
Commercial Strategy
CONFERENCE
hsmai
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The Upgrade Economy: How Smart Hotels Maximize Guest Spend

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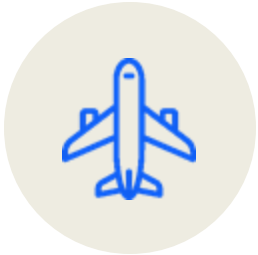
Plusgrade Delivers Premium Upgrades & Loyalty Currency Retailing Across the Travel Industry



Air
Delivering high-margin revenue for over 80 airlines globally

Cruise
Plusgrade's premium upgrade programs double incremental revenues within the first year

Rail
Delivering 1st Class upgrades for the largest rail carriers

Hospitality
Fully-Automated bidding delivers 3x-5x engagement & revenues

Points: Powering Loyalty Commerce for the World's Largest Airline & Hotel Companies

Company Overview

Plusgrade: The Global Ancillary Revenue Powerhouse

Generating high-margin revenue enhancements and high-impact customer experiences since 2009.

Across the world's airline, cruise, passenger rail and hospitality companies, Plusgrade delivers truly meaningful incremental revenues for our partners.

250+ travel partners

70 countries

~$11B in new revenue opportunities in 2025[1]

~50M+ incredible customer experiences in 2024

750+ people worldwide

7 offices around the globe

Headquarters in Montreal with offices in Toronto, New York, London, Dubai, Tel Aviv and Singapore.

250+ Partners Across Air, Hospitality, Cruise, Rail, and Financial Services (70 Countries!)

Unrivaled Global Partner Footprint

And now for a story on
the ‘Upgrade Economy’

Mixing Business with Pleasure

Introducing Angie!

Hard-working, busy professional who's completely stressed out from being **'always on' in her personal & professional life.**

Angie needs to totally decompress…

Decides to extend a business trip into a break. ***"I'll book this flight and this hotel…and figure the rest out later!"***

Primary Wallet	Anticipation Index
$$	**1** **5** **10**

The Numbers

84%

Spend - 84% of travelers plan to spend more on travel in 2025 than in the 'rebound' year of 2022
(Source: Go City)

62%

Rooms with a View - 62% of guests opt for specific room views at time of booking
(Source: Plusgrade Hospitality & Rail Study 2024)

70%

F&B Packages - 70% of guests would buy restaurant/F&B vouchers at time of booking
(Source: Plusgrade Hospitality & Rail Study 2024)

‘Bing’

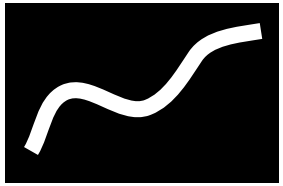
Two weeks from departure, Angie receives a text from her airline.

*“Oh wow…I’ve been offered an upgrade. I can **buy it now or bid on it with cash or points**…”* Angie places a bid using her miles.

“If I win an upgrade using my miles…that will be AMAZING!”

Secondary Wallet	Anticipation Index
Miles	**1** **5** **10**

The Numbers



Anticipation Builds - "The excitement leading up to a holiday can be a significant part of the overall experience, with some individuals finding the anticipation more enjoyable than the trip itself."
(Source: *The Times)*

Final Purchases Surge - **68%** of guests make last minute purchases in the final week before departure.
(Source: The Times)

It's **not about the cost**—It's about what feels **worth it** at the moment! And it's 'New Money' with Angie's *Secondary Wallet!*

Another ‘Bing’

Seven days from departure, Angie receives a WhatsApp from her hotel.

*“Amazing! I can upgrade to a suite, and I can buy it now **or bid on it.**”*

Angie decides to place a bid with cash.

“If I win a first class flight and a suite upgrade, this will be a trip of a lifetime!”

Secondary Wallet	Anticipation Index
Miles + $1,500	**1** **5** **10**

The Numbers

+40%

Mobile App Usage Increases - Travel app engagement increases **40% - 60%** during the final week for itinerary checks, seat selection, hotel confirmations *(Source: Expedia & Google Travel Trends)*

44%

The most **in-demand** guest perks are:

- Early Check-ins (**44%**) /Late Check-outs (**47%**) *(Source: Plusgrade Hospitality & Rail Study, 2024)*

62%

- Premium Rooms (**62%**) *(Source: Plusgrade Hospitality & Rail Study, 2024)*or Club Floor Access (**38%**) *(Source: Hospitality & Rail Study)*

75%

- F&B Packages (**75%**) / Spa Treatments (**55%**) *(Source: Plusgrade Hospitality & Rail Study, 2024)*

Congratulations…You Won!

24 hours before Angie takes off, she receives messages from her airline and hotel that **she WON!!**

"Sooo excited…I must tell my friends!"

Angie decides to **buy Fast Track** at the airport, and have a **bottle of champagne delivered to her room Friday evening.** *"Why not? I deserve it."*

Secondary Wallet	Anticipation Index		
Miles + $1,500 + $150	**1**	**5**	**10**

The Numbers

73%

Air Upgrades - **73%** of travelers say **they'd rather know about a flight upgrade before arriving at the airport** as it reduces stress, allows for the ability to pack more appropriately and plan meals
(Source: 2023 Skyscanner)

12%

Positive Reviews - **Knowing about a hotel upgrade at least 24** hours before arrival enhances the experience and **increases positive reviews by 12%**
(Source: Booking.com Insights Report)

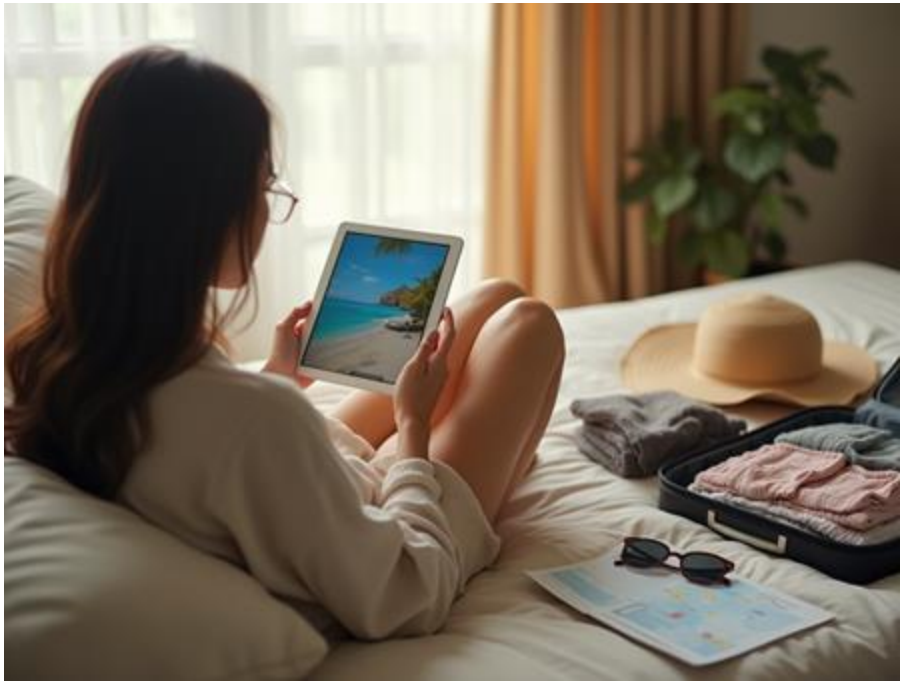
What Else is on Offer?

On the morning of Angie's trip, she decides to see what else is on offer at the hotel.

***"The sunset cruise looks perfect**...just what I need on the final night of my stay."*

Angie purchases the cruise at a great price, which will be added to her room.

Secondary Wallet	Anticipation Index
Miles + $1,500 + $150 + $250	**1 5 10**



Frictionless

Angie's 'Fast Track' experience starts her trip off well!

Her anticipation levels are rising higher and higher….

"I just need to focus on the first few days of business…then I can relax. I've needed this break for a long time!"

Secondary Wallet	Anticipation Index		
Miles + $1,500 + $150 + $250	**1**	**5**	**10**

Welcome!

An On-Time arrival carries through to a smooth airport pickup.

At check-in, the agent congratulates Angie on her upgrade, and sees that she r**equested a late check-out.**

*"You will be pleased to know that **we can accommodate your late check-out on Sunday** evening."*

Secondary Wallet	Satisfaction Index		
Miles + $1,500 + $150 + $250 + $125	**1**	**5**	**10**

The Numbers

63%

Bigger & Better Rooms - At check-in, **63%** of guests say they would likely upgrade to a room that has a bigger and better layout.
(Source: Plusgrade Hospitality & Rail Study 2024)

69%

Views Matter - At check-in, **69%** of guests say they would likely upgrade their stay for a better view.
(Source: Plusgrade Hospitality & Rail Study 2024)

And Relax…it's Friday!

After two successful days of business, it's finally time to relax.

The perfectly chilled champagne Angie pre-ordered shows up in her room at 5:30pm.

Actually…the perfectly chilled champagne arrives at 5:30pm in Angie's upgraded suite!

Secondary Wallet	Satisfaction Index		
Miles + $1,500 + $150 + $250 + $125	**1**	**5**	**10**

The Numbers

53%

During Stay Offers Matter - **53%** of guests say they would likely purchase **on-site activities, events, products & services** during their stay **if offered at the right time.**
(Source: Plusgrade Hospitality & Rail Study 2024)

55%

During Stay Offers Matter - 55% of guests say they would likely purchase **off-site activities, events, tours & local experiences** if offered at the right time.
(Source: *Plusgrade Hospitality & Rail Study 2024)*

Decompression Accomplished

Angie's sunset cruise is the perfect end to a fabulous weekend.

"Now THAT was a business & pleasure trip of a lifetime! I have to do this more often."

Angie thinks of her next business trip, and wonders if she can extend it as well....

Secondary Wallet	Satisfaction Index		
Miles + $1,500 + $150 + $250 + $125	**1**	**5**	**10**

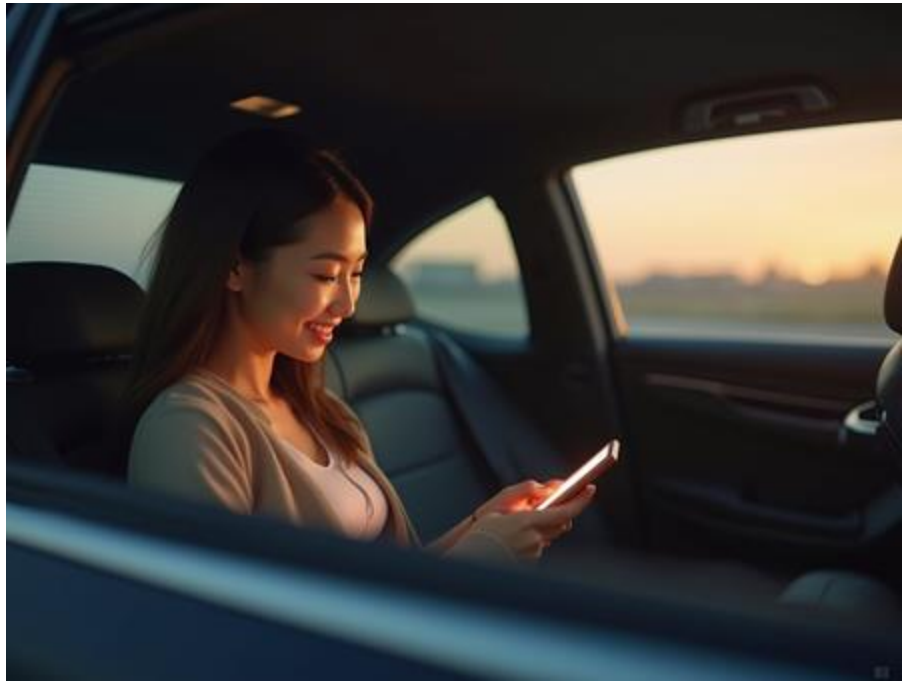
Bing!

And so the cycle begins again!

On the way to the airport for her trip home, Angie receives a message from the hotel.

"It has been our pleasure, and we would love to entice you back with this very special offer for your next stay…"

Primary Wallet	Anticipation Index		
$$$	1	5	10



Smart Hotels…

Smart hotels maximise guest spend by implementing upselling strategies that

1. **Leverage what the Airline & Cruise** industry have done for decades.

2. **Understand the psychology** of the traveler at different points of their journey.

3. **Send the right offers to the right guests at the right time** in a fully automated approach.

It all adds up.

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