

Hotel Luxe International

Customer Retention & Loyalty Policy

Document Title: Guest Retention & Revenue Protection Policy

Document ID: HLI-GRP-2026-V2

Version: 2.1

Effective Date: January 1, 2026

Applies To: All Hotel Luxe International properties worldwide

Confidentiality: Internal Use Only

1. Purpose & Business Objective

Hotel Luxe International is committed to delivering exceptional guest experiences while safeguarding revenue and brand value. This policy establishes a **structured, data-driven framework** for identifying guests at risk of cancellation or disengagement and applying **appropriate, controlled retention actions**.

The objectives of this policy are to:

- Reduce booking cancellations and no-shows
 - Increase guest lifetime value and loyalty
 - Enable proactive, personalized engagement
 - Prevent excessive or unapproved discounting
 - Ensure transparency, fairness, and regulatory compliance
 - Support automation while preserving human oversight
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2. Scope of Application

This policy applies to:

- **Pre-stay, during-stay, and post-stay** retention activities
- All booking channels (Direct, OTA, Corporate, Group)
- All guest categories (individual, loyalty, corporate)
- All automated systems, AI agents, and human operators

All departments involved in guest engagement must comply, including:

- Reservations & Front Desk
 - Revenue Management
 - Marketing & CRM
 - Concierge & Guest Relations
 - Corporate Sales
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3. Guest Risk Identification Framework

3.1 Risk Detection Methodology

Guests may be identified as “at risk” using a combination of:

- Booking characteristics
 - Short booking window
 - High room rate relative to stay duration
 - Non-refundable vs refundable comparison activity
- Behavioral signals
 - Multiple price checks
 - Booking modifications
 - Delayed confirmation actions
- Historical data
 - Prior cancellations or no-shows
 - Past complaint history
- External disruption indicators
 - Severe weather forecasts
 - Airline strikes or delays
 - Regional events impacting travel

Predictive analytics and business rules may be used to assign a **Risk Level**.

3.2 Risk Level Classification

Risk Level	Definition	Action Expectation
Low Risk	Unlikely to cancel	Relationship building
Medium Risk	Possible cancellation	Proactive reassurance
High Risk	Likely to cancel	Targeted retention intervention

4. Guest Value & Loyalty Segmentation

Retention actions must consider **both risk level and guest value**.

4.1 Guest Value Tiers

Tier	Definition
Bronze	First-time or low-value guest
Silver	Returning guest or moderate spend
Gold	High spend or active loyalty member
Platinum / Corporate	VIP, corporate, or strategic account

5. Retention Offers & Permitted Actions

Guiding Principles

- Offers must be **proportionate to risk**
 - Prefer **experience enhancements** over discounts
 - Avoid conditioning guests to expect incentives
 - Never exceed approved thresholds without authorization
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5.1 Low-Risk Guests

Objective: Reinforce satisfaction and future loyalty.

Permitted Actions

- Welcome amenity (drink, fruit plate, local gift)
Maximum value: USD 15
- Personalized thank-you or welcome message
- Birthday / anniversary recognition
- Future-stay incentive:
 - 5% discount voucher **OR**
 - 500–1,000 loyalty points (valid 12 months)

Prohibited

- Discounts on current booking
 - Room upgrades promised in advance
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5.2 Medium-Risk Guests

Objective: Reduce uncertainty and increase perceived value.

Permitted Actions

- Complimentary room upgrade (subject to availability)
- Complimentary breakfast for up to 2 guests
- Late checkout (up to 14:00) or early check-in (from 12:00)
- 10% discount on spa, dining, or laundry services
- 750–1,500 loyalty points

Approval

-  No approval required (system-approved)
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5.3 High-Risk Guests

Objective: Prevent cancellation while protecting margin.

Standard Permitted Actions

- Room rate discount up to **15%**
 - Complimentary breakfast + one additional amenity
 - Free parking or airport transfer
Value cap: USD 50
 - 1,500–3,000 loyalty points
 - One-time future night voucher
Value capped at average daily rate
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5.3.1 Loyalty Tier Enhancements

Tier	Additional Benefits
Bronze	Standard limits only

Silver	+5% discount cap, priority upgrades
Gold	+10% discount cap, airport transfer
Platinum / Corporate	Custom offers allowed with approval

6. Exceptional Retention Offers

6.1 Offers Requiring Manager Approval

The following **must not be issued without written approval**:

- Discounts exceeding **20%**
 - Complimentary free night
 - Multi-night vouchers
 - Executive / Presidential suite upgrades
 - Cash-equivalent credits exceeding **USD 100**
 - Any retention package valued over **USD 200**
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6.2 Approval Workflow

1. Case prepared by system or staff:
 - Guest name & ID
 - Risk score
 - Booking value
 - Proposed offer
 - Estimated revenue impact
 2. Submitted to Revenue Manager / GM
 3. Decision within 24 hours
 4. Approval reference logged in CRM
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7. Communication Standards

Tone & Style

- Warm, respectful, appreciative
- Confident but never desperate
- No mention of “risk score” or “model output”

Channels

- Email (preferred)
- SMS (only with consent)
- Phone calls (high-risk or VIP only)

Timing

- High-risk: 7–14 days pre-arrival
 - Loyalty reinforcement: Post-stay
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8. Prohibited Practices

- Offering unapproved incentives
 - Guaranteeing availability or upgrades
 - Discriminatory targeting
 - Contacting guests who opted out
 - Misrepresenting policy or intent
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9. Documentation & Audit Requirements

Every retention action must be logged with:

- Guest ID
- Risk level at time of decision
- Offer details
- Acceptance or rejection
- Approval reference (if applicable)
- Timestamp and operator/system ID

Logs retained for **12 months** minimum.

10. Performance Reporting

Monthly reports must include:

- Number of guests flagged

- Retention actions taken
 - Offer acceptance rate
 - Cancellation reduction percentage
 - Estimated revenue preserved
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11. Training & Governance

- Annual training for all guest-facing staff
 - Mandatory re-training after policy updates
 - Policy reviewed annually or after major trend shifts
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12. Contact & Escalation

Retention & Loyalty Manager

Email: retention@hotelluxe.com

Internal Extension: 4567

End of Document

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