

IHG Checks In On... AI Guest Acquisition & Loyalty

August 2026

Featuring (in order of appearance)

- **Kate Carpenter, Director, Investor Relations**
- **Jolie Fleming, Chief Product & Technology Officer**
- **Heather Balsley, Chief Commercial & Marketing Officer**

Kate Carpenter, Director, Investor Relations (KC)

Hello and welcome to IHG 'Checks In On...', a series of videos, webinars and fireside chats for investors, analysts and other stakeholders looking to learn more about how IHG operates, and how we drive value for shareholders.

In this episode, we'll focus on IHG's artificial intelligence framework and take a closer look at several initiatives underway in the area of Guest Acquisition & Loyalty.

This is an area that has been front of mind among investors and analysts in recent months as generative AI platforms have rapidly emerged, creating new ways for guests to search, discover and plan their travel.

AI is also transforming IHG's ability to deliver even more personalized experiences to guests, further strengthening our loyalty flywheel and IHG's value proposition for all stakeholders.

While the technology is evolving quickly, the fundamentals of our business are only getting stronger. We are getting closer to our guests and our 160 million IHG One Rewards members. We also have the brands, the hotels and the in-person experiences travellers are looking for. Together, this is strengthening our long-term growth prospects.

So, to explore how IHG is enhancing its Guest Acquisition & Loyalty capabilities, I'm very fortunate to be joined today by two members of IHG's Executive Committee, Jolie Fleming and Heather Balsley. Jolie, our Chief Product & Technology Officer, and Heather, our Chief Commercial & Marketing Officer, are transforming how IHG delivers top of funnel visibility for our hotels, and how our colleagues deliver exceptional experiences for guests, deepening their loyalty and keeping them coming back.

So, Jolie, to kick things off, could you give us an overview of IHG's AI framework?

Jolie Fleming, Chief Product & Technology Officer (JF)

At a high level, we group our AI initiatives into three areas: Guest Acquisition & Loyalty, Hotel Performance and Corporate Efficiency & Innovation.

Let's start with the first area, Guest Acquisition & Loyalty. That includes everything that we're doing to deliver 'top of funnel' visibility, drive booking conversions and deepen guest loyalty. This includes how we're using AI to advance search capabilities in our own channels, strengthening how our hotels are

positioned in third-party AI platforms, and how we're leveraging AI to deliver more personalized experiences for our guests.

Now, the second area, Hotel Performance. That includes everything we're doing to enhance hotel profitability. As you may recall, last year, we completed the deployment of a new AI-powered Revenue Management System, or RMS, across our estate. That's a great example of the benefits we and our hotel owners are already realizing from AI in the form of revenue uplift, market share gains and overall yield management.

And lastly, the third area, Corporate Efficiency & Innovation. That includes further ways AI is transforming our capabilities to continue scaling our business with an efficient cost base. Here, we are providing our colleagues with the latest AI technology and tooling, establishing new ways of working, automating routine tasks, and delivering insights across the business faster and more effectively.

Really together, these three areas of AI, they're supporting IHG's ability to deliver on its growth algorithm for shareholders and it makes the overall enterprise platform even stronger, as discussed by Elie today, in our half year results presentation.

KC

Thanks, Jolie. So today we'll be focussing on the first area, Guest Acquisition & Loyalty, and the initiatives we're pursuing to drive more bookings to our hotels and deepen guest loyalty. This is an area that, as I mentioned earlier, has been top of mind among investors and analysts. So Heather, could you please set the scene and share how you're seeing guest search and discovery patterns evolve?

Heather Balsley, Chief Commercial & Marketing Officer (HB)

Thanks, Kate. First, let's take a step back and remember that guest search and discovery patterns have been evolving for many years. In fact, if we go back to the mid-'90s, the internet suddenly made it possible for travellers to search for hotels and make bookings online without calling a hotel or going through a travel agent.

Now, fast forward 10 or 15 years, and social media began to take off. This created new ways for people to share photos and discover new destinations. And since then, TikTok and Instagram reels created even more dynamic ways for travellers to discover locations and dream about that next holiday. Importantly, through all of these evolutions, IHG has evolved right alongside our guests wherever they choose to search or discover and ultimately book travel.

Now, AI is opening a new 'front door' to travel planning, with travellers increasingly turning to technology to simplify trip planning. This ranges from generating destination ideas, to building itineraries, to comparing options and identifying the right hotel. And, the adoption, it's been rapid, with recent research suggesting that more than half of all US travellers used AI over the last year for planning, or for in-destination assistance. That's already up from roughly a third of travellers in the first half of 2025. And, the technology is continuing to evolve as companies, including IHG, explore agentic booking capabilities.

Now, at the same time, the fundamentals haven't really changed. Guests still want trusted brands, clear value, and the confidence that they're choosing the right destination and the right hotel. And we continue to see travellers – especially higher spending and frequent travellers – deeply value the enhanced experience and personal touch that IHG One Rewards enables. The way they get there, that's evolving quickly, but IHG is evolving right there with them.

KC

Thanks, Heather. You mentioned a really interesting stat that more than half of US travellers have already used AI for travel planning in the past 12 months. So, Jolie, how is IHG incorporating AI and natural language search into its own platforms?

JF

Well, Kate, our digital channels are our most important channels, offering the best experience for guests and lower guest acquisition costs for owners. So, we are excited to share we've recently launched a new conversational search feature in our award-winning mobile app and our website. And we're currently in beta testing in the US right now, and we plan to expand to all users across the Americas and EMEA in the coming months.

This new feature brings natural language search functionality that consumers love from platforms like ChatGPT and Gemini and Copilot into IHG's own digital channels. Now, guests can explain what they're looking for in their own words, including their destination, the type of trip they're planning, their preferences, and their desired amenities. This search feature will then provide tailored hotel recommendations, rich content like interactive maps and real-time availability, pricing and detailed property information. And then they can refine the results with follow-up questions before moving seamlessly through our booking process to complete their reservation.

This new functionality enables IHG to enrich the user experience, control the booking journey, and improve the speed and relevance of discovery. And like with any emerging technology, we will also, we'll refine it. We'll expand functionality, and we'll continue to fine tune and optimize the experience as we learn more from our guests.

And then in the future, we'll also introduce more personalized search capabilities for IHG One Rewards members. So for example, we're exploring using member preferences and real time points balances to surface more tailored travel recommendations. This will empower our guests to unlock even more value from their IHG One Rewards membership. We're also exploring agentic booking capabilities, which would allow the guest to make their booking directly through the chat and would make the journey from search to booking even more seamless.

We are really excited about these new developments, and it's only going to get better from here.

KC

Thanks, Jolie. IHG also recently launched an app in ChatGPT. Could you share how IHG is establishing its presence in new and emerging AI platforms as well?

JF

Certainly, so we know a seamless experience matters more than ever, and travellers expect brands to deliver a consistent and connected experience wherever and however they choose to engage. And many of those guests are engaging through platforms like ChatGPT.

So, to improve their experience, we recently launched an IHG app within ChatGPT's third-party platform. These apps are now called plug-ins. Users can add the plug-in in their search query, allowing them to access real-time availability, pricing, interactive maps, amenities and more. Once a hotel is selected within the plug-in, users are guided to IHG's direct booking channels to complete their reservation, creating a seamless experience for the guest.

By launching an IHG plug-in on this platform, it also creates a new opportunity to get closer to those guests that may not have otherwise booked through the channel. Now, we can engage with them directly, provide a branded experience, and as I mentioned earlier, seamlessly direct them to our direct booking channels.

In addition to ChatGPT, we are also participating in Google's Agentic AI booking pilot. This will allow guests on Google to describe what they're looking for and complete the search and booking journey without leaving Google's AI experience. All bookings made within Google's AI Mode will be processed as direct bookings with IHG, meaning that IHG takes full accountability for the guest experience and the guest reservation. So, like the ChatGPT app, this complements our existing digital platforms.

That was a lot, so to summarize, we are actively working with the leading tech players to innovate in our own channels, strengthen their connection with guests, and also ensure we're present where guests are searching on new platforms. It's a very exciting time for making travel easier for guests while also optimizing hotel owner returns.

KC

Thanks, Jolie, and I've learned today that it's not an app, it's a plug-in, so I am correcting that in my terminology after this. Now, Heather, we're clearly taking proactive steps to enhance the search experience on our own platforms and third-party sites. However, we often get asked whether AI will create more favourable search outcomes for independent hotels. So, could you talk to the importance of loyalty in determining outcomes as consumer search patterns continue to evolve in an agentic world?

HB

Sure, so our loyalty program, IHG One Rewards, creates a huge advantage for the hotels in our system as consumers are increasingly turning to agentic platforms to search and plan their trips.

By the end of last year, we had grown to over 160 million IHG One Rewards members. And in the first half of 2026, these members accounted for 67% of IHG bookings around the world, and that figure is even higher in the US and the Americas at 73%. Remember as well that our loyalty members, they're our most valuable guests. They're 10 times more likely to book direct and they spend about 20% more at our hotels.

And these loyalty members, they are highly engaged and active. For example, we continue to see really good growth in members who are selecting our Milestone Rewards which they collect when they stay with us more frequently, and among our elite loyalty members, 65% of them are using the IHG One Rewards app to seamlessly do their searching, booking and management of their loyalty membership all in one place.

So, many of those members will leverage the natural language search capabilities that we've launched in our app and website. But let's take a scenario to make it real, where one of those members goes to a third-party platform today. If that member does a very basic search and mentions IHG, InterContinental, Kimpton, Holiday Inn or any one of our 21 brands, the third-party platform is going to recommend hotels in our system that best fits their search criteria.

So, high intent search and loyalty, whether to IHG One Rewards or loyalty to one of our 21 brands, is hugely valuable in an agentic world, and it also widens the competitive moat between branded and independent hoteliers when it comes to acquiring guests at scale.

KC

Thanks, Heather, so we are in a strong position to capture travellers' attention within our app and our website as well as on third-party AI platforms. Key to converting that search into a booking though, is ensuring the right hotel is recommended based on the guest's search parameters. So Jolie, what are we doing to get the best hotel recommendations in front of guests, again, in an AI world?

JF

So as guests search and plan for travel across all platforms, they're looking for more and more concise as well as detailed information. So, for IHG's 7,100 plus hotels, content is king and making certain our hotels show up well with relevant information to guide decision making.

In addition, we're seeing that AI hotel recommendations are increasingly influenced by factors like guest reviews, relevance, quality measures and unique property attributes.

So later this year, IHG is introducing a new hotel content platform. The platform is designed to strengthen the information AI agents use when recommending hotels to travellers. Hotels will be able to provide richer, more detailed content on everything from meeting and event space to amenities, local attractions and property features.

The platform will also bring that content to life by supporting more engaging media, so think things like videos, floor plans, virtual tours. This will help guests make more informed booking decisions while improving hotels' visibility across digital channels.

And of course, we will be embedding AI capabilities with the platform launch, so hotels will be able to quickly create, translate and maintain content at scale using AI assistance whenever they desire. So this improves efficiency and it helps properties reach more travellers around the world.

So, we are very excited about both the revenue generation and the efficiency capabilities that the new content platform is going to unlock for our hotels. We are already in pilot testing in a range of hotels, and we'll expand our deployment across the estate later this year.

Lastly, we're using AI to help hotels strengthen their online reputation. We're deploying tools that empower hotel teams to respond to guest reviews and social media feedback more quickly and more consistently. This is improving the guest experience, enhancing search outcomes, and reducing the time hotels spend managing the interactions.

KC

Thanks, Jolie. So, IHG is very well positioned to capture guests through these new search capabilities and ensure the right hotels are recommended to convert searches into bookings. Heather, another question that we frequently get asked is whether these new search patterns are having any impact on our channel mix and how that mix is likely to evolve in the future?

HB

So, IHG and our hotels, we're in a really strong position. Today, 83% of our rooms revenue globally was booked through IHG-managed channels and sources in the first half of this year. The biggest channel within this is IHG's Digital Direct, and even then, only approximately 20% of total bookings came from OTAs. All those different OTAs of course, are managed and connected by IHG to our hotels, which is an important reminder of the scale and skills that IHG's enterprise brings to our owners.

Now, to answer your question, it's still really early days and we're not yet seeing a meaningful impact on our channel mix. The effects that we are seeing are largely contained to the upper funnel where guests are in the search and discovery phase as we talked about earlier. But going forward, our focus is going to continue to be on strengthening our direct channels by preserving and growing handoffs to our app and website for Digital Direct bookings wherever possible because that's where guests get the best value and the most flexibility. And it's in our Direct Digital channels where we also drive the best hotel owner returns. You can see this in the examples we spoke about previously with the ChatGPT plug-in and Google Agentic Booking where guests are still being redirected to IHG's website to complete those bookings directly with IHG. Ultimately, this allows us to get closer to the guest and that's why we're confident that our deliberate and advanced approach to AI in our business is going to advantage IHG, its guests and our owners.

Now, what's really important to remember about channel mix as well is that IHG itself is not an intermediary. At one end, we 'own' the customer relationship through IHG One Rewards and guests' affinity

for each of our brands. At the other end, that guest is experiencing a physical stay in our hotels that technology is not replacing. And, critically, whatever channel they use to book, everything has to go through IHG's Guest Reservation System – nothing goes around that system.

KC

That makes sense. The question then on everyone's mind is going to be how guest acquisition costs compare for hotel owners when a guest books through an OTA versus a generative AI platform versus booking directly through IHG's channels. So, Heather, can you provide any insight into this?

HB

Yeah, it's a really important question and something that we're monitoring very closely as this space continues to evolve. Historically, OTAs have really played an important role in the travel ecosystem because they help acquire guests who travel infrequently, maybe only once or twice a year, and therefore that guest benefits less from the network effects of brands and loyalty programmes. But, we still want these guests staying at our hotels, and if we deliver a great in-person experience, that guest is more likely to return in the future, become an IHG One Rewards member, and enjoy the benefits of booking direct. That initial booking through the OTA though, has historically come at a higher cost to the hotel owner relative to a booking from a guest who's booking directly through our channels.

Now, the AI platforms, they're stepping into a space that allows guests to easily compare options across brands – a space that has traditionally been dominated by the OTAs. So there could be some channel shift, including the potential for even faster growth in our Direct Digital channels. And over time, we can see a potential scenario where increased competition and commoditization of "travel discovery" could actually drive down third-party guest acquisition costs for our owners. At the same time, these AI-related channels are still really new and so are their economic models. So, it's still too early to say how the system this is going to unfold, but this is why we're partnering and piloting solutions with the leading AI companies to both learn and to influence the future model.

What we know for certain is that we will continue to strengthen and prioritize IHG's direct channels, because these channels deliver the best returns for owners in the form of higher value guests and lower guest acquisition costs. They also deliver the best experience for our customers with the best prices, the most flexible booking options and the ability to earn, burn and experience the benefits that IHG One Rewards has to offer.

KC

Thanks, Heather. Now, driving bookings to our hotels is only one part of the equation. Our hotels also have to deliver exceptional experiences on property to deepen loyalty and keep those guests coming back. Can you both provide some insight into the new Guest CRM tool that we are rolling out? How will this enhance the guest experience before, during and after a guest's stay?

HB

Sure, well most importantly, we find that guests are more likely to return to a hotel when IHG recognizes their preferences, delivers value, and makes every interaction feel personal and effortless.

Now, our hotels are already delivering exceptional experiences to a million-plus guests every night. The technology changes we're making behind the scenes are going to make it easier than ever for our hotel and customer care colleagues to deliver more personalized experiences at scale and a more consistent experience across all IHG locations and touchpoints. Now, I'm going to hand it over to Jolie to talk about these technology changes in more detail.

JF

Thanks, Heather. In order to unlock personalization, we're rolling out a modern, cloud-based Guest CRM platform. This will enable us to have a unified view of our guests throughout their entire IHG experience. For example, we're already collecting details on guest preferences within our app and on our website, including whether a guest wants to be away from an elevator, how firm they would like their pillows, even their pet names.

With the new Guest CRM, our hotel colleagues will be better-equipped to recognize these preferences through a refreshed Arrivals Dashboard. The dashboard will also allow hotel teams to anticipate needs, tailor a guest's stay, and deliver more meaningful recognition to our guests.

We are piloting the new Guest CRM in a range of hotels right now, and initial feedback has been very positive. We expect to deploy it across the estate over the coming months.

KC

Thanks, Heather and Jolie. That's really interesting. I'm sure we've all experienced firsthand how personalization and connection really drives deeper loyalty during our own hotel stays. And, it will be great to see how this evolves as this new technology is deployed.

So, we've now touched on several of the key initiatives underway within the Guest Acquisition & Loyalty area of our AI framework. It's clear from what Jolie and Heather have shared that AI is opening a new 'front door' to trip planning, and we're ensuring IHG is highly visible wherever guests choose to search, plan and book travel. We're strengthening our own channels through conversational search, improving hotel discoverability through richer content, and deepening loyalty through personalization. While the search landscape is rapidly evolving, these initiatives enable IHG to get even closer to the guest and deliver exceptional experiences at our hotels to keep them coming back. And, across all the AI initiatives that we have going on at IHG, they are making our enterprise even stronger and supporting the delivery of our growth algorithm.

Thank you so much for your time today, Heather and Jolie, and I'm sure we'll speak again soon!