



INTERCONTINENTAL[®]
HOTELS & RESORTS

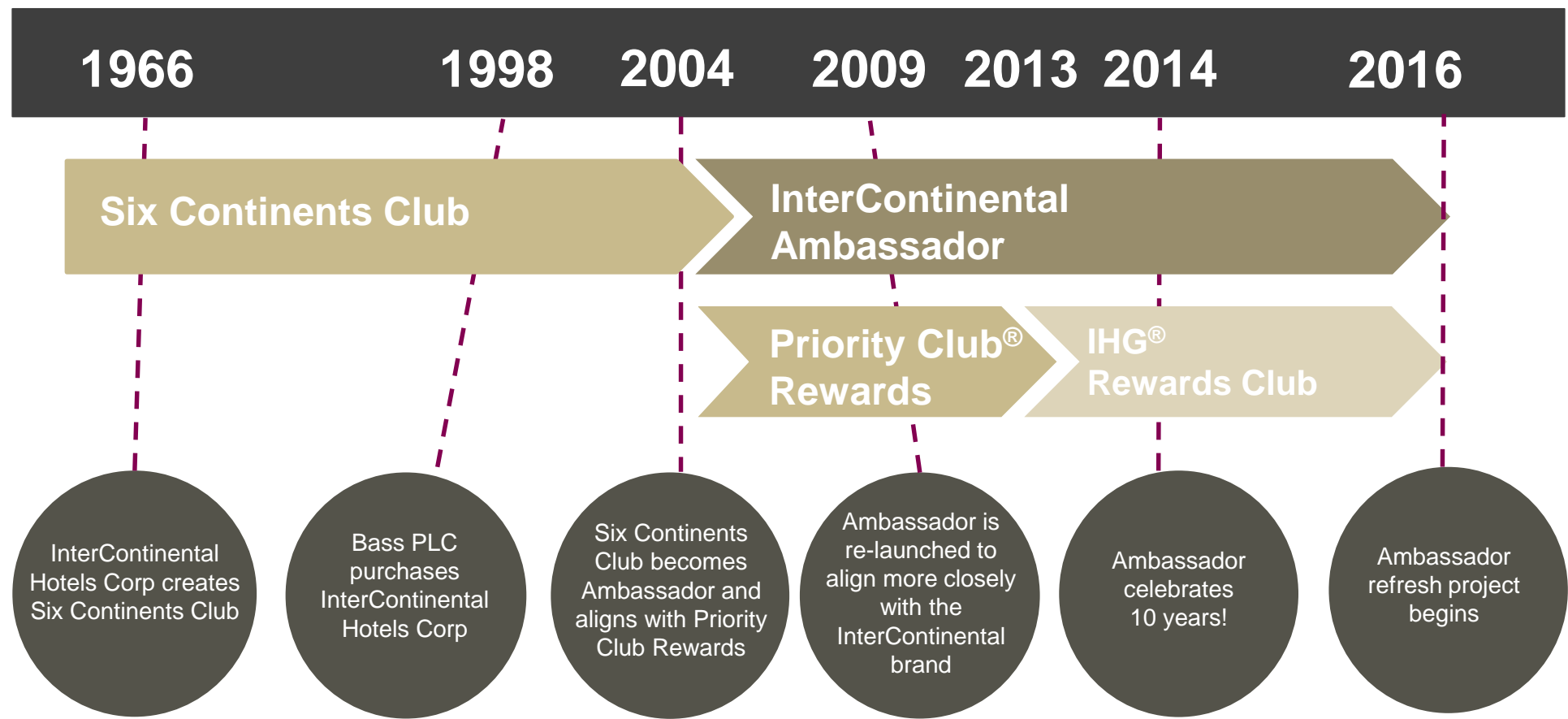
INTERCONTINENTAL AMBASSADOR





THE AMBASSADOR REFRESH

AMBASSADOR IS PART OF THE INTERCONTINENTAL BRAND'S HERITAGE



NOW WE WANT TO BUILD ON OUR STRENGTHS TO MAKE AMBASSADOR EVEN BETTER

Heritage



“Ambassador is steeped in history, it originated from Six Continents Club which was launched in 1966 as the first ever loyalty programme”

Enhanced Brand Experience



“Ambassador gives members an enhanced InterContinental brand experience, to feel that they are part of an exclusive club”

Emotional & Tangible Benefits



“Status, recognition & affirmation are all key emotional needs”

“Members see the value, which drives renewal”

Financial Performance



“Ambassador members show clear incremental value compared to other guests”

WE ALSO NEED TO ADDRESS OUR OPERATIONAL CHALLENGES

“We have to try and stick to consistent delivery. If we move away from that...we’re only creating problems for other properties.”

“Ambassadors don’t feel special anymore. They feel like everyone else.”

WE ARE REFRESHING AMBASSADOR BASED ON KEY GUIDING PRINCIPLES

**Ensure
incremental
revenue and a
positive ROI for
hotels**

**Alignment with
InterContinental
brand strategy**

**Alignment with
the
InterContinental
brand guest
experience**

**Royal criteria
based on
revenue not just
stays**

**Focus on
targeted
enrolment of
high value
guests**

**Greater
consistency and
hotel
compliance**

AND WE HAVE DEFINED THE ROLE AND PURPOSE OF THE AMBASSADOR PROGRAMME

InterContinental Ambassador Programme

A paid for **extension of IHG Rewards Club** designed for **high value members** that gives **exclusive benefits & iconic service** to drive brand loyalty and ADR in InterContinental Hotels & Resorts

InterContinental Royal Ambassador

Complimentary exclusive privileges, by invitation only, for our **most valuable** Ambassador members to drive brand loyalty and ADR in InterContinental Hotels & Resorts



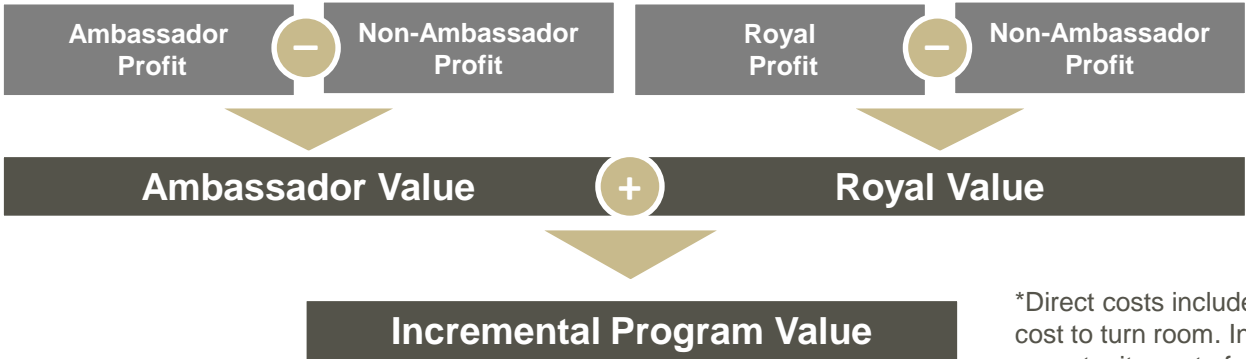
THE AMBASSADOR VALUE STORY

THE OBJECTIVE OF OUR ANALYSIS WAS TO EXAMINE PROGRAMME VALUE

1 Calculated profit metrics by hotel by member tier



2 Compared Ambassador and Royal profits to Non-Ambassador



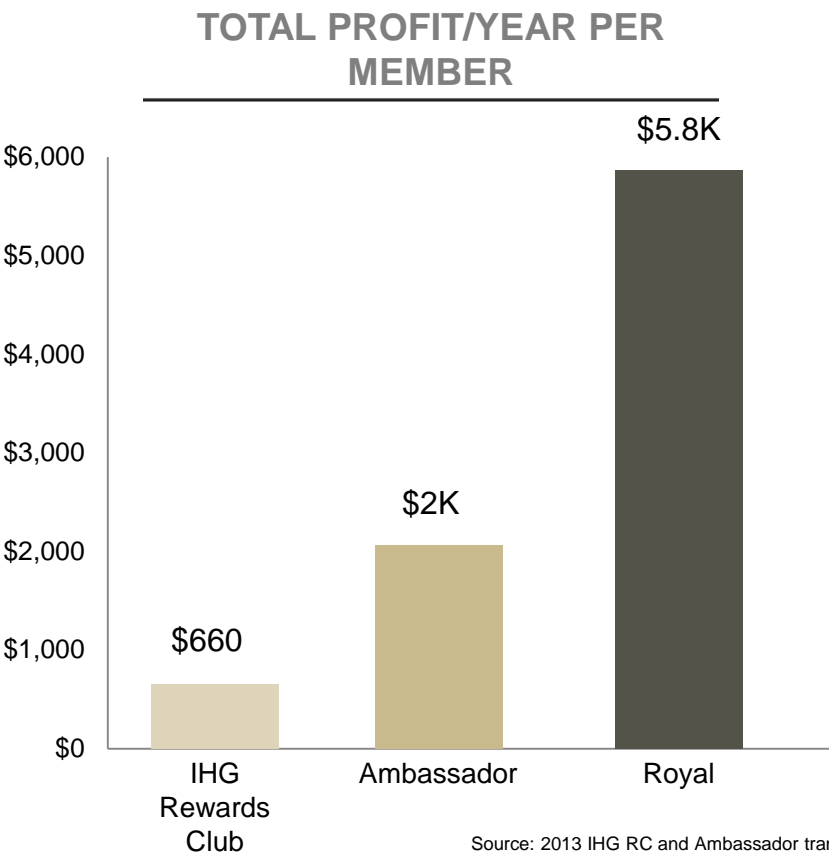
*Direct costs include F&B benefit, points cost, cost to turn room. Indirect costs include opportunity cost of upgrade benefit delivery

PROFIT SLIDE

Ambassador generates over \$170M in incremental profit to InterContinental Hotels & Resorts.

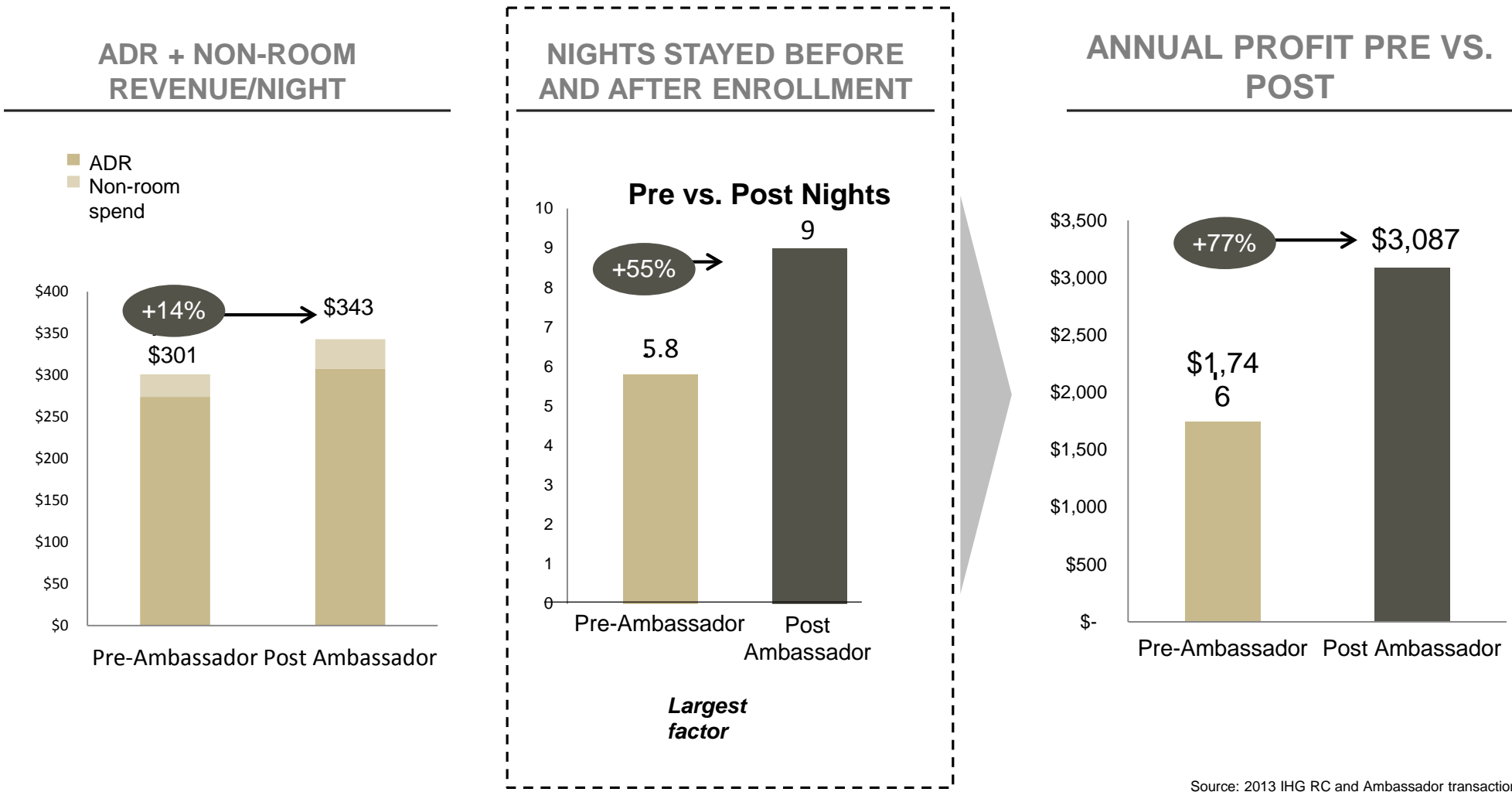
Ambassador members generate 3x more profit than IHG Rewards Club members

Incremental Indirect Program Impact	
ADR	\$246M
Non-room	\$26M
Cost to serve	(\$93M)
Profit \$	\$179M



Source: 2013 IHG RC and Ambassador transaction data; Aimia analysis

JOINING AMBASSADOR IS SHOWN TO CHANGE GUEST BEHAVIOUR



Source: 2013 IHG RC and Ambassador transaction data; Aimia analysis

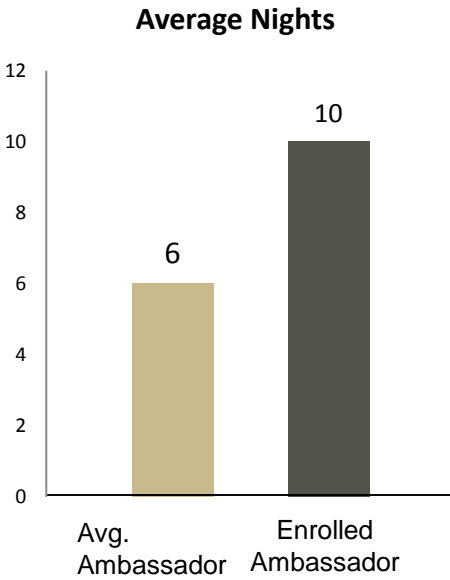
ENROLMENTS ARE IMPORTANT – AND BENEFICIAL TO HOTELS

Ambassadors enrolled by a specific hotel lead to 70% higher value for that hotel

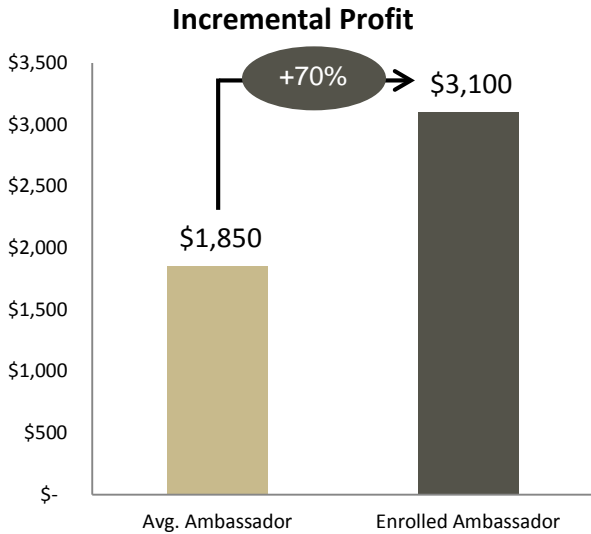
**ENROLLED AMBASSADORS
SHOW A SMALL UPLIFT IN
NIGHTLY REVENUE...**



**...BUT THEY STAY
SIGNIFICANTLY MORE
NIGHTS...**



**...LEADING TO LARGE
INCREMENTAL PROFITS FOR
THE ENROLLING HOTEL**



Enrolling guests is the best way to increase your profits via this program

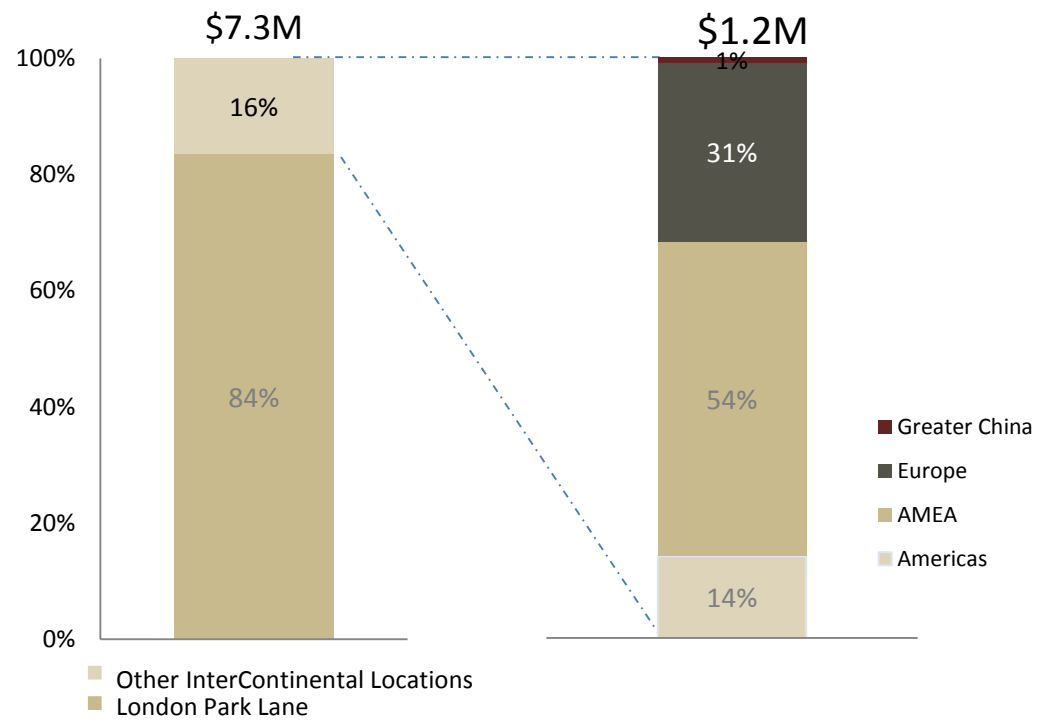
NEW ENROLEES HELP THEIR HOTELS BUT ALSO SUPPORT OTHER PROPERTIES

Case Study

REVENUE FROM LONDON PARK LANE ENROLEES (\$M)*

ENROLLEES GENERATE VALUE OUTSIDE OF LONDON

SYSTEM VALUE FROM ENROLLED GUESTS IS IMPORTANT



- Enrolling members contribute a significant amount of value to other InterContinental hotels
- At London Park Lane:
 - 16% of the revenue from enrollees went to other InterContinental hotels
 - ~70% of that revenue (of the \$1.2M) goes outside the region

*Enrollees are identified as those who London Park Lane enrolled onsite
Source: 2013 by InterContinental hotel Ambassador enrollment data Aimia analysis



WORK IN PROGRESS

MEMBER BENEFITS

Opportunity

- Ambassador benefits have a high perceived value amongst members but are inconsistently delivered on property
- There is an opportunity to deliver more personally relevant benefits

Actions

- Clear definition and communication of upgrade policy and Club Lounge access policy
- Upgrade email communications for members
- In room F&B choice (fruit, sweet or savoury snack)

ROYAL AMBASSADOR CRITERIA

Opportunity

- Royal Ambassador initiations should only be given to our highest value members
- Royal Ambassadors already deliver \$27M incremental profit globally but their ADR is lower than that of Ambassador members
- Current criteria is based on stays not spend
- Adjusting the criteria will focus on our highest value guests

Actions

- New Royal selection criteria is based on revenue not just stay behaviour
- Only InterContinental stays will count towards Royal qualification
- Multi location stays to avoid qualification for long term stayers
- Changes will be phased in

NEW INTERCONTINENTAL AMBASSADOR IDENTITY

Opportunity

- Ambassador is linked to both IHG Rewards Club and the InterContinental brand
- Alignment of Ambassador with the new IHG Rewards Club brand while demonstrating the connection with InterContinental Hotels & Resorts

Actions

- A new look and tone of voice for Ambassador to reflect its positioning as a Rewards Club extension for the upscale and luxury sector – returning to the glamour of the InterContinental Life

IN SUMMARY: AMBASSADOR IS CHANGING

For our members

Consistent benefit delivery

More personalisation

New look and feel

For our hotels

Alignment with
InterContinental brand goals

Focus on driving ADR

Targeting our high value
guests – from new members
to Royals

For our owners

Driving our highest value
guests to their hotels

Delivering a positive ROI

Improving Royal ROI

WHAT NEXT?

We'll be telling you more about the Ambassador refresh over the coming months as we work on making Ambassador the best it can be for our members and hotels.



THANK YOU