

# New Cornell Study Finds Stash Hotel Rewards Increases Guest Spend by Nearly 50%

*2-Year Study of More Than 50,000 Guests Results in the Most Thorough Analysis of a Hotel Loyalty Program's Impact Ever Published*

**PALO ALTO, CA – January 23, 2014** – A study published today in the *Cornell Hospitality Report* identifies a substantial increase in spend and stay frequency after a guest enrolled in [Stash Hotel Rewards](#), a loyalty program for upscale and luxury independent hotels. The researchers found that after guests enrolled in Stash, they returned to a hotel nearly 50% more often and increased their annual spend by a similar amount. That shift translated into incremental annual per guest revenue of \$405 - \$780.

The study, [Assessing the Benefits of Rewards Programs: A Recommended Approach and Case Study from the Lodging Industry](#), was authored by hotel loyalty program experts from Cornell University, Ithaca College and Michigan State University.

The researchers compared guest behavior at 24 hotels participating in Stash, with the hotels providing over two years of transactional data for more than 50,000 guests, both members and non-members. The team measured the change in spending after a guest enrolled in Stash, employing a methodology that controlled for self-selection bias – the tendency of a hotel's best guest to enroll in a loyalty program. The researcher's rigorous statistical approach resulted in what is arguably the most thorough behavioral analysis of a loyalty program ever published.

## Proof of a loyalty program's impact

"Most hoteliers are convinced that loyalty programs are critically important, but there's been little evidence of the value these programs deliver," said Clay Voorhees, Professor of Marketing at Michigan State University and one of the paper's authors. "We now have that evidence. We observed significant changes in guest behavior that could be directly attributed to Stash."

Stash Hotel Rewards is the largest point-based loyalty program for [independent hotels](#) in North America. The program helps independent hotels [compete with chains](#) and [attract frequent travelers](#) by providing a meaningful loyalty currency that can be earned and redeemed at participating hotels.

"It's exciting for our team to see hard numbers showing how Stash is helping independent hotels," said Jeff Low, Founder and CEO of Stash. "Travelers are realizing – now that I can earn points, why wouldn't I stay at an independent hotel all the time?"

Two very different hotel groups participated in the study. Group A, is a regional hotel company with upscale hotels in secondary and tertiary markets and an ADR of \$73. Group B is a hotel group with upper-upscale and luxury properties in major metropolitan markets with an ADR of \$261. Despite the differences between the two hotel groups, the researchers found that Stash increased revenue among members with remarkable consistency across the two hotel groups.

The study highlights how enrolling a hotel's best guests in a loyalty program can result in a disproportionately large impact on revenue. Based on the data presented in the study, it's estimated

that if a hotel participating in the study were to enroll just 1,000 of their repeat guests in Stash, incremental revenue would range from \$400,000 - \$780,000 annually.

For more information on the study and to download a free copy of the report, visit:  
<http://www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-17604.html>

### **About The Center for Hospitality Research**

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### **About Stash Hotel Rewards**

Stash Hotel Rewards frees travelers from the uninspired offerings of existing hotel reward programs by making it easy to break free from big, bland hotel chains and stay at amazing hotels. Stash was founded on a belief in the happiness-producing power of traveling to places that convey a unique and interesting story. It's a belief that is shared with the independent hoteliers and the independently-minded travelers the company was created to serve. Launched in May 2010, Stash was founded by a team of travel and e-commerce veterans from Expedia, Amazon, Microsoft, and Zillow. Stash is headquartered in Palo Alto with offices in Seattle and Miami. Travelers can easily sign up for a free account at [www.stashrewards.com](http://www.stashrewards.com).

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