

IHG Hotels & Resorts

IHG (InterContinental Hotels Group) puts its brands, such as Holiday Inn Express, Crowne Plaza and InterContinental, on about 7,000 hotels it mostly does not own: 73% of its rooms are franchised and 27% managed, and it owns or leases just 17 hotels. Owners pay IHG a fixed percentage of rooms revenue (franchise) or of total hotel revenue plus a share of profit (management), and pay into a System Fund that runs marketing, reservations and the IHG One Rewards program with over 160 million members. FY2025 (year to Dec 31, 2025) revenue was \$5.19B (+5.4%), of which only \$1.90B was IHG's own fee business, with a fee margin of 64.8%, and FY2025 net income was \$759M (+20.9%). Hotels in its system took in \$35.2B, so IHG earns its fees on other people's buildings.

BUSINESS MODEL CANVAS

IHG Hotels & Resorts

Research date: Oct 12, 2026

Evidence-backed · sources in companion brief

KEY PARTNERS

- **Third-party hotel owners** — 5,886 franchised, 1,060 managed hotels (FACT).
- US co-brand card partners incl. Chase; term to 2036 (FACT).
- Iberostar Beachfront Resorts as exclusive partner (FACT).
- **NOVUM Hospitality** — 17,703 rooms signed in 2025 (FACT).
- Delta and Qatar Airways business travel tie-ups (FACT).
- Revolut UK co-branded debit card signed (FACT).

KEY ACTIVITIES

- **Sign and open hotels** — 443 openings, 694 signings in 2025 (FACT).
- **Convert existing hotels** — 43% of H1 2026 openings (FACT).
- Run booking channels, app and IHG One Rewards (FACT).
- Operate ~1,060 managed hotels (FACT).
- **Manage the System Fund** — \$542M marketing spend in 2025 (FACT).
- **Add brands** — Ruby (2025), Noted Collection (2026) (FACT).

KEY RESOURCES

- 20 brands at FY25 end, from Six Senses to Holiday Inn Express (FACT).
- **IHG One Rewards** — 160M+ members (FACT).
- **Booking platform** — 83% of room revenue via IHG channels (FACT).
- Pipeline 339,526 rooms (2,292 hotels) at FY25 end (FACT).
- ~27,849 average employees; 7,459 costed to IHG (FACT).
- Only 17 owned or leased hotels (FACT).

VALUE PROPOSITIONS

- **Owners** — brand, bookings and loyalty guests for a fee (FACT).
- Members spend ~20% more, ~10x more likely to book direct (FACT).
- Conversion brands (Garner, voco) for quick re-flagging (FACT).
- **Guests** — luxury to extended stay in 100+ countries (FACT).
- Reward Nights redemptions +9% in 2025 (FACT).
- IHG One Rewards named best hotel program 21 years running (FACT, Global Traveler award).

CUSTOMER RELATIONSHIPS

- **IHG One Rewards** — 160M+ members, enrolments +25% in 2025 (FACT).
- Loyalty share of room nights 66%, 73% in the Americas (FACT).
- 9M app downloads in 2025 (FACT).
- Owners pay a loyalty assessment into the System Fund (FACT).
- Lower owner loyalty fee and higher Reward Night reimbursements after a 2024 review (FACT).
- Long franchise and management contracts (FACT).

CHANNELS

- **ihg.com and app** — direct digital >26% of room revenue (FACT).
- **IHG-managed channels** — 83% of room revenue (FACT).
- Guest Reservation System and sales teams (FACT).
- IHG Business Edge for small and mid-size companies (FACT).
- Co-brand cards as a membership funnel (FACT).
- Regional development teams sign owners (FACT).

CUSTOMER SEGMENTS

- **Hotel owners and investors** — the fee payers (FACT).
- **Rooms** — Americas 52%, EMEA 28%, Greater China 20% (FACT).
- Essentials 60%, Premium 15%, Luxury & Lifestyle 14%, Suites 9% of rooms (FACT).
- **Americas** — \$836M of FY25 operating profit (FACT).
- Greater China net rooms +11.7%, H1 2026 (FACT).
- Business travelers via IHG Business Edge (FACT).

COST STRUCTURE

- Fee business overheads \$666M, down 3% (FACT).
- Owned & leased hotel costs \$501M (FACT).
- System Fund marketing \$542M; \$46M System Fund and reimbursable loss (FACT).
- Staff costs \$2,200M, \$792M borne by IHG (FACT).
- Exceptional costs \$21M (FACT).
- Net financial expenses \$153M; net debt \$3,333M (FACT).

REVENUE STREAMS

- Franchise and base management fees \$1,371M (FACT).
- Incentive management fees \$190M (FACT).
- **Central revenue \$336M, +41%** — tech fees, co-brand, loyalty points (FACT).
- Owned & leased hotels \$544M (FACT).
- System Fund \$1,717M and reimbursables \$1,004M pass through (FACT).
- Fees ~5.4% of system total gross revenue (INFERENCE).