



Creating ‘moments of trust’

The key to building successful brand relationships in the Kinship Economy

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Preface

Richard Solomons

To help us in our purpose of delivering Great Hotels Guest Love today and tomorrow, IHG looks forward over the next decade to understand how consumer and marketplace trends are shaping guests' future expectations of hotel brands.

Last year we published *The New Kinship Economy* that evidenced a marketplace transition from brand experiences to brand relationships. We now put relationships, not properties, at the heart of everything our hotel brands do, necessitating a shift away from 'transactions' to 'interactions' with guests that build lasting relationships.

To help us – and others – on the journey to success in the new Kinship Economy, we commissioned research from The Futures Company that builds on our work last year to understand what it is that travellers around the world are likely to want from their relationships with hotel brands over the coming decade.

We have found that future success lies in brands simultaneously managing three macro trends: globalisation, localisation and personalisation. These are not

trends that come today and are gone tomorrow; they are big trends that have been developing over past decades. What we are seeing now, however, is their collision, accelerated by the rapid rise of technology-enabled personalisation. This collision is shaping the experience our guests want when they travel.

The collision of these macro trends is making the world feel more uncertain, and this uncertainty is impacting on the relationships with brands that travellers are looking for. We have uncovered in our research an intersection between the macro trends of globalisation, localisation and personalisation that reduces this uncertainty. This intersection is trust. If a brand can balance the macro trends by being globally coherent, locally relevant and personally unique, consumers will trust the service experience. And it is through building this trust that relationships will be secured over the next decade.

Consumers trust brands with a heritage and they value the comfort and security established global brands provide. But the collision of globalisation, localisation

and personalisation means that brands need to stay relevant by becoming 3D – managing their global, local and personal assets simultaneously.

Through the six trust-building actions this report highlights, we provide a blueprint for how global brands in the hospitality industry and beyond can leverage the macro trends of globalisation, localisation and personalisation to create new value in the services we deliver.

This sets out a vision for the '3D brands' of the future – brands that are global, local *and* personal.

Richard Solomons
Chief Executive Officer
InterContinental
Hotels Group





Executive Summary

Creating 'moments of trust' – the key to building successful brand relationships in the Kinship Economy

- IHG commissioned research into what travellers are likely to want from their relationships with hotel brands over the coming decade.
- This report analyses the collision of three macro trends – globalisation, localisation and personalisation – and how this is producing an imbalance that is impacting on the way brands have traditionally engaged consumers.
- This imbalance poses a challenge for brands. Over the past decade, brands have focused on how to be both global and local. In recent years, however, the rapid rise of technology-enabled personalisation means that brands must now contend with a third dimension – being personal.
- Over the next decade, the challenge facing global brands across all consumer-facing industries is how to be 3D: globally coherent, locally relevant and personally unique.
- This report examines the benefits that being global, local and personal each brings to brand relationships. It sets out a blueprint for brands to transition from a 2D focus on global and local to a 3D perspective where they are simultaneously global, local

and personal through six trust-building actions identified through the research.

- The research is based on a survey of circa 7,000 business and leisure travellers from seven countries (US, UK, Germany, Russia, China, Brazil and the UAE), along with qualitative depth interviews with travellers and expert interviews.

The imperative of trust

- IHG has uncovered an intersection between the macro trends of globalisation, localisation and personalisation that is the key to building relationships – and this intersection is trust.



- In a world that is becoming increasingly uncertain it is the comfort of trust that travellers are looking for. Trust will become one of the most valuable currencies a brand can have in the emerging new Kinship Economy. Brands that build trust reduce uncertainty while cementing enduring connections.

The benefits of being global, local and personal

- The research highlights the importance of being global, local and personal to the next generation of travellers: the “new global explorers” of travellers from emerging markets and younger Millennial travellers.
- **The benefits of being global:**
 - Global brands are well placed to deliver consistently outstanding brand experience every time: 71% of travellers rate global hotel brands as ‘always consistent’, increasing in emerging markets.
 - Travellers also expect global hotel brands to be the most innovative. This is especially true for the younger generation of business travellers – 75% of the Millennial ‘laptop and latte’ business travellers (a new traveller group born after 1982 and characterised by an attitude that their office is wherever they happen to be) think that global hotel brands do a better job at being innovative compared to 66% of all travellers.
- Being both consistent and innovative can be achieved if both serve the promise of global coherence, as IHG demonstrates by its consistent track record of delivering innovation that has been so important in building a coherent brand identity over time.
- **The benefits of being local:**
 - Travellers now expect global brands to be relevant to their local tastes, customs and cultures.
 - Travellers from emerging markets hold this view most strongly: 68% of

travellers from Brazil, 60% from UAE and 58% from China disagree with the statement “a global brand can never be a good fit with local culture”.

- For these travellers the more locally relevant a global brand is, the more trusted that brand is as a result of seeing their local and regional values reflected in the brand.

• **The benefits of being personal:**

- The rise of personalisation has increased consumer expectations across all industries. This is especially true for travellers in emerging markets.
- The “new global explorers” (a new traveller group of travellers originating from emerging economies) have higher expectations for personalisation than travellers from developed markets: 78% of Russian and 64% of Chinese expect a hotel to tailor the experience they have to their personal needs, compared to 43% of US and 42% of UK travellers.
- In emerging markets, one of the biggest benefits of personalisation is that it makes them feel more respected by the brand. 62% of Chinese travellers agree that personalisation makes them feel respected, compared to 39% of travellers from all countries surveyed.

3D brands of the future

- For 21st Century consumers, the global and local dimensions of brands no longer offer enough on their own. Global brands must be personal too, by adapting products and services that are different from one person to the next. Consumers want the reliability, safety, and authority of global brands. They want the reflection of their local and regional values. And, they want their personal uniqueness respected and addressed.
- For brands, this means managing the promises of being globally coherent, locally relevant and personally unique. The way brands can manage these three promises simultaneously is by creating ‘moments of trust’ through service at every point in the customer journey.
- This research has identified six trust-building actions for global brands that leverage the macro trends of globalisation, localisation and personalisation to create ‘moments of trust’.

The six trust building actions

1. Be consistent

- Hotels must provide a more meaningful guarantee of consistency that is not standardised hotels, but rather individualised experiences that are delivered within a consistent brand framework of global standards.
- 45% of Millennial travellers agree that a hotel with on-site dining options offering the foods that they would eat at home would motivate them to return to the hotel, compared to 55% of travellers aged over 65.

2. Deliver authentic local customisation

- Global brands need to build trust by customising their global offerings to reflect local variations that give guests reassurance they are experiencing something truly authentic to the locale. The challenge for the hospitality industry is that what is considered ‘truly genuine’ varies by generation.
- For older travellers, authenticity is primarily about a demonstrable connection to local place. 72% of travellers aged over 65 agree that a hotel with on-site dining options featuring authentic ingredients and specialties from the local area would motivate them to return to the hotel, compared to 57% of Millennial travellers.

- For younger generations of travellers, hotel brands also need to enable authentic connections between people, as well as place.

3. Create tailored consumption

- Global brands need to support a guest experience that reflects their individual preferences. Personal technologies mean that it is possible for guests to bring more of home with them when they travel than it was before. This is creating a new expectation among travellers: the desire to enjoy the things they love best during their hotel stay.
- This extends to diet - 72% of travellers aged over 65 said a hotel that made it easy to make healthy food and beverage choices would motivate them to return.

4. Support technology-enhanced service

- Global brands need to build trust by using technology to give guests more self-reliance, but also ensure that guests are supported when something goes wrong. This means hotel brands must offer service that is enhanced by technology, not replaced by technology – even when the service itself is delivered ‘invisibly’ through technology rather than staff.
- Millennials are embracing self-service in hotels more than any other generation: 46% of Millennials agree that being able to check in/out using a mobile device would motivate them to return to the hotel, compared to 38% of total travellers of all ages.

5. Personal relevance

- Global brands should build trust by offering advice and guidance tailored to individual needs and preferences. For the next generation of Millennial travellers, this means giving them the tools to discover for themselves.
- Armed with information from review sites and social networks before they even arrive at the destination, Millennial travellers are less motivated than any other generation by hotel staff that help them find places off the tourist track: 59% of Millennials say this would motivate them to return to a hotel, compared to 70% of ‘mid-lifers’ aged 49 to 65.

6. Use service to surprise and delight

- Global brands can build trust by creating surprise and delight moments that make guests feel valued. However, hotels must tread carefully as trust can easily be damaged if the hotel gets it wrong or breaches personal privacy, and this is true even among the younger generation: only 23% of Millennials say that a hotel that researches their social networks and other online information about them to know what they like best would motivate them to return to a hotel.





Introduction

The imperative of trust

Recent events are changing our world making it feel more uncertain today than it did ten years ago. In an increasingly complex and unpredictable world, people look for touchstones of trust. Without trust, nothing else matters. Trust is not bought - it is built. Trust cannot be awarded - it has to be earned.

Yet, we face a storm cloud on the horizon that has the potential to tear trust to

shreds. From a business perspective, the collision of three forces of imbalance – globalisation, localisation and personalisation – can cause chaos if ignored, or success if properly managed.

Globalisation, localisation and personalisation impact business, politics, societies, education, institutions and culture. It is already impacting the travel and hospitality industries. The challenge

is how to balance the benefits at the intersection of global, local and personal to build trusted brand relationships.

Trust reduces uncertainty while cementing an enduring connection. In our volatile global environment, it is clearly one of the most valuable currencies a brand can have. People look for brands they can trust.



As first identified in IHG's 2013 Trends report, *The New Kinship Economy*, there is an on-going evolution from travel experiences to travel relationships. True relationships are built on a foundation of trust.

This 2014 IHG Trends report examines how brands can balance the three trends of globalisation, localisation and personalisation.

In the new era of the Kinship Economy, relationships rule. Relationships are critical components in many industries, especially the hospitality industry. So, the hospitality industry needs to find compelling ways for hotel brands to secure long-lasting relationships with guests.

Trust is a relationship criterion more than a transaction criterion. Every brand

relationship has within it an element of trust. To create, reinforce, strengthen brand relationships we have to create 'moments of trust'.

IHG's new research suggests that building 'moments of trust' requires brands to balance and deliver the benefits of these three forces:

- Consistently delivering outstanding and reliable service every time everywhere – global coherence
- Reflecting local and cultural variations in needs and values – local relevance
- Respecting individual differences between people in the delivery of service – personal uniqueness.

Having an agreed and adhered to global brand framework is essential. Delivering the benefits of these three forces within a consistent brand framework builds trust.

Global brands must find ways of bringing together their globalised, localised and personalised promises to help build trust.

The research underpinning this report is based on a survey of just under 7,000 business and leisure travellers from seven countries (US, UK, Germany, Russia, China, Brazil and the UAE), along with qualitative depth interviews with travellers and expert interviews.

Section 1

Securing the future in an uncertain world

The future is by its nature unknown. But what we are seeing now is that as the world becomes more connected, changes at a global level have the potential to create changes more directly felt at the local and personal level in consumers' lives. This means that winning in the future will require a new set of rules: brands have the ability to provide assurance and ease anxiety, but only if managed well.

Harnessing the pervasive uncertainty caused by the collision of globalisation, localisation and personalisation will help shape the next decade of global brand building. Knowing what to do at the intersection of the global, local and personal dynamic will define how brands need to interact with consumers.

The good news is that the antidote to uncertainty is trust.

Changing world

The world spent much of 2013 holding its breath. The economic global aftershocks following the financial crash of 2008 continue to reverberate, resulting in the IMF cutting its forecast for world economic growth six times in less than two years¹. Slowing economies are accompanied by political uncertainty and tension. Increasing concern with natural resources, educational quality, healthcare, climate change and natural disasters all contribute to people's unease.

These events are not exceptions to the rule: this seems to be the way in which the world works these days. And, as the world becomes increasingly connected through technology and social networks, this uncertainty ripples more quickly and touches the lives of more people.

This means that everywhere around the world, from the developed nations that are struggling to the emerging nations that are booming, risk is on the table.

Yet just as the marketplace learns to cope with the risks of today, new risks will emerge over the next decade. The possibility of a longer growth slowdown in emerging economies is one such risk², as is the growing threat of extreme weather events. Experts suggest climate related disasters could affect 375 million people every year by 2015, up from 263 million in 2010³.

For brands and businesses, continued global uncertainty is therefore something



they can be fairly certain of over the coming decade. It is certainly something consumers are already adapting to.

Changing consumers

Consumers are changing. They are becoming more informed, more sceptical, more connected, more demanding and more fiscally cautious.

The economic downturn six years ago marked the biggest turning point for consumer behaviour in developed markets over the last decade. Post-recession consumers are adopting a more considered approach to their consumption; for example only 43% of Americans have no intention of going back to pre-recession levels of spending or behaviour⁴.

Consumer behaviour in emerging markets is also changing. With the balance of

power shifting to these consumers, they are becoming increasingly demanding. In China, for example, there has been a steep drop in consumer willingness to buy fakes, from 31% in 2008 to 12% by 2010⁵. This marks a growing desire for certainty that the products they buy are genuine.

Other changes will also impact the lives of consumers in both developed and emerging economies. Growing access to the internet is opening new global audiences and increasing the sharing of culture across geographical boundaries; the fact that a video of a Korean pop star was viewed over a billion times on YouTube within six months of its release is testament to this⁶.

The rapid adoption of smartphones has ushered in the biggest marketing revolution since mass marketing on national television. We live in the mobile



marketing era, where mobile is not just another channel but a huge force producing lasting marketing changes.

In this connected world, change has the potential to spread across geographical borders more quickly. Change is a challenge for brands. How do we keep brands relevant yet true to their core in a world that is changing so rapidly? How can a brand be globally coherent, locally relevant and personally differentiating all at the same time? Building trust at all levels – globally, locally and personally is the way forward. This will define how brands will win in the next decade of global marketing.

Changing world of global brands

Now is the time to change our thinking and management of global brands. To be successful, brands must balance and provide benefits at the intersection of global, local and personal.

Up until now, the focus has been how a global brand could localise its products and services.

In the food and beverage service industry, major international players with a presence across many different markets have long recognised that they need to make their menus relevant to local tastes, while maintaining a coherent brand. McDonalds is a well-known example, with its paneer salsa wraps and pizza McPuffs offered in India and the McArabia in Bahrain, while Subway lets its franchise owners put forward ideas for local sandwiches, and Starbucks in China has black sesame green tea Frappuccino for its Chinese customers. Local relevance is a critical factor in brand building.

However, in recent years, the marketplace has witnessed the steady rise of personalisation. New technologies and access to enormous amounts of data

mean that products and services can be tailored to an individual, challenging the mass marketing characterising so much of the 20th Century.

The desire for personalisation is changing the expectations of consumers. For 21st Century consumers, the global and local dimensions of brands no longer offer enough on their own. Global brands must be personal too, by adapting products and services that are different from one person to the next. Consumers want the reliability, safety, and authority of global brands. They want the reflection of their local and regional values. And, they want their personal uniqueness respected and addressed.

For example in retail, personalisation is 'recreating' the experience of shopping at the local corner shop, where the shopkeeper knows their customers individually and remembers personal



preferences. Online shopping lets retailers, such as Amazon, collect rich data about their customers and feed this data into sophisticated algorithms to produce personalised recommendations for product purchases, marketing communications and promotions.

For the service industries, personalisation means that consumers increasingly want service that moulds to them, not a service provider with a mould that stamps out consistent yet indistinguishable experiences. Personal uniqueness matters more. Service providers are beginning to adapt to these new expectations.

Last year British Airways launched its 'Know Me' customer service programme giving cabin crew access to passenger data. The airline said that it is "essentially trying to recreate the feeling of recognition you get in a favourite

restaurant when you're welcomed there, but in our case it will be delivered by thousands of staff to millions of customers"⁷.

Personalisation, however, is not replacing the expectation of global coherence and local relevance. All three are necessary for making products and services more important to consumers. All three ensure that guests receive the consistently high quality of service they have come to expect from a global brand when they travel.

Brands in 3D

Over the next decade, the challenge facing global brands across all consumer-facing industries is how to be globally coherent, locally relevant and personally unique.

This marks a transition from '2D brands' focused on managing the two dimensions of global and local – the thinking that

has dominated the travel and hospitality industry over the past two decades – to '3D brands' of the future that are global, local and personal. Focusing on just one or two of these dimensions will no longer be sufficient; the rise of personalisation means brands must be 3D.

To create the future in an increasingly uncertain world, global brands must turn this challenge into an opportunity – and this opportunity is creating relationships that consumers can rely on through the deployment of the brand's global, local and personal assets.

Brand relationships built on a foundation of trust will be achieved through the consistent delivery of global coherence, local relevance and personal differences.

Section 2

The new Kinship Economy

The challenge of creating touchstones of trust faces global brands across all industries. At IHG, we believe that this requires a new way of thinking about how brands connect with consumers. In last year's report, *The New Kinship Economy*, we outlined the marketplace transition now underway from thinking about products to thinking about people – a transformative change that puts relationships at the heart of everything our brands do.

Relationships that people can trust become more important in creating the feeling of safety and security. For brands in a fast-changing world, building trust is therefore more of an imperative now than ever before – and trust is the key to creating deeper, longer lasting relationships with consumers.

The Kinship Economy

The Kinship Economy offers a new direction for brands that goes beyond the brand experience – namely, creating deeper and longer-lasting relationships with consumers.

Kinship represents the strongest ties we can form. What makes these ties so strong is the trust underpinning those relationships. Kinship is not a one-off commitment: lasting relationships require trust to be built, maintained and sustained over time. Kinship knits together a brand and a customer.

Kinship is the consumer trusting a brand to have their best interests at heart. Kinship is nurtured when the brand earns trust. Kinship is renewed at every experienced point of connection. Kinship strengthens when relationship repair is needed. As trust grows, so does Kinship.

This latest IHG research shows that superior value is built most meaningfully for consumers when a brand operates at the intersection of global, local and personal to provide a service experience that is consistently good and always relevant to the occasion at hand.

Our promise of free internet for members of our loyalty programme across all hotels, whether they are staying the night or just coming in for a coffee or an impromptu meeting, is an example of this kind of service experience. IHG Rewards Club was the first to announce that it is offering free Internet in all its hotels globally, starting with Elite level



members in July 2013, and extending to all members during 2014.

When it comes to the experience of staying in one of our properties, we believe that consistency is not about making everything the same everywhere. Great branded-hotel experiences that our guests love depend on bringing together a brand's global, local and personal assets that satisfy our guests' individual needs in relevant and differentiated ways.

Market segmentation

To understand who are our guests and their individual needs, at IHG we use the deep insight gained through extensive market segmentation research. The role of market segmentation is to understand who are our guests and customers,

what are their needs and what are their occasions of use. And, based on this understanding, we focus on what is the promise that will best satisfy this guest's specific needs in a particular situation.

For each brand, we have a clearly defined brand framework to guide all thought and action on behalf of our brands. Knowing our guests and our prospective guests helps us design products and services that will satisfy their needs. Superior understanding of the guest provides outstanding competitive advantage. It provides strategic focus identifying market priorities. And, with this knowledge and pathway to action, we can design and innovate in relevant and differentiated personal ways.

Section 3

The benefits of being global, local and personal

In our global research, we explored what travellers saw as the primary benefits of global hotel brands. We learned what travellers think global brands do a better than local brands. This helps us understand how global hotel brands can most effectively deploy their global and local assets to deliver brand promises.

We found that there are striking differences when it comes to the benefits travellers expect global brands to deliver

versus local brands. What perhaps is most surprising, however, is that when it comes to providing personal service, travellers are unsure whether global or local brands do a better job at delivering this.

This is an opportunity for global brands.

The benefits of global

Travellers think that global hotel brands do a better job than local hotel brands on several key dimensions (see figure 1 below).

Of the things that global brands are perceived to do a better job at, two are particularly striking.

The first is that travellers rate global hotel brands as more consistent than local hotel brands. Consistency defines quality. A global brand is perceived to be a quality brand because it delivers a coherent experience across geography.

There are differences between countries. For example 80% of Brazilian travellers agree that global hotel brands do a better job in delivering consistency – the highest in our survey. The lowest was the US, where 71% of travellers agreed that global hotel brands do a better job than local hotels – but still the majority.

“Holiday Inn is global. They’re available all over the world; you know Holiday Inn will never fail. It’s important that at the global level you always have the same level of services, the same pleasurable moments.”

Russia, female business traveller

Which hotel type does a better job at delivering (% agree)

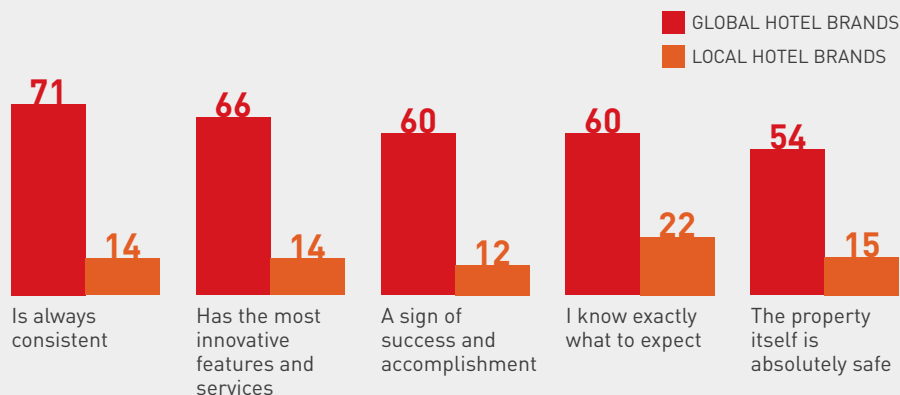


Figure 1 – all countries (n=5,954) excluding ‘don’t know’ responses

Global hotel brands are well placed to deliver the promise of consistently delivering an outstanding brand experience every time.

However, travellers also expect global hotel brands to do a better job at offering the most innovative features and services. This is especially true for the younger generation of business travellers – 75% of the Millennial ‘Laptop and Latte’ business travellers (a new traveller group we identified in last year’s Kinship Economy report, born after 1982 and characterised by an attitude that their office is wherever they happen to be) think that global hotel brands do a better job at being innovative, compared to 66% of all travellers.

This tells us that for the next decade of global brand building, the paradox of being both consistent and innovative will

continue to be a challenge for brands serving the new generation of travellers. The two can be achieved if they both serve global coherence, as IHG demonstrates by its consistent track record of delivering innovation that has been so important in building a coherent brand identity over time.

“We are the generation with the spirit for progress. Innovation is so important these days, it’s critical for global brands to deliver the best quality, but also to inject new fresh blood into it.”

China, female business traveller

IHG's History of Innovative 'Firsts'

- In 1965, Holiday Inn was the first hotel brand to launch a computerised reservation system, HOLIDEX
- In 1966 InterContinental Hotels launched the world's first loyalty programme, which later became the world's largest as IHG Rewards Club
- In 1984 Holiday Inn was the first international brand to open in China with Holiday Inn Lido Beijing
- In 2004 IHG introduces the first branded boutique hotel, Hotel Indigo
- In 2009 IHG launched 'IHG Green Engage', an online system to help manage energy consumption more effectively
- In 2012 IHG launches EVEN Hotels, the first mainstream holistic wellness hotel brand
- In 2012 IHG unveils HUALUXE Hotels and Resorts, the first upscale international hotel brand designed with the Chinese traveller in mind
- In 2013 IHG becomes the first in the industry to commit to free guest internet for all loyalty members worldwide

The benefits of local

In the early days of global brand building, people thought that being 'global' was incompatible with being 'local'. How can a brand be the same and different simultaneously? The world has changed. Travellers expect the benefits of a global brand and the benefits of local relevance. Our recent research shows that travellers now expect global brands to be relevant in terms of local tastes, customs and cultures.

Travellers from emerging markets hold this view most strongly: 68% of travellers from Brazil, 60% from UAE and 58% from China disagree with the statement "a global brand can never be a good fit with local culture" (see figure 2 below). For these travellers the more locally relevant a global brand is, the more trusted that brand is likely to be as a result of its demonstration of respect for their local culture.

Our Hotel Indigo brand integrates the benefits of being global with the local - each Hotel Indigo property reflects the local culture, history and character of the surrounding area, combining the intimate service associated with a boutique hotel with the conveniences and consistencies travellers expect from a global brand.

In order to deliver the promise of local relevance, global brands will be more effective if they encourage greater creative freedom within the global brand framework. 'Freedom Within the Framework' means that it is the responsibility of the regional and local teams to ensure that the global brand stays consistent to its core while recognising and respecting relevant local idiosyncrasies.

This is a principle our Crowne Plaza brand is using to test a series of new market-specific services and features in selected



Figure 2 – all countries (n=5,954) excludes 'don't know' responses

hotels around the world. These features range from in-room technology that ensures guests are always connected, to breakfast options available in easy ‘grab and go’ packaging. All aim to empower ambitious, career-focussed travellers by helping them get their work done 24/7 with as little friction as possible – but the way they are delivered has been localised. For example the menu options for the new Fast and Fresh concept is different in America and Europe, but the core promise of delivering freshly prepared meals within 15 minutes to anywhere in the hotel is the same everywhere.

The benefits of personal

The rise of personalisation over the last few years across all industries has been one of the biggest developments in the modern marketplace. It has increased consumer expectations everywhere, especially in the hospitality sector. As a service business, being personal is a critical element in creating a true Kinship relationship.

Our research shows that this is especially true for travellers in emerging markets. The “new global explorers” (a new traveller group identified in last year’s *The New Kinship Economy* report, of travellers originating from emerging economies) have higher expectations for personalisation than travellers from developed markets: 78% of Russian and 64% of Chinese expect a hotel to tailor the experience they have to their personal needs, compared to 43% of US and 42% of UK travellers (see figure 3 below).

However even though the expectation for personalisation is growing, travellers are not sure whether global or local hotel brands do a better job at providing personalised service.

This means that there is an opportunity for global brands to figure out meaningful, creative ways to address the three forces of global, local and personal. Technology in combination with people is critical to generating personalisation. If used with care, technology can create personal bonds that in turn reinforce the Kinship relationship.

For the majority of travellers, the biggest benefit personalisation delivers is increased comfort during their hotel stay (59% of travellers say their hotel stay will be significantly more comfortable). Travellers told us that this comfort is both physical and emotional – the physical comfort derived from having things just

“Personalisation in other industries is increasing consumer expectations. The result now, regardless of your industry, is that customers don’t understand if you can’t personalise. If you can rearrange and remix your music on iTunes or pick your seat in the middle of the night with an airline before you print your boarding pass, then why don’t you have these options in hotels?”

Micah Solomon
Customer service author and speaker



Figure 3 – all countries (n=5,954)

“I don’t like the feeling you sometimes get of global brands looking down on their customers. Sometimes it feels like you have to fit them because they won’t fit you.”

China, male business traveller

the way they like, and the emotional comfort of feeling looked after.

Increased comfort is followed by the benefit of feeling more valued by the hotel brand (54% of travellers say they will feel more like a valued guest). In emerging markets this takes on a particular twist – personalisation makes them feel more respected by the brand.

For example, 62% of Chinese travellers agree that personalisation makes them feel respected, compared to 39% of travellers from all countries surveyed.

This is significant as it indicates the cultural importance of personalisation to consumers who want a more equal relationship with global brands.

This principle of respect underpins our HUALUXE Hotels & Resorts brand, which takes the best aspects of renowned Chinese hospitality and applies IHG’s international scale, powerful systems and unparalleled insights into the Chinese market to consistently deliver

what consumers expect in China today. HUALUXE Hotels & Resorts was created based on IHG’s unparalleled insights into Chinese customers, accumulated from three decades of operations in China, and offers guests an appealing experience based on four priorities that Chinese guests want from an upscale hotel: Tradition, Rejuvenation, Status Recognition and Enabling Spaces.

There are also variations across countries in the types of personalisation that travellers find motivating – as shown in the infographic on the next page. Looking across the different types of personalisation that travellers from different countries find motivating, what they have in common is the principle of respecting individual differences between people in service delivery.

Summary: The benefits that globalisation, localisation and personalisation each deliver

Globalisation best delivers

- Consistency and reliability of experience
- Innovation and progress

Localisation best delivers

- Relevance and respect for local environments
- Relevance and respect for local cultures around the world

Personalisation best delivers

- Feeling valued and respected as an individual
- Welcome and comfortable during hotel stay



The types of personalisation that motivates travellers around the world

These are not the personalisation items that score the most highly, but the items where there are biggest country differences.

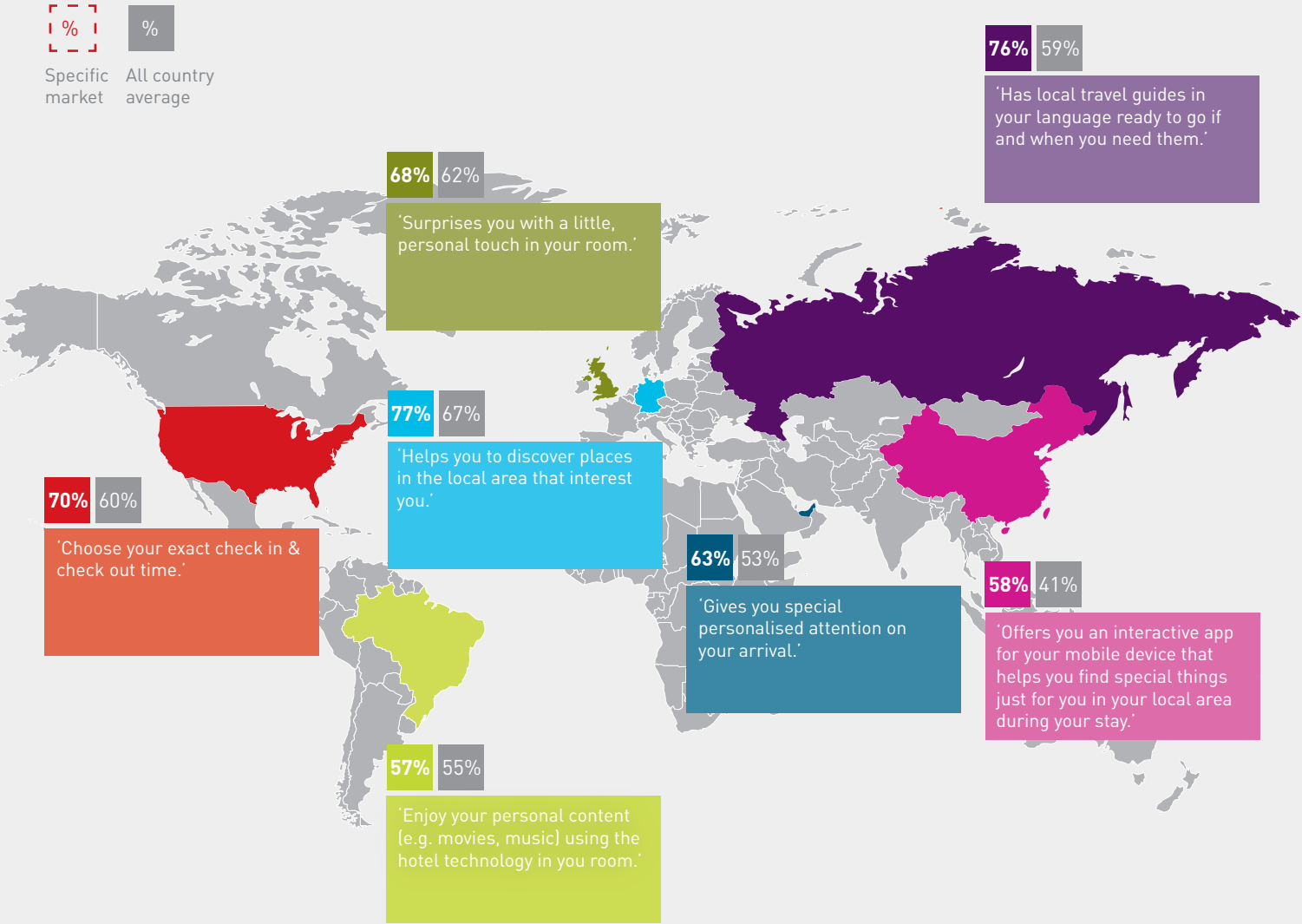
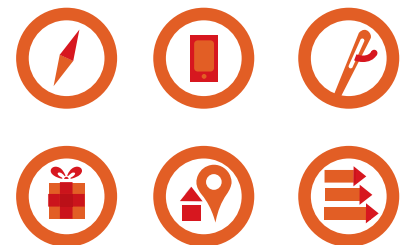


Figure 4 - Country differences in the types of personalisation that motivate travellers

Section 4

6 Actions for building trust

It is through solving for the forces of global, local, personal – and then delivering these solutions consistently through human and technological interactions – that we create ‘moments of trust’. Moments of trust are those indelible experiences that build enduring relationships. In order to successfully build trust, global brands must make and deliver promises at the global, local and personal levels simultaneously.



Securing guests' trust

There are two macro challenges facing consumer-facing industries, not just the hospitality industry, when it comes to building trust. Global brands need to navigate a path through these issues and our research has identified some actions that can help.

The first challenge is that consumer trust in brands across the board is currently low. The 2013 Edelman Trust Barometer reported a 'serious crisis of confidence' in leaders of both businesses and government, with less than one fifth of the general public globally believing that business leaders and government officials will tell the truth when confronted with a difficult issue⁸.

The second big challenge is growing concern over the use and misuse of personal data, coupled with a lack of understanding about how companies use customer data, breeding a general sense of distrust and suspicion. The hospitality industry has so far been relatively immune to the public scandals that have afflicted other industries, and is therefore in a good position to lead the way in rebuilding consumer trust.

Our research has found that global hotel brands have an advantage over local hotel brands in being trusted more by travellers to not misuse their personal information: 33% of all travellers surveyed say they trust global hotel brands more, compared to 22% of travellers who say they trust local brands. However a higher number of travellers (44%) do not know which to

“Openness and transparency are putting the consumer in control. That is terrifying to marketers; because we have spent the last twenty five years treating personal data as a leverage point rather than as a way to enhance trust. Times have changed. Brands must use data to create trust.”

Matthew Bayfield
Ogilvy

trust more. This uncertainty is greater in developed markets.

Given travellers have a high degree of uncertainty as to whom they can trust, marketers need to address this as a matter of priority.

6 trust-building actions

Using our research, we identified six trust-building actions for global brands. Each one provides direction for creating and developing great branded-hotel experiences guests will love.

These trust-building actions create experiences that are important to travellers. And, these experiences are what they reported as most likely to motivate them to return to a hotel. We asked travellers to score over seventy different experience ideas on a scale

“I always book my room directly on the hotel website because I don't really trust those middle links. Sometimes I worry that they will lose my information.”

China, female business traveller

of how motivating they are – ranging from ideas such as helping guests keep track of how much impact they have on the environment, to enabling guests to personalise their gym workouts.

We did not initially expect trust to emerge as the thing travellers want most. However, when looking across these experiential ideas that are most motivating to guests, it became apparent that all were linked to a fundamental human need for trust when travelling. When travelling, so many things can go wrong. Yet, so many things can go right. By following these rules, we can focus on making things not just right with our guests and prospective guests, but special, extraordinary and highly personalised.



1. Be consistent

Stability and constancy are critical factors when it comes to travel. When travelling, there is always a lot to think about. If on vacation, it could be looking after the children, making sure that everyone is having a good time and sorting out itineraries. If on a work trip, it could be worrying about the presentation that needs to be done tomorrow.

With so much going on in our guests' lives, we want to make sure that when they stay in our hotels, they know they are in safe hands. The experience outside the hotel may be exciting or thrilling or unusual. But when they return to the hotel, they want to know everything is as they expect.

The way hotel brands used to guarantee consistency was through the traditional promise of standardisation – that everything will be the same everywhere. Today, travellers demand more specific recognition of their individual needs: complete standardisation is not what they want.

For guests now, 'consistency' means the experience of a hotel environment that feels familiar to them personally. This builds trust by minimising the risk of nasty surprises and giving guests a comforting 'cloak' of familiarity to return to after a busy day of sightseeing or working. Consistency is often emotionally comforting in new and unfamiliar places.

This requires the hospitality industry to rethink standardisation as the bedrock for building trust. Having standards is not the same as standardisation. Hotels must have fire safety, life safety, water safety and food safety standards.

Standardisation means knowing what elements of the brand will be coherent property to property. Mercedes are different around the world. But, there are some design cues that say "Mercedes." No matter where you buy or rent a Mercedes, you will know how to turn on the lights.

Global hotel chains have traditionally sought to provide safe, familiar environments for their guests through actions such as providing food that is the same everywhere. However, this kind of blanket standardisation is less motivating for the next generation of travellers. Just over half (55%) of the travellers we surveyed aged over 65 agreed that a hotel with on-site dining options offering the foods that they would eat at home would motivate them to return to the hotel. However, only 45% of Millennial travellers aged between 18 and 34 agreed.

This presents a pressing paradox for the hospitality industry. On the one hand,



Building 'moments of trust': being consistent

Global hotel brands build trust by promising and delivering consistent brand experiences. However, because guests increasingly expect these experiences to meet their individual needs, hotels should deliver consistency not through standardisation, but through local and personal experiences delivered within a framework of a global brand promise, values and standards.

global hotels must deliver consistent experiences in order to build trust. On the other hand, many travellers – especially the next generation of Millennial travellers – want differences that are locally and personally relevant.

To win in this new world, hotels must provide a more meaningful guarantee of consistency that is not standardised hotels, but rather individualised experiences that are delivered within a consistent brand framework of global standards. Hotel brands must adapt to guests so guests do not feel that they have to ‘fit’ the hotel brand, but the hotel brand should fit to them. To this end, Candlewood Suites extended stay hotels have ‘Candlewood Cupboards’ that operate on a trust basis where guests can pick up food, beverages and toiletry items whenever they want.

The delivery of this trustworthy service also needs to cover what happens when things do not go to plan. Maintaining trust means acting quickly when there is a problem to put this right.

Complaint handling and resolution has always been a key focus for all IHG hotels around the world. However, it has now become one of the key target metrics that every hotel, across all brands, will focus on in order to shape their overall performance and success. It is not what we want to happen, but often, a guest with a problem solved leaves happier than a guest who had no problem at all.



2. Deliver authentic local customisation

The words ‘customisation’ and ‘personalisation’ are often used interchangeably. But they refer to different things. For the hospitality industry, customisation means the explicit adaptation of global products and services to local environments, such as customising menus to include local flavours. Personalisation, on the other hand, is the human element, individualisation of the experience for guests, such as personalising the hotel greeting to recognise a loyal guest.

In order to deliver authentic experiences, global hotel brands must customise their global offerings to reflect local and cultural variations. At the same time, hotels must offer personal experiences. Through customisation, global brands build trust by guaranteeing that a traveller is experiencing something truly genuine and relevant to the local environment.

Local relevance is woven into the fabric of each of our Hotel Indigo properties through thoughtful, unexpected touches that reflect the distinct character of the neighbourhood and the hotel’s stewardship of the community. Hotel Indigo properties work alongside local businesses to protect and cultivate the culture of their neighbourhoods, and team up with local suppliers and artists to

make the neighbourhood stories come to life. For example the Hotel Indigo Lijiang Ancient Town hotel is located within an 800 year old UNESCO world heritage site in Yunnan, China. The hotel combines personalised service, traditional Naxi ethnic hospitality and the neighbourhood and design story resonates around the ancient Tea-horse Trail that linked Yunnan and Tibet.

The challenge for the hospitality industry is that what is considered ‘truly genuine’ varies by generation. For older travellers, authenticity is primarily about a demonstrable connection to local place. For example, 72% of travellers aged over 65 agree that a hotel with on-site dining options featuring authentic ingredients and specialities from the local area would motivate them to return to the hotel, compared to 57% of Millennial travellers.

“I like brands that embrace global communities. I like it because I am a young and dynamic person. I see that the world is changing and it’s not possible to exist in one small space. It’s good they unite people by social networks.”

Russia, female leisure traveller

For Millennials however, authenticity is about the connections between people online and offline, as well as connections to place.

This shift in focus is not surprising given our survey findings that Millennials are more likely than any other generation to feel less connected to a local area. Just under a quarter (24%) of Millennials agree that they feel more connected to an online community than they do to people in their local area, compared to 9% of travellers aged over 65. While the majority of Millennials say they feel connected to their local area, for a significant minority this is not the case. Millennials are interested in relationships; they just see them differently. The Kinship Economy means that relationships are critical. But in today's world, relationships are grown differently depending on the person.

This points to new ways of creating authentic connections for guests to experience.

The first is to rethink 'local' as not just geographical place but also 'virtual place'. There is opportunity for the hotels of the future to help guests establish authentic connections with online communities. IHG's Hotel Indigo family of boutique hotels recently piloted an Interactive Media Display in its lobbies that let guests explore each property's unique Neighbourhood Story around the world, access local recommendations and offers, and share pictures and comments with other guests, friends and family on Facebook via the integrated photo-booth.

The second way to create authentic connections is for the hotels of the future to become social and business hubs within their local neighbourhoods – focused on the connections between people. In recognition that a feeling of connection can be particularly important for guests away from home and family for an extended period of time, Staybridge Suites (IHG's extended stay brand of hotels that offer warm, social and home-like environments for guests) hosts an evening reception 'The Social' three times a week with complimentary food and drink, fostering a sense of community between guests and staff.

The physical design of the hotel can also help facilitate connections between people. In 2013, Holiday Inn launched the test of its 'open lobby' concept in Europe at Holiday Inn London – Brentford Lock, now also being tested in the US. The Holiday Inn open lobby concept has transformed the traditional hotel lobby format by combining the front desk, lobby, restaurant, bar, lounge area and business centre into one open, cohesive space.

The hotel as a hub also means making the hotel a destination in its own right, attractive to local residents as well as a place where travellers from out of town stay. For example, the 'Theo Randall' at the InterContinental restaurant in Park Lane, London or NOBU InterContinental Hong Kong are dining destinations both for locals and hotel guests.

As these examples show, it is the connections between people that are

“For me local communities share space together. If a hotel doesn't have a connection with its local community, then it becomes harder for me to feel part of it.”

US, female leisure traveller

important and these connections can be facilitated through things as diverse as food, technology and design.

Building 'moments of trust': deliver authentic local customisation

Global hotel brands build trust by customising their global offerings to reflect local variations that give guests reassurance they are experiencing something truly authentic to the locale. For younger generations of travellers, hotel brands also need to enable authentic connections between people, as well as place.



3. Create tailored consumption

Travelling can cause disruption to the routines people have and the way they usually live their lives. When at home, people have complete control over what they eat, what products they use in the shower, how they exercise, the movies they watch etc. When staying as a guest in a hotel, some of that control is lost. It is never going to be possible for a hotel to recreate the full experience of being back home – and indeed part of the joy of travel is trying something new and different.

However, personal technologies such as mobile phones, iPods, e-book readers and tablets mean that it is possible for guests to bring more of home with them when they travel than it was before. Now people can carry with them their entire music collection, their photos and all their books when they travel. Home has become much more portable.

This is creating a new need among travellers: the desire to enjoy the things they love best during their hotel stay. This is giving rise to a growing expectation that in-hotel consumption (the products and services that guests ‘consume’ during their stay) will be tailored to their cultural and personal preferences.

For Millennials, this means being able to enjoy their personal content when they are in the hotel. 62% of Millennials

said that being able to access personal content – such as movies or music – would motivate them to return to a hotel, compared to 55% of travellers of all ages.

Other things are more important to older travellers – for example, their diet. 72% of travellers aged over 65 said a hotel that made it easy to make healthy food and beverage choices would motivate them to return, compared to 61% of Millennials. In both cases though the majority say that healthy food and beverage choices will motivate their hotel brand decisions.

Despite these differences in what different generations want, they share a common idea – and that is making the local hotel property feel more relevant to their particular personal and cultural preferences.

Sharing personal preferences with the hotel before arrival helps the hotel create opportunities for tailored consumption. This is particularly important to guests who want to stay healthy in mind, body and spirit when they travel, as well as business travellers who either want to be productive while they are away from the office or who want to be shown a high degree of respect. These groups are more likely to say their stay will be better if the hotel knows their preferences ahead of time.

Our EVEN Hotels brand of wellness hotels, due to debut next year, has at its heart the concept that wellness is not ‘one size fits all’. Guests will be invited to let the hotel know their preferences

“If you have the iPhone, your phone these days is as personal as it gets. It’s your computer, your photos are in there, it’s your Internet, your apps. Apple has ingrained itself into your everyday life.”

US, male business traveller

“When I travel I love trying new things when I’m out during the day. But sometimes when I come back to the hotel, I feel tired and just want to come back to the hotel and relax. It would make me feel like I’m at home if they knew what I like to eat and offered that when they saw I was tired”

China, female leisure traveller

ahead of time to make sure their stay 'fits' their personal needs. Diabetic, gluten-free, dairy-free, vegetarian, low-carb – the hotel will have it covered during their stay. Guests who book at EVEN Hotels will receive a pre-stay email that links to the EVEN Hotels' Preference Centre and asks guests what they hope to accomplish during their stay, their workout routines, special diet requirements etc. so that their stay can be tailored to their health preferences.

Building 'moments of trust': create tailored consumption

Global hotel brands build trust when they enable guests to enjoy a hotel experience that reflects their individual preferences, from personal content to diet. This means that hotel brands need to give guests opportunities to tailor their consumption of hotel goods and services so that it meets their personal, and cultural, preferences.



4. Support technology- enhanced service

When travelling, there is always the risk that something goes wrong – you miss your flight, the airport loses your luggage, you get lost in an unfamiliar city and your mobile phone runs out of battery just as you try to load a map.

Even if a hotel feels like home for a guest, the reality is that many guests are far from home when they stay with us. This means that guests want assurance that support will be on hand if something goes wrong on their trip. But how that support is delivered is radically changing the service industry. Does a person deliver it or does technology deliver it? If technology delivers it, what is the new definition of service?

In situations like these, it is reassuring for some guests to be able to talk to someone

who understands them and wants to help them. However, for other guests, a real person is more of a hindrance than help.

The paradox facing the hospitality industry is that while travellers want the reassurance of help if something goes wrong, they are becoming more self-reliant and willing to 'go it alone'.

We have found that this is particularly true for business travellers who want to be more productive while they travel. These travellers are more likely to say they are motivated by being able to book hotel services from a mobile device, in their quest to bypass the front desk and get to work.

Therefore, the hospitality industry needs to enable travellers to be self-reliant, but to be on hand when something goes wrong. Two technology trends drive this self-reliance. First, the growing desire to stay connected means that travellers expect to be able to access service whenever they need it.



The second technology trend driving self-reliance is the growth of self-service. Web, kiosk and mobile check-in have been the catalysts of a sharp rise in the use of self-service in the hospitality and travel industries. For example, in 2012 over two-thirds (68%) of airline passengers had used some form of self-service check-in, up from 55% in 2011⁹.

Different people have different views when it comes to self-service. Demographics matter. Our research has found that Millennials are embracing self-service in hotels more than any other generation: 46% of Millennials agree that being able to check in/out using a mobile device would motivate them to return to the hotel, compared to 38% of total travellers of all ages.

Attitudes towards technology also matter, and segmentation plays a role here in helping understand how best to deliver technologically enhanced service for different types of guest. We are observing a new traveller tribe we call the 'invisible traveller' – travellers who want to seamlessly pass through hotels with minimal interaction with staff. For these travellers, good service is often invisible service.

This begs the question of how the hospitality industry can strike the right balance between providing service through hotel staff for the travellers wanting to speak with 'real people', and delivering service to those who would rather pass through 'invisibly'.

One solution is a new approach to service that brings together technology and hotel staff – or what Micah Solomon, a customer service expert interviewed for this research, calls 'systems and smiles'¹⁰. This means having the technology systems that enable guests to self-serve, with a human smile never far away. For some travellers, knowing there is a real person nearby is a benefit. For others, there is no need to interact with a human being.

IHG's new Anywhere Check In solution is currently being piloted by select Crowne Plaza hotels in the US, before being introduced elsewhere. The IHG 'Anywhere Check In' is a cutting-edge mobile check-in solution that can help make travel experiences seamless and stress free, combining the latest in hospitality technology with our commitment to serving our guests to create an easier, more simplified online check in experience.

Building 'moments of trust': support technology enhanced service

Global hotel brands build trust by using technology to give guests more self-reliance, but also ensuring that guests are supported when something goes wrong while away from home. This means hotel brands must offer service that is enhanced by technology, not replaced by technology – even when the service itself is delivered 'invisibly' through technology rather than staff.



5. Personal relevance

When travelling, there are often a bewildering number of options available to guests for things to do inside and outside the hotel. In this age where online review sites like TripAdvisor, DaoDao and Qype are replacing traditional travel guides, deciding what to do, see or eat requires a lot of time and effort sifting through the options. Even then there is no guarantee that the restaurant with the most positive reviews is the place that the guest will enjoy the most.

Travel is therefore fraught with the possibility of making the wrong decision. One way personalisation works is to offer a way to help guests make better decisions on how to spend their precious time and money on activities they are guaranteed to enjoy.

At InterContinental Hotels & Resorts, we help our guests discover the local area through our 'In The Know Experiences' initiative. We were the first big brand to introduce iPad apps offering Concierge Insider Guides – short videos of concierges discussing what locals like to see and do in the destination.

Building on the success of these initiatives, we are now anticipating a new generation of concierge service that uses data about guests' interests and preferences to provide them with

a more personalised service. This is concierge service that combines local recommendations with personal preferences.

Hotel brands need to become better at ‘remembering’ guest preferences, and sharing this information across other brand properties. In order for this type of service to be scaled up, global resources of databases and infrastructures are required so that hotel staff can access the information about guests’ personal preferences. This is the global helping the local to be personal.

We are making the IHG Rewards Club, the largest hotel loyalty programme with more than 76 million members, more personalised by giving members a hand helping find the things they want to redeem their points for. For example, one member wanted a Big Green Egg Grill and table. This item is only available at select retailer locations. The IHG Rewards Club Concierge found a retailer near the

member’s home. The member is now planning to redeem for the Big Green Egg, the grilling table and accessories totalling around \$2,000.

Another member had over 2.2 million points. His dream was to have a woodworking shop. With the use of his points, he acquired over \$3,500 worth of woodworking tools including a table saw, planer, jointer, shaper and a lathe.

However, the paradox facing the hospitality industry is that personalisation based on stored guest data risks ‘closing down’ the discovery of new things, because it recommends to people things that they already know they like. This is often referred to as the personalisation ‘filter bubble’¹¹.

“It used to be that I would speak to the concierge to find out what to do. But now I can find out about everything before I arrive. It would be more useful if you could show the concierge what you want to do and he gave you advice on the safest route there.”

Russia, female leisure traveller



Top 5 most expensive items redeemed with IHG Rewards Club points in 2013	
ITEM	POINT VALUE
Sharp 70" Quattron™ LED Smart 3D TV	1,254,000
Canon EF 300mm Telephoto Lens	613,000
\$1000 Regal Entertainment Group Icon Gift Card	465,000
Sony Alpha Digital Camera with 18-135mm Lens	464,000
Jet 6-in Long Bed Jointer workbench	428,000



Therefore, when designing the next generation of concierge services, hotel brands will need to not only build in personalisation but also serendipity – the “pleasant surprises” that enable new discoveries.

Giving guests the tools to discover for themselves can help do this. Our research findings show that Millennial travellers want to be given the tools to discover local areas for themselves. They want more than recommendations, as they are already armed with information from review sites and social networks before they even arrive at the destination. We see this shift in Millennials being less motivated than any other generation by hotel staff that help them find places off the tourist track: 59% of Millennials say this would motivate them to return to a hotel, compared to 70% of ‘mid-lifers’ aged 49 to 65.

Building ‘moments of trust’: personal relevance

Global hotel brands build trust when they help guests make better decisions by offering advice and guidance that is tailored to their individual needs and preferences. For concierge services, this means giving personalised recommendations and supporting guests by giving them the tools to make their own discoveries.



6. Use service to surprise and delight

In the hospitality industry, there is growing focus on using guests’ personal data to create ‘surprise and delight’ moments. Much of this is an extension of what hotels have been doing for many years to provide special experiences for their guests, such as rose petals on the beds of honeymooning travellers.

However, in recent years, some hotels have started mining guests’ personal data on social networking sites to provide surprise and delight moments. These are new sources of personal data available to hotels, and it is therefore unsurprising that hotels are experimenting with how to use this data in their service delivery.

The risk, however, is that in using personal data mined from the internet, hotels get it wrong – and create the wrong kind of surprise.

Service is therefore crucial in making sure hotels get it right: when a hotel gets personalisation right in its service, even the smallest things, like remembering a guest’s name, can be a moment of delight in itself.

It is critical that hotels tread carefully when delivering the surprise and delight moments that make guests love a hotel, and never overstep the line of becoming too personal and ‘creepy’. This however

“I was so surprised when the hotel front desk greeted me by name. It made me think, wow this hotel has millions of guests every year and yet they’ve still remembered who I am.”

UK, female leisure traveller

A surprise and delight moment at one of our hotels: Staybridge Suites

Extended stay travelers are away from their home for weeks or months at a time for a variety of reasons – from work to relocation to medical treatment. The Staybridge Suites Oklahoma City Quail Springs hotel is near a cancer treatment facility. The Director of Sales, David, overheard one of his guests mention that his daughter had not ridden a bicycle since she was diagnosed with cancer. In an effort to lift her spirits, he brought his own daughter’s bike for her to ride. The girl loved the bike and it made her feel like she was at home. Since that guest stay, David has shared his family’s bicycles with many other children.

“I want to know what information they hold about me. I don’t want them thinking they know me and then giving me avocado because they think that’s what I like but actually they’ve got me mixed up with my wife. I hate avocado.”

US, male leisure traveller

creates an opportunity for brands to build trust by linking ‘surprise and delight’ moments to the promise of global coherence – that a hotel brand will be consistent and transparent in the way it uses guests’ personal data. There is a fine line between privacy and peeping.

For example, we have found in our research that the best way to deliver surprise and delight moments is to ‘learn’ what guests like during their stays in our properties. Guests say they find it more motivating if a hotel collects information about their preferences, noticing and recording what they like to eat, drink, buy etc. at the hotel, than when a hotel tries to personalise the experience by looking at their social networking profiles.

This is true even among the Millennial generation. Only 23% of Millennials say that a hotel that researches their social networks and other online information about them to know what they like best

would motivate them to return to a hotel. This declines as guests get older – dropping to 11% among the generation of ‘mid-lifers’ aged 49 to 65. Guests like it when hotels will deliver surprise and delight moments as this makes them feel noticed and valued by the hotel.

Our Hotel Indigo brand is making surprise and delight moments part of the everyday service experience through its principle of ‘Inspired Service’, where staff engage with guests in an authentic and intimate way that is personalised to each guest. Before guests arrive at the hotel, Hotel Indigo staff are encouraged to use what information a guest has previously shared with the hotel in order to make a personal, unexpected action or gesture for when a guest arrives, such as a serving a local drink or refreshment.

**Building ‘moments of trust’:
use service to surprise and
delight**

Global hotel brands build trust when they create surprise and delight moments. These moments make guests feel valued by the hotel brand. However, hotels must tread carefully as trust can easily be damaged if the hotel gets it wrong or breaches personal privacy. Our research shows that the best way to deliver surprise and delight moments is to ‘learn’ what guests like during their stay based on collecting information about their preferences, noticing and recording what they like to eat, drink, buy etc. at the hotel.



Section 5

‘Moments of trust’

Every time the three forces of global, local and personal are brought together through combined use of the trust-building actions, we create a Moment of Trust between the hotel brand and the guest. These ‘moments of trust’ are the indelible experiences when the guest sees and feels that a hotel brand understands and cares about their needs and desires.

The future imperative for the hospitality industry is to create ‘moments of trust’ throughout the customer journey, and to keep on repeating them every time a guest stays at any one of the brand’s properties.

Trust at a global, local and personal level

The diagram below shows the three fundamental promises we believe a global brand should make to consumers.

The promise of global coherence

Being consistent and delivering authentic local customisation enable global brands to deliver global coherence by using the over-arching brand promise, values and standards as a framework within which customisation can take place.

The promise of local relevance

Creating tailored consumption and supporting technology-enhanced service enable global brands to deliver the promise of local relevance by using hotel properties as a hub for interaction – the interaction of the hotel brand with the locality surrounding the hotel and the local culture.

The promise of personal differences

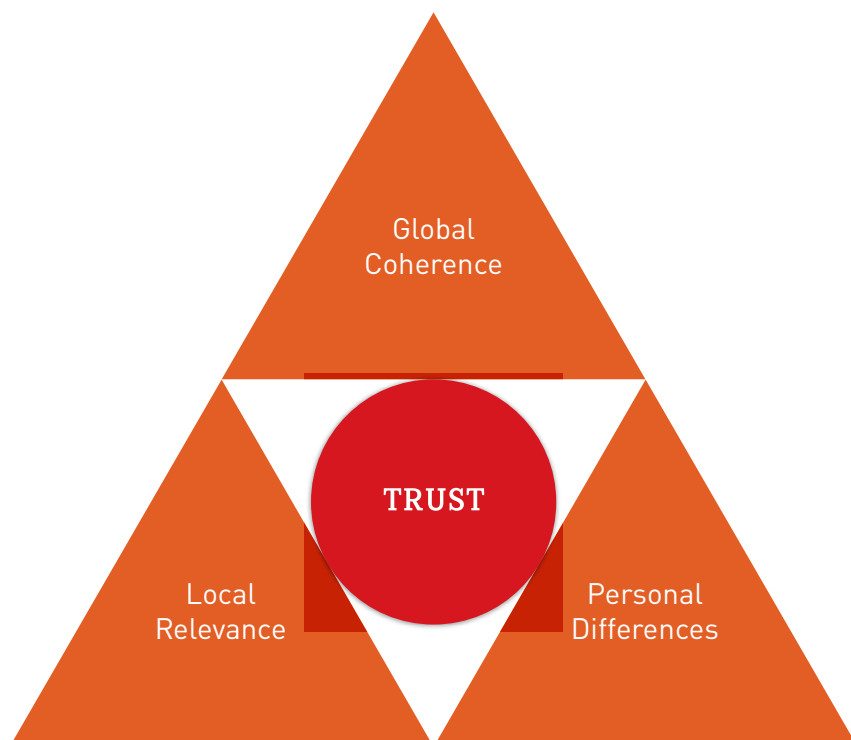
Staying relevant to guests' personal needs to surprise and delight to make guests feel more valued by the brand as it 'remembers' and proactively acts on their personal needs and preferences.

Moments of trust

It is creating 'moments of trust' like these that build lasting relationships in the Kinship Economy.

In the Kinship Economy, 'moments of trust' represent the proof that guests are valued and respected by the hotel service experiences they encounter during their travels.

As the breadth of travel experiences increases, it deepens through the relationships we build with guests along the way. To have these deeper connections between people, trust must be established.



“If a hotel brand feels personal, I will feel like ‘that’s my hotel’. I will feel I belong to this hotel and in some cases I wouldn’t even compare the prices, I would go to the website and book a room.”

Russia, female leisure traveller

Conclusion

Creating kinship through 'moments of trust'

In the emerging Kinship Economy, relationships come first. Commerce follows people not products. Trust is the linchpin of relationships, so that is what travellers are demanding of brands.

But trust is harder than ever. Uncertainty and change have raised the stakes while eroding the presumption brands used to enjoy that trust is the rule not the exception. In the new Kinship Economy, trust must be re-won on every level: global, local and personal.

The collision of the macro trends of globalisation, localisation and personalisation means that brands in the future will need to become 3D in order to satisfy guests. But in order to transition from a 2D focus of 'global and local' to a 3D perspective of 'global, local and personal', brands must re-win trust on every level.

The central imperative for the future of brands is ensuring 'moments of trust', as this is how brands can act at

the intersection of the global, local and personal when building relationships.

We are committed to creating Kinship through 'moments of trust'. We recognise that guests, whatever their reasons for traveling, want relationships as well as experiences, and that trust is the cornerstone of relationships. Brands succeed in the Kinship Economy through engagement that feels more like kinship and less like business as usual. Kinship adds a deepening of relationships to high quality experiences.

What seals a relationship is a vow, or a promise. Trust is the assurance that a promise will be kept. We offer the certainty that our global and local assets will be used to look after guests in a personal way that puts their interests first. Through these 'moments of trust', we will continue to earn the respect and loyalty of travellers.

No one asset is sufficient anymore to completely guarantee the trust that

travellers require. Global best delivers consistency and innovation. Local best delivers respect for local cultures and environments. Personal best delivers individual respect, welcome and comfort. All three must come together if Kinship is to be secured.

The crucial building blocks of trust are six-fold: Consistency. Authentic local customisation. Tailored consumption. Technology-enhanced service. Personal relevance. Surprise and delight. These six imperatives can only be delivered by the confluence of global, local and personal assets. 'Moments of trust' are found in this intersection of assets and imperatives. This intersection is where IHG is found as well.

Looking forward, we will lead the way in the Kinship Economy with an unswerving commitment to 'moments of trust'. In the evolution from experiences to relationships, guests at every IHG hotel will see the promise of 'moments of trust' fulfilled.



Appendix

Research methodology

This report is based on proprietary research conducted by The Futures Company for InterContinental Hotels Group between July and December 2013.

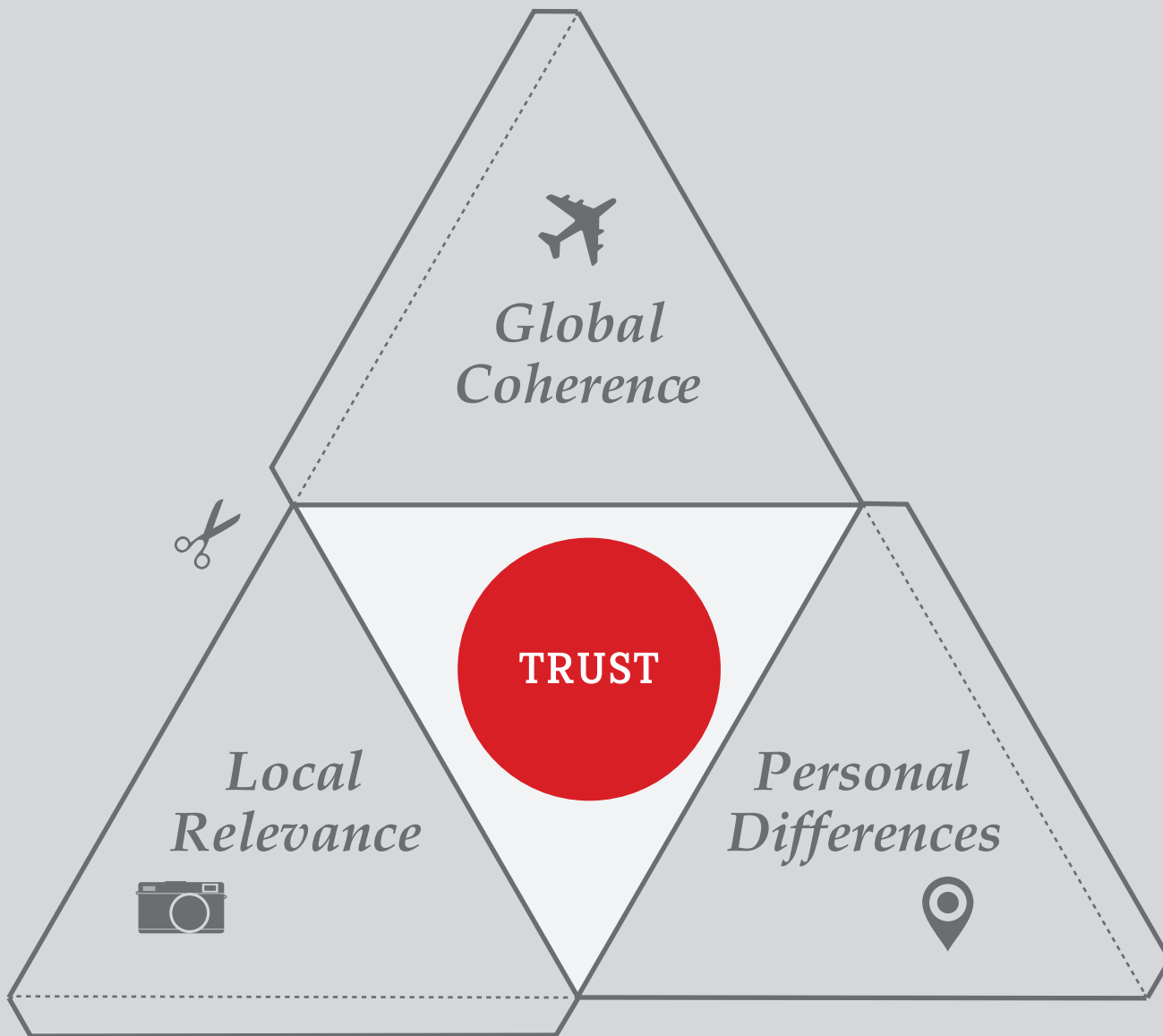
The first phase was twenty four qualitative interviews with business and leisure travellers in four countries: US, UK, Russia and China,

The second phase was a quantitative survey of just under 7,000 business and leisure travellers from seven countries: US, UK, Germany, Russia, Brazil and the UAE, with a sample of approximately 1,000 travellers in each country. In total, 6,931 online interviews were completed with a representative sample of travellers who have stayed 1 or more nights in paid accommodation over the past year.



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