

Excerpt from *Business Success in Tough Times*

## Loyalty

According to Adam Burke, Hilton's loyalty program has "grown up in an environment where Hilton Hotels has grown exponentially over the years. When you look back in the late eighties, we had a pretty small distribution relative to some of our competitors." The loyalty program was designed to "drive consolidation among some of our best guests." Burke says that the "compelling earning and rewards structure let Hilton be bigger than it really was," which helped offset the company's potentially problematic limited distribution of properties.

In tough times, Burke says, "it's less about having to be hugely reactive and more about evolving customer communication based on individual behaviors." **Immediately after September 11, the hotel industry struggled tremendously. But Hilton's loyalty program remained robust by listening to what customers were saying and responding to their needs. The personalization that is such a key part of HHonors has helped the program be resilient in the face of general economic malaise.** And a recession for most industries might not mean a recession for everybody. For example, public accountancy firms could do very well in tough economic times, which could cause an upswing in business from this demographic. "We look at it more from the perspective of the changes we're seeing in travel behavior," says Burke, rather than changes in the general economic climate. "How can we adjust our message to maintain loyalty during a down market?" When times are tough, advises Burke, listen to your own data. Build personalization and customization into your loyalty program so that it can evolve and keep step with what your customers want.