

No Wonder They Can Break!

... the promise of a hotel Loyalty program is simple. But the underlying technology gets devilishly complex quickly.



By Mark B. Hoare and Mark G. Haley

Like we said, the promise is simple: You Book - You stay - You get points - and when you have enough points, you get free stuff, usually hotel rooms, but often gift cards, other travel products or even “backstage access” to memorable lifetime experiences. But for the hotel company to manage and fulfill these promises adds up to a mountainous challenge in the areas of technology, operations and marketing. This article delves into three of the most common technological problem areas, those most likely to fail and break the promise:

- Interfaces
- Duplicate Profiles
- Identity Management

These aren’t the only weak links in the chain, but a great place to begin to understand where fragility exists in the Loyalty ecosystem.

Interfaces

Let’s start with internal interfaces, those where the Loyalty Program System (LPS) is interfaced to other applications under the direct control of the hotel company or their chosen vendors, over whom the hotelier has great influence. These include the Central Reservation System (CRS), the Property Management System (PMS), the Content Management System (CMS) and the Brand.com website (WEB).

Loyalty/CRS interfacing entails precisely associating a reservation transaction to a profile and a Loyalty membership, securely, easily and at any point in the reservations process. This interface needs to operate in real-time. Passing more than just the membership number, program status, member preferences and upgrade or promotional eligibility all come into play. A communications glitch or a mismatch in message format spells doom.

Also operating in real-time, most member interactions with the brand and the program are likely to happen on Brand.com. The content management system and web server application must interact tightly with the Loyalty program, often in a highly collaborative dance between the Loyalty application, website and CRS. Remember the point above about connecting the reservation with the Loyalty membership at any point in the process? Pulling off a seamless experience no matter when the guest logs in and authenticates as a member (before the

reservation, during the reservation or at the end) requires the website to artfully manage the session variables in memory while the active window goes from interacting with the CRS to interacting with the Loyalty program and back. And if the member has multiple windows open in their browser, it gets even more complicated to control the sessions. Brand.com also needs to retrieve and front-end the display of points earned, points burned, promotion registration and all other member interactions

Property Management System interfacing is only slightly less challenging. The interface with the PMS is most often assumed by the CRS more-so than the Loyalty application. In addition to sending Member ID, status and upgrade eligibility from CRS to PMS, the PMS needs to send back actual consumption data to be recorded and collated by the Loyalty system. The interfacing doesn't necessarily need to be real-time, but for most hotel companies, it is a one-to-many relationship with a single CRS talking to many property-based PMS'. But most hotel companies of consequence have multiple different PMS platforms in use, most of those with multiple versions. And if the hotel company has multiple CRS systems active, (typical during a transition), the level of complexity expands geometrically. All the message formats need to be transformed and synchronized across multiple platforms, requiring great discipline in controlling the interfaces.

Then we have the interfaces with external partners, where the hotel company has less control. Less control means more risk. These interfaces might include:

- Credit card partners
- Points-transfer partners
- Other travel product vendors

Interface endpoints that are outside the direct control of the hotel company are a huge area of potential fragility in an already complex Loyalty ecosystem.

Duplicate Profiles

Duplicate profiles represent another persistent problem area. The same guest might forget that they

joined and then join again. Ultimately, they realize it (probably because you sent them a "Stay before your points expire!" reminder) and want you to combine their profiles. But often the details in the profiles differ, so identifying which details get transferred to the Surviving profile become challenging for a system to determine with any high degree of accuracy. Additionally, do you need to build your merge process so you can un-merge, another significant technical challenge? Do you need automated matching to associate a reservation (with no membership ID attached) with a valid membership? What is the risk of making an error on that automated match process and associate Mr. Smith's reservation with Mr. Smithy's membership? And once you have merged a duplicate profile how do you syndicate the results of that merge event out to all other systems in the ecosystem? You get the idea and see the traps for the technologically unwary.

Identity Management

Closely related to the automated match and merge challenge discussed above, we have the concept of identity management. Typically, a collection of application modules somewhat separate from the Loyalty application itself, these tools: validate usernames and passwords; associate the username with the member profile; ensure that password standards are met; manage the "forgot password", "challenge questions" and "change password processes". All falling into the category of "Interfaces under hotel company control". Which is great, but if the identity management system fails at any point, Loyalty members simply cannot access their accounts, and it is not a pretty thing to recover from.

Hopefully, we have illustrated some of the fiendish complexity required to stand up a Loyalty program and keep it running. No wonder they break! ■

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