

A GUIDE TO

# TRAVEL LOYALTY & REWARDS PROGRAMS



**CUSTOM**  
travel solutions



# Build a loyalty program worth paying for

In 2024, the travel industry continues to grapple with persistent challenges that impact customer satisfaction and loyalty. Price fluctuations, hidden fees, and uncertain cancellation policies remain significant pain points for travelers. Moreover, the online platforms used for booking often contribute to the complexity of the process, with noisy interfaces and poor customer service experiences.

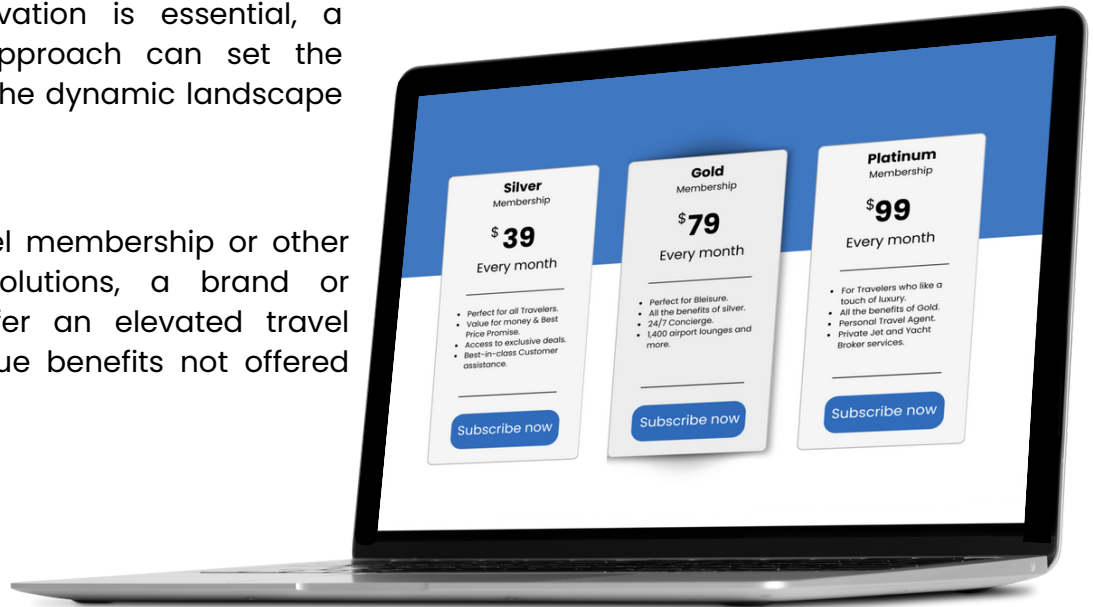
Travel retailers who prioritize addressing these challenges stand to gain a competitive advantage. Striking a balance between security, transparency, and personalized offerings is crucial for success. Customers are increasingly looking for hassle-free and trustworthy booking experiences.

To overcome travel booking fatigue, industry players need to reevaluate fundamental principles and focus on understanding what customers value in terms of service and curation. When looking for a travel partner to establish your membership or loyalty program, be sure to choose a provider who can help you stand out from the oversaturated market of booking platforms and deliver the experience, access and value your audience will be ready to pay for.



By focusing on customer-centric solutions, brands can differentiate themselves and build lasting relationships with customers. In an era where innovation is essential, a customer-focused approach can set the stage for success in the dynamic landscape of travel booking.

By offering a travel membership or other forms of benefit solutions, a brand or organization can offer an elevated travel experience and unique benefits not offered by booking platforms.



The subscription-based model in travel can help organizations manage sales fluctuations from a steady stream of recurring membership fees.

## How to monetize travel loyalty?

Public booking platforms drive revenue from each transaction by adding a commission on top of the wholesale price and focusing on selling hotel rooms and other ancillary services. A travel membership program allows organizations to build a stronger business with recurring revenue and a predictable cash flow less impacted by seasonality and economic factors.

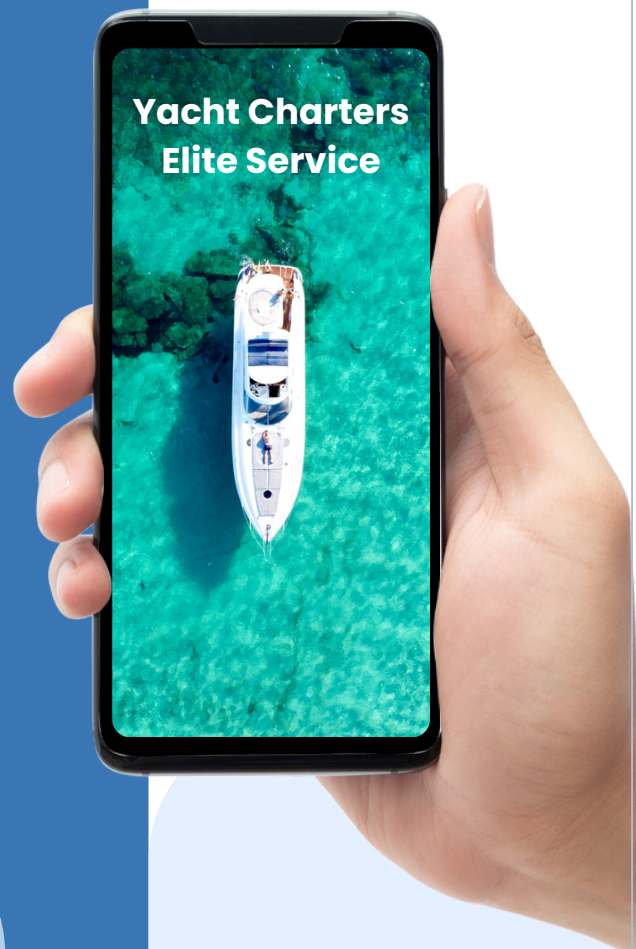
This is simply achieved by focusing on servicing members with top-notch customer assistance, providing access and value worth paying for. By creating revenue from access fees, organizations can propose non-commissioned rates therefore cheaper than on mainstream booking platforms.

An organization or brand can offer a travel membership program to provide exclusive access or discounts on a variety of travel-related services such as hotel rooms, cruises, vacation rentals, rental cars, tours, admissions, and activities. In addition, these programs generally provide various auxiliary luxury benefits packaged into a single membership service for their users. As travel has a universal appeal, travel rewards are top of mind for most loyalty organizations worldwide.

**More precisely,  
organizations can achieve their  
revenue and retention goals:**

- 1) By connecting members with the global travel inventory at member-only prices, allowing large savings of up to 80% on hotels ;
- 2) By including benefits available at all stages of the traveler's journey but also deals for everyday life and tailored to their specific audiences ;
- 3) By ensuring best-in-class customer assistance pre and post-booking to better support travelers navigating a complex booking landscape.

Essentially, any organization can distribute a travel platform – one that is private, exclusive, and elite – without having to get into the travel business. The travel platform you will partner with will support you with an end-to-end solution ready to integrate into your marketing and sales mechanics.





Such travel programs can truly be effective in any organization because nearly everyone aspires to travel, and the savings on just one trip booked through a travel membership often make up for the price of the membership. There is no downside for the organization, as long as it offers access and benefits that truly add real value and justifies the cost.

# Why Start a travel program?

An organization that provides viable travel advantages is taking a serious step toward bonding with its customers, members, or employees on an emotional level. By offering travel deals and custom getaways, they increase customer and employee retention in both the short-term and long-term. Retaining loyal customers becomes a continuously developing process that increases purchase frequency and fuels an unlimited stream of revenue. Further, implementing a high-grade travel club program comes with numerous measurable profits and benefits both for its customers and its brand. If they do it right, innovative travel platform providers can offer benefits that draw their members into an ever-deepening relationship.



# 1. Build long-term **loyalty**

The modern customer looks for unique experiences and unconventional rewards that offer immediate gratification. Offering personalized and tailored rewards will enhance a customer's satisfaction level and establish long-term loyalty to that brand. Targeted campaigns and offers will give a competitive edge to that brand, resulting in higher conversion rates. With over 75% of customers willing to share their personal information in exchange for personalized rewards, loyalty points, and priority services, travel rewards will enhance the appeal of repeat purchases.

## 2. Boost satisfaction and **revenue**

Travel memberships can be designed to provide different features or tiers as well as highly spendable accrued virtual currency programs that can strategically cater to multiple personas. This helps in increasing customer or employee satisfaction and leads to increased revenues and retention in the long run.

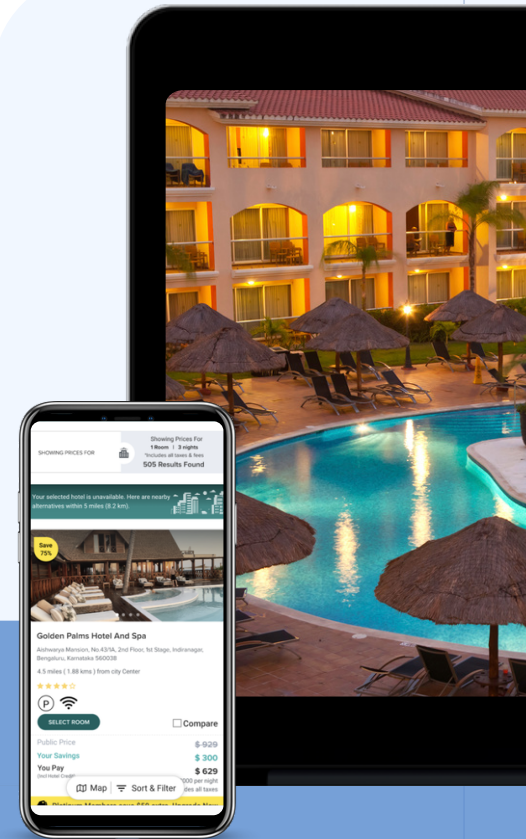
Travel is the ultimate motivator, and offering members or employees the chance to earn more personal rewards like hotel savings or airport lounge access will strengthen the overall value perception.

## 3. Foster your own **customer's relationships**

Brands can utilize their travel program's customer data to create and manage customer profiles, tailor their offerings, and get an in-depth knowledge of purchase behavior. This information can then be utilized for e-commerce segmentation and omnichannel profiling to measure the results of marketing campaigns. Your travel provider in that case acts behind the scenes but does not own your customer relationship and customer data.

The program and its members are fully managed and controlled by your organization. The travel platform provider makes the solution available to your members, under your brand to meet your own goals.

The suitable customization of offers will ensure accurate targeting and maximize the precision of the organization's entire marketing strategy.



# How to get started?

A travel club brings together like-minded travelers, travel organizations, and tour agencies for travel-related activities around the world. Since today's consumers are specific with their travel requirements beyond their historical preferences, these needs should be provided by your travel platform partner. There are different platforms to choose from. For example, there are private or white-labeled travel platforms that can provide a customized program to fulfill member-specific requirements.

There are also lifestyle or shopper-oriented rewards programs. The bottom line is that, if you are considering launching a travel membership for example, get acquainted with the fundamental know-how of the travel industry so you can build the optimal program for your audience.

Some specifics follow.

## Benefits of **private labeling** compared to **white labeling**.

Private labeling	White labeling
<ul style="list-style-type: none"><li>• Selling a product created by the supplier for your brand</li><li>• Own your customer relationships</li><li>• Define your own margins and pricing</li><li>• Produced exclusively for you</li><li>• Make it your own unique product</li><li>• Allows for more control</li><li>• Attract the right niche audience for your brand</li></ul>	<ul style="list-style-type: none"><li>• Selling a product as is with limited control and branding</li><li>• Drive customers to your brand's partner</li><li>• Prices and commissions are standardized</li><li>• Produced for multiple clients</li><li>• Product is sold as is</li><li>• Limited customization options</li><li>• Lack of differentiation compared to other travel providers</li></ul>

## 1.Choosing a niche

As you begin the development of your travel membership, choosing your optimal niche is important. What's your focus? Should there be a specific theme? After figuring these out, you can start browsing online, talking to established travel entrepreneurs and getting insights from experienced travel loyalty specialists. You must be well-versed and feel prepared to do it right.

## 2. Build your market strategy

Before focusing on travel benefit hosting services, you must be prepared to talk to the solution provider in detail about the layout you have in mind and your sales and marketing approach.

## 3. Prepare your brand assets

As you begin the development of your travel membership, choosing your optimal niche is important. What's your focus? Should there be a specific theme? After figuring these out, you can start browsing online, talking to established travel entrepreneurs and getting insights from experienced travel loyalty specialists. You must be well-versed and feel prepared to do it right.

## 4. Evaluate the strategy with a specialist

Once you've determined your market strategy, you must develop your specific business tactics and figure out which sales and marketing mistakes need to be avoided at all costs. Your travel partner can provide some helpful insights.

## 5.Developing early adopters influence

To grow, you must develop a network of early adopters and influencers. You may need to recruit some people to spread the word online and offline. While doing so, remember that it's always good policy to be safely transparent.

In the case of employees, leverage the informal or key influencers within the organization. When hosting introductory meetings, give the most enthusiastic people on your team some time on the stage to fuel the peer-to-peer energy. Managers can tell the story, but influencers can bring it to life.

## 6. Choose the right solution provider

Robust Inventory With Brand Names

How many hotels and partners does the travel club builder have in their arsenal? While some travel club builders may promote big brand names, are they truly available worldwide? Do they have the resources to ensure that the member's reservations were confirmed? Ask these questions upfront and make sure your travel club builder can back up their pricing with availability that genuinely provides bigger savings.



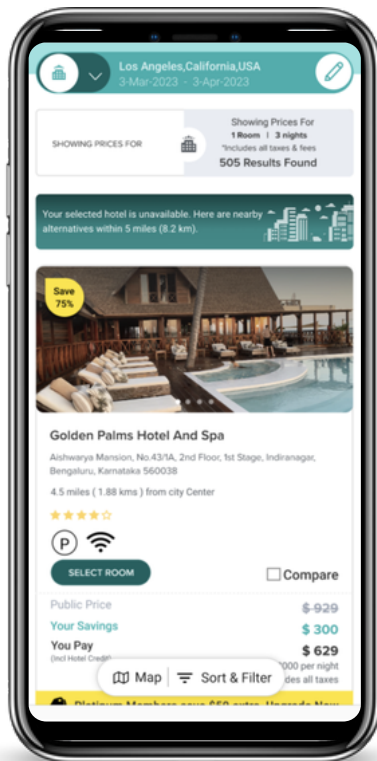
# No “Gotcha” Pricing

Often a tactic utilized by major online travel agencies (OTAs), “gotcha” pricing is when a platform may report one price but not include taxes and fees upfront. Then, once you reach the checkout stage, you see the total is much higher. Also, make sure your solution provider is showing true pricing and not hiding any fees or local taxes. Providers that show taxes and fees up front allow users to search throughout club inventory much more easily without having to go all the way to checkout.

## Rewards & upgrades

Instant gratification is crucial as many consumers are shifting their focus away from earning points as the sole determinant of where they spend their travel dollars. Successful programs combine immediate discounts with long-term rewards, keeping members engaged and motivated to spend more. Having the capability to truly balance how value should be distributed for a specific program is a major step toward differentiation. Make sure your chosen provider can help you balance rewards in the form of points and instant discounts and offers flexibility to define custom rules for specific types of members.

Implementing tiered structures with increasing benefits as customers also move up the loyalty ladder is another example of best practice. This motivates customers to spend more to unlock higher levels or simply to upgrade. Not tapping into the most loyal customers who are just asking for more is a significant missed revenue opportunity.



# 6

## Reasons Travel Clubs Are Becoming Popular

The travel industry is one of the biggest industry sectors in the world and accounts for almost 10% of the global GDP. We saw a drastic drop due to the pandemic, but the industry is now growing again and provides employment to over 290 million people. That will continue to increase in the coming years. This growth sets the stage for travel membership programs. More and more experts are seeing this as the future of the tourism industry and that they are here to stay. Here's why: Travelers are moving beyond package deals. In the last decade, travel firms managed to attract more travelers by providing a wide range of standard tours and packages. This trend is gradually coming to an end as people now prefer to have a personalized experience while traveling.

According to a study in the US, only 6.4% of people would like to travel in standard group tours. The rest of them would like to either travel solo or with their friends or family to have a customized experience. By taking advantage of a travel membership, they can more easily fulfill their needs while gaining significant savings during their travels.

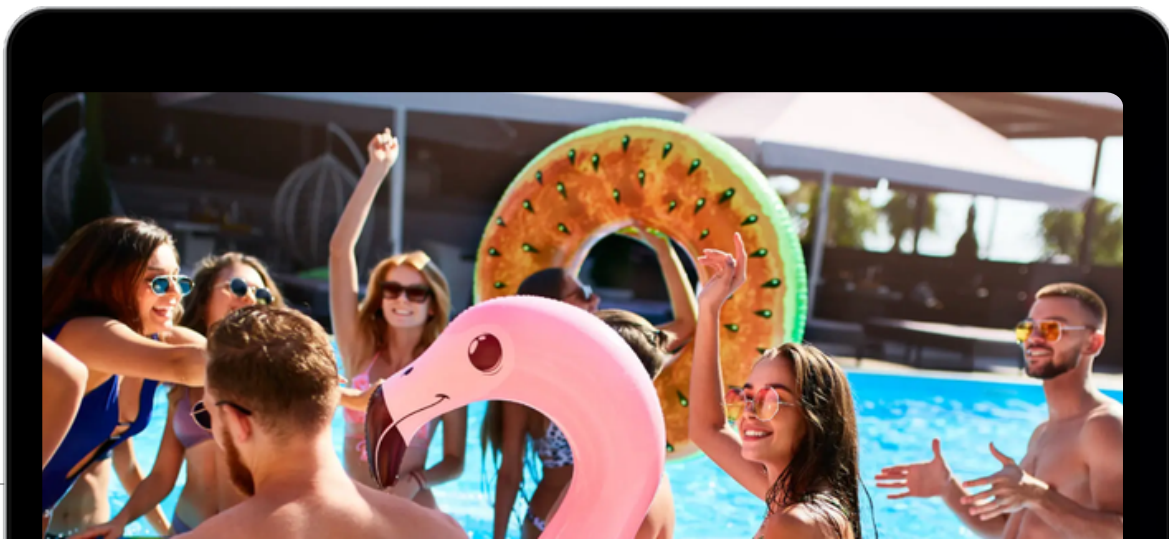


# The rise of the subscription economy

From Netflix to Spotify and Zipcar to Dropbox, there is an ever-increasing number of firms that have taken advantage of the growing trend towards a membership-driven economy. It is the business model of the future, and it will continue to expand. Since most people are already familiar and comfortable with business and service subscriptions, you don't need to start from square one. However, by leveraging this model now within the travel industry, you can still get a first-mover advantage.

## The changing demands of Gen Z travelers

As the Gen Z population grows, becomes more affluent, and begins to travel, they are likely to cause major changes in travel demand. Members of Gen Z already comprise the fastest-growing travel segment. Among Gen Z, the top reasons for choosing their travel destinations are value for money, availability of cheap flights, and safety and security. When it comes to accommodation, however, they are increasingly likely to choose upscale options, suggesting that members of Gen Z are happy to mix budget and luxury experiences for self-reward or when set against the cost of cheaper modes of transport. They are also aware of the personal benefits of travel, such as understanding other cultures, building life experiences, and self-confidence. If you want to succeed and gain productive results, then you need to work on travel club member benefits while keeping the needs and desires of Generation Z in mind.





# Travel benefits outside the travel industry

Even non-travel brands and organizations can now add new revenue and increase member loyalty through a travel benefit offering. For example, credit unions often provide vacation loans to their members. For an additional subscription fee, credit unions could offer their members access to a private travel club online, where they could plan their flight and hotel at discounted rates. Almost any type of business can afford to offer such a benefits program. Whether it's a credit union, alumni group, employee group, or retail loyalty program, travel clubs require no overhead or management of vendor relations. Everything can be offered through a "software as a service" platform.

## The Elite Mindset

As you contemplate a travel membership or benefit program for your organization, think of credit card programs like the American Express Centurion program as travel clubs. People pay hundreds of dollars in membership fees just to be part of the Amex brand. In their minds, the price of card membership is well worth the benefits they receive in return, including travel benefits such as frequent flyer miles, airport lounge access, and personal concierge services. As an alternative to online travel agencies, this travel club concept is useful for any brand, group, or organization that wants a quick and easy way to increase revenue from membership fees, strengthen loyalty, and add value to their brand.

Contact us today to arrange a  
Demonstration of our

**Travel Rewards Platform**

Visit **[www.customtravelsolutions.com](http://www.customtravelsolutions.com)**