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Wyndham Rewards tops list for loyalty program reimbursement

By Elliott Mest

This article is based upon a report issued by IdeaWorksCompany.

Not all rewards programs are created equal. With hotels after guests to book direct, one would think they would be offering competitive loyalty programs to draw guests in and retain them, but a new study shows that the number of loyalty points needed to book rooms is only going up, with some exceptions.

The third annual "CarTrawler Hotel Reward Payback Survey" was conducted by IdeaWorksCompany and analyzes what guests earn back from hotel bookings. The study sifted through 1,350 reward queries from six reward programs: Best Western Rewards, Hilton Honors, IHG Rewards Club, Marriott Rewards, Starwood SPG and Wyndham Rewards. As part of the process, the lowest reward price in points was recorded alongside the corresponding room price in U.S. dollars.

So which hotel brand rewards loyal bookers the most? The study found that Wyndham Rewards returns an average of 16.7 percent from room night spending as reward stay value. This was three points higher than Wyndham Rewards' numbers from 2016 and 211 percent higher than the lowest scorer, Starwood SPG, which awarded loyalty members 5.4 percent of room night spending. Marriott Rewards came in at second place with 8.8 percent, while Hilton Honors came in third at 7.5 percent. Best Western Rewards was competitive with Hilton Honors at 7.4 percent, while IHG Rewards Club was in fifth place at 6.7 percent.



The number of points awarded to guests per booking is an important metric to study, but the value behind reward points is also unequal. The report stated that Hilton Honors usually awards 15 Honors Points per dollar spent at a hotel, while Starwood SPG awards 2 Starpoints per dollar spent at a hotel. However, individual Starwood SPG points are worth 0.023 cents, while individual Hilton Honors points are valued at 0.005 cents. The report took these factors into consideration, finding an 80,000-point bonus for the IHG Rewards Club Select Credit card (worth 0.007 cents per point) had a total reward value of \$560.

Simple Value of Reward Points by Hotel Loyalty Program Best flexible room rate (with taxes) divided by reward point prices					
Hilton Honors	IHG Rewards Club	Best Western Rewards	Marriott Rewards	Wyndham Rewards	Starwood SPG
\$0.005	\$0.007	\$0.007	\$0.009	\$0.012	\$0.023
<i>1,350 queries conducted August 2017 for August – February period Does not reflect accrual rates which vary by program.</i>					

With this in mind, the best possible reward payback can be achieved when room rates are high and reward point thresholds are low. The Wyndham New Yorker represented the highest reward payback in the report, with 50.7 percent for a booking made for Oct. 14, 2017. In this instance, the room cost \$610 or 15,000 rewards points, and earns guests 10 points per dollar spent (in addition to bonus points).

The second most rewarding property was the Hospitality House — New York City, which operates using Best Western Rewards. On a room rate for \$640 (or 36,000 points) the hotel provided a rewards payback of 17.8 percent. By comparison, the program that provided the least in returns was the Westin New York Grand Central, where Starwood SPG would return 1.8 percent of rewards payback for a room rate of \$231, or 25,000 points.

Best Reward Payback for each Hotel Loyalty Program					
Program	Room Night	Hotel Property	Reward Points	Room Rate	Reward Payback
Best Western	21-Sep	Hospitality House – New York City	36,000	\$640	17.8%
Hilton Honors	4-Dec	Hampton Inn Manhattan/Times Square Central – New York City	70,000	\$514	11.0%
IHG Rewards Club	19-Feb	Holiday Inn Downtown Dubai	15,000	\$271	18.1%
Marriott Rewards	10-Aug	London Marriott Hotel Park Lane	45,000	\$725	16.1%
Starwood SPG	19-Aug	Beijing - Sheraton Langfang Chaobai River Hotel	2,000	\$109	10.9%
Wyndham Rewards	14-Oct	The New Yorker – New York City	15,000	\$610	50.7%

Lowest Reward Payback for each Hotel Loyalty Program					
Program	Room Night	Hotel Property	Reward Points	Room Rate	Reward Payback
Best Western	4-Dec	Best Western Premier – Illinois Beach Resort Zion Illinois	36,000	\$117	3.3%
Hilton Honors	10-Aug	DoubleTree Times Square - NYC	182,000	\$422	3.5%
IHG Rewards Club	19-Aug	Holiday Inn Bur Dubai Embassy District - UAE	20,000	\$51	2.5%
Marriott Rewards	4-Dec	Courtyard Chicago Downtown/River North	35,000	\$137	3.9%
Starwood SPG	15-Feb	Westin New York Grand Central	25,000	\$231	1.8%
Wyndham Rewards	10-Aug	Ramada Beijing North	15,000	\$90	6.7%

Best flexible room rate (with taxes) divided by reward point prices for 1,350 queries conducted August 2017 for August through February period. Adjusted for each program's accrual rate for hotel spending.

Lastly, the study looked at rewards credit cards, where the story almost flips. Here the Starwood Preferred Guest American Express card provides the highest reward payback at 2.7 percent for every dollar of everyday purchases, with Wyndham Rewards' Visa just behind it at 2.5 percent. IHG Rewards' Club Select Credit Card brought up the rear at just 0.7 percent reward payback, but cardholders under that system also receive a 10-percent payback on all point redemptions and automatically qualify for Platinum elite status in the IHG rewards club, so it's important to consider the other perks.



Guests still need to exercise discernment when choosing a rewards program. Wyndham and Wyndham Grand topped the list in most areas with regards to rewards payback, but the brand's global footprint is limited to just 135 locations. In addition, IHG Rewards Club affords a 100-percent bonus for members able to achieve it's "Spire" tier, so frequent travelers may get more mileage out of that option.

In all, travelers begin to experience enhanced benefit after 10 nights, achieving a higher status under most of these programs. Differentiation is going to become very important if the business cycle begins to trend downward, and travelers can be expected to seek out the differences in programs where even a few percentage points can matter. The report's closing statement puts it best: "Very few everyday choices in life yield paybacks that can range from 2 [percent] to 51 percent."