

| CASE STUDY

Global Hotel Alliance's Loyalty Redesign: Building a Scalable, Profitable Program with KYROS



CLIENT OVERVIEW

Global Hotel Alliance (GHA) is the world's largest alliance of independent and luxury hotel brands.

Through its *Discovery* loyalty program, GHA connects over 30 million members across 900+ hotels worldwide, driving over 10.5 million room nights annually in 100 countries. The *Discovery* loyalty program offers guests access to premium accommodations and unique, memorable experiences that reflect the individuality of each brand.

In 2021, GHA introduced *Discovery Dollars*, a flexible loyalty currency that allows members to earn and redeem rewards like cash during their hotel stays.

GOALS & OBJECTIVES

While this new currency added immediate, tangible value to the member experience, it also reshaped how value was created and measured within the loyalty program.

Andrew Boshoff, the Chief Financial Officer at GHA, recognized the complexity and wanted an external actuarial partner who understood how customer behavior, brand dynamics, redemption trends, and financial exposure interact so the program would launch on a strong foundation and remain sustainable over time.

There were four key objectives for the engagement:



Build a Sustainable Loyalty Framework: The new currency had to work globally, remain financially sound, and give the team flexibility to run promotions without compromising long-term stability.



Forecast Liabilities with Confidence: Accurate projections were essential to anticipate redemption patterns and manage the significant financial liability tied to the new rewards model.



Reinforce Shareholder Trust: With multiple shareholder brands involved, GHA needed third-party validation to increase credibility and alignment among its finance leaders.



Focus on Customer Value, Not Just Cost: Long-term success depended on understanding the lifetime value of members and driving growth through thoughtful engagement.

WHY GHA CHOSE KYROS

As GHA evaluated different firms, KYROS stood out because they focused exclusively on loyalty programs.

GHA immediately saw the benefit of working with a team that understands the nuances and complexities of loyalty programs, especially with a program impacting tens of millions of members and carrying major financial responsibility.

KYROS also brought a strong track record in the hospitality space. GHA spoke with other clients before moving forward, and the consistent feedback on KYROS's reliability, expertise, and results confirmed that they were the right choice.

“KYROS wasn't just another actuarial firm—they were loyalty experts who understood our world, our goals, and the level of precision we required.”

— Andrew Boshoff, CFO, GHA

BEYOND LIABILITY MANAGEMENT

GHA initially brought KYROS in to support liability modeling and financial forecasting.

As the engagement progressed, KYROS became a trusted partner in shaping long-term strategy. They helped GHA improve internal capabilities, test new ideas, and stay ahead of changing member behavior.

KEY AREAS OF IMPACT INCLUDE:

- **Team Education & Upskilling:** KYROS led hands-on workshops to help internal teams better understand actuarial models and apply them in real-world decision-making. These sessions made it easier for analysts and stakeholders to ask sharper questions, spot trends earlier, and participate in higher-level planning conversations.
- **Scenario Planning & Behavior Modeling:** Working closely with GHA, KYROS helped simulate how members might respond to changes in earning rates, redemptions, or promotions, which gave GHA a clearer picture of the downstream impact of program adjustments.
- **Program Optimization Aligned with Business Goals:** Every potential change to the program was evaluated through two lenses: financial soundness and member experience. Focusing on both parts ensured that strategic moves aligned with profitability targets and brand promise.
- **Strategic Use of Predictive Analytics:** Through deep segmentation and forecasting, KYROS helped GHA understand how member groups behaved over time. These insights allowed leadership to make proactive and data-driven adjustments.

“Loyalty is ultimately about influencing behavior—getting members to choose us more often, stay longer, and spend more. KYROS helped us see how we could shape that behavior, not just react to it, and that has opened up new ways for us to drive value.”

— Andrew Boshoff,
CFO, GHA

CUSTOMER LIFETIME VALUE

GHA piloted KYROS' Test-and-Learn service that uses advanced machine learning to segment, optimize, and personalize marketing campaigns.

The goal was to identify which offers meaningfully increased stay frequency and engagement, allowing the marketing team to focus on what worked and stop what didn't.

Insights Uncovered During the Pilot:

- Identified early signs of disengagement, allowing the team to step in before members dropped off—reducing churn and the cost of re-engagement
- Uncovered microsegments within the member base that weren't visible using existing tools

- Revealed which offers were most effective for specific member groups, helping the marketing team target with greater precision
- Improved campaign ROI by focusing efforts on the right members at the right time, rather than casting too wide a net
- Enabled large-scale personalization using actual behavior data instead of assumptions or broad trends

FROM BREAKAGE TO LONG-TERM VALUE

Building on the momentum of the pilot, KYROS was invited to GHA's audit committee meeting in Dubai. The audit committee meeting was a high-level session that included CFOs from each of the alliance's shareholder brands.

With several years of data on hand, KYROS helped expand the conversation beyond traditional breakage reporting. The focus turned toward customer lifetime value, profitability by segment, and how the loyalty program could become a sustainable growth engine.

By grounding the discussion in data and long-term value, KYROS helped leadership align around what mattered most.

MAKING CHANGES TO YOUR PROGRAM?

Whether you're planning a full relaunch or considering rolling out a few new features, the smartest time to bring in expert support is in the planning stages. Don't wait until problems arise. GHA brought in KYROS early in the process and helped them make changes to the program that they could scale, adapt, and grow profitably from day one.

If you need help modeling the impact of program changes, uncovering blind spots, or understanding what's truly driving member behavior, book a call or email Len@kyros.com to get started.