

# Stash Hotel Rewards expands its national footprint



Caribe Royale's sales team presented Stash Hotel Rewards points as a signing bonus to clinch corporate reservations.



Denihan Hospitality Group's The James Chicago offers guests Stash Hotel Reward points for each of their visits.

BY MATTHEW MARIN

PALO ALTO, CA—Since launching in May 2010, Stash Hotel Rewards, headquartered here, has grown to nearly 200 partner hotels in major metropolitan areas in 38 states and two in the U.S. Virgin Islands. It is one of the largest point-based loyalty programs for independent hotels.

But the loyalty points company could drastically increase its national and international presence in 2014. Jeff Low, founder and CEO of Stash Hotel Rewards, foresees the company growing to about 300 hotels by the end of the year and expanding in new North American markets and international gateway cities.

Stash currently has more partner hotels than some of the large chain programs in select markets. For example, in New York City, there are 13 Stash partner hotels but only eight Hyatt-branded hotels. The program allows contributing hotels to complement its guest-centric approach by rewarding guests with points that can be earned and redeemed for free nights at participating upscale and luxury independent hotels across the U.S.

With Stash, a traveler can earn a free night as fast as they can with most chain programs, according to Low. “Unlike chain programs, the cost of a room in Stash points changes with supply and demand,” said Low, “so when a hotel has extra rooms, it can give really great rates for Stash redemptions.” Low added, “Stash avoids some of the annoyances found in some hotel loyalty programs. For example, there are no black-out dates, points don't expire and there's no 16-digit membership number to remember.” Instead, Stash uses personal email addresses as member identification.

Stash Hotel Rewards was created by a

team of travel and e-commerce veterans, led by Low, from companies such as Expedia, Amazon, Microsoft and Zillow. The goal of the company, which also has offices in Seattle and Miami, was to give independent hoteliers an opportunity to compete with programs offered by branded hotels.

When Low first pitched the concept for Stash Hotel Rewards to independent boutique hoteliers, many of them expressed hesitance about the program. “Hoteliers needed something like Stash to stay competitive with the brands,” said Low. “At first, the challenge was getting independent hoteliers to work together with other boutique hotels.”

To convince independent hoteliers that Stash was a viable hotel reward program for their properties, Low specifically targeted high-end independent hotels that share the same standards of excellence. Hotels participating in Stash rewards must offer a unique, one-of-a-kind guest experience and earn some of the highest “recommend” ratings on review websites such as TripAdvisor. In many markets, Stash partner hotels have earned the highest recommendations among competing boutique hotels.

“Our hotels are all different, but they share a consistent quality of experience,” Low said. “The average TripAdvisor rating of a Stash partner hotel is 86%; that's what's resonating with our members.”

For many participating members, Stash Hotel Rewards has driven incremental revenue. Since partnering with Stash, Denihan Hospitality Group has welcomed a significant number of new guests as well as returning guests, according to Tom Botts, EVP, chief customer officer, Denihan.

The group expanded its partnership

with Stash in September with the addition of three new properties—The Benjamin, The James New York and The James Royal Palm—to the rewards program. Denihan previously included three of The James' other properties in New York City, Chicago and Miami in the program.

“This was one of the most satisfying and validating stories for Stash in the past year,” said Low. “It's better than a new sale because you know one of our members is experiencing success with the program.”

The program has also led to hotels securing more corporate travel reservations, allowing them to compete with branded hotels. Said Low, “Independent hotel sales teams have offered Stash Hotel Rewards points to negotiate with meeting planners.” One example is the Caribe Royale, a 1,338-room convention hotel in Orlando with 150,000 sq. ft. of meeting space. During negotiations in 2010, the hotel's sales team offered Stash points as a signing bonus to clinch the deal, winning three new and six repeat accounts.

An added benefit of the rewards program for independent hoteliers is its ability to increase awareness among potential guests. Low indicated that frequent travelers who use Stash Hotel Rewards are more likely to come across other Stash properties during online searches on Google.

“After the housing bubble burst in 2009, independent hotels were at a greater disadvantage than the chains,” said

Low. “No one was traveling and many hotels were in foreclosure or some form of forbearance; 80% of those were independent. A disadvantage of independent hotels is their inability to attract business travelers, the road warriors who only stay at chains because they want to earn points. As a result, independents must fill rooms with leisure travelers and they're

twice as reliant on OTAs. Brand awareness is also a challenge. Stash helps in both cases. We're now seeing frequent travelers seeking out independent hotels because they're part of the Stash Network.”

During the New York Boutique Hotel Investment Conference, held in November in Manhattan, industry experts recommended Stash Hotel Rewards as their preferred choice for boutique hotel

loyalty programs. “They're growing rapidly. The program has been installed at a lot of independent hotels,” said Bruce Ford, SVP of Lodging Econometrics.

With more independent hotels partnering with Stash Hotel Rewards, the company plans to expand its foothold with boutique hotels located in new states, exposing the program to new territories. In December, Stash Hotel Rewards partnered with The Lane Hotel, located in Keene, NH, and The Chancellor Hotel in downtown Fayetteville, AR—a first for the loyalty program in both states. “Our members our telling us about independent hotels in cities where there aren't yet any Stash partner hotels, so we're focusing on expanding the network in those geographies,” said Low. **HB**



Jeff Low  
Stash Hotel Rewards