. The company has an existing toolkit for the property’s SPG Champions to use as a benchmark for implementing the loyalty program into practise. Figure 4.4 exemplifies some initiatives suggested by SPG to give the SPG Champions some idea on how to incentivise the team and provide a positive reinforcement.

Local Incentives
Explore SPG

Ask Your Associates

- Ask your associates what prizes they would like as a local incentive.
 - ✓ Every associate is different and may suggest something new.
 - ✓ Consider rotating incentives or have different ones for daily, weekly, monthly, quarterly and/or annual goals.
 - ✓ Set a minimum goal to achieve
- Add a team goal too. For example, have a team night out if the enrollment goal for the month or quarter is met.
- Here are some options to consider when offering local incentives:
 - ✓ Merchandise gift cards, Free meals (or specific amount or discount), Movie tickets, Starpoints, Parking sticker, train/bus pass, Gas card.
 - ✓ Consider **partnering with other hotels in your area** to allow top enrollers to earn and use free night certificates at each others' properties.



“One of the best ways to drive enrollments is to set up some competition amongst the front desk associates. You can set up incentives for your top sellers and other incentives for the next tier down. By encouraging these competitive enrollment races, you create buzz and excitement and SPG stays top of mind for all.”
Sheraton Centre Toronto Hotel, ON, Canada

Figure 4.4 Local Incentives and Positive Reinforcement Ideas

Source: SPG, 2015: Online

Local Incentives
Explore SPG

TOP ENROLLER RECOGNITION

Sheraton Dusseldorf Airport motivates their team with not only a fantastic prize but they celebrate the achievement. Below their top enroller received a goodie bag and 10,000 Starpoints!



LOCAL HOTEL CHALLENGE

W Los Angeles Westwood, W Hollywood, and the SLS created an SPG Enrollment Competition for one month.

CHALLENGE: The goal is to be the welcome (front) office team with the highest SPG enrollments with a minimum amount of enrollments to meet each properties respective enrollment goal.


PRIZE: *Bragging rights as the Top enrolling hotel!* Also, the winning team will go to the two losing team's hotels to enjoy an evening of fun at the other team's expense. The team with the least amount enrollments will then task force at the other property so the winning team can enjoy their victory.

Figure 4.4 Local Incentives and Positive Reinforcement Ideas (Cont.)

Source: SPG, 2015: Online

Positive Reinforcement
Explore SPG

- Recognize weekly and monthly high performers in shift meetings.
- Send an email to all enrolling departments copying the GM and Executive Committee. Highlight the top or most improved enrollers.
- Recognize associates in other departments beyond front desk who may also be enrolling.
- Have your GM meet with top performers or teams to congratulate them personally.
- Involve your GM and/or Executive Committee members in your local incentives (i.e. Let them choose the Mystery Guest for the month, Lunch with the GM for Top Enroller).
- Place a photo of top enrollers or most improved enrollers on SPG Board in back of house area.



"Top 3 SPG enrollers get recognized in front of the other departments during the Staff Meeting. First place receives a prize and the other two receive a thank you letter from The GM their hard work!"
 - Four Points By Sheraton Sheikh Zayed Rd, UAE


Figure 4.4 Local Incentives and Positive Reinforcement Ideas (Cont.)

Source: SPG, 2015: Online

Local Incentives
Explore SPG

Check With Human Resources About These Options:

- Pick Your Shift
 - ✓ Top enroller picks their desired shift for a full month, 2nd top enroller picks their shift for two weeks and the 3rd top enroller picks their shift for one week.
- Mystery Guest Program
 - ✓ Manager secretly assigns one guest to be enrolled that day/week. The associate who enrolls the "mystery guest" gets a prize.
 - ✓ Have the Executive Committee each choose a mystery guest and make it a friendly competition.
- Full Paid Day off for Top Enroller of the month (where possible)
- Free Meal Voucher for Top or Most Improved Enroller of the week



"We offer a special local incentive over a 3 month period. The threshold is 400 enrollments to qualify, and then the top enroller at the end period will receive a free weekend stay at the W South Beach hotel."
Westin Peachtree Plaza, Atlanta, USA

Figure 4.4 Local Incentives and Positive Reinforcement Ideas (Cont.)

Source: SPG, 2015: Online

4.2.5 Enrollment Challenges

In phase four of the research questionnaire, respondents were asked, "What are the most challenging scenarios when enrolling guests?" and without hesitation they enumerated vivid scenarios which their property are struggling with, these are:

- a. Guest does not travel enough
- b. Guest does not have time to enrol
- c. Guest stays on an ineligible room rate
- d. Guest is hesitant to give email address
- e. Communication barrier (when guests do not understand English)
- f. Group enrollments

Of all the six challenges, Group enrollments were the answer of 5 out of 6. Only Four Points did not encounter this challenge as they rarely have tour group staying in their property. With this reason, the researcher followed up the question on their methods of overcoming this challenge or how they confront group enrollments. Table 4.11 enumerates the methods of the five properties.

Table 4.11 Group Enrollment Methods

HOTEL	GROUP ENROLLMENT METHODS
	Assign a designated staff who will take care of the group.
SGS	Assign the Korean associate for Korean group check in and assign the Japanese associate for Japanese group check in.
	Hand in a translated version of the loyalty program letter informing the benefits and how to participate
	Offer an incentive to the Tour leader. Offer a meal voucher if the tour leader can help the front desk enrol the group
WBKK	Offer free drink or free internet to guests who will participate in the loyalty program
	Hand in a translated version of the loyalty program letter informing the benefits and how to participate.
LMBKK	Offer free internet to guests who will participate in the loyalty program.
	Most groups are either from China or Japanese. We assign the Chinese associate for Chinese group check in and vice versa.
ALOFT	Work with Sales and Marketing to gather all guest details to make the enrollment easier
	Set up a satellite area for group check in and assign a designated person to take care of enrollments
ROSH	Hand out loyalty program brochures
	Work with Sales and Marketing to gather all guest details to make the enrollment easier

It is without doubt that all six challenges enumerated are prevalent in any hotel which offers loyalty programs. Every guest is entitled to their opinion and may have strong attitude towards loyalty programs. Some of these factors are sometimes beyond employees' capacity to comprehend and persuade. As such, these challenges are uncontrollable and unchangeable.

4.3 Quantitative Research Analysis

4.3.1 Demographic

Demographic information such as the guest nationality and gender were determined in the questionnaire. Table 4.12 summarizes these data based on the 37 respondents' general information.

Table 4.12 Descriptive Statistics of Gender

Gender	Frequency	Percent
Male	28	76%
Female	9	24%
Total	37	100%

From Table 4.12 respondents ($N = 37$) stated their gender and Table 4.13 illustrates the data indicating the majority of the respondents, 28 (76.00%) were male, while 9 (24.00%) were female.

Table 4.13 Descriptive Statistics of Nationality

Guest Country	Frequency	Percent
Australia	2	5.41%
China	3	8.11%
Table Germany	2	5.41%
Hong Kong	1	2.70%
Iran	1	2.70%
Japan	8	21.62%
Korea, Republic Of	1	2.70%
Norway	1	2.70%
Singapore	1	2.70%
Spain	2	5.41%
Switzerland	2	5.41%
Taiwan	1	2.70%
Thailand	2	5.41%
United Kingdom	3	8.11%
United States	6	16.22%
TOTAL	37	100%

Table 4.13 shows the nationality of the respondents. From chart most respondents were from Japan with 8 (21.62%) followed by United States with 6 (16.22%) and so on.

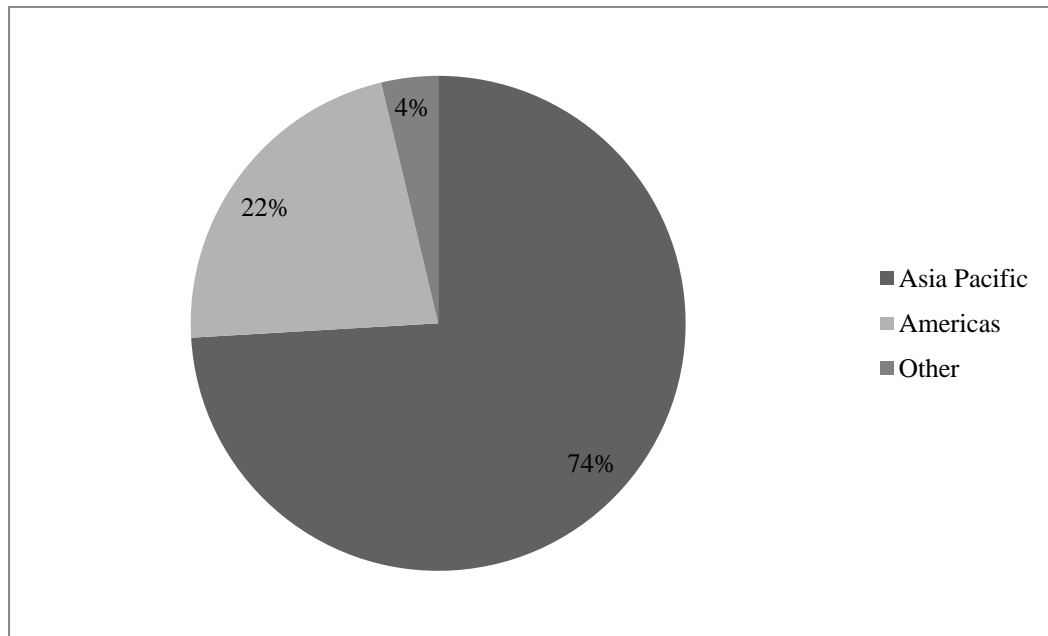


Figure 4.5 Nationality Statistics

Table 4.14 Descriptive Statistics of Nationality by Continent

	Asia Pacific	Americas	Other	Total
Frequency	20	6	1	27
Percentage	74.07%	22.22%	3.70%	100%

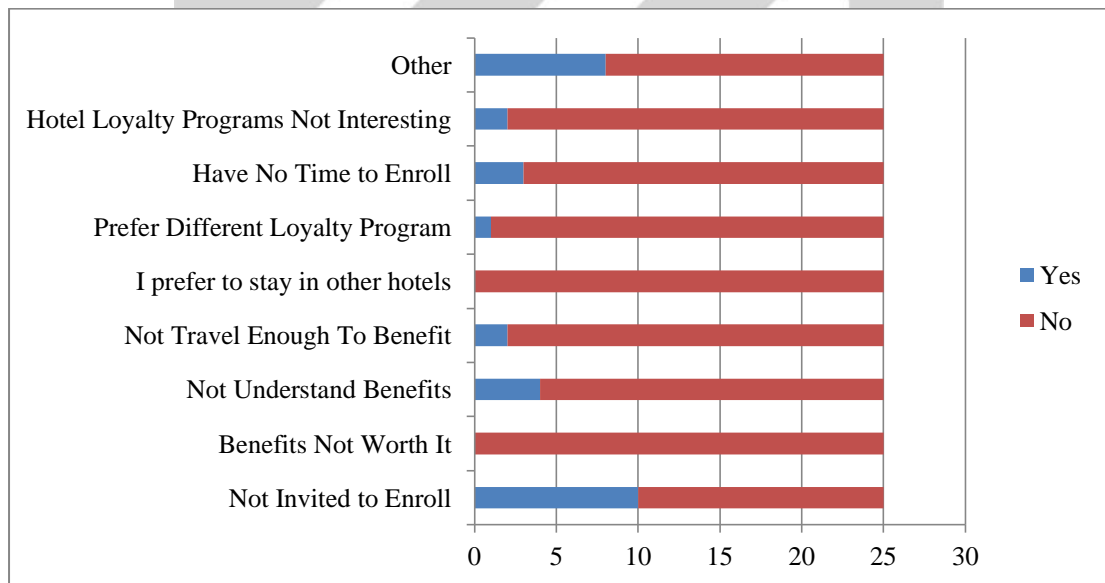
Table 4.14 and Figure 4.5 further illustrate the breakdown of continental nationality and shows that 74.07% of the respondents were from Asia Pacific.

4.3.2 Guest Response Analysis

25 non-member respondents were gathered and answered the survey question as to why they did not participate in the loyalty program. Table 14.15 and the following supporting figure 4.6 illustrate the detailed survey results. 40% responses were from “Not Invited to Enrol”, followed by 32% from “Others” and so on. Also, there are some answers which were not selected by the respondents.

Table 14.15 Descriptive Statistics of Guest Survey Responses

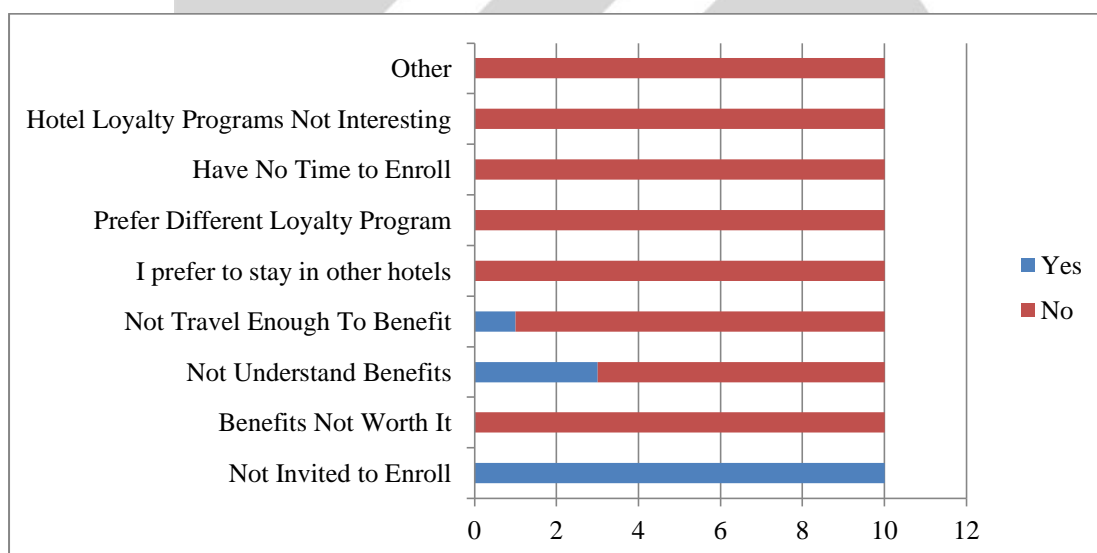
Guest Survey Responses	Frequency		Percentage		Total	Total
	Yes	No	Yes	No		
Not Invited to Enroll	10	40%	15	60%	25	100%
Benefits Not Worth It	0	0%	25	100%	25	100%
Not Understand Benefits	4	16%	21	84%	25	100%
Not Travel Enough To Benefit	2	8%	23	92%	25	100%
I prefer to stay in other hotels	0	0%	25	100%	25	100%
Prefer Different Loyalty Program	1	4%	24	96%	25	100%
Have No Time to Enroll	3	12%	22	88%	25	100%
Hotel Loyalty Programs Not Interesting	2	8%	23	92%	25	100%
Other	8	32%	17	68%	25	100%

**Figure 4.6** Guest Response Summary

40% of the respondents who answered “Not Invited to Enroll” also had an added answer which 30% of them answered “Not Understand the Benefits”. Table 4.16 and Figure 4.7 Not Invited to Enroll Responses demonstrate this statistic.

Table 4.16 Descriptive Statistics of Resondents on "Not Invited to Enroll"

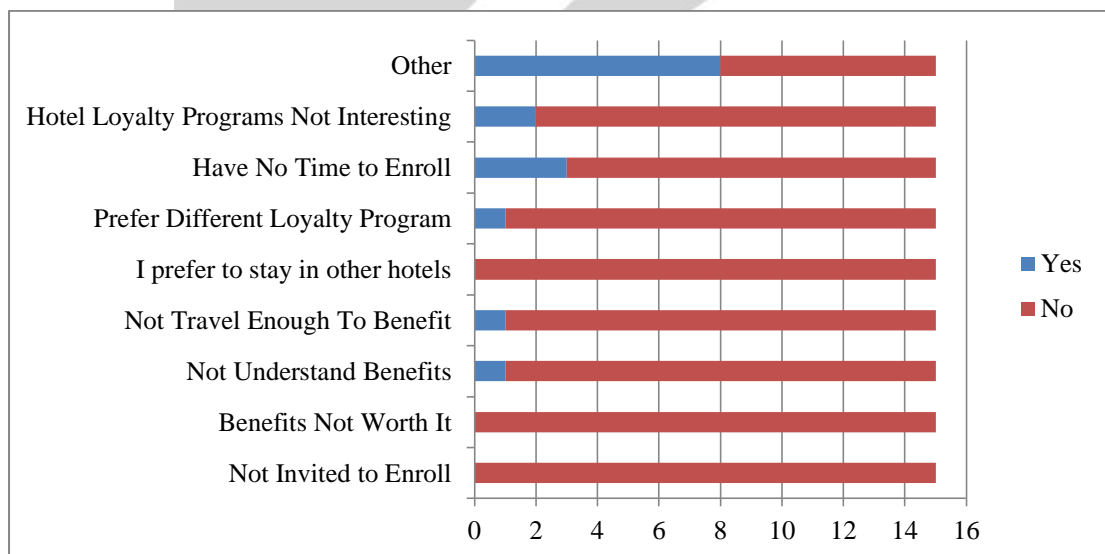
	Not Invited to Enroll	Benefits Not Worth It	Not Understand Benefits	Not Travel Enough To Benefit	I prefer to stay in other hotels	Prefer Different Loyalty Program	Have No Time to Enroll	Hotel Loyalty Programs Not Interesting	Other
Yes	10	0	3	1	0	0	0	0	0
No	0	10	7	9	10	10	10	10	10
Total Number	10	10	10	10	10	10	10	10	10
Yes	100%	0%	30%	10%	0%	0%	0%	0%	0%
No	0%	100%	70%	90%	100%	100%	100%	100%	100%
Total Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%

**Figure 4.7** Not Invited to Enroll Responses

It is evident in this illustration that these respondents who answered this option conversely did not understand the benefits of the loyalty program as well. On the other hand, the responses from the guests who were invited to enrol were studied as to the reason why they declined the invitation. Table 4.17 and Figure 4.8 illustrates that 53% answered "Others" which were not specified, followed by 20% of "Have No Time to Enrol and 13% of "Hotel Loyalty Programs Not Interesting".

Table 4.17 Descriptive Statistics of Respondents on "Others"

	Not Invited to Enroll	Benefits Not Worth It	Not Understood Benefits	Not Travel Enough	I prefer to stay in other	Prefer Different Loyalty	Have No Time to Enroll	Hotel Loyalty Programs	Other
Yes	0	0	1	1	0	1	3	2	8
No	15	15	14	14	15	14	12	13	7
Total Number	15	15	15	15	15	15	15	15	15
Yes	0%	0%	7%	7%	0%	7%	20%	13%	53%
No	100%	100%	93%	93%	100%	93%	80%	87%	47%
Total Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%

**Figure 4.8** Respondent Summary on "Others"

4.4 Summary

In this chapter, the four components that made up the Theoretical Framework of the study in determining which impacts the most in imploring the best practices of enticing guests to participate in hotel loyalty programs were analysed. It has been proven in the qualitative research that three out of four components have a correlation of the overall success of enrollments. In summary, Table 4.18 shows the respondents answer when asked, "Out of the four factors -- Consumer Behaviour, Loyalty Program Benefits, Staff Competence and Hotel Tier – which one influences the guests most?" Staff competence was the unanimous answer by all 6 hotels in this study.

Table 4.18 Hotel Response on What Factor Impacts The Most On Enrollment Success

Hotel	Consumer Behaviour	Loyalty Program Benefits	Staff Competence	Hotel Tier
SGS	-	-	✓	-
WBKK	-	-	✓	-
LMBKK	-	-	✓	-
ROSH	-	-	✓	-
ALOFT	-	-	✓	-
FPS	-	-	✓	-

Meanwhile, the supplementary quantitative research that surveyed hotel guests on why they did not participate in the loyalty program was because they were not invited to enroll as illustrated in the various descriptive statistic tables and figures.

CHAPTER 5

CONCLUSION, DISCUSSION AND RECOMMENDATIONS

5.1 Conclusion

In the course of the onset of this study, the initial research question was instigated to query and investigate the best varied practices in enticing guests from different hotel tiers to participate in hotel loyalty programs. Moreover, the objectives of this research evolved on examining the different approaches of the different hotel tiers, the diversified consumer behavior of each hotel tier, and to compare these three hotel tiers in the endeavor to conclude the best fitting approach for their respective hotel category. These are as follows:

1. To differentiate the appropriate approach on selling the loyalty program to the different consumer market within their tier.
2. To evaluate the different behavioral degree of guests from different aspects of class and preference.
3. To compare the 3 hospitality tiers and the best tactic of approach according to their target market.
4. To assess the best practices suitable to the category of hotel in their specific tier.

As established in the Theoretical Framework, the four factors – Consumer Behavior, Loyalty Program Benefits, Hotel Staff Competence, and Hotel Tier— were taken into consideration in every step of the research exploration which was used as main topics of the interviews conducted.

However, throughout the pursuit of this research, the results confirmed that there are no designated approaches that fit the different hotel tiers despite the diversified consumer behaviour present in every tier. In point of fact, the preface of this study was to identify several best practices of enrolling guests in their appropriate hotel tier considering each having their own unique target market. The researcher aimed to capture fitting techniques which could be of use for recommendations to these different types of hotel. However, the findings proved there are no differentiated best practices for enticing guests in the different hotel category. Conversely, the result findings directed the research in a different direction and pointed out that only one

determinant aided every hotel to its loyalty program enrollment success. In point of fact, it is only the hotel staffs' competence that impacts the overall success of a hotel's loyalty program enrollment regardless of the hotel tier.

In addition, the supplementary quantitative research surfaced to further verify the validity of the qualitative research results which indeed supported the initial study and added more emphasis to the quantitative research.

5.1.1 Key Determinants of Motive for Guest Enrollment

The four main key determinants incorporated in this research were thoroughly examined in Chapter 4. While all six hotels agreed that the consumer behaviour had a direct impact on the enrollment success, all six hotels also agreed that the loyalty benefits did not impact the guests' decision on participating in the loyalty program or not. On the other hand, when the Hotel Tier was discussed, results were very varied and resulted to a 50-50 response. Hotels with the internationally acclaimed brand names agreed that the hotel tier played a role in their enrollment success, while hotels which are less internationally acclaimed disputes the importance of the hotel tier as an impact of the guests' decision. Lastly, Staff Competence was voted the highest determinant in the success of the property enrollment results. All six hotels strongly agreed that this the main influential cause out of the four factors discussed in the research.

5.1.2 Hotel Staff Competence as the Major Factor for Hotel's Enrollment Success

The research affirms that the best practice in enticing guests to participate in loyalty programs is through the Hotel Staff Competence. Based on the twelve respondents involved in the qualitative research study, all twelve agreed that it is the employees in the department that determines the success of their enrollment results. The managers stated that it is very important to render all information, means and support for reaching desired goals in the area of cooperation in the team. The significance of having everyone involved and creating a healthy working environment in the team is by far the most motivating driver for employees to excel in their job tasks involving their intention of enrolling guests. At the same time, it is confirmed by

the managers that one of the central factors which directly persuades employees in reaching strategic goals is the cooperation with direct superiors and support of employees to accomplish tasks. It can be stated that employees appreciate mainly open communication, clear definition of goals and delegation of powers.

5.1.3 Quantitative Respondents' Conclusion

Majority of the respondents when asked to fill the survey as to why they did not participate in the loyalty program was because they were not invited to enrol during the course of their entire stay. That being identified, this too is a resulting consequence from the Staff's Competence. The staff who checked the guest in or out did not attempt to invite the guest, thus the guest was unaware of the loyalty program and the benefits they could have gained from.

Additionally, these respondents who were not invited to enrol when investigated also answered 2 criteria – “Not Understand the Benefits” (30%) and “Not Travel Enough to Benefit” (10%). It is evident to conclude that these guests who were not invited to enrol also did not understand the benefits because no one explained these to them. Again, this is an outcome of the staff's competence.

If the study separated out the guests who were not invited and concentrated on guests who were invited yet still declined the loyalty program, 53% answered “Others” which were unfortunately not determined in the survey as the respondents did not specify this. This was then followed by “Have No Time to Enrol” with 20%, “Hotel Loyalty Programs Not Interesting” with 13%, and an equal 7% for “Prefer Different Loyalty Program”, “Not Travel Enough to Benefit” and “Not Understand Benefits”. However, the researcher firmly considers some of these criteria can also be influenced by the Staff's competence except “Others” as this was not determined.

Consider “Hotel Loyalty Programs Not Interesting”, this could be manipulated by the staff and entice the guest and make the loyalty program interesting to the type of guest he/she is. “Not Understand Benefits” is an observable factor that the staffs were not keen enough to explain the benefits in detail to the guest. While the other factors such as “Have no Time to Enrol”, “Prefer Different Loyalty Program”, and “Not Travel Enough to Benefit” are evidently the consumer behaviour's judgment and infrequently influenced by the staff despite all efforts to entice the guest.

5.2 Discussion of Major Finding

To associate the research findings to the related literatures integrated in Chapter 2 of this study, only the research of Mathew S. and Agrawal R. (2013) on understanding the factors affecting customers' decision to accept (or reject) a loyalty invitation demonstrated the impact of the staff competence by naming it as 'Sales Persons' Expertise'. The 'Sales Person' who does his/her best at workplace and is motivated to 'sell' is the one who will evidently have more productivity and see apparent results at work.

While the study of Demoulin, N.T.M. and Zidda, P. (2009) concluded three driving factors that influence customers to accept (or reject) a loyalty program membership: program complexity, customer proximity to the store, and number of loyalty program cards in their possession. Additionally establishing that behavioral loyalty (perception to actual product from the store) and customer loyalty in terms of attitudinal loyalty (customers' outlook towards the store) heightening the chances of a customer accepting the membership invitation.

Amongst the three factors of Demoulin and Zidda's (2009) study, the program complexity factor was included in the quantitative study. In the survey, one option the respondents considered was "I do not understand the benefits of the program" – this could be related to the program complexity factor as the respondents who answered that option proved that the loyalty program to them was too complicated and incomprehensible. However, the researcher affirms that it is through the staff's competence to enable the guests to understand the benefits through a simple, uncomplicated matter which directs the guests to comprehend and finally participate in the loyalty program.

Both research methods employed in this study agreed and concluded that the Staffs' Competence is indeed the driving factor that decides the loyalty program's success or failure.

5.3 Limitations of Study

Like all work, this research study has defects and faults. This part of the chapter will aim on highlighting the different limits and will suggest areas of improvements.

In this study, all the respondents of the qualitative research were Starwood employees and are the managers in charge for the Starwood Preferred Guest loyalty program in their hotel. As the research study only focused on only one brand loyalty program, this could be the main limitation of the study to fully be utilized to a broader loyalty program line.

Furthermore, the second limitation encountered when conducting the interviews is the limited sample size and the fact that recording was not allowed. With a broader sample size, the researcher would be able to acquire more responses and include not only the manager but also the front line employees who encounter the most chances of capturing new membership at the front desk. This could result to an interesting combination of opinions and could have contributed to a more dynamic research result findings.

Finally, as specified in Chapter 3 Limitation, this research is a mixed-method study, most of the analyses were based on the qualitative research and the quantitative research was done as a supporting data to further interpret the qualitative study. Therefore, the research does not necessitate the use of an inferential statistic as there are no hypotheses integrated in the research process.

5.4 Recommendations

Recognizing that the management principle of valuing employees as one of the key assets of the company is at it is the main criteria of recommendation of this research study. As concluded earlier on, the key success of hotel loyalty program enrollments are the staffs. Hence, attracting and keeping the right people with the right attitude, aptitude, technical skills, and communication skills is paramount. To maintain a team of highly driven and highly motivated workforce that not only seeks to provide high quality client service experience but also aims to exceed client expectations.

5.4.1 Recommendations to the Hotel Management

Recommendations cited in this part are directed to the Hotel Management who are responsible for the overall employee performance in every department.

1. Retain key talents and reinforce company values, mission and objectives. By instilling these, employees are therefore aligned in reaching company goals.

2. Provide consistent employee training and development by the Human Resource & Operations Division. A sufficient support by the management team benchmarks the basics of a company's success.

3. Employee retention and remuneration is a significant portion of a company's investment. In order to ensure growth and overall sustainability, the remuneration budget (especially the increases/adjustments), should be reflective of the growth and net profit. This means, the human resource department needs to ensure the growth and net profit increases year on year in order to be in a position to invest appropriately in remuneration.

4. The remuneration should align with the strategic priorities and, thus, need to incentivize correct behaviours and performance achievement to drive company growth and success.

5.4.2 Recommendations to Front Office Managers

Recommendations cited in this part are directed to the Front Office Managers who are the persons-in-charge of driving the enrollment goals to the team. It is their main responsibility to hone a healthy working environment in the team in the efforts of reaching company goals.

1. Maintain a high performance culture by carefully reviewing performance - in line with agreed objectives, and rewarding performance outcomes.

2. Non-monetary rewards are useful strategies that can be implemented by employers to hone a well-rounded retention approach offering incentives to employees. (Michael Page, 2014)

3. To encourage and motivate good performance, recognition of successful performances and acknowledging improvements are key drivers of motivation in the team. Celebrate service recognition awards with inexpensive rewards (e.g. certificate, cards and gifts).

4. To further foster a cohesive team-spirit and cultivate a sense of team belongingness, organize team-bonding activities (i.e., team drinks, team picnic, team

movie nights, team bowling, etc.). Furthermore, when the team reaches quarterly goals, celebrate the success through a pooled team pizza lunch or the like.

5.4.3 Recommendations to Front Office Guest Service Staffs

Recommendations cited in this part are directed to the frontline staff of the Front Office department. Having the most contact to guests, they play the larger part of the success of the enrollment program. The points enumerated below are straightforward strategies that can be utilized as tools when confronted with potential new members.

1. The first step of capturing new membership is through asking. A straightforward question if one is a member (or not) of the loyalty program is the simplest way to invite them to be a member.

2. The second step is to look for behavioral clues. With this, customize the best approach in appealing the loyalty program to the guest. Learn about the guest by finding observable signs of the purpose of their stay. From there on, customize an offer based on guest's reason for the stay.

3. When confronted with challenging situations or guests, never hesitate to provide a clear explanation. Make justifications concise and highlight the benefits are for the guests' advantage.

4. A positive attitude in the workplace and while speaking in front of a guest can help in capturing new members. When guests check in, they will look for those who demonstrate enthusiasm and provide good customer service.

5.5 Recommendation for future research

The research concludes that the key to a successful hotel loyalty program enrollment results is contributed by having highly competent staffs. This conclusion was unanimously agreed on all respondents contained in this study. However, as mentioned in the limitations of the study section of the research, collecting the responses of not just managers of the hotels but also front line members of the front office team would also provide a more meaningful research result and obtain better information. Therefore, for future research, the points below are strongly recommended:

1. Include a wider range of sample to deviate from resulting into bias outcomes. The research may utilize the quantitative method in gathering more information from a larger sample size including frontline front office member who has the most first guest encounter upon check in, thus the most opportunity in capturing new members.

2. This research study was only conducted to six Starwood Hotels in the city of Bangkok; the research should involve more hotels and, if viable, to more loyalty programs. This would allow the study to examine a more complex market which can result to findings that can be used as a recommendation to different hotel groups and in different hotel tiers.



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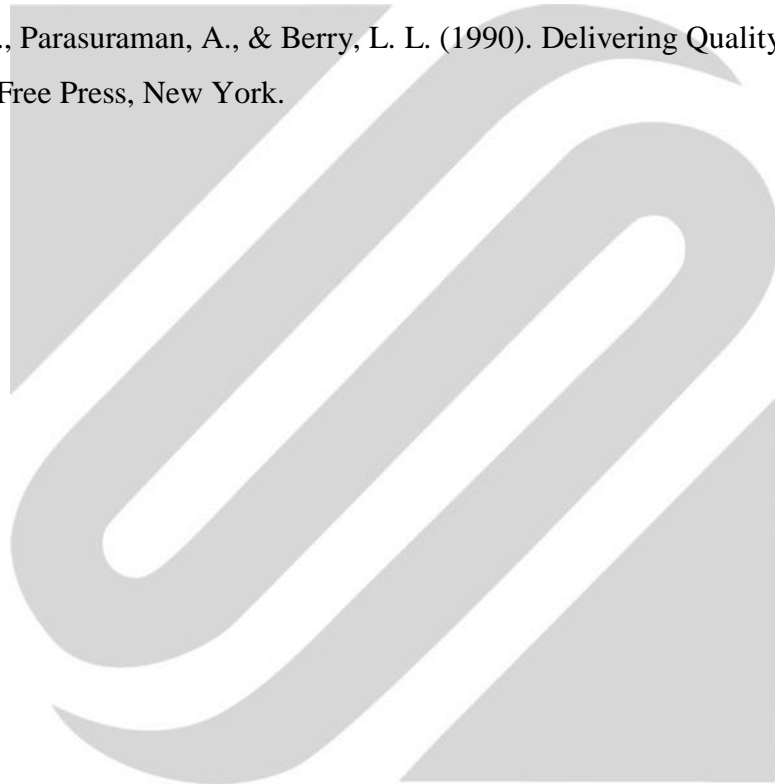
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APPENDIX A
QUALITATIVE QUESTIONNAIRE AND INTERVIEW
MANUSCRIPT

APPENDIX A: QUESTIONNAIRE AND INTERVIEW MANUSCRIPT

Phase 1: Scores

1. What is your hotel's annual percentage goal?

See Table 4.1

2. What is your current year-to-date percentage?

See Table 4.1

3. How many enrollments did you achieve last year?

See Table 4.1

4. Did you reach your goal from last year?

See Table 4.1

5. How many staff do you have in front office (excluding bellman, concierge and phone operators)?

See Table 3.1

Phase 2: Open-ended questions:

Part 1: Consumer Behavior

The questions in this part will evaluate the target market of the hotel tier and the common types of guests that comprises most of their total hotel occupancy.

1. What is the target market of your hotel?

See Table 4.3

2. *Do most of the guests travel for work or for leisure?*

See Table 4.3

3. How would you describe the demographic of your hotel?

See Table 4.3

4. Who are the easiest types of guests to convince? Who are the most challenging ones?

Respondent 1: Easiest to convince are business travelers. Most challenging are group check-ins.

Respondent 2: Easiest are Chinese, as long as you mention the word free they usually go for it. Most difficult demographic are Westerners.

Sometimes communication with the staff and guest are the main reason why they will decline the invite.

Respondent 3: Japanese are easy target. Groups are always a challenge since you can't talk to them individually and the tour guide doesn't care and wants to hurry the check in process.

5. What techniques do you effectively use to <type a> guest? <type b> guest?

Respondent 1: For Asians, just mention free internet when enrolling, they will definitely say yes. For Western, you can mention FB discount and points that they'll earn.

Respondent 2: Japanese business men like to hear that the points they earn can be transferred to their airline miles. Chinese will go for the free internet benefit.

Respondent 3: Free internet almost always works to any kind of guest and mention other benefits that they can earn with the program.

6. Do you think that the prevalent consumer behavior in your property impacts the overall success of your enrollment percentage?

See Table 4.6

Part 2: Loyalty Program Benefits

The questions in this part will assess the hotel's offering to newly invited guests and the efficacy of these benefits as enticement for enrollment.

1. What benefits do newly enrolled guests receive from the hotel?

See Table 14

2. Do these benefits effectively entice the guests to sign up for the program?

Respondent 1: Yes, somewhat.

Respondent 2: Sometimes.

Respondent 3: Yes, the benefits are for the guests. How this is communicated to the guest matters more when trying to enroll than the benefit itself.

3. What other convincing factor do you add in to entice the guest to participate? Do you have other incentives for enrollment?

Respondent 1: By mentioning the points they earn

Respondent 2: More recognition while as a new SPG member

Respondent 3: Enhanced room to a higher floor when they agree to enroll.

4. If they decline, do you think it is because the program benefits were not as interesting to them?

Respondent 1: Not really. Perhaps because they don't have the time to listen and they're just not interested.

Respondent 2: It's not because of the benefits, it's how the staff delivers or communicates it to them. If they are able to entice them to enroll it's not because of the benefit, but it is because of how they talked the guest into joining.

Respondent 3: Guests who usually decline are the ones who are just not interested in any loyalty program because they don't travel that often and they really just don't care.

5. Do you think that loyalty program benefits impacts the overall success of your enrollment percentage?

Respondent 1: Not really. Our benefits are all great, but unless the guest understands the importance, that's the only time they'll join.

Respondent 2: In a way yes, because this is what the staff must mention to entice them to join. But it's still lies in the staff's persistence to make the benefits sound attractive to them or not.

Respondent 3: Yes but only if these benefits were communicated to them in a way they would like to hear it. Let's say a businessman comes in, staff should say the benefit that will entice him. If a solo backpacker comes, then of course the staffs' approach should be different and should mention the benefit that will make him say yes.

Part 3: Hotel Staff Competence

The questions in this part will appraise the level of aptitude of the staff in the department.

1. Do you have a consistent top enroller in the property? What is the technique of your top enroller in enrolling more guests than the others?

Respondent 1: Yes. She is very persistent and enjoyed enrolling.

Respondent 2: Not really. One month it's this guy, the next it's another person. They like to compete in the team. So, I guess setting a healthy competition in the office works.

Respondent 3: Yes we do. She likes the recognition and the perks she gets from being the top enroller. She usually just talks her way into guests and she knows what to say and how to say it.

2. What incentives do you provide to motivate your team in reaching the goal?

See Table 4.6

3. As a manager, in what ways do you encourage the staff to keep enrolling?

Respondent 1: To always follow up and consistently train them. Encourage the team members who are not doing so well by having a one-on-one talk. Never blame them and offer them incentives.

Respondent 2: Incentives works. Create a healthy competition within the team and allow them to enjoy enrolling. This will make the task easier for them and make them want to do it for themselves. Imbed in their minds that the benefit is theirs.

Respondent 3: ALWAYS follow up on your team. Every day. Motivate your team with attractive incentives. Have enrollment 'buddies' so associates can mentor each other. Immediate coaching and feedback by managers if they see an associate struggling with or not offering enrollment and lastly, management recognition: Our GM's personal words of encouragement

4. How do you recognize their efforts? What methods to you utilize to keep them inspired?

Respondent 1: Announce and celebrate success in the team. If they have done a good job, then say it. If they need some improvements on their performance, do not blame them but politely ask what deters them from doing their best.

Respondent 2: Management recognition works. When the GM personally congratulates them, it gives them the feeling of importance. Also,

announce it in the whole hotel so they know that their efforts do not go unnoticed.

Respondent 3: The incentives they get from enrolling are good tools to motivate them from performing their best. As long as they try their best, praise them. Not everyone can perform as good as the other, but if they do try, acknowledge it.

5. Do you think that hotel staff competence impacts the overall success of your enrollment percentage?

Respondent 1: Yes, definitely. It is the staffs that can determine this. If everyone in the team does their own part, there is no doubt that the goals will be achieved.

Respondent 2: Yes, yes, yes. They hold the strongest impact in our enrollment success.

Respondent 3: Of course. They can make or break the enrollment results.

Part 4: Hotel Tier

The questions in this part will consider the Hotel's rank/category and the type of hotel they operate.

1. Considering your hotel tier, do you think it is easier or more challenging for you to enroll the type of guests you cater to?

Respondent 1: Not really. The hotel tier doesn't matter much in our guests' decision to join SPG or not.

Respondent 2: In a way, yes. Our brand is very popular around the world. When they hear it, they already have an existing expectation.

Respondent 3: Yes, with especially the Asian guests from Hong Kong, Taiwan and Singapore. They have their own same hotel in their country and they tend to compare it with ours.

2. Is there a certain expectation from the guests that your hotel classification offer benefits that distinguishes you from other hotel tiers?

Respondent 1: Yes, as mentioned, some have existing expectations of our hotel brand.

Respondent 2: Not really. Some are unaware and do not have this notion of expectation.

Respondent 3: Yes. They always try to compare our hotel to the hotel in their country. It's not really a good thing.

3. Do you think that the hotel tier impacts the overall success of your enrollment percentage?

See Figure 4.2

Phase 3: yes, no.

1. Do you think that the methods you are currently using right now are effective?

Respondent 1: Yes.

Respondent 2: Yes, but still have a lot of room for improvement.

Respondent 3: Yes, but just a little bit more push.

2. Do you think that the four factors -- Consumer Behavior, Loyalty Program Benefits, Staff Competence and Hotel Tier -- have a big impact with the guests' decision to enroll?

Respondent 1: Yes.

Respondent 2: Yes.

Respondent 3: Yes.

Phase 4: Follow up questions

1. What are the most challenging scenarios when enrolling guests? How do you confront these and turn it to a successful enrollment outcome?

Respondent 1: It's usually when the guest doesn't understand English. Communication is the real barrier and if they can't understand, the staff hesitates to invite them to enroll.

Respondent 2: Group check in is the most challenging scenario for our hotel. We don't have the chance to speak to the guests and the guide doesn't even bother to "waste their time" by trying to explain the membership program.

Respondent 3: Airline crew are the most challenging for us. They check in at very odd times of the day and usually they can't be bothered because they're so tired. Aside from that, their room rate cannot earn the points, so they find it pointless to enroll.

2. In your own opinion, what is the best method that your team is currently practicing?

Respondent 1: Best method is the willingness of the staff to enroll every single guest he/she encounters. Whatever method they will use, as long as they have the motivation to enroll, they will succeed.

Respondent 2: By assessing the type of guest first and mentioning what you think that guest would like to hear, this usually works. The staff should look for clues and signs of what kind of guest they are dealing with.

Respondent 3: Keep it simple. Explanation about the program benefit upon check in should be kept short and concise. The guest doesn't want to hear a whole speech about the program benefit and will most likely decline if the staff will not go straight to the point. Mention the benefits that the guest will get and how easy it is to enroll.

3. In your own opinion, what is the least effective approach?

Respondent 1: When the staff makes the explanation very lengthy. Guests are usually in a hurry to go to their rooms, so if the staff will go around in circles instead of going straight to the point, the guests are deterred to participate.

Respondent 2: if the staffs are lazy and want to just finish the check in right away. Some of them fail to enroll because they don't ask. Most of the guests who do not participate in SPG is because they were not invited. This is a real problem because it is SOP in every check in to invite non-members.

Respondent 3: When guests feel like the staff is selling the membership, they will right away shut any opportunities of enrollment.

4. What is the main reason why guests would say “no” to loyalty programs?

Respondent 1: Guest does not travel enough, Communication barrier (when guests do not understand English) or guest does not have time to enrol

Respondent 2: Guest stays on an ineligible room rate or when guest is hesitant to give email address

Respondent 3: Group enrollments

5. When guests say no, do you have a follow up approach?

Respondent 1: Yes, ask them again upon check out.

Respondent 2: No, we do not want to force it to them.

Respondent 3: Yes, we allow the guest to think it over and come back to us again or upon check out.

6. Out of the four factors -- Consumer Behavior, Loyalty Program Benefits, Staff Competence and Hotel Tier – which one influences the guests most?

See Table 4.18

7. What other factors do you think impacts a guests' decision to participate in the loyalty program?

Respondent 1: Frankly, I strongly believe that it is only the staff that has the capacity to make or break the decision of the guest.

Respondent 2: In my opinion, no matter what the guest or in what situation the guest is in, the staff can determine this and create the best approach to enroll the guest.

Respondent 3: Staff. Like mentioned earlier and repeated constantly, the staff needs to be consistent in the endeavour of enrolling every guest they will encounter.





APPENDIX B
QUANTITATIVE QUESTIONNAIRE

APPENDIX B: QUANTITATIVE QUESTIONNAIRE**Part 1: General Information**

Nationality:

Gender:

Part 2: Reasons Not Participating the Loyalty Program

Is there a reason why have you not enrolled to become a Starwood Preferred Guest (SPG) Member?

(Select all that apply.)

- I was not invited to enroll at check-in
- I do not think the benefits are worth it
- I prefer a different hotel loyalty program
- I do not understand the benefits of the program
- I do not travel enough to benefit from the program
- I prefer to stay in other hotels
- I did not have time to enroll
- Hotel loyalty programs are not interesting to me
- Other, please specify: _____



APPENDIX C
SURVEY RESULTS

Gender	Guest Country	SPG Tier	Not Invited to Enroll	Benefits Not Worth It	Not Understood Benefits	Travel Enough To Benefit	stay in other	Prefer Different Loyalty Program	Have No Time to Enroll	Loyalty Programs Not Interesting	Other
M	SPAIN	Not SPG	Yes	No	No	No	No	No	No	No	No
M	JAPAN	Not SPG	No	No	No	No	No	No	No	No	Yes
M	UNITED STATES	Not SPG									
F	UNITED STATES	Not SPG	Yes	No	No	No	No	No	No	No	No
F	AUSTRALIA	Not SPG	Yes	No	No	No	No	No	No	No	No
M	SPAIN	Not SPG	Yes	No	No	No	No	No	No	No	No
M	UNITED KINGDOM	Not SPG	Yes	No	No	No	No	No	No	No	No
M	JAPAN	Not SPG	No	No	No	No	No	No	No	No	Yes
F	HONG KONG	Not SPG	Yes	No	Yes	Yes	No	No	No	No	No
M	GERMANY	Not SPG	No	No	No	No	No	No	No	Yes	No
M	GERMANY	Not SPG	No	No	No	No	No	No	No	Yes	No
M	SINGAPORE	Not SPG									
M	CHINA	Not SPG	No	No	No	No	No	No	Yes	No	No
M	JAPAN	Not SPG	No	No	No	No	No	No	No	No	Yes
F	AUSTRALIA	Not SPG									
M	JAPAN	Not SPG									
M	TAIWAN	Not SPG	Yes	No	Yes	No	No	No	No	No	No
M	UNITED KINGDOM	Not SPG	No	No	No	No	No	No	No	No	Yes
M	THAILAND	Not SPG									
F	UNITED STATES	Not SPG									
M	THAILAND	Not SPG	No	No	No	No	No	No	Yes	No	No
M	SWITZERLAND	Not SPG									

Gender	Guest Country	SPG Tier	Not Invited to Enroll	Benefits Not Worth It	Not Understand Benefits	Not Travel Enough To Benefit	I prefer to stay in other hotels	Prefer Different Loyalty Program	Have No Time to Enroll	Hotel Loyalty Programs Not Interesting	Other
M	MALAYSIA	Not SPG	No	No	No	No	No	No	No	No	Yes
M	CHINA	Not SPG	Yes	No	No	No	No	No	No	No	No
M	UNITED STATES	Not SPG	No	No	No	No	No	Yes	No	No	No
M	IRAN, ISLAMIC REPUBLIC OF	Not SPG									
M	JAPAN	Not SPG	No	No	No	No	No	No	No	No	Yes
M	KOREA, REPUBLIC OF	Not SPG	No	No	No	Yes	No	No	Yes	No	No
F	SWITZERLAND	Not SPG									
M	JAPAN	Not SPG									
F	UNITED KINGDOM	Not SPG									
M	JAPAN	Not SPG									
F	CHINA	Not SPG	No	No	No	No	No	No	No	No	Yes
M	JAPAN	Not SPG	Yes	No	Yes	No	No	No	No	No	No
M	NORWAY	Not SPG	Yes	No	No	No	No	No	No	No	No
M	UNITED STATES	Not SPG	No	No	Yes	No	No	No	No	No	No
F	UNITED STATES	Not SPG	No	No	No	No	No	No	No	No	Yes



APPENDIX D
LETTER OF CONDUCT RESEARCH

Dear Participant,

My name is Nicole Monsanto, and I am the Le Méridien Experience Specialist and Lobby Manager at Le Méridien Bangkok. I am also a graduate student of Stamford International University, doing my final dissertation paper about loyalty programs, focusing on SPG.

My research is entitled: THE KEY TO THE SUCCESS OF HOTEL LOYALTY PROGRAM ENROLLMENTS: AN ASSESSMENT OF THE BEST PRACTICES WITHIN THE THREE HOSPITALITY TIERS. The objective is to gather information from the front office management team of various hotels and analyze the best tactic of inviting guest to enroll in the hotel loyalty program. In return, boosting our SPG enrollments and reaching annual goals.

As such, I am requesting a face to face interview of of your top associates that are responsible for driving the SPG enrollments in your hotel. Please let me know what date and time is most convenient for you, I can be very flexible with my schedule to match their availability.

I am looking forward to your positive response. Meanwhile, please do not hesitate to reach me at the phone number or email address provided in my signature below.

Most sincerely,

NICOLE MONSANTO

Le Méridien Experience Specialist and Lobby Manager - Front Office

LE MÉRIDIEN BANGKOK

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