

**Study Material for Students**

# **CUSTOMER RELATION MANAGEMENT**

**(BHA 107)**



**National Council For Hotel Management  
and Catering Technology**

(An Autonomous Body Under Ministry of Tourism, Govt. of India)

A-34, Sector-62, Noida -201309

**Title :** Customer Relation Management

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# *Preface*



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**National Council For Hotel Management  
and Catering Technology**

*(An Autonomous Body Under Ministry of Tourism, Govt. of India)*

Welcome to the exciting world of hotel management. This student handbook has been meticulously crafted to provide you with a comprehensive understanding of the principles, practices, and strategies that are essential for success in the dynamic hospitality industry. As the global hospitality landscape continues to evolve, the role of hotel managers become increasingly multifaceted. This handbook written as per the new curriculum based on NEP is a reflection of our commitment to equipping you with the knowledge and skills that will make you not just a successful hotelier but a true hospitality professional.

I would like to extend my gratitude to the dedicated team of educators and industry experts who have contributed their expertise to this textbook. Their collective wisdom ensures that you receive the most relevant and up-to-date information. Remember, in the world of hotel management, the guest is at the heart of everything we do. I invoke you to approach your studies with the same spirit of guest-centricity. It has been a deliberate effort to keep the language used in the student handbook as simple as possible. Necessary pictorial illustrations, formats and review questions have been included to help the learners understand the concept without any difficulty. I wish you a rewarding and enriching learning experience.

Comments and suggestions are welcome for further improvement of the book.

**Gyan Bhushan, IES**

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# 1

CHAPTER

## INTRODUCTION TO CRM

### 1.0. UNIT OVERVIEW & DESCRIPTION

#### Overview

This unit will ensure the student to understand the terms customer & guest in an organization & hotel respectively. It will enable them to identify different types of customers & their handling. The unit will make them understand the concept of Customer Relationship Management (CRM). The students will comprehend customer value & its characteristics

### Learning Objectives

At the end of the unit, the student will be able to

Unit 1	Topic	Outcomes
1.1.	Definition of Customer	Comprehend the terms – Customer & Guest
1.2.	Types of Customer	Differentiate Various Types of Customer
1.3.	Customer Relationship Management	Understand the concept of CRM
1.4.	Customer Value	Comprehend the term Customer Value
1.5.	Characteristics of Customer Value	Identify the Characteristics of Customer Value

### 1.1. DEFINITION OF CUSTOMER & GUEST

*“A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider of our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us the opportunity to do so.”*

**- Mahatma Gandhi**

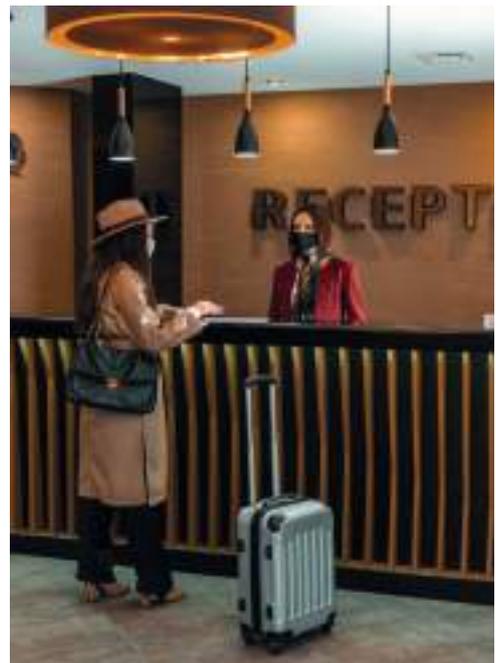


### 1.1.1. Customer

Generally in business language, a customer is the final linkage between the buying & selling activity. A customer has been defined as a person who consumes or uses a service or product.

The management guru Philip Kotler, a renowned marketing consultant & professor of U.S.A, has defined a customer as “A certain person or party who pays a fee for a product or service to fulfill his or her needs”.

In other words, the definition of a customer is not far off from the consumption activity itself. This gets more evident in situations where the consumption activity involves purchasing products or services. We need to emphasize that the term customer can refer to individuals or groups of people. Customer may also be said a person who is close to the act of consumption. This becomes more obvious when purchasing goods or services is involved in the consumption activity. The fact that customer may be referred to individuals, company or groups of people.



### 1.1.2. Guest

A client/customer of the hotel is called as guest. A customer is generally called as guest in order to pay more respect & to be more hospitable in hotel industry. In India, we believe in the mantra,

**“Atithi Devo Bhava” meaning guest is God.**

A person who utilizes a hotel's amenities and services on a brief basis and typically pays for lodging is known as a hotel guest. Someone who avails facility of accommodation, meeting



rooms, meals & other services offered by hotel is considered as guest. Any individual, who stays in a hotel room, whether for business, pleasure, or another reason, is considered as a hotel guest.

In an organization or hotel, none of the customer or guest is alike. The choices, preferences, requirements & other needs make the customers different to the organization. As there is no single type of customer, so there cannot be a single solution. It is very important to identify the customer type & make them happy by providing them the appropriate handling & treatment.

The different characteristics of customers are as follows:-

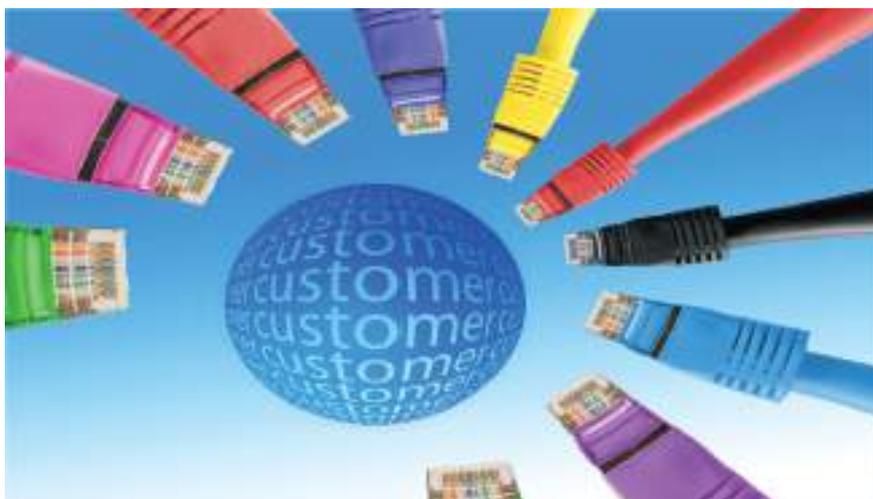
- Customers may be differentiated on the basis of distinctiveness they possess in their personality, requirement or choices.
- Customers may be segmented into various categories on the basis of these characteristics.
- Every customer who comes to you may have their specific goals & needs.
- A customized tailored plan may convert all the customers to be regular & loyal.

So it is very important to first identify & categorize customers & find out the ways to satisfy their needs. The different types of customers & their handling have been discussed in the next section.

### Check Back Questions

1. Define a customer.
2. Why customer is called as guest in hotel industry?
3. Discuss the characteristics of a customer.

## 1.2. TYPES OF CUSTOMERS



The requirements of a returning or regular customer differ from those of a new customer. Because of this reason all the customers can't be treated equally. One may run the danger



of losing even the most devoted customers if one doesn't endeavor to please all types of customers. As many as 33% of customers switch brands after only one negative interaction or experience. It is always better to know that what type of customer one is dealing with; in order to deliver them as per their requirement & expectation the identification is important. The various types of customers which may be categorized on their characteristics are as follows:

## 1. The Lookers

The lookers may be considered at the top of the sales funnel. This initial category of customers has the potential to become the customers/buyers if they have been treated well. The lookers may check the goods and services but are not yet planning to make a purchase. They are looking for a solution to an issue or to buy a product/service, and they are researching their options to determine if you have the best one.

Some of them may have come to the store in search of inspiration. They essentially know what they want and anticipate finding it in the shop but they most likely won't make any instant purchases. They may come back afterwards if a good impression has been created on them. The best way to handle lookers is to convince them with right solution to their problem instead of putting any kind of sales pressure.

### Dealing with Lookers

- **Do not Push for a Sale:** Instead of pushing for sale, try to convince the customer.
- **Resolve Doubts:** In case of confusion & doubts, the customers may be approached & doubts may be resolved for clarity.
- **Be Proactive:** It always good to be ready for instant help to the customer.

## 2. The Discount - Seekers

According to a Forrester Consulting survey, 77% of consumers say that discounts have an impact on their decision-making.

Before they even started shopping, two-thirds of the shoppers questioned to seek for a deal. This particular buyer only shows interest in goods because if it is made more affordable. It's highly improbable that the bargain hunters would pay full price. They are analytical and seek for the greatest offers. They do thorough research and can end up buying something they hadn't intended to, just to get a good deal.

Discount customers may be a bit tricky to handle but still if they have been managed properly, they may give you the business.

### Dealing with Discount Seekers

- **Explain the Advantages of Offer:** Discount seeker may be conveyed to understand the value of the offer & money saving on.
- **Special Days Offer:** This type of customer may be targeted by offering them particular days with heavy discount offers like Friday Sale & targeting them with effective media tools.
- **Highlight Items on Sale:** Customers may be attracted by making them aware about the discounted items.



### 3. Impulse Customers

Impulse customers may settle on a purchasing choice in a moment instantly. Generally they searching for a particular item, so it doesn't make any difference the amount you convince them about the item benefits. These kinds of customers follow up without really thinking for anything particular, it is their feelings which impact their navigation & may be responsive to item proposals. That is the reason this kind of client is the best sort to up sell and strategically to pitch to.

#### Dealing with Impulse Customers

- **Remove Distractions:** The way of impulse customer may be cleared in order to grab their attention to the focused product.
- **Time Bound Offers:** Instantaneous sales & limited time offers encourage the impulse customers.
- **Limit the Options Available:** Restricting choices in appropriate manner may lead to quick buying.

### 4. Need - Based Customers

The need-based clients are driven by clearly a particular need. They go to shops, stores, online portals, malls, etc. in order to get what they searching for and nothing more than that. There is a major reason that they are hard to up sell to. However, they may be proactive decision maker on buying. Envision this sort of shopper as the lookers who visited your shop sometime prior, found out about your items and they return back when they require them.

#### Dealing with Need Based Customers

- **Consistent Communication:** If a customer asks for a product & if it's not available at present then pursue to deliver it to the customer.
- **Guide During Sale:** The information related to the product may be passed on to the customer in order to convince one that the product satisfies their needs.
- **Provision of Customer Service:** Enlighten the customer about the provision of customer assistance in the scenario of need & assistance post sale also.

### 5. New Customers

Another category is the new customer who has purchased something from the store first time. They may evaluate your item or on the other hand they are figuring out how to utilize it.

They may possibly reinforce your customer base, so it is the responsibility to hold them as far as possible. In order to do this task, it's vital to make an incredible post-buy insight.

Customer loyalty is critical to transform this sort of customer into a repeated customer.

#### Dealing with New Customers

- **Build Relationships & Rapport:** The new customers should be given good impression in order to have long term relationship.



- **Care & Appreciate:** The customers always prefer to be acknowledged & cared during the sale & post sale, especially new customers.
- **Provide Contact Details:** New customers may be looking for further communication, so contact should be provided.

## 6. Dissatisfied Customers

In business, it's natural to experience disappointed, displeased, or furious clients sometime. The manner in which you manage them will lastingly affect your business' standing. The customers may pardon you sometimes yet they won't tolerate carelessness or being disregarded. It is most important to handle the customer complaints with priority in order to avoid any dissatisfaction. Disappointed customers may provide a priceless feedback to your business. At the point when they complaint, they uncover the regions you might need to see to right away. For instance, it might turn out you have terrible customer support issues you haven't even known about.

### Dealing with Dissatisfied Customers

- **Appreciate & Acknowledge their Feedback:** The feedback information should be considered in a positive manner & provide due regards to the customer for the vital information.
- **Prompt Action:** The reaction to the complaint should be speedy & effective.
- **Customer Care Staff:** The allocation for customer service personnel is always preferred in order to address the issues & complaints.

## 7. Loyal Customers

Loyal customers are undoubtedly the best niche customers. They may provide the vast majority of your income with recurring orders refer your name to other people & build the image of the company. The followers of these customers may likewise turn into your promoters and fortify your image and trust.

One of the most incredible ways of proceeding with the relationship with steadfast customers is to perceive and compensate them. You may plan loyalty programs for customers and different motivators to show the amount you value them. To hold this kind of customer, adhere to your basic beliefs and keep up with the nature of your items and services.

### Dealing with Loyal Customers

- **Spotlight & Highlight Them:** Loyal customers should be recognized & appreciated as they get recurring business to the organization.
- **Return Gift to Them:** In order to keep the customer loyalty, they may be provided some special offers, privileges or return gifts from organization side.
- **Appreciate Loyalty:** It is always good to acknowledge & appreciate the loyalty of the customers in order to keep them loyal for long term.



As per the study conducted by Apher Consulting, a strategic branding & marketing consultancy, the following facts about the customers has been provided:

- ➔ Selling to a current customer is significantly simpler than trying to acquire a new one (Possibility is 60-70% vs. 10-20% respectively).
- ➔ 89% of consumers conduct online research before making a purchase.
- ➔ 96% of customers who have a negative experience simply stop doing business with the brand and don't even submit a complaint.
- ➔ On average, a customer who has a positive experience will tell 4-6 people; in contrast, a customer who has a negative experience would typically tell 9-15 people.
- ➔ Customers are more likely to make a purchase when they believe their problems can be solved, and loyal customers are worth roughly ten times as much as their initial purchase.

### Check Back Questions

1. What is the need to categorize customers?
2. Enlist the various types of customers.
3. Detail the main features of different customers.

## 1.3. CUSTOMER RELATIONSHIP MANAGEMENT

### Customer Relationship Management





Customer Relationship Management (CRM) is a process in the company which builds and manages successful customer connections & company reputation. It is one of the major brands building strategy in hotel industry. CRM system provides guest information, guest feedback details, members of loyalty program, offers & package deals of hotel, etc. It is a strategy which encompasses all organizational divisions and staff members at all levels. The objective of CRM is to enhance customer service and raising the bar of customer satisfaction.

CRM is the culmination of all hotel business objectives, such as expanding the guest database by attracting new customers, retaining existing ones, and learning about their needs. By optimizing organizational sales, marketing, and service activities, it also aids in developing relationships with guests. Customer Focus, which is centered on people, process, and technology, is the most crucial aspect of CRM. By examining their demands and establishing a long-term relationship while improving, it helps to better understand the guests & increases the business opportunity leading to higher revenues & profitability.

In today's world, every company strives to give its customers the greatest experience possible. However, the main goal of a hospitality company is to give each guest a luxurious and memorable experience. Hotels can maintain their customer information, remain in touch with their guests, get quick feedback, and offer specialized services with the aid of well-designed hotel CRM system. Let's examine the specific reasons a CRM is required in the hotel industry.

- **Hotel Occupancy Tracker:** Although human error is unavoidable, it may be reduced with the use of a CRM system. For instance, if a hotel's rooms are manually managed, a staff member may assign a single room to two different customers. But this problem can be avoided with CRM's room occupancy tracking capability.
- **Centralization of Hotel Database:** A customer relationship management system (CRM) offers a central location where authorized users may view all of the guest's data. The customer's personal information, check-in and check-out dates and times, services used, etc. are all included in the CRM software for the hospitality industry. The marketing and sales staff can re-target these guests and invite them to return using this information.
- **Enhance Customer Engagement:** With the aid of a CRM system, a guest may be contacted and kept informed about special offers, packages, or hotel events throughout their stay. Additionally, guests can be contacted by phone or through a brief form to provide feedback. This improves customer satisfaction and makes them feel special & appreciated.
- **Increased Customer Loyalty:** The CRM system assists in order to get and hold guests and get hold of their trust & loyalty. CRM highlights actual time reports, customized notifications, and details of guests buying history, make it simpler to better selling and strategically pitching techniques.
- **Efficient & Effective Work:** A Hotel CRM not only assists in sales & marketing, guest service details but also team up work more effectively & efficiently. It permits to assign & delegate the regular tasks without any kind of miscommunication and disorder.
- **Automatic Communication:** CRM system empowers to automatic correspondence through e-mail, phone, message or other electronic sources on the occasions of marriage anniversaries, birthday wishes, commemoration, customized offers, or getting feedback after check outs.



### CRM IS \$ 40 BILLION INDUSTRY

➔ CRM is developing swiftly. The worth of this industry has greatly increased during the last 20 years. Gartner reported CRM to be a \$40 billion global industry in 2020. The average growth rate of CRM is more than 27% in the last 5 years. Think tanks estimate that it will be valued more than \$80 billion by the year 2025.

### Check Back Questions

1. Define a customer relationship management (CRM).
2. How CRM enhances customer engagement & loyalty?
3. What is relevance of CRM in hotel industry?

## 1.4. CUSTOMER VALUE



Customer value or CV may be defined as a customer experience which one receives during the purchase of a product or service resulting into satisfaction & contentment or contrast of it. The other method for considering customer value is the possibility of a customer to buy an item and his opinion & experience about it.

Organizations can utilize customer value to figure out which items, products or services they deal can make the highest growth and produce the largest number of contented customers. This could a better decision making tool to make choices about which item an organization keeps creating in view of high customer value and which things they could eliminate from their stock. For instance, an organization sees an item has low customer value; they could take that thing off the racks and supplant it with high customer value items.



Customer value represents what a customer gets in terms of benefit from purchasing a service or product as compared to its costs. As the customer benefits should be measured & estimated in financial terms in reference to cash saving which may be used for more future purchase. It is not easy to measure or count the benefits that a customer gets after the purchase of a service or product. These terms should not be mistaken for the worth that the customer provides to business. This term is particularly refers to the value or worth which has been received by the customer instead of the customers' value.

Customer Value(CV) may be measured & calculated by using the formula:

$$\text{Customer Value} = \text{Total Customer Benefits} - \text{Total Customer Costs}$$

## Enhancing Customer Value

There should be some introspection for the product & company in order to enhance customer value for the existing brand. The various measures which may be taken

### ➤ **Prioritizing Customer Experience**

It's possible that the most significant factor influencing how much the customer value goods and services is their interaction with the brand. It is the thinking & experience of customer with the brand which creates difference. If the company has been providing high quality goods & services then the possibility is high to have better customer experience.

The interactions they have with brand influences the value placed on customers mind. Customer experience must exhibit these qualities if company wants customer to see your brand as dependable, high-quality, and cost-effective. Outstanding customer value is a direct result of outstanding customer experience, and vice versa.

### ➤ **Comprehend Reasoning of Your Selection as a Brand**

It may be determined how customers appreciate product or services by understanding their reasons for choosing the brand. It may be learnt that how customers were drawn to the business and replicate the recipe by gathering qualitative and quantitative customer data, including survey responses, repeat purchase rates, and more. It can also help to determine whether quality and experience are valued more highly than price, or whether price is a key determinant of customer decision. Develop a more positive customer value by letting the customers' needs and wishes lead into the products and services provided.

### ➤ **Thinking Beyond the Cost**

Even if the price of goods and services may play a significant role in someone choosing a brand over the other rivals, it's not the only one. Learning about the pricing from the customer makes it more competitive it tells about more of customer value.

### ➤ **Eliminate Obstructions**

The company does not want customers to spend too much time thinking about things that don't accurately represent the quality of the goods or services while evaluating the company worth. Customers are likely to focus on delayed or challenging payment process rather than fantastic product if it is either of those things. Make sure the customers rate the company based on the caliber of goods or services, not on how challenging it was to accomplish what they had in mind.



### ➤ **Always Remember & Focus on Loyal Customers**

Loyal customers are more inclined to respect & value the brand. Nevertheless, over time, customer wants may vary significantly, so it should be the endeavor to place & preserve the high customer value. It is always better to provide the devoted customers more of what they enjoy and stay informed about the reasons they choose you. In order to assure their continued loyalty, it can be determined why they value you in the long run.

Utilizing their insights to attract new clients allows your brand's perceived value to grow from reliable sources that clients are more likely to believe in.

#### **Check Back Questions**

1. Define customer value.
2. Discuss the utility of customer value in an organization.

## **1.5. CHARACTERISTICS OF CUSTOMER VALUE**

### **1. Instrumentally Valued**

When a customer is able to find out that the product or service he got has exponential value against the expense, it plays an instrumental role in the consideration of the value. The most important aspect is customer satisfaction in estimating the value of the product. If a customer will find the instrumental worth of an item, one may utilize the service or product in order to analyze & establish the value of it.

### **2. Change as Per Market**

The values of the market items are dynamic as they change over the time. There may be change in customer's financial status & resources which may lead to change in their buying capacity too; it may impact the structure & life cycle of the items too. A product or service is supposed to change as per the dynamics of market in terms of financial, technological, social & other factors in order to meet out the customer value.

### **3. Primary Values**

There is always some basic or primary values looked upon into the product, in the scenario if that basic worth is missing then customers will not go & look for other values. This is the reason why value has been considered to be hierarchical.

### **4. Diversity of Customers**

Generally a market segment which is homogeneous, the customer value expectations will match to the standard global levels. But even after the standards there may be differentiation & diversity in customer value in the market. In a divided and heterogeneous market, the diversity probability is high which exists with different reasons & characteristics.



## 5. Synergize Values

There may be different values associated with a product which links to each other. But the presence of one value isn't always unfavorable to another value. The values generally are linked in such a way that they synergize the worth of the product resulting to increase the value of the product.

## 6. Variety as Per Customer Needs

A service or product is comparatively more flexible in the scenario if it can create a bigger incentive & value to different customers and fulfill their various necessities. The values are generally well defined for the particular need of the customer. It is one of the principal attributes of customer value. Customers might change their needs relying upon the sort of job they do in the trade & business cycle.



As per the report provided by Zendesk's in 2022 Customer Value & Experience Trends Report, the following points were mentioned in it:

- Companies that give customers their preferred method of contacting customer support/care will see an increase in sales of 93 percent.
- 90% of customers will increase their spending with businesses that offer them personalized customer service.
- According to 64% of business executives, good customer service contributes to the expansion of their organization & 60% claim that it increases customer retention.
- 47% of business executives claim that providing excellent customer service has improved their capacity to cross-sell.

### Check Back Questions

1. What are the characteristics of customer value?
2. How change in market may affect the customer value?

## 1.6. LET US SUM UP

Customer is the basis of business; one buys the product or service so one is the source of trade & commerce. In hotel industry customer has been considered & called as guest, as hospitality professionals treat their customers with more respect & personalized service. In order to build relationship with guests, hotel groups work out on Customer Relation Management (CRM) system. CRM is an effective & efficient tool in order to build rapport & brand of a hotel in front of the guest. Customer value is also an important concept which provides the idea to the organization about the worth of its product or services in the perception of the customer. The organization may identify the characteristics of customer value & work out accordingly in order to provide appropriate level, quality, and standard of product or services.



## REVIEW QUESTIONS

### SHORT QUESTIONS

1. Differentiate between customer & guest.
2. Discuss the dealing with different types of customer.
3. What is the relevance of customer value in hotel industry?
4. Write the formula to calculate Customer Value.
5. Why companies want to increase their customer value?

### LONG QUESTIONS

1. How Mahatma Gandhi's saying about customer is still relevant in today's business world?
2. Explain the major reasons of CRM requirement in a hotel.
3. Evaluate the importance of customer value in business operations.
4. Explain in detail about the different ways of increasing customer value?
5. Defend "Various characteristics of customer value impact the business of the company".

### FILL IN THE BLANKS

1. .... customer is sensitive to offers, packages & discounts.
2. The recurring customer who is regularly availing the services of the company may come in the category of ..... customer.
3. A customer who stays in a hotel & avails the facilities like restaurant, spa & shopping is called as .....
4. CRM stands for .....
5. Customer experience which is based on the worth of the product or service is called as .....

### MULTIPLE CHOICE QUESTIONS

1. **Who could be the most preferred customer for an organization?**
  - a. Dissatisfied Customer
  - b. Loyal Customer
  - c. Onlooker Customer
  - d. Need – Based Customer
2. **How to deal with a dissatisfied customer?**
  - a. Appreciate & Acknowledge their Feedback
  - b. Prompt Action
  - c. Customer Care Staff
  - d. All of the above



3. **Customer experience received during the purchase of a product or service resulting into satisfaction or dissatisfaction is called as**
  - a. Customer Value
  - b. Customer Retention
  - c. Customer Metric
  - d. Customer Sensitization
4. **CRM in a hotel ensures**
  - a. Customer Engagement
  - b. Database Centralization
  - c. Enhanced Customer Loyalty
  - d. All of the above
5. **Elimination of Distractions & Limited Time Offers are the dealing strategy with**
  - a. Onlooker Customer
  - b. Impulse Customer
  - c. Loyal Customer
  - d. Need Based Customer

### TRUE/FALSE QUESTIONS

1. Guest is the term generally used by hotel industry for customers.
2. Impulse customers will be patient in listening & take time to purchase.
3. Loyal customers can be taken for granted.
4. Customer experience will depict his possibility of retention.
5. Customer Relationship Management is a financial strategic tool used by organization.

### ACTIVITY/ASSIGNMENT

1. Identify & discuss the techniques adopted by different hotels in order to deal with different types of customers.
2. Evaluate the various CRM strategies adopted by different global hotel chains.
3. Defend the concept of CRM not only builds brand but also contributes in increasing revenue for a hotel.

### CASELET - HOTEL XYZ & CRM

The organizations (hotels) should concentrate on establishing Customer Relationship Management (CRM) methods that search, gather, and store the appropriate information, validate it, and disseminate it throughout the organization. The hotel sector is a booming, lucrative, and fiercely competitive market. The hotels should concentrate on preserving positive guest relationships and meeting customer expectations if they want to compete in such a market. By concentrating on client retention and loyalty, businesses are increasingly utilizing customer relationship management (CRM) to assist increase sales and revenues.

There had been a study carried out to ascertain how Customer Relationship Management (CRM) affected patron loyalty in the hotel sector. The XYZ Hotel in New Delhi is where the study was carried out. The objectives of the study were to determine if (CRM) has an impact on customer retention, to determine if the practice of effective CRM in organizations leads to a long or short term financial impact, to find out the extent or degree to which effective CRM leads to customer satisfaction and to assess if the services provided by the hotel meets the needs and wants of customers.



The results of the study showed that CRM has moderate impact on the customers' confidence, contentment & retention level in the hotel. It provided information about the XYZ hotel employees also which depicted that they have good skills & trust worthy. The expectations of the customers have met out as the hotel employees delivered as per the expectations of the guest. XYZ hotel has been flexible & updates itself to meet customer needs. The employees of the hotel have been asset to it, as they are apt in skills & service to the guest. Hotel XYZ builds up close relationship with its guest by matching the service quality. The relationship between CRM & guest relation was established by the study & its findings.

Through the feedback & CRM system it was found that 90% of the guests were satisfied with the services & 80% of them were willing to refer the services of the hotel.

With the study & instance provided, it is established that Customer relationship management (CRM) is an enterprise strategy for comprehending and influencing customer behavior through meaningful communications in order to increase customer acquisition, retention, loyalty, and profitability. It was found that most of the employees had a positive attitude towards CRM practices and the most common activities undertaken were studying the existing database of the customers and personal counseling.

The benefits of CRM are increased customer satisfaction and increased customer retention. This is plainly demonstrated by the consumers' propensity to repurchase goods, which shows that there is a level of satisfaction that motivates them to do so for the hotel's services.

### Check Back Questions

1. Discuss the role & relevance of CRM in today's' hotel industry.
2. How CRM system assisted in the study to find the factors linked to customer retention?
3. Evaluate the importance of CRM in guest retention on the basis of XYZ Hotel study.

# 2

CHAPTER

## SERVICE EXCELLENCE & EXPERIENCE

### 2.0. UNIT OVERVIEW & DESCRIPTION

#### Overview

This unit will assist the student to comprehend the terms related to standards & benchmarking in the customer service industry. It depicts the principles of customer service & their applicability in the hotel industry. The unit also covers the relevance & importance of personalized service.

### Learning Objectives

At the end of the unit, the student will be able to

Unit 2:	Service Excellence & Experience	Outcomes
2.1.	Introduction	General Overview
2.2.	Creating Standards in Services	Explain the importance of Standards Illustrate the elements of service Comprehend the service excellence in hotel industry
2.3.	Benchmarking	Identify the benchmarking adopted by hotels
2.4.	Principles of Customer Service	Defend principles of customer service
2.5.	Personalized Services	Discuss the concept of personalized service

### 2.1. INTRODUCTION

Service excellence and customer experience have always been two critical aspects of success for any business. Delivering exceptional value, satisfaction, and delight to customers,



is what is required for any organization, which calls for service excellence, on different stages of customer journey.

Service Excellence means the consistent and exceptional delivery of products or services that meet or exceed customer expectations. It involves providing high-quality, reliable, and efficient services in a manner that consistently delights customers.

## 2.2. CREATING STANDARDS IN SERVICES

It is a systematic process which aims to establish guidelines, best practices, and measurable criteria to ensure consistent and high-quality service delivery. Standards are essential for defining and maintaining service excellence, enhancing customer satisfaction, and providing a basis for continuous improvement.

### 2.2.1. Elements of Service include

- **Understanding Customer Needs:** Identifying and understanding customer needs, and preferences to custom-make services accordingly.
- **Consistency:** Ensuring that service quality is consistent across all platforms.
- **Timeliness:** Delivering services promptly and efficiently, respecting customers' time.
- **Personalization:** Offer personalized services catering to individual customer preferences and requirements.
- **Empathy:** Understanding of customer concerns and issues.
- **Responsiveness:** Being proactive and responsive to customer inquiries, feedback, and complaints.
- **Continuous Improvement:** Seek regular feedback for continuously improving services based on customer insights.
- **Customer Experience:** includes the complete journey a customer has with a brand, from initial awareness to post-purchase interactions, It is the sum of all interactions and touch points a customer has with a company, influencing their perceptions and feelings about the brand.

### 2.2.2. Creating Standards in Service involve

- **Research & Analysis**
  - To understand industry expectations, existing best practices in the field.
  - Analysis of feedback, complaints to identify areas for improvement
  - Set benchmarks against competitors and industry leaders
- **Define the service objectives**
  - Set clear objectives and goals of service standards to define the expected outcomes and customer experiences.
- **Stakeholder engagement**
  - Involving customers, employees, managers, subject matter experts in creating and setting standards
  - Seek inputs and feedback to establish realistic standards



- **Establish Key Performance Indicators (KPI)**
  - To measure success of service performance against established standards
  - Examples: customer satisfaction scores, response times, first-call resolution rates, etc.
- **Drafting the standards**
  - A comprehensive set of guidelines, procedures, and protocols outlining specific expectations for service delivery are to be drafted
  - Standards should be written in such a way that they are clear, specific, and actionable, for all employees to understand expectations
- **Review and Validation**
  - With stakeholders to validate their accuracy, relevance, and practicality.
  - Use feedback to ensure standards are comprehensive and realistic
- **Training & Communication**
  - Employees to be trained about new service standards, to ensure comprehension and implementation feasibility.
- **Implementation & monitoring**
  - To be implemented in day-to-day operations
  - Continuous monitoring and tracking of performance against established KPIs.
- **Feedback and improvement**
  - Feedback from employees and customers on effectiveness of standards
  - Review and improve standards based on feedback
- **Review**
  - Review and update standards to ensure relevance with changing customer needs and trends in the industry

Robust service standards are created by following the stated procedure that promotes consistency, customer satisfaction, and continuous improvement in service delivery. The standards serve as a guide for employees and a benchmark for evaluating and enhancing the quality of services offered.

### 2.2.3. Elements of Customer Experience

- **Touch points:** Identify and optimize all touch points of customers' interaction with the brand. Examples being websites, social media, customer support, and in-person interactions.
- **Journey Mapping:** Mapping customer journey to understand end-to-end experience and identify pain points, for identifying areas of improvement.
- **Emotionally Engaging:** Creating emotionally engaging experiences for a lasting impression on customers.
- **Experience Parity:** A seamless and consistent experience across all channels and platforms.
- **Brand Perception:** Enhancing the overall perception and reputation through positive customer experiences.



- **Customer Loyalty:** Gaining customer loyalty and endorsement through positive and memorable experiences.
- **After sales Support:** Providing excellent after sales support for customer satisfaction and retention.

Both service excellence and customer experience are vital for building strong customer relationships, fostering loyalty, and driving business growth. When combined, they create a customer-centric approach that emphasizes not only meeting customer needs but also creating memorable and delightful interactions that leave a lasting positive impression. Organizations that prioritize service excellence and customer experience are better positioned to thrive in a competitive market and build a loyal customer base.

#### 2.2.4. Service Excellence in Hotels

Service excellence in hotels refers to consistent delivery of exceptional customer service exceeding guest expectations and creating memorable and positive experiences. In the competitive industry today, service excellence can become a Unique Selling proposition, or a key differentiator. This eventually leads to guest loyalty, positive reviews, and increased word-of-mouth referrals.

##### Elements of service excellence

- **A Guest-Centric Approach** to meet the needs and preferences of guests throughout their stay.
- Providing a **warm welcome** by greeting guests with a genuine and warm welcome on arrival.
- **Personalization** for creating exclusive guest experiences based on their preferences and past history of interaction to provide a unique stay.
- **Anticipate guest needs** and proactively address them before guests even feel the need to ask.
- **Prompt and Efficient Service** when handling guest inquiries, requests, and complaints that would show concern, attentiveness and care.
- **Attention to Detail**, as 'God is in the details' - such as cleanliness, amenities, room setup, to create a unified and enjoyable experience.
- **Empathetic and Professional Staff** with necessary training in all guest interactions, ensuring a positive emotional connection.
- **Conflict Resolution** skills nurtured in all employees to handle any issues or complaints with empathy and efficiency.
- **Consistency** in provision of service across all guest contact points, right from check-in to check-out.
- **Quality Dining Experience** with diverse dining options, with excellent service in restaurants and room service
- **Concierge Services** who prove helpful in assisting guests with transportation, recommendations, and reservations.
- **Guest Feedback** to be actively sought and valued, to use in continuous improvement of services and concerns.



- **Training and Development:** Invest in ongoing training and development for staff to enhance their skills and service mindset.
- **Celebrate Special Occasions** that recognize and celebrate guests' special occasions, such as birthdays or anniversaries.
- **Sustainability and Environmentally** conscious practice that show commitment to environmental responsibility, resonating with eco-conscious travelers.
- **Technology Integration** for streamlining processes, enhancing guest experiences, and providing convenient services.
- **Appreciation and Gratitude** exhibited to the guests for choosing the hotel and for their loyalty.

With the addition of these elements in operations, hotels create a culture of service excellence, leading to increased guest satisfaction, loyalty, and positive word-of-mouth, ensuring success of the establishment in the competitive hospitality industry.

#### Check Back Questions

1. Define service excellence.
2. Enlist the elements of customer experience.

## 2.3. BENCHMARKING

It is a systematic process of comparing an organization's performance, products, services, or practices against its competitors or industry leaders. This helps to identify best practices and areas for improvement. Performance metrics measurements and using data to set performance targets and improve overall efficiency and effectiveness. It helps one organization to learn from the others.

### 2.3.1. Types of Benchmarking

- **Internal Benchmarking:** It involves comparing performance within different departments or units within the same organization. It encourages collaboration and sharing of best practices inside the company.
- **Competitive Benchmarking:** This type of benchmarking compares an organization's performance with that of direct competitors in the same industry. Strengths and weaknesses relative to competitors are identified, to develop strategies that would help gain a competitive advantage.
- **Functional Benchmarking:** This involves comparing specific functions or processes of an organization with those of other companies irrespective of industry. It allows organizations to learn and apply best practices from different industries, into their own operations.
- **Generic Benchmarking:** Includes comparing an organization's performance with that of companies considered the best in a particular industry. The focus is on identifying and adapting best practices, to improve the organization's performance.



- **Process Benchmarking:** It focuses on comparing specific processes followed in an organization with those of other companies to identify opportunities for improvement and efficiency gains.
- **Strategic Benchmarking:** It compares long-term strategies and approaches of one organization with those of industry leaders or companies known for their successful strategic planning.
- **Performance Benchmarking:** It involves comparing key performance indicators (KPIs) and metrics with KPIs of competitors or industry standards to gauge the organization's overall performance.
- **External Benchmarking:** It is a type of benchmarking which involves looking outside the organization to compare practices and performance with other companies in the industry or related industries.

Benchmarking is a valuable tool for continuous improvement and innovation. It helps in identifying areas of excellence and those needing improvement, leading to informed decision-making and development of strategies to enhance overall performance and competitiveness.

### 2.3.2. Benchmarking for Hotels

Benchmarking for hotels allows hoteliers to compare their performance, practices, and services against industry standards and competitors. The data and insights gathered through benchmarking, are analyzed to identify areas for improvement, set performance targets, and enhance overall guest satisfaction.

#### Points of Consideration for Benchmarking

- **Key Performance Indicators (KPIs):** Identify the metrics to measure KPIs for hotels. KPIs in the hotel industry include occupancy rates, average daily rate (ADR), revenue per available room (RevPAR), guest satisfaction scores, and employee productivity data.
- **Competitive Analysis:** A hotel's performance metrics are compared with the competitors in the same market or similar location, helping identify areas of excellence and lacunae in their hotel. Smith Travel Research is one such organization that assists hotels in assessing competition.
- **Industry Standards:** Associations from the industry, market research firms, and hotel performance reports can provide valuable data for comparison. The hotel's performance is benchmarked against industry standards and best practices.
- **Guest Satisfaction:** Guest satisfaction is measured through surveys and feedback to understand the hotel's performance in terms of customer service and overall guest experience. Guest satisfaction scores can be compared with those of other hotels in the same category or brand.
- **Operational Efficiency:** Operational processes are analyzed and compared with best practices in the industry. It includes efficiency in housekeeping, front desk operations, revenue management, and food and beverage services.
- **Revenue Management:** Revenue management practices are monitored and compared with industry standards to optimize pricing strategies, demand forecasting, and distribution channels.



- **Online Reputation:** Analysis of online reviews and ratings to understand how the hotel is perceived by guests compared to competitors. It provides insights into areas of strength and improvement.
- **Service Quality:** Evaluate service quality and guest feedback through mystery shopper programs or guest comment analysis. Compare service quality metrics with industry benchmarks to identify areas for staff training and development.
- **Sustainable Practices:** Sustainability is the new catch word, benchmarking can be done for the hotel's sustainability practices against industry leaders and eco-friendly standards to improve environmental performance.
- **Employee Satisfaction:** Employee satisfaction and engagement can be measured and the results compared with industry benchmarks. Satisfied and motivated employees help in creating better guest experiences.
- **Innovation and Technology:** Hotel's use of technology and innovative solutions is compared with industry trends to stay competitive and meet the ever evolving guest expectations.

Hotels can make informed decisions, implement best practices, and continuously improve their operations to deliver exceptional guest experiences through benchmarking. The goal is to achieve service excellence and maintain a competitive edge in the dynamic and ever-evolving hospitality industry

#### Check Back Questions

1. Define benchmarking.
2. What are different types of benchmarking?

## 2.4. PRINCIPLES OF CUSTOMER SERVICE

The principles of customer service guide businesses and individuals in their interactions with customers, helping to build trust, satisfaction, and long-term loyalty. They serve as the foundation for providing exceptional service experiences to customers.

### 2.4.1. The Key Principles of Customer Service

- **Customer Focus:** The customer is at the centre of all business decisions and interactions, for which it is imperative to understand their needs, preferences, and expectations to provide custom made services accordingly.
- **Empathy and Understanding:** Genuine empathy and understanding towards customers' concerns and emotions is the centre of customer service
- **Respect and Courtesy:** Treat all customers with respect and courtesy, irrespective of their background, status, or behavior.
- **Promptness and Responsiveness:** Customer inquiries, requests, and complaints should be addressed promptly. Timely service is a step towards customer delight.



- **Clear Communication:** Use language that customers can clearly understand. Avoid jargon and technical terms.
- **Knowledge and Expertise:** Employees need to possess in-depth knowledge about products, services, and company policies, to help provide accurate information and build trust.
- **Problem-Solving Orientation:** Complaints can become opportunities to delight customers, taking ownership of customer issues to proactively find solutions.
- **Consistency:** Consistent service experiences across all touch points and interactions should be delivered. Same level of quality has to be delivered at each time of contact.
- **Personalization:** Customize the customer experience based on individual preferences and previous interactions to create memorable engagements.
- **Honesty and Integrity:** False promises can cause problems; there is a need to be transparent and honest.
- **Going the Extra Mile:** Customer expectations need to be exceeded, whenever possible. Surprise and delight customers by providing unexpected gestures of goodwill.
- **Active Listening:** Listen actively to customers and validate their feelings and opinions. Avoid interrupting or dismissing their concerns.
- **Continuous Improvement:** Continuous improvement in customer service practices is an essential component to keep ahead of competition and better service provided. Customer feedback, analysis insights, can be implemented to enhance the overall experience.
- **Appreciation and Gratitude:** Expressing gratitude to customers for having chosen your business helps in forging a bond and shows appreciation for their loyalty.
- **Accountability:** Mistakes and errors happen, taking responsibility for them and rectifying them promptly, brings in accountability. Putting the blame on the other department/colleague or making excuses does not go well with guests.
- **Teamwork and Collaboration:** Fostering a culture of teamwork among employees helps in delivery of a seamless and coordinated service.
- **Adaptability:** Customers have their own demands and needs; it mandates the employees to be flexible and adaptable while meeting them.

Approach to handling customers differs from customer to customer and employee to employee. Following these customer service principles, businesses can create a positive and customer-centric culture, leading to increased customer satisfaction, loyalty, and advocacy. Exceptional customer service is a powerful competitive advantage that sets a business apart and drives long-term success.

### Check Back Questions

1. What are the main principles of customer service?



## 2.5. PERSONALIZED SERVICE

Personalized service can also be termed individualized service, which refers to custom-made products, services, and interactions to meet the specific needs, preferences, and characteristics of each individual customer. It is also known as customization of services.

Alternately, Each customer is unique and the concept of personalized service seeks to provide a more relevant and meaningful experience that resonates with their individual tastes and requirements.

Personalized services refer to products, experiences, or solutions that are tailor-made to meet the specific needs, preferences, and characteristics of individual users or customers, with the aim of enhancing customer satisfaction, engagement, and overall user experience by delivering content, recommendations, or assistance that resonates with the individual on a more personal level.

### 2.5.1. Key Aspects of Personalized Service

- **Understanding the Customer:** A deep understanding of each customer in the underlying tone of personalized service. Collecting and analyzing customer data, preferences, purchase history, and interactions to gain insights into their preferences and behavior, is integral to it.
- **Customized Offerings:** Businesses can tailor their products or services to match individual preferences based on the customer understanding. It involves offering personalized product recommendations, customized packages, or special deals based on the customer's interests over the past interactions with the company.
- **Individualized Communication:** The use of a customer's name in communications, personalized emails, or address specific needs or concerns raised by the customer, makes it a lot more personalized.
- **Tailored Recommendations:** Businesses can provide targeted and relevant recommendations, by analyzing customer data, suggesting additional products, services, or content that aligns with the customer's preferences becomes relatively easy and also connects the customer to the brand.
- **Personalized Marketing:** Personalized marketing strategies to deliver targeted messages to specific customer segments, can be used by businesses, which increases the chances of engagement and conversion.
- **One-to-One Interactions:** These involve treating each customer as a valued individual. Attentive and personalized interactions with customer service representatives are the best way to achieve this.
- **Loyalty Programs:** Rewarding customers based on their preferences and purchase behavior helps foster loyalty and encourages repeat business.
- **Data Privacy and Consent:** While personalization relies on customer data, it is essential to prioritize data privacy and obtain customer consent before using their information for personalization purposes.
- **Customer Feedback and Iteration:** Continuous customer feedback and iteration based on the responses can help businesses refine their personalization efforts to better meet customer needs.



- **Technology and AI:** Leveraging technology, artificial intelligence, and machine learning are the most relevant tools for businesses to analyze vast amounts of customer data and deliver more accurate and effective personalized experiences.

### 2.5.2. Benefits

#### Benefits of personalization of services

Businesses, customers, and even employees are the direct beneficiaries of personalization of services. The key advantages being;

- **Improved Customer Experience:** Specific needs and preferences of individual customers are addressed by personalization, which leads to a more enjoyable and relevant experience, making customers feel valued and understood.
- **Increased Customer Satisfaction:** Services that are tailored to customer preferences are more likely to be received well and help businesses rank well on the satisfaction scale. Higher satisfaction levels help lead to increased loyalty and repeat business.
- **Enhanced Customer Loyalty:** Strong emotional bonds are forged with customers, fostering loyalty and reducing likelihood of customers switching to competitors.
- **Higher Engagement and Interaction:** Greater engagement and interaction with customers are encouraged. This interaction can lead to valuable feedback and insights, enabling businesses to further improve their services.
- **Improved Customer Retention:** Reducing customer turnover rates is easier with satisfied and loyal customers, so also, the need to constantly acquire new customers.
- **Increased Revenue and Profitability:** Up selling and cross-selling opportunities are created with personalization of services, which help bring in additional revenue per customer. Increased loyalty and repeat business also contribute to overall profitability.
- **Competitive Advantage:** The unique and tailored experiences provided can attract more customers and position the business as a leader in its industry. Businesses that offer personalized services stand out in a competitive market.
- **Data-Lead Insights:** Data collection and analysis is the easiest way to understand a customer and provide personalized service. The collected data provides valuable insights into customer behavior, preferences, and trends, allowing businesses to make informed decisions and improvements.
- **Efficient Resource Allocation:** Resource allocation becomes more efficient with prioritization; resources can be focused on delivering personalized experiences to high-value customers or those with specific needs, instead of offering generic services to everyone.
- **Employee Satisfaction and Empowerment:** A deeper understanding of customers and their preferences is possible through personalization. A greater sense of purpose and job satisfaction is felt by employees who are empowered with personalized data, while providing services.
- **Reduced Customer Service Costs:** By delivering personalized services, businesses can proactively address customer needs and potential issues, reducing the need for extensive customer support and complaint resolution.



- **Positive Word-of-Mouth and Referrals:** Customers, who experience personalized services, are satisfied by the services, are more likely to share their positive experiences with friends, family, and colleagues, leading to organic word-of-mouth referrals.
- **Adaptability to Change:** Businesses have to adapt quickly to changing customer preferences, market trends, and external factors, in this volatile market, ensuring continued relevance and competitiveness, which is made possible by personalization.

Personalization of services is a powerful strategy that can create a win-win situation for both businesses and customers, further leading to improved customer experiences, increased loyalty, and sustainable business growth.

### Check Back Questions

1. What is personalized service?
2. Enlist the different aspects of personalized service?

## 2.6. LET'S SUM UP

The pillars of success of a hotel or a company are service excellence & customer experience. It can only be achieved by consistent performance, efficient service & maintaining the standards. The different elements of service should be taken into consideration in order to target the excellence. Benchmarking is a tool to identify the best practices to be followed in order to increase efficiency & effectiveness. The key principles of customer service & personalized service are the tools to enhance & maximize customer satisfaction.

## REVIEW QUESTIONS

### SHORT QUESTIONS

1. Discuss the role of KPI in creating standards of service industry.
2. How brand perception is important in customer experience?
3. What are the elements of service excellence?
4. Differentiate between the internal & competitive benchmarking.
5. How benchmarking improves the productivity of an organization.
6. Discuss the role of customer focus in customer service.
7. Define personalized service.
8. What are the benefits of personalized service in hotel industry?

### LONG QUESTIONS

1. Explain the relevant factors in creation of standards in service industry.
2. Evaluate the different elements of customer experience.



3. Discuss the importance of service excellence in hotel industry.
4. Defend the requirement of benchmarking in the service industry.
5. Discuss the relevance & importance of benchmarking in hotel industry.
6. Evaluate the key principles of customer service in detail.
7. Enumerate key aspects of personalized service.

### **ACTIVITIES/ASSIGNMENT**

1. Visit a 5 star hotel restaurant; enlist the standards followed there in customer service. Observe & review the personalized service done by the service personnel of the restaurant.

# 3

CHAPTER

## CUSTOMER LOYALTY AND RETENTION

### 3.0. UNIT OVERVIEW AND DESCRIPTION

#### Overview

This Unit will equip the student to understand loyalty segments and guest Loyalty schemes in the hotel. The unit also enables the students to learn customer retention strategies and understand how hotels create service excellence

### Learning Objectives

At the end of the unit, the student will be able to

Unit 3: Customer Loyalty and Retention	Outcomes
3.1 Define Loyalty	1. Understand and Define the Term loyalty.
3.2. Understanding Loyalty Segments 3.2.1. Understanding Loyalty Segments in General Management 3.2.2. Customer Segmentation in Hotels 3.2.3. Benefits of Segmentation	1. Differentiate Loyalty Segments 2. Give segmentation of customers as per hotels 3. Explain benefits of loyalty programs for hotels and guests.
3.3. Loyalty Schemes	1. Compare the Loyalty schemes. 2. Discuss the various loyalty schemes of hotels.
3.4. Customer Retention Techniques 3.4.1. Definition of Retention 3.4.2. Customer Retention Strategies 3.4.3. Benefits of Customer Retention	1. Describe different customer retention techniques. 2. Discuss the benefits of Customer retention.



Unit 3: Customer Loyalty and Retention	Outcomes
3.5. Creating Service Excellence 3.5.1. Concept of Service Excellence 3.5.2. Creating Service Excellence	1. Appreciate customer service excellence. 2. Explain service excellence strategies of hotels

### 3.1. LOYALTY

**Definition:** Loyalty is the quality of being constant in your support of somebody or something. It is an attachment to a particular object or organization.

**For example,** Guests are loyal to a Particular brand of Hotel due to their past experiences. Their interaction at each transaction with the hotel will contribute to their overall experience. If the guests are satisfied and have experienced exceptional service, they would love to return to have such experiences on their future visits, turning them into loyal guests. The hotel also needs to extend loyalty to guests by ensuring their repeat stays are comparatively better than earlier. In addition, the hotels offer membership privileges, where members can avail themselves of various services of the hotel at discounted prices, earn and redeem points, and engage in exclusive events and offers. These exclusive privileges and exceptional services at every touch point will make guests loyal to the hotel.

### 3.2. UNDERSTANDING LOYALTY SEGMENTS

**Segmentation:** Segmentation is the process of dividing a company's target market into groups of potential customers with similar needs and behaviors. Doing so helps the company sell to each customer group using distinct strategies tailored to their needs.

#### 3.2.1. Understanding Loyalty Segments in General Management

The company can categorize its customers into different groups depending on a variety of factors. In general, segmentation can be based on factors like geography, behavior, and demographics. However, the organization may create more divisions if it will benefit its business operations.



**Table: Segmentation in the General Management**



1. **Demographic segmentation:** Segmenting clients by two factors including age, gender, income, education, employment, marital status, and size of family.
2. **Geographic segmentation:** consumer segmentation is based on Location, such as nation, city, region, or climate.
3. **Psychographic segmentation:** Segmentation based on the lifestyle, interests, values, attitudes, and personality traits of the guest
4. **Behavioral segmentation:** Understanding and Analyzing customers' purchasing behavior, brand loyalty usage patterns, and response to marketing initiatives
5. **Techno graphic segmentation:** is centered on the use of technology and tools by customers, which can be useful for hotels to design their CRM and other related services.

### 3.2.2. Customer Segmentation in Hotels



Photo Credit: Marriott Hotels and Taj Hotels

Guest segmentation, also known as customer segmentation, is the process of dividing a customer base into distinct groups based on certain criteria or characteristics. Each segment represents a specific subset of customers who share similar attributes and preferences. Implementing guest segmentation can provide several benefits for businesses. Segmentation enables hotels to offer personalized experiences, targeted marketing, and tailored services, ultimately enhancing guest satisfaction and loyalty. Here are some common approaches to customer segmentation in hotels:

1. **Demographic segmentation:** This involves dividing guests based on demographic factors such as age, gender, family size, and income. Different age groups or family types may have varying preferences and needs, which can influence the type of rooms they prefer, the amenities they desire, and the activities they engage in during their stay.  
**For example:** Hotels provide special amenities to Lady Guest and kids.
2. **Purpose of travel:** Segmenting guests based on the purpose of their trip can be valuable. For example, business travelers, leisure tourists, event attendees, and conference delegates have different requirements and expectations from their hotel stay. Understanding their specific needs can help hotels tailor their services accordingly.
3. **Loyalty program members:** Many hotels have loyalty programs that offer special benefits and rewards to repeat customers. Segmenting guests based on their loyalty status can help hotels prioritize their efforts to retain loyal customers and encourage new guests to join the program.



- 4. Based on membership points:** The Hotel also segments its guests based on the accumulation or balance of points. This will aid hotels in their targeted marketing efforts to boost the value of their loyalty programs and strengthen their retention tactics.
- 5. Source of Booking:** The Hotel segments its customers based on the source of reservation. A few of the terms they used to segment are Retail, Website, Direct, OTAs, Groups, MICE, Corporate, crew, discounted, promotional rates, contracted, discounted segment, etc.
- 6. Length of stay:** Guests who stay for different durations may have distinct preferences. Short-stay guests may prioritize convenience and quick services, while long-term guests may seek more extended amenities and home-like comforts.
- 7. Booking channel:** Segmenting guests based on how they book their stay, such as direct bookings, online travel agencies (OTAs), or corporate bookings, can help hotels understand their customer acquisition costs and tailor marketing strategies accordingly.
- 8. Spending behavior:** Some guests are more budget-conscious, while others are willing to spend more on premium services. Segmenting guests based on their spending behavior

**Previous interactions and preferences:** Hotels can use data from past guest interactions, preferences, and feedback to create personalized experiences and anticipate guest needs for future visits.

#### Check Back Questions

- 1 Corporate guest stays for 6 months at hotel and uses various business center services
- 2 A couple books a Platinum suite with a Room Rate of Rs: 500000/-
- 3 A tourist book a room through Booking.com

### 3.2.3. Benefits of Segmentations

Customer segmentation in hotels offers a wide range of benefits that can positively impact the overall success and profitability of the business. Here are some key advantages of customer segmentation in the hotel industry:

- 1. Personalized marketing:** Hotels may develop specialized marketing strategies by knowing the preferences and requirements of various consumer categories. Guest engagement and conversion rates are higher when given personalized offers, promotions, and content.
- 2. Improved guest experiences:** The guest experience is improved by customizing services and facilities depending on consumer segmentation. When individual preferences are considered, guests feel respected and appreciated, which leads to improved levels of satisfaction and loyalty.
- 3. Increased customer loyalty:** Customer segmentation allows hotels to identify and prioritize their most valuable and loyal guests. Hotels may increase client loyalty and encourage return business by giving these customers special privileges, attending exclusive events, and enjoying benefits from their partnership brands.



4. **Efficient resource allocation:** Hotels can optimize their resource allocation by Concentrating on the most profitable clientele segments. By understanding which segments generate the highest revenue and profit margins, hotels can strategize and allocate budgets for marketing and staff resources more effectively.
5. **Higher revenue and profitability:** Targeted marketing and personalized experiences can lead to higher conversion rates and increased customer spending. Satisfied and loyal guests are more likely to spend more on premium services, upgrades, and additional offerings, boosting overall revenue and profitability.
6. **Gain a competitive advantage:** By offering distinctive experiences that address the particular demands of diverse consumer segments, hotels may set themselves apart from rivals. This competitive edge might attract new visitors while keeping current ones.
7. **Enhanced Guest Satisfaction:** Higher levels of customer satisfaction result when a hotel meets the individual expectations and preferences of its Guests. Customers who are happy with their stay are more likely to write favorable reviews, refer friends to the hotel, and stay there again in the future. The Trip Advisor review below clearly indicates that the customer is quite happy

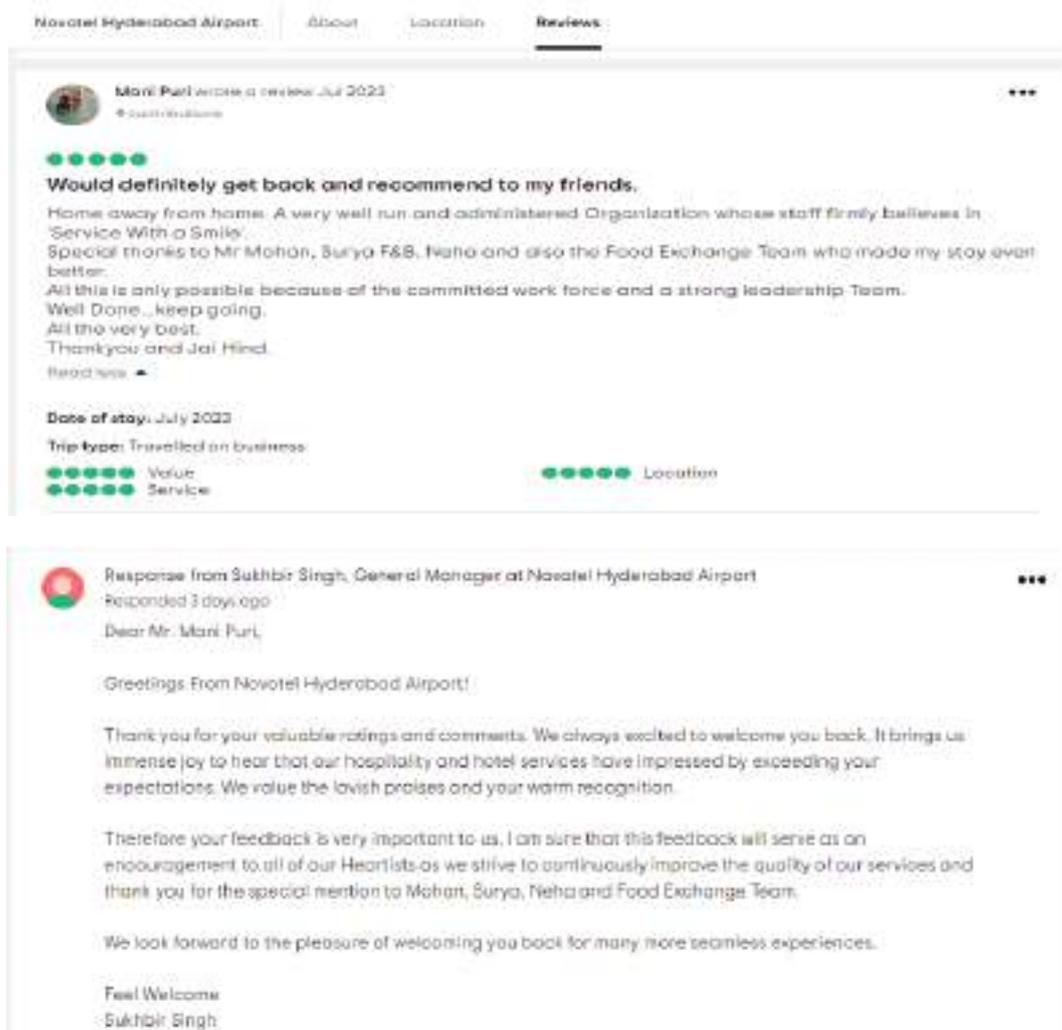


Photo Credit: Trip Advisor



8. **New Product Development:** Understanding the preferences of different customer segments can guide businesses in developing new products or modifying existing ones to better meet customer demands.
9. **Strategic decision-making:** Customer segmentation offers useful information for making strategic decisions. With the use of this information, hotels may see trends, discover fresh business prospects, strategize, and decide on specialized plans to meet the demands of various market groups.
10. **Pricing Strategies:** Different customer segments may have varying price sensitivities. Segmentation helps businesses set appropriate pricing strategies for each group to maximize revenue without alienating customers.
11. **Reduced customer acquisition costs:** By focusing on guest retention and cultivating loyalty, hotels can reduce their customer acquisition costs. Loyal guests are more likely to refer others and contribute to word-of-mouth marketing, which is a cost-effective way to attract new customers.

Long-term guest relationships: Customer segmentation enables hotels to build meaningful and lasting relationships with their guests. By continuously engaging with guests and delivering personalized experiences, hotels can foster trust and loyalty, leading to long-term relationships

Overall, Guest segmentation empowers businesses to understand their customers better, deliver personalized experiences, optimize their marketing efforts, and ultimately improve customer satisfaction and loyalty. By leveraging the benefits of segmentation, businesses can thrive in a competitive market and foster lasting relationships with their customers.

### Check Back Questions

1. How hotels benefit from segmentation?
2. How segmentation will increase hotels revenue?
3. How segmentation will reduce costs of hotel?

### 3.3. LOYALTY SCHEMES

**"Do you stay at the hotel more than 4 nights a year? Our membership cards guarantee the best discounts and benefits on your holidays or business trips"**, Have you ever read this on the Hotel website?

The Hotels offer many Rewards, discounts, and benefits to their loyal customers who repeatedly stay there. The Hotels also have a scheme where guests can earn points by spending money on various services and redeem those points to avail of services and discounts. The guest can earn points by spending on Hotel Stays, Transport Services like airlines and cab services, entertainment, shopping, sharing opinions on various surveys, etc.



Photo Credit: Oberoi Hotels

			
<b>Enjoy exclusive savings</b> Save up to 10% on bookings in more than 3,000 hotels.	<b>Earn points</b> Be rewarded time and time again for your stays, outings, and visits to our restaurants and bars.	<b>Redeem your points</b> Make the most of your points. Whether it's stays, experiences or partners – the choice is yours!	<b>Enjoy unique benefits</b> Depending on the number of nights stayed or points earned, your status is upgraded, unlocking even more benefits.
<a href="#">Book now</a>	<a href="#">How do I earn points?</a>	<a href="#">How do I redeem my points?</a>	<a href="#">Discover all the perks</a>

Picture: Loyalty schemes at Accor Hotels. Picture Courtesy: Accor Website

The guests have to enroll in eligible Loyalty programs to avail themselves of the various benefits.

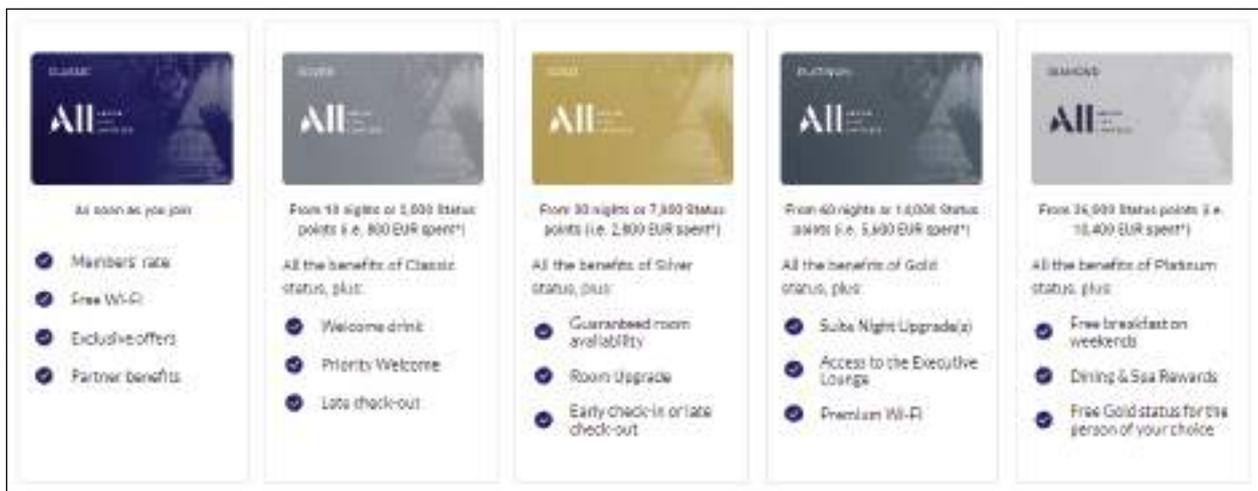
Picture 3.3 illustrates the various loyalty schemes of Accor Hotels. These schemes have various benefits for loyal guests, like

- Member Rate/Discounted Rates on Room Tariff
- Allows access to reserved spaces and the Executive Club for Membership Guests (Taj Chambers).
- Early Check-in and late check-out
- In-room check-ins for a hassle-free, relaxed start to your stay
- Hi-Speed Wi-Fi
- Guaranteed Room availability
- Room Upgrades
- Discounts or earn points on Partner Services like Private taxis, airlines, etc.



- ➔ Dedicated Customer Care
- ➔ Suite Night Upgrade
- ➔ Access to the executive Lounge
- ➔ Priority access at the dedicated members' reception desk
- ➔ Free Breakfast
- ➔ Welcome Drink
- ➔ Free medical tele-consultation during your stay.
- ➔ Earn and redeem the points.

Many hotels have named their Loyalty Membership schemes as Diamond, Platinum, Gold, Silver, and Classic. Each scheme has its own benefits, which the guest can avail have based on his eligibility. The guests can determine their eligibility to enroll in higher-level membership schemes based on the number of stays and points earned through spending on various hotel services.



Picture 3.3 Membership Schemes in Accor Hotels.

Picture Courtesy: Accor Hotels Website

### Taj Hotels Membership schemes



Picture : Membership Programmes of Taj Hotels

Picture Courtesy : Taj Hotels Website

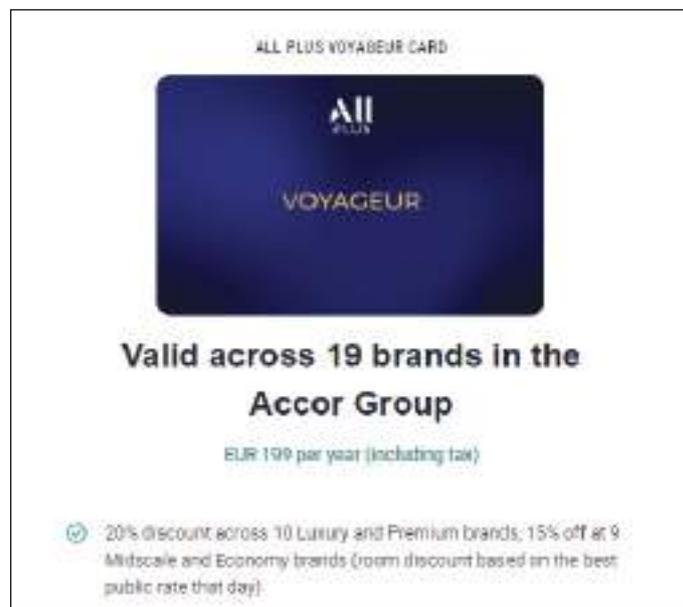


The Taj Hotels Offers various Membership Programs to their loyal guest to enroll in membership Programmes like :

- THE CHAMBERS
- NEWPASS
- EPICURE
- BUSINESS CONNECT

The Hotels may also charge membership fee for enrolment to membership programmes .The charges are based on the kind of membership the guests choose to select from membership schemes.

For Example Accor has an ALL PLUS Voyageur Card membership priced at 199 Euros i.e. Rs 20000Approximately.



**Picture: ALL PLUS VOYAGUER Membership Card of Accor Group.**

*PIC Courtesy : Accor Group Website*

In a Nutshell, Loyalty Membership programs have been instrumental in helping hotels engage and retain loyal guests. The Loyalty schemes have mutually benefited Guests and hotels by saving costs, easing connectivity, improving engagement, etc. The Guests have reduced their expenditure on services or got better facilities due to loyalty membership schemes, whereas hotels saved their expenditure on marketing and branding by targeting the appropriate loyalty segments.

### Check Back Questions

1. Will Membership improve loyalty? If so how?
2. List the differences comparing any two loyalty cards of ACCOR GROUP ?



### 3.4. CUSTOMER RETENTION STRATEGIES



Image Credit: Freepik

- 3.4.1 Definition of Retention
- 3.4.2 Customer Retention Strategies
- 3.4.3 Benefits of Customer Retention
- 3.4.1 Definition of Retention
- 3.4.2 Customer Retention Strategies
- 3.4.3 Benefits of Customer Retention

#### 3.3.1. Definition of Retention

**Retention:** The action of keeping something rather than losing it or stopping it (Oxford Dictionary).

#### Overview

Customer retention is critical for repeat business and the development of a brand's image. Customer retention will result in increased sales and business growth. All hotels have prioritized client retention since customer acquisition costs are quite expensive in comparison to customer retention. A loyal client who is retained is a source of future income as well as hotel expansion.

To improve customer retention, the hotel must guarantee that every encounter with the visitor is handled with great service, which makes the guest loyal to the hotel. The hotel may not limit itself to the services it provides on-site. They form alliances with well-known businesses in banking, airlines, retail, and other industries to deliver beneficial incentives to customers in order to demonstrate how much the hotel values them and their loyalty.



### 3.3.2. Customer Retention Strategies

For hotels and hospitality organizations to keep a loyal customer base and encourage repeat business, guest retention techniques are essential. Repeat visitors are more likely to stay longer, spend more money, recommend the hotel to others, and leave positive reviews, all of which have a big impact on a hotel's reputation. Here are some practical methods to improve Customer Retention:



Image Credit: Freepik

1. **Personalization:** Tailor your interactions and offers to individual customer preferences and behaviors. Use data analytics to understand customer buying habits, preferences, and demographics to personalize their experience. Offering preferred rooms, amenities, etc. based on the guest's history or customizing dishes as per his requests improves guest satisfaction and results in guest retention.



Photo Credit: Marriott International

2. **Loyalty Programs:** Implement loyalty programs that reward customers for repeat purchases. This could include points systems, exclusive discounts, or special perks for loyal customers to encourage them to repeat their stays at the hotel and avail various



services. Loyalty programs make them feel recognized and rewarded for being loyal. Offer exclusive promotions and packages to returning guests. Special discounts, complimentary services, or value-added offers can entice guests to choose your hotel for their next stay.

3. **Surprise and delight:** Surprise guests with unexpected amenities or gestures during their stay. It could be a welcome gift, a complimentary room upgrade, or a personalized note expressing gratitude for their return visit. Conduct Exclusive events like gala dinners offer special discounts on certain special days for loyal guests and stakeholder groups like Bookers and influencers in corporate contracts.
4. **Exceptional Customer Service:** In order to retain customers, it is important to provide a high level of service to guests. Each and every hotel staff member needs to ensure the guest is served with exceptional service standards. The employees must be properly trained to efficiently resolve issues in a timely manner without delays and have proper follow-up systems in place.
5. **Issues and feedback:** Actively seek feedback from guests and take their suggestions seriously. Address any complaints or issues promptly and professionally. The employees must be properly trained to efficiently resolve issues in a timely manner without delays and have proper follow-up systems in place. Showing that you care about their opinions and concerns can improve guest satisfaction and loyalty.
6. **Create loyalty through partnerships:** Collaborate with local businesses, attractions, banks, or airlines to offer exclusive deals to your hotel's guests. Partnering with reputable brands will benefit guests and the hotel in terms of guest retention. The Guests may return to redeem the benefits they received through brands that have a partnership with the hotel.
7. **User-friendliness and ease of Communication:** Make it easy for customers to find your website, store, or app by simplifying the buying process. Repeat purchases can be encouraged by a smooth experience. Mobile Apps ,Whatapps etc have ease the various guests transactions like checking ,Ordering ,Settlement of bills, Requests and complaints ,tap on the exclusive offers and know their current portfolio of points and history.
8. **Engaging Guests and Marketing Products:** Engage the guests at every stage of the guest's cycle to share offers, Newsletters, Gift Cards, valuable content, and targeted marketing campaigns. Inform the guests about new products, promotions, and updates. It's very important to engage the guest post-stay to create interest in reusing the hotel's services. The hotel may use various CRM strategies to improve customer retention.



Picture: Taj Experiences Gift Card

Photo Credit: Taj Hotels



Hotels may develop a devoted clientele and long-lasting relationships with customers by putting these guest retention methods into practice, which will enhance income and generate favorable word-of-mouth recommendations.

### 3.3.3. Benefits of Customer Retention

The long-term performance and profitability of a firm are directly impacted by customer retention, which is an essential component of any business plan. The following are some major benefits of customer retention:

1. **Increased customer lifetime value (CLV):** Retained customers have a greater CLV since they frequently make further purchases, Compared to the acquisition of new customers.
2. **Higher Revenues and Profitability:** Repeat customers are more likely to purchase higher-margin products or premium services. Because of their confidence and loyalty to the brand, they buy products offered by hotels as part of their up selling and cross-selling strategies to enhance the guest experience. This, in turn, increases continued business and contributes to increased profitability and growth for the company.
3. **Positive word-of-mouth:** Customers that are satisfied and loyal are more likely to refer the company to their friends, family, and colleagues, resulting in excellent word-of-mouth marketing for the acquisition of new customers.
4. **Improved customer satisfaction:** Customers are happier when they have pleasant encounters and constantly obtain value from a firm. High levels of guest satisfaction build loyalty and improve the brand's image.
5. **Enhanced brand loyalty:** Customers who are retained tend to form emotional bonds with the brand, making them less vulnerable to competing offers from other brands and remaining loyal.
6. **Valuable feedback and insights:** Customers that have remained with the firm are more likely to contribute genuine feedback, Suggestions and insights, allowing the company to enhance its goods, services, and overall customer experience.
7. **Reduced churn:** Customer retention techniques aid in lowering the churn rate (the rate at which consumers discontinue doing business with a company). Low turnover rates result in greater income stream stability and predictability.
8. **Competitive advantage:** A successful client retention strategy distinguishes a firm from its competition. In competitive marketplaces, high client retention rates are keys to the success and growth of the organization.

In a nutshell, Customer retention is critical for the long-term viability and success of an organization. It increases income, decreases expenses, and improves the entire customer experience through loyalty, resulting in a more successful and profitable organization.

#### Check Back Questions

1. Will Customer retention strategies can improve branding and marketing of the hotel ?



### 3.5. CREATING SERVICE EXCELLENCE

#### 3.5.1. Concept of Service Excellence

"Have you ever heard your friend or relative say, ***"I like this hotel because the hotel staff knows my likes and dislikes and I don't need to tell them again? The staff always offers me my preferred pool-view room and makes dishes that suit my taste buds. They even wish and send a cake on my birthday"***. If you have heard it, it is understood from the above that guests prefer to be recognized, offered personalized services, and made to feel comfortable and memorable.



Photo Credit: Taj Hotels

Service excellence in hotels refers to the consistent delivery of exceptional customer service that reaches or exceeds guest expectations in every stage of guest cycle. It aims at creating memorable and lasting positive experiences. Service excellence will increase repeat business and create opportunity for hotels to achieve an edge over its competitors. It gives scope to increase share of loyal customers and earn more revenues. A hotel needs to go an extra mile to provide services customized based on the customer segments. Each guest is different in their expectations and hotels need to personalize their services to reach guest expectations and create memorable experiences. A hotel may provide guests their preferred Room, flowers, Customized dishes etc to achieve service excellence. The hotels also celebrate or present cakes on the important events of guests like birthdays, Anniversary etc to creating lasting impressions. These personalized services make the guest stay more comfortable, memorable and encourage them to return for future stays. These Guests enhance brand image by sharing the reviews with their family, relatives and on online platforms.

The concept of Service Excellence should be the part of Hotels vision and its staff culture to outreach guest expectations, increase repeat business, generate more revenues and attain a competitive edge in the market.



### Check Back Questions

1. Define Service Excellence?

### 3.5.2. Creating Service Excellence

Creating service excellence in a hotel is crucial for attracting and retaining guests, building brand Image, Generating more revenues, and attaining a competitive edge in the market. Here are some strategies to achieve service excellence in a hotel:

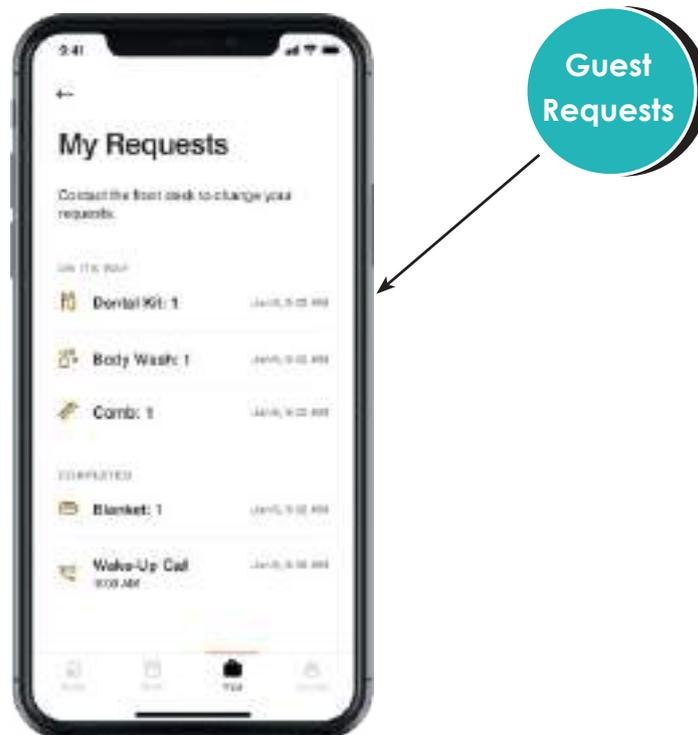


Photo Credit: Marriott International

1. **Customer-Centric Culture:** Develop a customer-centric culture among all staff members of the organization to emphasize the significance of creating exceptional and personalized services that leave a memorable experience for the guests. The culture and vision of the brand and employees should be aligned to bring Service excellence to every interaction of guests with the services of the hotel.
2. **Training and development:** The staff should not only focus on delivering a physical product with perfection; rather, more emphasis should be laid on the attitude, behavior, and mindset in delivering the service. The staff needs to be trained in anticipating guest's needs, personalizing them, and creating WOW and memorable experiences for them. They should be able to handle guest requests and complaints professionally and with empathy.
3. **Empower Employees:** Empower employees to allow them to take quick decisions and to go out of the box in providing personalized services to guests to enhance guest



satisfaction. The employees need to be empowered at every level to ensure guests complaints and requests are attended to and resolved quickly rather than constantly needing approval from senior management.

4. **Employee Recognition:** Recognize and reward employees for consistently providing excellent service to guests. Incentives and recognition programs can motivate staff to maintain high service standards.
5. **Anticipate Guest Needs:** Staff needs to be trained in the production and service of quality products and services at the hotel. They need to anticipate guest needs, personalize as per guest expectations, and provide exceptional service. Offering additional amenities and providing personalized touches based on guest preferences gives a guest a WOW feeling and makes these interactions memorable.
4. **Personalized Products and Services:** The value of a service to a guest differs based on his needs and expectations. Therefore, Personalization of services will enhance the value of products and services offered to guests. Personalize the services of the hotel by sending a cake to the room on guest's birthdays or anniversaries and providing preferred amenities based on their needs and guest history.

**The Hotel may personalize the service based on Gender.** Hotels offer additional amenities for lady guests .The hotels also have exclusive wing or floors for Lady Guests, guarded and serviced by lady staff.



5. **Consistent and High Standards of service:** Consistently providing high standards of service is the key to achieving service excellence. Every department's staff needs to follow the well-designed SOPs that will help the hotel reach guest expectations.
6. **Clear and effective Communication:** Communication between the hotel and the guest should be clear. The promises the hotel offers in its services and the guest's expectations should be in sync and not misleading. The guest may be dissatisfied if the hotel is not



fulfilling its promises with its services. The Staff also needs to have enough and proper communication about the various services and procedures, along with updated information about guests and their requests, to deliver the services seamlessly.

7. **Supervision:** The hotel staff needs to supervise their services continuously to ensure the services provided are in sync with the SOPs and also look for gaps in the guest's expectations and service.
8. **Use of Technology:** The use of technology in hotels through Mobile Apps, Chat bots, Websites, and special software for CRM, PMS, etc. has been effective in enhancing service excellence in the hotel industry. The guests are able to use mobile for reservations, check-outs, and avail various services of the hotels with ease and quickly at the click of an app on their mobile. The hotels are able to generate integrated data to understand guest spending power, preferences, requests, Requests etc. to offer more personalized services **that strengthen or improve service excellence.**



9. **Feedback Collection and Service Recovery:** Request and Encourage guests to share their feedback and reviews on the hotel's services. Turn Negative experiences into positive experiences through Service recovery. It's important to consider these negative feedbacks for improving the standards of service at the hotel.
10. **Guest Loyalty Programs:** Enroll the guests in the loyalty programs of the hotel to appreciate their loyalty to the organization. The hotel may offer discounts or provide special services to the guests to make them feel special and meet their expectations as loyal guests.

**Continuous Improvement:** Achieving Service excellence is a routine activity as each guest's expectations vary. The expectations will differ based on demographics, geography, behavior, etc. Therefore, understanding guests is a continuous activity that requires continuous improvements to achieve service excellence.

Retaining customers is essential for repeat business and the growth of a brand's reputation. Customer retention will boost revenue and spur corporate expansion. Since the costs associated with customer acquisition are far higher than those associated with customer retention, all hotels have given this priority. The hotel must make sure that every interaction with the tourist is handled with excellent service in order to increase client retention. The hotel might not only stick to what it offers there. To show how much the hotel appreciates its clients, they develop partnerships with well-known companies in the banking, aviation, retail, and other sectors to provide helpful incentives to those clients.



### Check Back Questions

1. What is guest Retention Strategy?
2. How Technology will improve Guest retention ?
3. Solving Issues and effective Feedback system can be an effective strategy to retain guests ?
4. Guest request for a pool view room .Which strategy will adopt to create service excellence ?
5. How Training and development of staff can improve Service Excellence
6. Give one example how hotel can improve guest loyalty ?
7. Share your views on Membership Privileges will improve Loyalty ?

### 3.6. LET US SUM UP

Customer loyalty is the degree of attachment, confidence, and dedication a customer has for a specific brand, good, or service. Various Loyalty programs and retention strategies benefit the hotel in achieving Service excellence. Save on operations and generate more revenues.

Retaining customers is essential for repeat business and the growth of a brand's reputation. Customer retention will boost revenue and spur corporate expansion. Since the costs associated with customer acquisition are far higher than those associated with customer retention, all hotels have given this priority. The hotel must make sure that every interaction with the tourist is handled with excellent service in order to increase client retention. The hotel might not only stick to what it offers there. To show how much the hotel appreciates its clients, they develop partnerships with well-known companies in the banking, aviation, retail, and other sectors to provide helpful incentives to those clients.

## REVIEW QUESTIONS

### SHORT QUESTIONS

1. What is Loyalty? What makes a guest loyal to a hotel?
2. List down the factors for segmentation of customers.
3. What are the various benefits for a Guest who has enrolled in the loyalty program of any 5-star hotel?
4. What are the benefits of loyalty schemes for a hotel?
5. What are the various retention strategies adopted by hotels to retain customers?
6. What are the benefits of customer retention techniques for a hotel?
7. What do you understand by service Excellence?
8. What are the strategies hotels should follow to achieve service excellence?



## ASSIGNMENT

Assignment No	Assignment
1	Make a list of offers hotels give based on segmentation.
2	Compare the differences in loyalty schemes and programs of any 5-star hotel in a tabular format.
3	Explore the segmentation methods used in 5-star hotels.
4	Find the various strategies used in each department of hotels to enhance Customer retention.
5	Conduct a Survey among guests to understand the reasons for being loyal to any one brand of hotel.
6	Find the various strategies used in each department of hotels to enhance Customer retention.
7	Create a Survey questionnaire for guests to understand the reasons for being loyal to any one brand of hotel.
8	Select any hotel and write down their strategies to achieve service excellence.
9	Give a few examples of tasks performed by each department of a hotel to achieve service excellence.

## ACTIVITY

### Activity 1. Format for Comparison of Loyalty Programme of any 2 Hotel chains.

	Loyalty Programmes / Schemes of Hotel A	Loyalty Programmes / Schemes of Hotel B	Remarks / Comments
Name of the Hotel			
Name any one Membership scheme			
Benefits			
Discount on Room Tariff			
Early Checking /Late Checkout			



## Activity 2:

### A feedback from a guest in a 5 star Hotel on Trip Advisor

When you self-drive, there are no proper directions to the elevators. If you're carrying lots of luggage, be prepared to carry them to the lobby yourself. 2) There's clear discrimination with guests bringing their own luggage. The staff was aware that we are vegans and that we were staying for the 10th wedding anniversary, and yet they call hours after we check-in asking if they can send in a cake. When I asked if they can make it vegan, they needed time until after we checked-out. They had all the time to make it special given that the booking was made weeks ahead. The hotel board line is extremely irresponsive and lacks courtesy. We were out and called in to inform the restaurant chef (who we knew from before) that we needed dal-chawal for our 15 mo daughter, and that we were expected in 20 min. This was to ensure that our daughter doesn't start crying out of hunger. The person manning the board line says that the restaurant is booked out. When we told him that we were guests staying at the hotel, he didn't seem to know the chef. Given that the chef is 4 years into service with Hotel, we were shocked to hear that. We arrived at the hotel with our daughter crying hungry. It took the chef 10 additional minutes of preparing during which time it took a lot from us to placate my daughter. At 20:00 Hours, we asked for ala carte dinner to be served in our room. Until 21:10 Hours, there's no sign of dinner. I call up in-room dining and the chef calls up apologizing for losing track of time due to a large wedding happening that night. My wife and I gave up on dinner on our anniversary night, and decided to hit the bed after placing a DND sign on our door. The food arrives at 22:10, but seeing the DND they called my room telephone to wake me up for dinner!! 6) They tried charging me for meals although the booking rate was for full board.

Having read the above Situation, Suggest how you will prevent these situations in future .What strategies you will adopt as part of Guest retention and Service Excellence?

# 4

CHAPTER

## DRIVING CUSTOMER SUCCESS: METRICS AND STRATEGIES

### 4.0. UNIT OVERVIEW AND DESCRIPTION

#### Overview

### Learning Objectives

After reading the unit, the student will be able to

Unit 4: Customer Metrics, Centricity and Retention	Outcomes
4.1 Introduction to Customer Metrics 4.1.1 Different Customer Metrics 4.1.2 Guidelines to Measure Customer Experience 4.1.3 Uses of Customer Metrics	1. Describe Customer Metrics 2. Measure Customer Metrics by using different methods 3. List the uses of Customer Metrics
4.2 Introduction to Customer Centricity 4.2.1 Creating Customer centricity in hotels 4.2.2 Benefits of customer centricity in hotels	1. Explain customer centricity and its benefits to hotels Create Customer Centricity in Hotels
4.3 Emerging trends in guest retention and Service excellence	1. Describe the trends in Guest Retention and Service Excellence

### 4.1. INTRODUCTION TO CUSTOMER METRICS

In today's world each company has different approach but the ultimate goal is common, it is to provide excellent products & services to customers in order to make their life better & comfortable. In order to get the right way for a company to achieve more loyalty, reference, value based products to its customers, they should build up a system to measure these factors. Customer metric is described as a system through which the factors linked to customer can be measured.



Customer metric measures or monitors factors related to the customers. These factors or variables have an impact on the company's expansion and revenue from customers. The various factors like loyalty, customer satisfaction, retention, and many more are among the customer metrics that can be measured. For illustration, a business might survey customers about a product to determine how satisfied they are with it. Customer metrics are typically reported in numerical form from surveys and questionnaires that are given to customers to express their opinions. These metrics may assist in keeping a track of product & customer analytics, customer database.

The manners in which businesses monitor and gauge their customers' experiences are known as customer experience metrics. Businesses can establish benchmarks to measure and gauge their progress over time by gathering client feedback. Additionally, they may utilize this input to enhance their goods and services, inform their marketing campaigns, and more.

#### **4.1.1. Different Customer Metrics**

##### **1. Average Revenue Per Account (ARPA)**

ARPA is also popularly known as Monthly Recurring Revenue (MRR), it is the metric system which measures the revenue generation by a customer in a month. It provides a base on revenue segmentation whether high or low for a product or service. This segmentation may focus on the promotion of cross selling & up selling of the products by the company as per the customer account profile.

##### **Formula for Average Revenue Per Account (ARPA)**

$$\text{Average Revenue Per Account (ARPA)} = \frac{\text{Total Revenue}}{\text{Total Number of Customers}}$$

Total Revenue = Total income during the given time period  
No. of Customers = Number of customers in a given time period

When ARPA grows up inside the present existing customer base without new customers then it means that the present customers are giving value leading to business expansion.

##### **2. Net Promoter Score (NPS)**

Net Promoter Score is an important & significant metric when it is required to comprehend likelihood of customers in order to propose them suitable product or service of the



company. It determines whether customers are extremely satisfied & recommend (Promoters), unsure (Passives), extremely dissatisfied & not recommend (Detractors). This metric has been used to check future buying & references to others as it checks the loyalty & retention of a customer. The score of the metric will depict the business probability of the customer. NPS will provide a basic idea of future referral business & approximate growth possibility.

### Formula for NPS

$$\text{Net Promoter Score} = \% \text{ of Promoters} - \% \text{ of Detractors}$$

This score depends on a mathematical survey in which clients rate their general fulfillment with the organization on the prescribed scale of 1 to 10. By requesting that members make sense of their score, you can acquire a superior comprehensive customer experience while likewise uncovering any uncommon or exception feelings.

### 3. Customer Satisfaction Score (CSAT)

Customer Satisfaction Score (CSAT) is a straightforward metric that assesses customer satisfaction after a single transaction on a scale of 1 to 5. In addition to NPS, think about monitoring your Customer Satisfaction Score. Despite having many similarities, CSAT and NPS offer various viewpoints on success. At specified times, such as just after a purchase, during on boarding, during a customer support conversation, and so forth, CSAT is measured. The rate can be improved of the NPS, CLV, and ARPA by examining the attraction of particular points of contact. The foundation for CSAT and NPS is a customer service survey. It is also possible to utilize a basic scale with numeric options from one to ten.

This is typically utilized when it comes to customer care or support; the ratings marked on Google or Facebook are good illustration of CSAT.

### Formula for Customer Satisfaction Score (CSAT)

$$\text{Customer Satisfaction Score (CSAT)} = \frac{\text{No. of Positive Responses}}{\text{No. of Total Responses}} \times 100$$

### 4. Customer Lifetime Value (CLV)

Customer Lifetime Value (CLV) is a metric used to determine the total revenue an organization may anticipate generating from a single customer over the length of their relationship. CLV makes an effort to ascertain the net profit connected to a customer. It measures a customer's value over the course of the entire relationship rather than just considering the value of a single purchase. This is particularly helpful for businesses that have multi-year customer contracts and for identifying customer attrition, which occurs when a customer begins using goods and services less frequently.

This is one of the simplest customer success metrics, and it may help you assess the long-term value of your customers as well as the cost of acquiring new ones.



In addition, when the CLV is calculated it will draw attention to mainly dedicated customers and provide an approach to augment their worth to the company. It is always easy to increase revenue from loyal customer than the new or other type of customers, so it is very important to consider & take care of loyal customers demand.

#### **Formula for Customer Lifetime Value (CLV)**

1. Customer Lifetime Value (CLV) = ARPA / Churn Rate (ARPA and Churn Rate should be on Monthly Basis)
2. Customer Lifetime Value (CLV) = ARPA X Gross Margin % / Revenue Churn Rate (For different ARPA in the Customer Data)

Customer journey analytics set up properly may automate the calculation of your customer's lifetime value in real time. If your CLV is increasing over time, it indicates that your customers are having success with your services and are more likely to work with you in the future. If your CLV is decreasing over time, you can anticipate a breakdown in your customer success team or a lack of value in your products.

### **5. Customer Churn Rate (CCR)**

The number of customers a business retains is gauged by the customer churn rate. By examining the total number of lost customers within a specific time period may establish how many people have ceased utilizing a company's goods or services. It has been proved that getting a new customer can cost up to five times as much as keeping an old one, so understanding the churn is crucial. Customer churn rate is also known as lost business value.

#### **Formula of Customer Churn Rate (CCR)**

$$\text{Customer Churn Rate (CCR)} = \frac{\text{No. of Customers Terminating within a Timeframe}}{\text{Number of Customers at the Start of the Timeframe.}}$$

The instances which may indicate that the turnover rate is on the higher side may be the cancellation of subscriptions, closing accounts, non-renewal of services & customer moving to competitor.

### **6. Customer Retention Cost (CRC)**

The amount of money spent by a company to safeguard and preserve its relationship with customers is known as the customer retention cost (CRC). The total cost of providing customer care and maintaining communication with the client. CRC is a measure of ROI, which finally results in the performance assessment and monetization phase of investment activities. It forecasts how consumers will perceive the brand value of an organization's goods or services. Business owners must consider a number of variables that differ from company to firm while estimating CRC.

#### **Formula for Customer Retention Cost (CRC)**

$$\text{Customer Retention Cost (CRC)} = \text{Cost of \{Customer Success Team + Renewals and/or Account Management Team + Customer Engagement Programs + Professional Service \& Training + Customer Marketing\}}$$





for betterment of the business. Ensure to mobilize this data, getting it to the appropriate individuals within the business who can interpret it and communicate the results so that appropriate action may be made. The feedback should be properly utilized in order to make efficient & effective decisions for the product or services.

## 6. Measure Properly

Companies need to collect customer metrics that are relevant to them. However, it is generally not necessary to monitor each KPI we listed (avoid requesting feedback from your customers that you are unsure how to manage). “No matter which metrics you choose to use, make sure they are predictive of the outcome you are trying to avoid or promote,” advised Nate Jones, Head of Customer Support at Simple Nexus. Too many businesses gather metrics because they believe they should, but they lack the knowledge necessary to use them wisely.

## 7. Fill up the Gap

Customer metrics may directly or indirectly impact & guide the various departments of the company (Marketing, Human Resource, Sales, Customer Care, etc). It is important that all the departments should be on the same level by filling up the gap & connect the dots.

## 8. Proactive for Retention & Loyalty

Although knowing what happened is crucial, measuring marketing progress can assist in predicting what will happen. Being proactive with customer metric measuring data can help with several things, including customer retention and loyalty building.

### 4.1.3. Uses of Customer Metrics

Being competitive in terms of pricing or goods is no longer adequate. Today's customers expect more! Companies can use customer experience to collect the data they require to provide excellent customer experiences throughout the whole customer lifetime. Customer metric could be an effective tool to measure it.

Customers today are aware of their options, and if they don't feel appreciated or respected, they will look elsewhere. In order to guarantee the life of your company, you should:

- **Build up Brand Loyalty:** Businesses can ensure satisfied customers remain that way through special promotions, programs, etc. Not only will this help keep them around, it can turn them into brand advocates who frequently recommend your product or service.
- **Convert Passives into Advocates:** With a little extra care, passives who are on the fence about your organization could be able to be persuaded to become promoters who will aid in the expansion of your enterprise.
- **Eliminating Bad Word of Mouth (WoM):** By “making things right” with known critics, you can convince them to refrain from posting negative reviews about your business on review websites. WoM is one of the most important considerations in customer experience which leads to loyalty, retention & expansion of customer base.
- **Boost Level of Customer Services:** Customer experience can point up opportunities for improvement, like as handling times and problem resolution times.



- **Provide Reliable Service:** The level of customer satisfaction may vary as per their experience of the product or service. The only option is to provide standardized & consistent product or service which may lead to trust & reliability of the customer.
- **Recognize Problematic Staff:** If there is continuous complaints about the employees of service, delivery or attitude then it is supposed to be addressed. It is more an opportunity to improve the performance of the staff by identifying improvement areas & training them.

### Check Back Questions

1. Define Customer metrics.
2. Enlist different types of customer metrics.

## 4.2. INTRODUCTION TO CUSTOMER CENTRICITY

Customer centricity in hotels refers to the practice of placing guests at the center of all operations and decision-making processes. It involves understanding and anticipating the needs, preferences, and expectations of guests to deliver exceptional experiences that lead to high levels of guest satisfaction and loyalty. When the organization's people, processes, and products are coordinated to tailor every transaction to the preferences of the consumer and beyond, customer centricity may be achieved.



Photo Credit: Oberoi Hotels

### 4.2.1. Creating customer centricity in hotels

Hotels may enhance good word-of-mouth, foster strong client loyalty, and achieve sustainable development in the fiercely competitive hospitality sector by implementing a customer-centric strategy. Creating exceptional guest experiences that go above and beyond expectations becomes the mark of a hotel that is really focused on its guests.



### Here are some key aspects to create customer centricity in hotels

1. **Understanding Customer:** Data Analytics, Feedback and Surveys generate deep understanding into consumer behavior, preferences, and problem concerns. This makes it simpler for businesses to tailor their products to better meet customer requests.

**Example:** Now days, Guests may prefer pet friendly hotels

2. **Personalization:** Customizing products, services, and encounters to meet the demands and preferences of individual customers at each stage of guest cycle and at every encounter. This may boost the entire client experience and provide a feeling of distinctiveness.

**Example:** Hotels that keep track of customer reviews and each guest's preferences make sure to remember this information and tailor personalized service during return of repeat guests.



Photo Credit: Marriott International

3. **Empowered Frontline Staff:** Frontline staff, such as concierge and front desk personnel, plays a crucial role in delivering customer-centric experiences. These employees should have the authority and resources to address guest concerns and make decisions that prioritize guest satisfaction.
4. **Continuous Feedback and Resolution:** Customer-centric hotels actively seek feedback from guests through surveys, comment cards, and online reviews. Creating customized experiences, Resolving their issues ,doing service recovery will ensure the customer to know how the hotel and its team value their customers experiences
5. **Exceptional Customer Service through empowered Staff:** Hotels that put the demands of their customers first focus providing excellent customer service. They train and empower their staff to serve guests the freedom to go above and beyond as every customer may have various demands and it requires good knowledge and self decision to serve the guests effectively



6. **Loyalty Programs:** Customer-centric hotels often have loyalty programs that reward repeat guests with offers that are exclusive for loyal guest's .The customers expect they are valued for their loyalty for which hotels offer various benefits, discounts, or rewards.
7. **Guest-Centric Products and Services:** Hotels design various Products and services with the guest in mind, catering to their preferences and needs.
8. **Real-Time Service Recovery:** Respond to guest complaints and issues promptly and efficiently. Addressing problems in real-time can turn a negative experience into a positive one for the guest.
9. **Seamless Guest Communication:** Use various communication channels to stay in touch with guests before, during, and after their stay. This can include personalized emails, text messages, or in-app communication.
10. **Social Media Engagement:** Be active on social media platforms to engage with guests, address inquiries, and respond to feedback. Social media provides an excellent platform to showcase your customer-centric approach.
11. **Guest-Driven Innovation:** Involve guests in the decision-making process and seek their input on improvements and new offerings. Guest-driven innovation can lead to valuable insights and ideas.
12. **Empathy and Emotional Connection:** Train staff to empathize with guests and create an emotional connection. Genuine care and attentiveness leave a lasting impression on guests.

### Check Back Questions

1. Define Customer Centricity?
2. Will Customer Centricity enhance greater hotels revenue and higher Profits?

#### 4.2.3. Benefits of Customer Centricity in Hotels

Customer centricity in hotels offers a wide range of benefits that contribute to guest satisfaction, loyalty, and overall business success.

##### Here are some of the key benefits

1. **Enhanced Guest Satisfaction:** Prioritizing guest needs and preferences leads to higher levels of guest satisfaction, resulting in positive reviews, repeat visits, and recommendations to friends and family.
2. **Increased Guest Loyalty:** Customer-centric hotels foster strong guest loyalty, leading to repeat bookings and long-term relationships with customers who choose the same hotel for future stays.
3. **Higher Revenue and Profitability:** Loyal guests who repeatedly choose a customer-centric hotel contribute to a stable revenue stream. Additionally, a positive reputation and increased bookings can lead to higher profitability. Cross Selling and up selling can add more profits as a loyal customer will trust and buy the products the hotel offers.

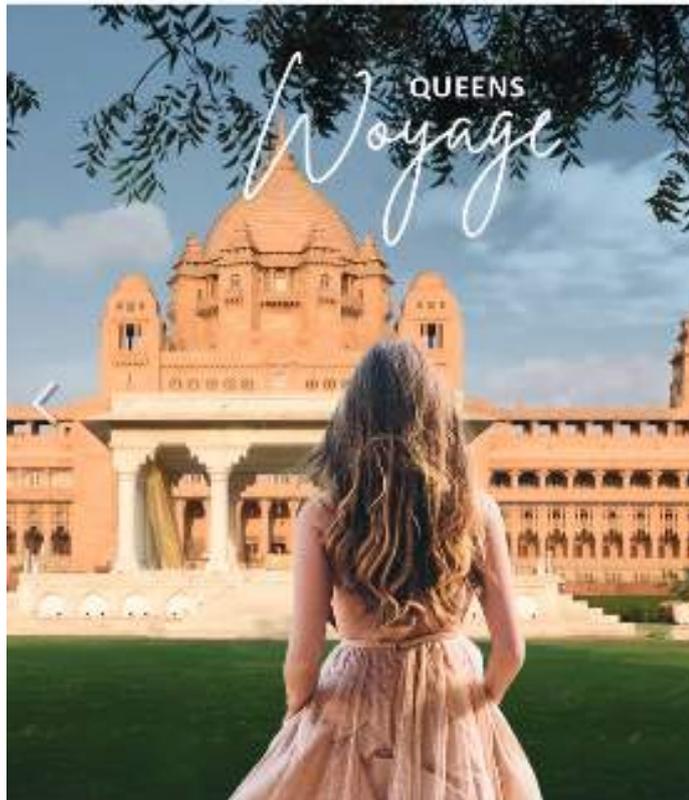


Photo Credit: Taj Hotels

4. **Positive Word-of-Mouth:** Satisfied guests are more likely to share their positive experiences through word-of-mouth, social media, and online reviews, attracting new customers to the hotel.
5. **Higher Occupancy Rates:** A reputation for exceptional customer service and personalized experiences can lead to higher occupancy rates as more travelers choose your hotel over competitors.
6. **Improved Guest Retention:** By addressing guest concerns and providing outstanding service, customer-centric hotels reduce guest churn rates and retain a larger percentage of their customer base.
7. **Reduced Customer Acquisition Costs:** Satisfied guests who become loyal customers require less marketing effort and expense to retain. This can result in cost savings compared to acquiring new customers.
8. **Higher Direct Bookings:** Guests are more likely to book directly with the hotel rather than through third-party platforms when they trust in the quality of service and personalized experiences.
9. **Strong Online Reputation:** The hotel guests usually review services on OTAs, Instagram and other review platforms. Building a strong online is of paramount importance in the current market and a satisfied guest reviews play a crucial role in repeat business.
10. **Risk Mitigation and Crisis Management:** Hotels that prioritize guest safety and well-being during crises or emergencies can maintain guest trust and loyalty even in challenging situations.



11. **Increased Revenue and Profits:** Satisfied guests are more likely to spend on additional services, amenities, and dining options, contributing to higher average spend per guest.
12. **Competitive Advantage:** In a competitive market, customer-centricity can set a hotel apart from its competitors. Guests are more likely to choose a hotel that consistently delivers excellent service and personalized experiences.
13. **Employee Satisfaction:** Employees also feel motivated and satisfied when their effort to provide the exceptional service is achieved and a positive guest feedback enhances employee's motivations and morale.
14. **Flexibility and Adaptability:** Hotels that prioritize their customers and actively solicit input from them may swiftly adjust to shifting consumer tastes and market trends while yet being competitive.
15. **Innovation and Growth:** Customer-focused hotels may find chances for innovation and development by continually enhancing the guest experience based on feedback.
16. **Long-Term Sustainability:** A customer-centric approach helps build a solid foundation for the hotel's long-term success by fostering guest loyalty and repeat business.



Photo Credit: ITC Hotels



In conclusion, customer centricity in hotels promotes happy guests while also boosting profits, enhancing brand reputation, and fostering long-term success in the fiercely competitive hospitality sector.

### Check Back Questions

1. How hotel benefits from customer centricity?
2. Customer centricity benefits guest and Hotels. Do you Agree?

## 4.3. EMERGING TRENDS IN GUEST RETENTION AND SERVICE EXCELLENCE

For the purpose of retaining guests and providing superior service, hotels have been working consistently to increase their service standards. In order to increase guest retention, hotels continuously keep track of various feedbacks, Preferences and expectations and as well as analyzing the data gathered by employing software to understand the guest preferences.



Photo Credit: ITC Narmada Hotels

Here are some of the emerging trends in guest retention and creating excellence in the hospitality industry in 2023:

**Personalization:** Guests want to feel like they are being treated like individuals, not just another number. Businesses can use data and analytics to personalize the guest experience, from the moment they book their stay to the moment they check out. This may be accomplished by giving guest's customized welcome greetings, making suggestions based on their prior visits, or presenting them with additional facilities.

**Sustainability:** Guests are increasingly interested in staying at sustainable properties. Businesses need to involve in sustainable practices and engage all the stake holders to attract and retain guests. This can be achieved by using recycled materials, utilizing less energy, or giving guests the choice to offset their carbon impact.



Photo Credit: ITC Hotels

**Experiential Travel:** Businesses may provide distinctive experiences to draw in and keep customers. Offering tourists the chance to partake in cooking lessons, study local history, or take guided excursions. Experience-based travel may highlight several aspects of local life, including food, culture, history, shopping, nature, and social life [3]; as a result, it can serve as the foundation for a well-rounded travel experience.



**User friendly Technology:** Technology can be used to improve the guest experience in a number of ways. For example, businesses can provide mobile apps to allow guests to check in and out, make room requests, and order room service, etc. They can employ technology to make customized recommendations or to give guests real-time information of their folios. The guests can also use chat bots on websites and mobile applications to speed up communication.

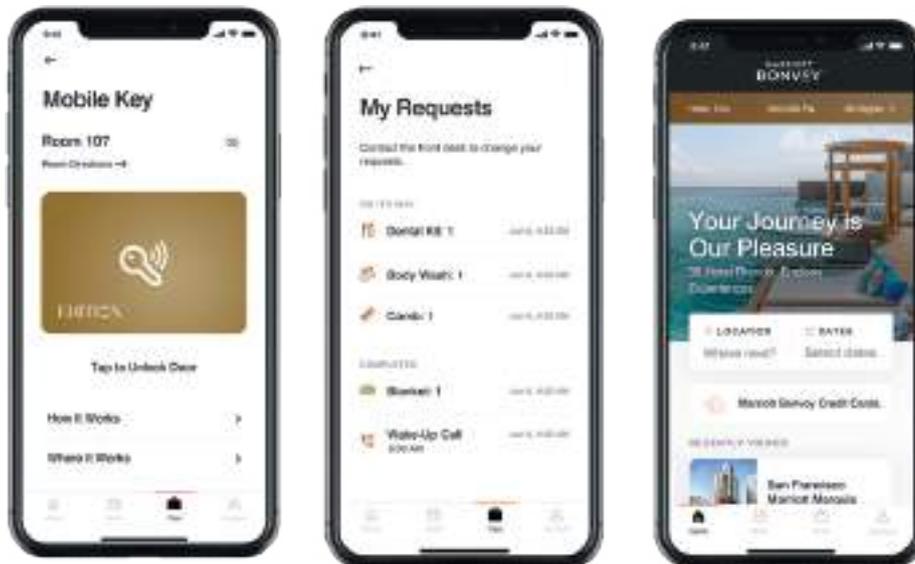


Photo Credit: Marriott International

**Data and analytics and** Data and analytics have become a blessing for hotels, allowing them to integrate customer data from every transaction of guest to provide statistics that can be used to analyze customer behavior and preferences. This information can be used to personalize the guest experience and improve retention rates. Businesses may utilize analytics and data to spot trends and improve their products and services.



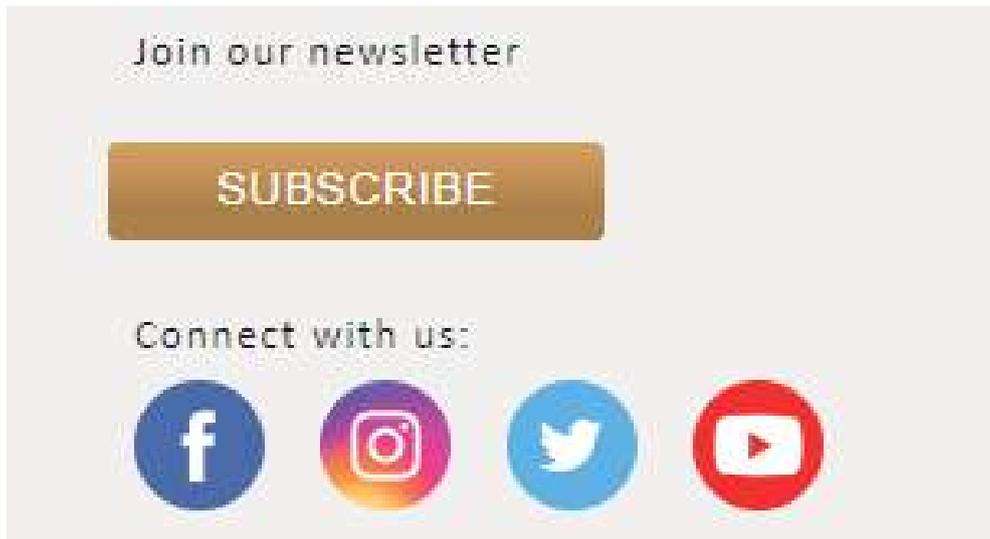
Photo Credit – Google Images

**The Use of Artificial Intelligence:** Artificial intelligence (AI) is becoming more prevalent. Businesses are using more sophisticated AI to automate processes, enhance customer service, and customize the consumer experience.

**Embrace Social media and Networking:** Social Media and Networking is an effective tool for retaining and engaging customers. Use it to communicate with your guests, respond to their



inquiries and support them. The hotels have been utilizing Face book, Integra, their websites, and a variety of other media to promote the goods and services they offer. Furthermore, hoteliers and guests are involved in sharing their experiences and engagements, resulting in building bonds and loyalty.



**Continuous evaluation of Guests retention outcomes:** The Hotels need continuously monitor the behavior of the guests. Identify at-risk customers early, offer more personalized experiences, offer incentives to keep them engaged to build stronger relationships and reduce the likelihood of losing them. Hotels must monitor their Net Promoter Score (NPS) and customer feedback to take appropriate action.

**Offer loyalty programs:** Loyalty programs are a great way to reward your customers for their business and encourage them to continue shopping with you. Make sure your loyalty program is easy to use and offers valuable rewards.

**Create loyalty through partnerships:** Partner with Corporate companies, attractions, banks, or airlines to provide your hotel's guests with exclusive offers. Collaborating with established businesses is advantageous for both guests and the hotel as Guests might come back to redeem the benefits they acquired from brands with which the hotel has a connection. Hotels and Airlines partner to allow guests to earn and redeem the points they have earned on their spends

**For Example:** Taj Hotels Partnership with Vistara Airlines

**“Club Vistara - Earn 3 CV Points per INR 100”**

Club Vistara members can earn 3 CV Points per INR 100 of eligible spends at Taj, SeleQtions, and Vivanta hotels, and at amā Stays & Trails.

**Organize Exclusive Events and Offers:** To demonstrate how much hotels value their loyal customers and business clients, exclusive events are organized for them. A select few hotels host gala dinners to showcase their commitment to its customers.

**Go the Extra Mile:** Genuine hospitality or care has the capacity to influence guest's mindset and perspective. The hospitality and service quality values that great hotel brands are built



upon should be really fostered and ingrained into the brands culture to create service excellence and enhance customer retention in hotels .Businesses should go the extra mile to make sure that their guests have a memorable experience. The hotels can go the extra mile by catering those products and services based on their preferences.

Every department should treat every customer with excellent care throughout the guest cycle in order to foster loyalty and a connection with the hotel and personnel. Many hotels offer specific funds to their employees in order to recognize and cater to any unique guest preferences. The staff is permitted to purchase items from the market and present them to customers in order to provide a customized service that shows the customer how much the hotel cares them.

Hotels may buy exclusive toys that are preferred by kids from the market to present to kids and create a WOW experience.

### Check Back Questions

1. Share any 2 trends in retention of guests and service excellence in hotels.
2. Share any two examples that lead to excellence in service?

## 4.4. LETS SUM UP

Customer metrics track or measure variables that have to do with customers. These elements or variables have an effect on the company's growth and Revenue. Among the customer metrics that may be measured are a number of different elements including loyalty, customer happiness, retention, and many more. The practice of putting customers at the centre of all operations and decision-making processes is known as customer centricity in the hotel industry. In order to provide outstanding experiences that promote high levels of customer satisfaction and loyalty, it includes comprehending and predicting the requirements, preferences, and expectations of customers. Numerous advantages of customer centricity in hotels include increased guest happiness, customer loyalty, and general business success and leading to Guest Retention and Service excellence .

## REVIEW QUESTIONS

### SHORT QUESTIONS

1. Define customer metrics
2. Discuss the relevance of customer metrics
3. Enlist the different customer metrics.
4. Discuss the CLV & CCR briefly.
5. Discuss the major considerations for constructing a customer metric.



6. Explain importance of feedback in making customer metric.
7. How customer metric is useful in balancing Word of Mouth(WoM)?
8. Explain usage of customer metric in dealing with problematic employee.
5. How hotels can enhance Customer centricity?
6. Will Customer centricity benefit hotels? Share your views on this?
7. How Customized products and services will enhance customer centricity?
8. What strategies do you employ to personalize guest experiences and tailor services to individual preferences?
9. How do customer-centric practices contribute to building a strong and positive brand reputation for your business?
10. What are the benefits of customer centricity to hotels?
11. What are the latest trends in guest retention strategies and creating service excellence?
12. List the factors that will enhance service excellence

### **ASSIGNMENTS**

1. Emerging Trends In Guest Retention And Service Excellence
2. Find What Are The Various Practices Of Customer Centricity In Any Local Hotel?
3. Evaluate The Hotel Websites To Find The Various Strategies They Adopt To Enhance Customer Centricity.
4. Find The Latest Retention Strategies Of Any 5Star Hotel In Your City
5. If You Were A Guest, What You Wish The Hotels Need To Provide You To Retain You As A Loyal Customer And How They Can Create Service Excellence.

# 5

## CHAPTER

# GUEST CONTACT AND CURRENT HOSPITALITY PRACTICES

## 5.0. UNIT OVERVIEW

### Overview

This unit deals with the terms guest & relation in an organization & hotel respectively. It will enable the learner to understand the importance of guest relations in Customer Relationship Management (CRM).

## Learning Objectives

At the end of the unit, the student will be able to

Unit 5	Topic	Outcomes
5.1.	Define Guest Relations	1. Comprehend the terms – Customer & Guest
5.1.1	Importance of Guest Relations	2. Understand the importance of guest relations
5.1.2	Key to maintain guest relations	3. Understand the strategies of Guest relations
5.2.	Service Culture	1. Comprehend the terms – Service culture
5.2.1	Service culture component	2. Understand the importance of service culture
5.2.3	Service culture anticipating needs	3. Understand the strategies of Guest relations
5.3.	Situation handling process in hotels	1. Comprehend the process of situation handling
5.3.1	Resolution guidelines while handling guest situations	2. Understand the importance of the resolution guidelines
5.3.2	Managing Awkward Situations	3. Application of different techniques
5.3.3	Dealing with guest in an awkward difficult situation	4. Understanding the type of guest and how to handle them.
5.3.4	Awkward situations in a hotel	5. Understand the different situations in a hotel and the perception of the same.
5.4	Guest Communications	1. Comprehend the Communication
5.4.1	Process of guest communication	2. Understand the process of guest communication
5.4.2	Key to maintain guest relations	3. Understand the strategies of Guest relations



Unit 5	Topic	Outcomes
5.4.3 5.4.4	Strategies to Boost Guest Communication in Hotels Sources of communications	4. Application of the strategies accordingly 5. Understand the different sources of communication
5.5 5.5.1 5.5.2 5.5.3 5.5.4 5.5.5.	The objective of guest preferences Common areas where guest preferences play a crucial role Guest History Importance of Guest History Guest history information	1. Comprehend the Communication 2. Understanding the role of guest preferences 3. Understand the components of guest history. 4. Understand the importance of guest history 5. Understand the guest history information
5.6 5.6.1 5.6.2 5.6.3 5.6.4	Define Complaint Reasons for Guest complaints Problem solving stages The benefits of complaints Customer Complaints Management process	1. Understand and Define the Term Complaint 2. Comprehend the reasons of guest complaints 3. Understand the different stages of problem solving 4. Understand how to use complaints for the overall performance of the hotel 5. Understand the process of guest complaints
5.7 5.7.1 5.7.2 5.7.3 5.7.4 5.7.5	Objective of (GSTS): Key features of a guest satisfaction tracking system Parameters for GSTS Mystery Audits Benefits of Mystery Audits in Hotels	1. Comprehend what is GSTS 2. Understanding the role of guest preferences 3. Understand the different parameters of GSTS. 4. Comprehend the importance mystery audits 5. Understand the benefits of a mystery audit

## 5.1. GUEST RELATIONS

### Definition





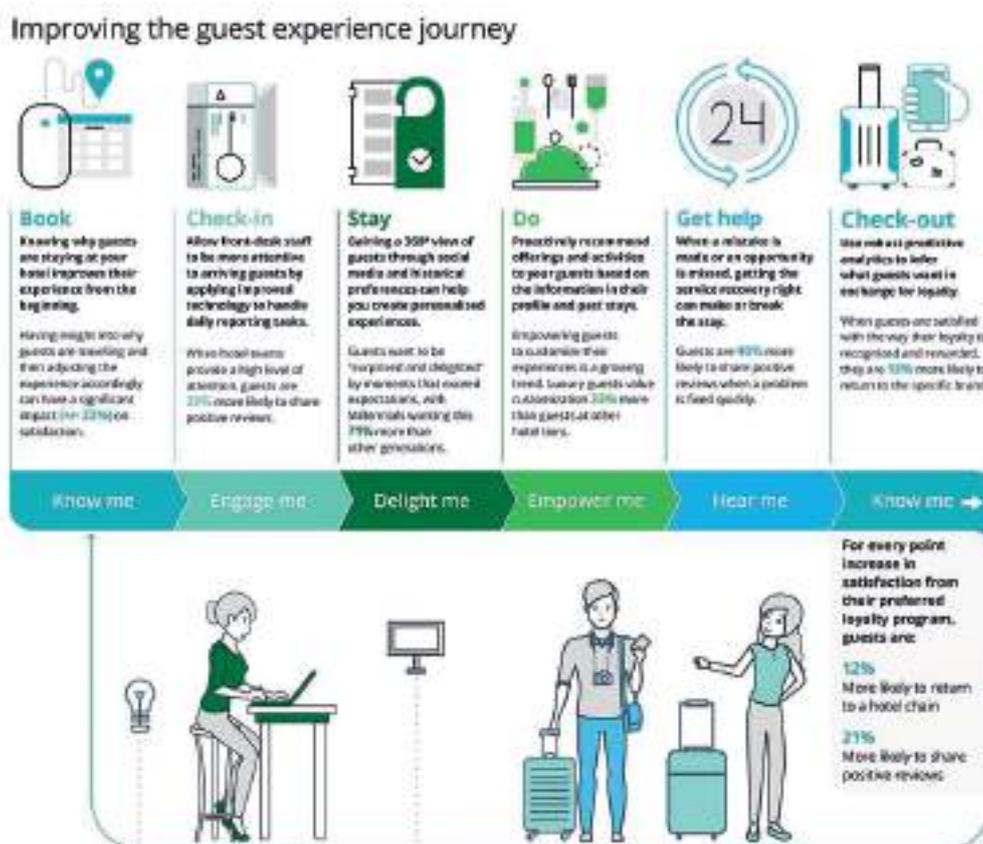
A series of activities designed to enhance the level of guest or guest satisfaction –an act that results in the realization or solicitation of a positive experience derived from the attainment of product or service, the ultimate goal is to meet if not to exceed guests' expectations.

Guest Relations is a field of specialization. Many may claim that they are experts in this field but then again, no one may claim that one knows everything about guest relations. In an ever-changing nature of customer, based on taste, wants, and needs, one can only be assured of the fact that there is always something new around the corner. The trick is to knowhow to keep up.

In layman's terms, the grid below simplifies what each side wants and the solution each may or may not be willing to take.

YOU		Guest
WIN	=	LOSE
LOSE	=	WIN
LOSE	=	LOSE
WIN	=	WIN

In a YOU WIN, and GUEST LOSE situation, should you end up winning an argument with a guest, you may have triumphantly shown your point to the guest, who scurries back to a corner defeated. Oh, sure the guest deserves it, after all, the guest lied and wasn't truthful to you, so you should really stick it to them, where it hurts.





The mindset of winning and not compromising can be good and yet at the same time could be a pitfall that makes you actually lose more value than what you have gained. You might have gained financially in this little skirmish, but you may have really lost. This cannot be counted by a financial medium but can be quantifiable in terms of media mileage.

Let's make it simple, guests lose, guests get bad experience from their stay (bad being relative only to the guest's point of view) which in turn the guests tell other people what you made them experience. These other people tell other people bad before you know it, it becomes a full-blown pandemic, with your property on the receiving bad end, of course this may not always be the outcome but it could be.

### Check Back Questions

1. Define Guest Relations?
2. What are the different solutions each may or may not be willing to take ?



- **Historical Roots:** The concept of guest relations can be traced back to ancient civilizations where hospitality towards travelers and guests was considered a moral duty.
- **First Impressions:** Studies show that guests often form an impression about a business within the first 7 seconds of interaction. This makes the initial moments of guest interaction crucial.
- **Personalization:** Many successful guest relations strategies focus on personalizing the guest experience. This can involve remembering guest preferences, special occasions, and individual needs.
- **Technology's Role:** With the advancement of technology, guest relations have extended to the digital realm. Hotels and businesses use various tools like CRM software and chat bots to enhance their guest relations efforts.
- **Emotional Impact:** Positive guest relations can have a significant emotional impact on guests, leading to increased loyalty, positive reviews, and word-of-mouth recommendations.

#### 5.1.1. Importance of Guest Relations

- In the guest perspective the character and the competence of the entire hotel is reflected in the personality of the front of the house staff. The staff in the front of the house may be the guest first and last contact with the hotel, for the arriving guest, the professional delivery towards the guest will set the tone for the entire stay, for the departing guest the final words will create a lasting impression.
- It is the hotel team's responsible to create a home away from home for the guest. The guest should be made to feel that they are part of the hotel family. The front of the house



team must convey the impression that it is not there just to sell their products, but rather make the guest stay a memorable one.

- A skilled front of the house representative is expected to show utmost respect for every guest and genuinely be concerned for their requirements during their stay at the hotel. The guest must be made to believe in the hotel team member's reliability and willingness to work for the guest.
- The guest relations department is also responsible for gathering guest feedback and addressing any concerns or issues that arise during a guest's stay. By soliciting feedback and taking swift action to address any issues, the guest relations team can enhance the guest experience and improve the business's reputation.

### **5.1.2. Key to Maintain Guest Relations**

Maintaining strong guest relations is essential for any business in the hospitality industry to ensure repeat business, positive reviews, and word-of-mouth recommendations. Here are some key strategies to maintain excellent guest relations:

- **Personalized Service:** Treat each guest as an individual with unique needs and preferences. Personalize their experience by addressing them by name, remembering their preferences, and going the extra mile to fulfill their specific requests.
- **Effective Communication:** Communicate clearly and promptly with guests. Listen actively to their concerns and feedback, and respond with empathy and understanding. Keep them informed about any updates or changes that may affect their stay.
- **Anticipate Guest Needs:** Train your staff to anticipate guest needs and be proactive in providing assistance. By addressing potential issues before they arise, you can enhance the guest's overall experience.
- **Prompt Issue Resolution:** If a guest raises a concern or complaint, prioritize resolving the issue promptly and satisfactorily. Empower your staff to handle guest complaints and ensure that they have the necessary resources to do so effectively.
- **Consistency in Service Quality:** Strive to deliver consistent service quality across all touch points of the guest's journey, from booking to check-out. Consistency builds trust and reliability, leaving a positive impression on guests.
- **Surprise and Delight:** Surprise guests with small gestures or personalized amenities that exceed their expectations. This can create a memorable experience that guests are likely to share with others.
- **Training and Development:** Invest in ongoing training and development for your staff to enhance their customer service skills. Well-trained and motivated employees are more likely to create positive guest interactions.
- **Loyalty Programs:** Implement a guest loyalty program to reward repeat customers and encourage them to return. Loyalty programs can also foster a sense of belonging and exclusivity for frequent guests.
- **Social Media Engagement:** Actively engage with guests on social media platforms. Respond to comments and reviews, both positive and negative, in a professional and courteous manner. Social media interactions are visible to a wide audience, so handle them with care.



- **Post-Stay Follow-up:** Reach out to guests after their stay with a thank-you note or email. This simple gesture shows that you value their business and feedback.
- **Guest Feedback Collection:** Regularly collect guest feedback through surveys or comment cards. Use this feedback to identify areas for improvement and take action to enhance the guest experience.
- **Empathy and Understanding:** Train your staff to be empathetic and understanding towards guests' needs and emotions. A compassionate approach can turn a negative situation into a positive one.
- **Crisis Management:** Have a well-defined crisis management plan in place to handle unexpected situations or emergencies. A quick and composed response during difficult times can make a significant difference in guest perception.

## 5.2. CUSTOMER SERVICES



Customer service refers to the support and assistance provided by a business or organization to its customers before, during, and after a purchase or interaction. The primary goal of customer service is to ensure customer satisfaction, address their needs, resolve issues, and enhance their overall experience with the company's products or services.

### Service Culture

Service culture is a type of company culture that places emphasis on great customer service. An organization or business specifically trains employees to place the customer's needs first in all their activities. They assign employees responsibilities based on a customer-centric approach, delivering the finest experience and offering great value to customers. This approach helps a company stand out in a crowded industry, increase company productivity, improve client retention rates and create a positive work environment for everyone.

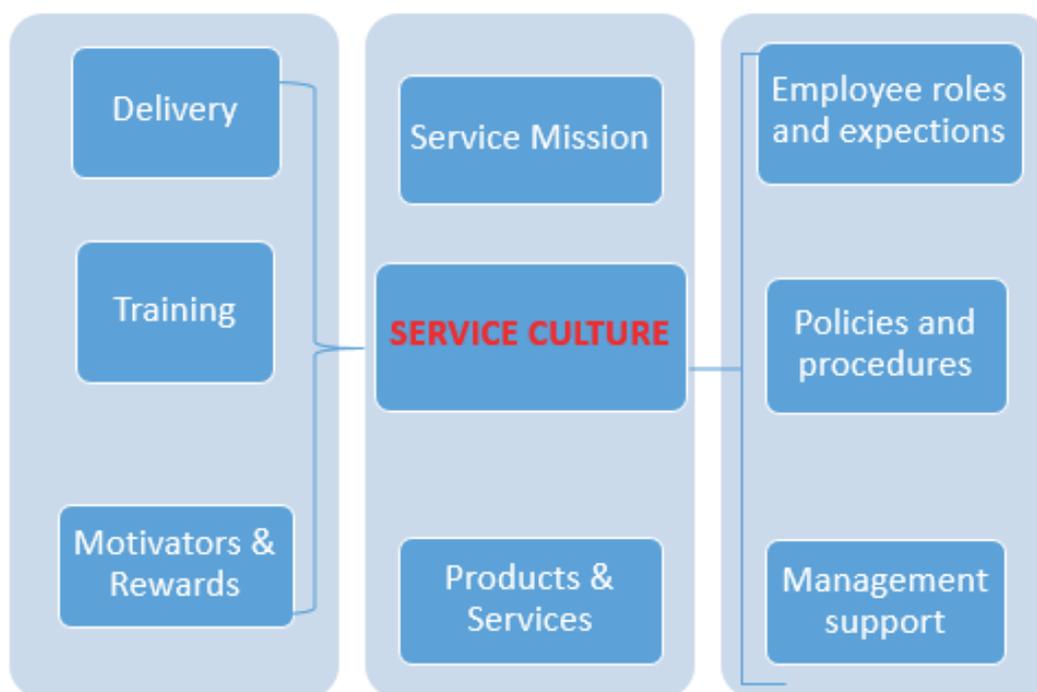
#### Recall Back Questions

1. Define customer service.



### 5.2.1. Service Culture Components

- **Delivery:** delivery simply refers to the delivery of a service from a business to a customer. The service a business provides is something that the customer is unable to perform themselves, so there are a lot of elements to good service delivery.
- **Training:** Service culture training is a process for helping employees know how to act in service to customers. This goes deeper than a few tips, tricks, and best practices. Service culture training helps employees understand your organization's unique culture.
- **Motivators and rewards:** Getting praised for your work creates a feeling that what you are doing is valuable and has meaning and that you are respected by your managers and peers. Everyone wants to feel good about their work and what they are doing, and a well-designed rewards program helps accomplish that.



- **Service Mission:** A company with a service culture focuses its mission and processes on serving the customer first and foremost. The goal is to provide the best experience and most value for the customer, and each employee's duties should be focused on that goal.
- **Product & Service:** There is something called Product-as-a-Service (PaaS), which combines physical products, companion software, and software to monitor the process. This allows for new offerings when a buyer does not own anything in the physical sense. The product is delivered as a virtual experience or service.
- **Employee roles & Expectations:** In an organization with a service culture, employees who interact with customers prioritize the customers' needs, and other employees work to improve customer service. That is, employees must be trained as soon as they are hired in the importance of customer service and accept that it is everyone's responsibility.
- **Policies and procedures:** Policies and procedures are clearly documented and conveyed to all employees. When processes for service delivery are clearly documented and communicated, employees know what's expected. This helps ensure efficient and uniform customer service. Employees feel empowered



- **Management Support:** It is the role of management to create a vision of customer service and to communicate it clearly and repeatedly throughout the organization and, in particular, with the customer service representatives. Managers must impact that, buy in, and serve as big mirrors reflecting the customer service quality they expect.

### Recall Back Questions

1. List the service culture components.

### 5.2.2. Service Culture Anticipating Needs

Below are several strategies you can employ to build a customer-oriented culture and anticipating guest needs:

# *Anticipating needs*



#### 1. Be clear about your expectations

Establish clear standards and expectations for all employees, especially those interfacing directly with clients. Having set out your expectations, align training procedures with these standards. Employees may be more likely to identify areas in need of improvement and seek the best strategy to employ for growth.

#### 2. Define the company's vision and goals

The company's purpose, vision or brand objective can succinctly outline what excellent customer service entails. Encompassing great customer service in the organization's mission, vision and objectives can act as a guide to how employees conduct themselves. This can also influence the kind of candidate the hiring team chooses for a role. It also assists clients in understanding the organization's mission before they have contact with the employees.



### **3. Set goals associated with customer service**

By setting goals, you give the company a target to aim for and to measure success by. Company data and statistics can enable you to assess regularly how good the customer experience is. Offering client surveys or periodic research can also help you to monitor service standards for the company you work. Make your goals simple, memorable and genuine and clearly identify the company values to encompass the fundamental principles that guide employee actions.

### **4. Ask for feedback**

Finding out what consumers want from the business and its products and services is a helpful step in creating a customer-oriented culture. You can learn more about how the business you work for is currently performing and what changes you could make to strengthen customer loyalty or retention. Do this by researching and asking clients to leave a review on the company website or through personalized emails. If employees know you're gathering client data, they may also be more likely to consistently adopt the customer-first mindset you promote to get a good client rating.

### **5. Hire the right employees**

Determine the brand's reputation and the types of people you want to attract to the company before anything else. You can then hire the most suitable individuals to help the company realize these ideas or goals. Thoroughly review potential new recruits to discover their strengths and weaknesses and to decide if they have what it takes to achieve the organization's objectives. Most people tend to work best and cooperate well when they have common attitudes and ideals.

### **6. Incorporate training for employees**

Having happy customers can improve sales and can increase employee retention. You can also underpin customer service training with company statements and documents. Incorporate the customer-centric focus in internal and external communications, the company's mission statement, employee policy manual and customer service policy. As new employees enter the organization, organize training so they can understand and engage with the customer service experience standards the company has established.

### **7. Create a reward system**

Recognizing and offering rewards for great customer service is an excellent strategy to retain outstanding employees. You can build a service standard and reward system into job descriptions, employee assessments and pay reviews to encourage a focus on customer service. This can deepen employees' commitment to prioritize customer service beyond simply seeking sales.

Try setting up groups or creating work teams to promote healthy competition. You can then create a monthly or quarterly report to determine which team achieved the highest standards of customer service. This reward system can motivate employees, create consistent results, encourage teamwork and build team spirit, all of which contribute to positive outcomes for the organization.



### 5.2.3. Benefits of a Customer-Oriented Culture



#### ➤ Improves Sales and Attracts New Customers

A client who receives good customer service or treatment is likely to return for future services or purchases. As a result, long-term retention rates are high when clients value a business's culture and level of service. They may recommend and promote these services to other people, including friends, family, colleagues or even strangers. Businesses that are highly customer-orientated can become renowned as an organization where staff provides exceptional service. They can also enjoy increased sales rates, enter new markets and attract advantageous business partners.

#### ➤ Improves Credibility and public image

Customers who experience great service from a company are more likely to share their positive views with others. They may leave feedback on company websites or other social media platforms for others to see. Customers, prospective clients and business partners can have confidence in the reputation and credibility of the company regarding great customer delivery. This positive reputation may attract new brand partnerships with other organizations that want to emulate these high levels of customer trust.

#### ➤ Increases productivity and client retention

When employers appreciate employees for delivering great customer service, they become motivated to do more. Strong customer-oriented culture fosters a varied, welcoming workplace where staff members and clients believe the organization recognizes their work. The feeling of providing and receiving value can boost output, resulting in consistent results and improved performance from both parties.

#### ➤ Increases employee retention

Employees may leave organizations for many reasons, including an unhealthy workplace environment. Workplace social dynamics, culture, how individuals interact with one another, how employees treat customers and vice versa can all determine staff retention rate. A healthy customer-oriented culture can lower the turnover of employees, increase loyalty and lessen the pressure that can arise when dealing with customers.



➔ **Encourages open communication**

Every business may benefit from effective communication because it can improve the connections between employees and clients, colleagues and managers. A customer-oriented culture can encourage employees to collaborate more on projects that focus on providing clients with great customer service. This can foster an open culture and develop strong teams where employees can better understand their roles and duties in the organization. They're more comfortable raising questions and engaging in new ideas that foster growth, which can also help them advance their career.

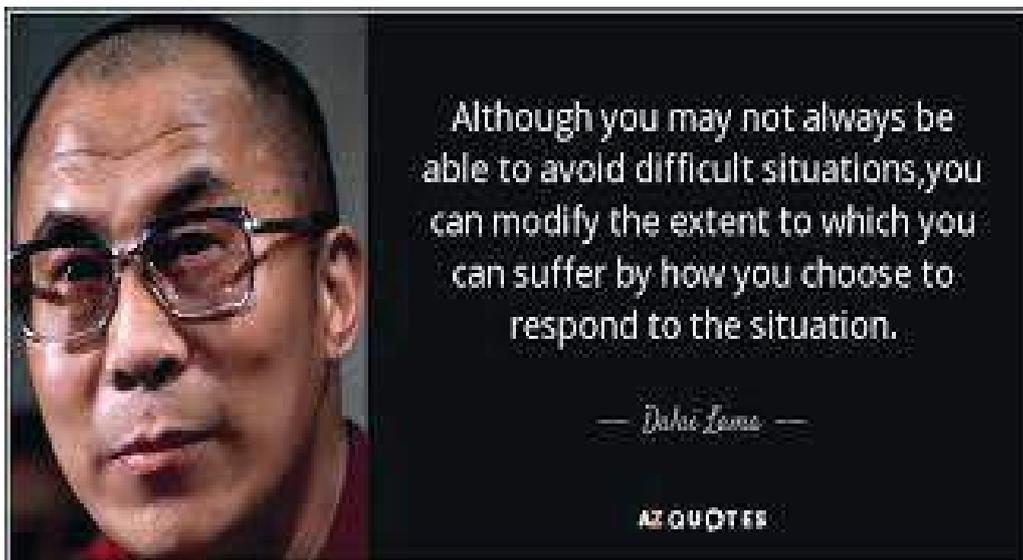
➔ **Increases employee engagement**

Employee engagement refers to how motivated and enthusiastic employees are about their work. By fostering a community of like-minded people who share the same values, a strong business culture inspires employees to feel devoted to their work. When at work, engaged employees are more likely to connect with colleagues, seek new strategies for growth and find solutions to difficulties more quickly.

➔ **Attracts more job applicants**

Employees often prioritize a positive and healthy workplace culture over high salaries. Many applicants choose to submit applications to reputable businesses because they provide greater freedom, great customer service and a chance to align the company's objectives and beliefs with their personal values. Job applicants scan job descriptions for information on the organization's business culture to see if they prioritize customer needs. Employers can therefore attract more applicants to their job postings by incorporating a service-focused culture into their organization.

**5.3.4. Handling Awkward Situations**



The situation handling process in hotels refers to the systematic approach followed by hotel staff to effectively address and resolve various situations, issues, and challenges that may arise during a guest's stay. The goal is to ensure guest satisfaction, maintain the hotel's reputation, and turn any negative experiences into positive ones.



Situation handling refers to the process of effectively managing and responding to various situations or circumstances that arise in personal, professional, or organizational contexts. It involves assessing the situation, understanding its details and implications, and then taking appropriate actions or making informed decisions to address the situation's challenges, opportunities, or demands.

Effective situation handling often requires a combination of skills such as critical thinking, problem-solving, decision-making, communication, adaptability, and emotional intelligence. It involves staying composed and level-headed under pressure, analyzing available information, considering potential consequences, and selecting the most suitable course of action.

### Recall Back Questions

1. Define situation handling.

## 5.3. SITUATION HANDLING PROCESS IN HOTELS:

1. **Identification:** The first step is to identify any situation or issue that requires attention. This could be a guest complaint, a service request, a billing discrepancy, or any other concern brought to the hotel staff's attention.
2. **Active Listening:** When a guest expresses a concern or complaint, hotel staff should actively listen to understand the details and the guest's perspective fully. It is essential to let the guest speak without interruption to gather all relevant information.
3. **Empathy and Apology:** Show empathy towards the guest's situation and apologize for any inconvenience or dissatisfaction they may have experienced. A sincere apology can go a long way in diffusing tension and building rapport.
4. **Immediate Action:** If possible, take immediate action to address the issue. For example, if a guest reports a malfunctioning appliance in the room, promptly send maintenance staff to fix it.
5. **Escalation** (if necessary): If the situation requires higher-level intervention or expertise, escalate the matter to a supervisor or manager who can handle it appropriately.
6. **Resolution:** Work towards finding a satisfactory resolution for the guest. Depending on the situation, this may involve offering a room upgrade, providing compensation, or fulfilling a specific request.
7. **Follow-Up:** After the situation has been resolved, follow up with the guest to ensure their satisfaction and to confirm that the issue has been fully resolved to their liking.
8. **Documentation:** Document the situation, the actions taken, and the resolution in the hotel's records. This documentation can be useful for future reference and for improving service processes.
9. **Learning and Improvement:** Analyze the situation and identify any patterns or recurring issues that may need attention. Use the insights gained to improve staff training, operational processes, or guest service policies.



10. **Guest Recovery:** For more significant issues, consider implementing guest recovery strategies, such as sending personalized apologies, offering discounts on future stays, or providing additional perks to restore the guest's trust and loyalty.
11. **Preventive Measures:** Take proactive measures to prevent similar situations from occurring in the future. This may involve improving standard operating procedures, enhancing staff training, or upgrading facilities and amenities.
12. **Maintain Professionalism:** Regardless of the situation's awkwardness, maintain a professional attitude and avoid taking any negative remarks personally. Stay focused on finding a solution and ensuring the guest's comfort.

By following this situation handling process, hotels can effectively address guest concerns, provide excellent customer service, and maintain a positive guest experience, ultimately leading to increased guest satisfaction and loyalty.

### Recall Back Questions

1. List down the situation handling process.

#### 5.3.1. Resolution guidelines while handling guest situations

Guidelines to be kept in mind when handling guest situations

- When an awkward situation occurs, the guest may be quite angry and confuse. Hotel staff members should not provoke or blame the guest in any way .
- Presence of mind is the best policy when dealing with guest situation. If a situation cannot be handled, front office staff should escalate the matter to the higher manager.
- Hotel staff should be advised that some guests situation are a regular occurrence and that the staff member should develop an approach for dealing with such situations or simply follow the SOP which have been laid down for such situations.

#### 5.3.2. Managing Awkward Situations

Handling awkward situations in hotels requires tact, empathy, and effective communication skills to ensure that guests feel valued and respected. Here are some guidelines for managing such situations:

- **Stay Calm and Composed:** As a hotel staff member, it's essential to remain calm and composed, even if a situation becomes tense or uncomfortable. Your demeanor can influence how the guest perceives the situation and can help de-escalate the tension.
- **Active Listening:** Listen carefully to the guest's concerns without interrupting. Let them express their feelings and frustrations fully. Show empathy and understanding to validate their emotions.
- **Apologize Sincerely:** If the hotel is at fault or if the guest experienced a problem, offer a genuine and sincere apology. Acknowledge the inconvenience caused and express your commitment to resolving the issue.



- **Take Ownership:** As a representative of the hotel, take ownership of the situation and the resolution process. Assure the guest that you will do everything possible to address the problem and prevent it from happening again.
- **Offer a Solution:** Depending on the situation, propose a suitable solution to rectify the problem. Be proactive in finding alternatives or compensations that may help restore the guest's satisfaction.
- **Empower Employees:** Ensure that your staff is empowered to make decisions and handle situations promptly. Giving them the authority to address issues on the spot can prevent small problems from escalating.
- **Privacy and Discretion:** When dealing with sensitive or personal matters, ensure the guest's privacy and handle the situation discreetly. Avoid discussing the matter openly in public areas.
- **Seek Supervisor Support:** If a situation requires higher-level intervention or decision-making, involve a supervisor or manager. They may have more experience in handling complex situations and can provide additional support.
- **Follow Up:** After resolving the situation, follow up with the guest to ensure their satisfaction. A post-resolution check-in can show that the hotel values their feedback and cares about their experience.
- **Learning from Mistakes:** Use the situation as a learning opportunity for the hotel. Discuss the issue with the team to identify any systemic problems and implement measures to prevent similar incidents in the future.
- **Document the Incident:** Keep a record of the incident and the actions taken to resolve it. Having documentation can be useful for future reference and for tracking patterns in guest feedback.
- **Maintain Professionalism:** Regardless of the situation's awkwardness, maintain a professional attitude and avoid taking any negative remarks personally. Stay focused on finding a solution and ensuring the guest's comfort.

Remember, the way a hotel handles awkward situations can significantly impact a guest's perception of the establishment. By demonstrating empathy, prompt action, and a commitment to excellent service, hotels can turn awkward situations into opportunities to strengthen guest relations and loyalty.

Use this four-step system to deliver excellent customer service: listen, acknowledge, solve and thank to get to the heart of the situation and give them a solution fast!

1. Listen. Let The Customer Voice Their Complaint Without Interruption. ...
2. Acknowledge
3. Solve.
4. Thank.

### Recall Back Questions

1. List the four-step system to deliver excellent customer service



### 5.3.3. Dealing with guest in an awkward difficult situation

Types of Guest	Technique
Argumentative	Do not argue back
Disbelieving	Keep to the facts ,not opinions
Expert	Give the facts and let guest express his views
Indecisive	Show range of alternatives
Nervous	Establish confidence do not rush
Pompous	Allow guest to maintain dignity
Short tempered	Tact, patience and firm response
Silent	Use questioning technique
Talkative	Listen with tact and patience, give firm response
Two or more people	Respond to both but concentrate on the leader

#### Awkward difficult situation that one might encounter in a hotel

Awkward situations can arise in hotels due to various reasons, and how they are handled can significantly impact the guest's experience and perception of the establishment. Some common awkward situations in hotels include:

- **Room Issues:** Problems with the guest's room, such as malfunctioning air conditioning, plumbing issues, or noisy neighbors, can be uncomfortable and disruptive.
- **Double Booking:** When a hotel accidentally double-books a room, it can lead to a challenging situation for both guests involved.
- **Lost Reservations:** If a hotel cannot find a guest's reservation or booking information, it can cause frustration and uncertainty.
- **Late Check-Out Requests:** Guests may request late check-out, but if the hotel cannot accommodate it due to incoming reservations, it can be awkward to communicate this limitation.
- **Payment Difficulties:** Payment issues, such as declined credit cards or disputes over charges, can be uncomfortable for both guests and staff.
- **Inappropriate Behavior:** Dealing with guests who exhibit inappropriate behavior towards staff or other guests can create an uncomfortable atmosphere.
- **Unmet Expectations:** If a guest's expectations are not met, such as not getting a room upgrade or experiencing a service deficiency, it can lead to disappointment.
- **Complaints about Staff:** Guests may express dissatisfaction with the behavior or service provided by hotel staff.
- **Health and Safety Concerns:** Any health or safety issues, such as accidents or injuries on the property, require immediate attention and appropriate handling.
- **Noise Complaints:** Guests may complain about noise disturbances from other guests or external sources.



- **Lost or Damaged Items:** If a guest's belongings are lost or damaged by the hotel, it can lead to frustration and discomfort.
- **Overcrowded Amenities:** During peak periods, amenities like pools or restaurants may become overcrowded, causing inconvenience to guests.
- **Language Barriers:** Communication challenges between staff and international guests due to language barriers can lead to misunderstandings.

## 5.4. GUEST COMMUNICATION



The Concise Oxford dictionary define communications as" act of imparting, especially news' or 'the science of transmitting information"

According to Keyton,2011, communication is defined as "The process of transmitting information and common understanding from one person to another.

Guest communication can be explained as giving ,receiving, or exchanging ideas, information ,data, messages, signals through some media which enables the hotel to persuade, to seek information, or to express their emotions to the guest.

Guest communication refers to the sharing of information between a hospitality business and its guests, whether in person, on the telephone, or through digital channels like SMS, email, live chat, WhatsApp, and Messenger, and social media.

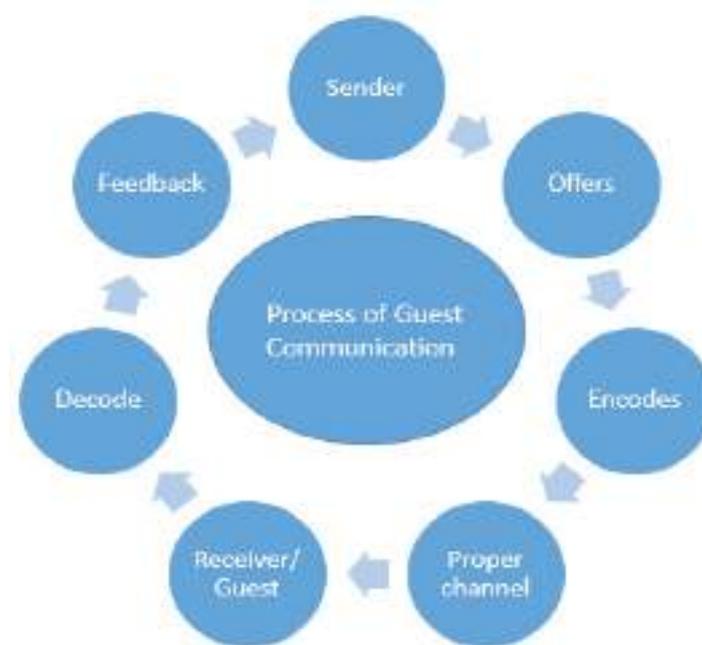
Communicating with hotel guests is the hallmark of brand loyalty. If guests don't feel emotionally connected to your brand, they could choose to stay elsewhere in the future and be swayed by factors like location, price, or amenities.

### Recall Back Questions

1. Define guest communication



### 5.4.1. Process of Guest Communication



Process of guest communication refers to the transmission or passage of any information for the sender to the receiver and back to the sender in terms of feedback through a selected channel by overcoming barriers. The process of guest communication is a complete cycle which can be explained as follows with all its elements.

- **Sender:** A thought, an idea, an offer which the hotel or company is trying to promote for the increase of their sales in the hotel during festivals and season period.
- **Message:** A piece of information which is conveyed by words of speech, write-ups, signs and symbols, pictures depending upon the situation and the offers which are available at the time.
- **Encoding:** It is a very important step in the guest communication process. Encoding deals with putting the targeted message into an appropriate medium i.e verbal or non verbal depending upon the situation, time, space and nature of communication. If the encoding is inappropriate, it will defeat the true intent of the communication process.
- **Channel:** The way the message flows or is transmitted is known as a channel and that links the sender with the receiver. It can be oral or written and may be transmitted through a computer, telephone, cell phone, any applications, radio, or televisions, hoardings and even social media sites. Like others, each channel has its advantages and disadvantages, so, the selected Channels are of paramount importance for any effective communication.
- **Receiver:** This is the significant factor in the guest communication process where the message is meant for potential guest or a group of people in the form of the listener, a reader or a viewer. The potential guest needs to comprehend the message so that the true intent of the communication towards the potential guest is attained.
- **Decoding:** The way any message is comprehended is called decoding. After receiving the message, the receiver or potential guest interprets or converts the message into the



intelligible language in the best possible manner that should suit the requirements at that particular period so that the potential guest can decide whether he or she will go ahead with information which has been provided to him and actually



- **Feedback:** It is the final step of the guest communication process that establishes that the receiver has received the message in its letter and spirit. Feedback is the response of the receiver to ensure that the message or information has been effectively encoded, sent, decoded and comprehended accordingly.

### Recall Back Questions

1. List the process of guest communication

#### 5.4.2. Strategies to Boost Guest Communication in Hotels

Keep a regular touch with the guest even after the guest have checked out from the hotel

Ensure a good front desk impression.

Introduce Chatbot on your website.

Communicate using meaningful offerings.

Be proactive.

Keep a separate database for Multi-Channels.

Personalized and authentic interactions.

Be available and responsive.

Excellent communication skills are especially important in the hospitality industry because they can help to build rapport with guests, resolve conflicts, and create a positive overall guest experience.



### 5.4.3. Sources of Communications

There are various sources of communication with guests, depending on the industry and the nature of the interaction. Here are some common communication channels used to connect with guests:

- **Email:** Email is a widely used and versatile communication channel. It is suitable for various purposes, such as booking confirmations, sending updates, sharing offers, and responding to inquiries.
- **Phone Calls:** Phone calls allow for direct and real-time communication with guests. They are often used for handling reservations, providing customer support, and addressing urgent matters.
- **Live Chat:** Live chat is a popular option for online businesses and customer support on websites. It enables real-time interactions, offering quick assistance to guests while they browse the site.
- **Social Media:** Social media platforms like Facebook, Twitter, Instagram, and LinkedIn provide opportunities to engage with guests, share updates, respond to feedback, and handle customer service queries.
- **Messaging Apps:** Messaging apps like WhatsApp, WeChat, and Facebook Messenger are increasingly used for communication with guests. They provide a more informal and convenient way to interact.
- **In-Person Interactions:** For industries like hospitality and retail, face-to-face communication is essential. This includes interactions at the front desk, concierge services, or sales counters.
- **Mobile Apps:** Some businesses offer dedicated mobile apps to communicate with guests, providing personalized experiences and push notifications for updates and promotions.
- **Website Chatbots:** Automated chat bots on websites can handle basic guest inquiries, providing instant responses and directing guests to appropriate resources.
- **Feedback Forms:** Surveys and feedback forms are effective tools for obtaining guest opinions and suggestions. They can be distributed via email, website pop-ups, or physical forms.
- **Newsletters:** Regular newsletters can keep guests informed about the latest news, offers, and updates related to a business or service.
- **Video Calls:** Video conferencing platforms like Zoom or Skype are useful for virtual meetings, especially when in-person interactions are not possible.
- **Text Messages (SMS):** Sending important updates or reminders via text messages is a quick and direct way to reach guests who have provided their mobile numbers.
- **Social Media Direct Messages:** Responding to direct messages on social media platforms can provide personalized support and build rapport with guests.
- **Digital Signage:** In certain industries like hospitality or events, digital signage can be used to share information and engage with guests in a visually appealing manner.
- **Traditional Mail:** Although less common in the digital age, physical mail can still be used for sending personalized notes, invitations, or special offers during seasonal or festivals times.



## 5.5. GUEST PREFERENCES & GUEST HISTORY

Guest preferences refer to the specific likes, dislikes, and desires of individuals or customers when they interact with a business or participate in an event as guests. Understanding and catering to guest preferences are essential for providing a personalized and satisfactory experience.

### The objective of guest preferences

The objective of guest preferences in the hospitality industry remains consistent with the goal of enhancing guest satisfaction and delivering exceptional experiences.

- Understanding and catering to guest preferences allows hotels and hospitality establishments to provide personalized and memorable stays, resulting in several key benefits.
- **Enhanced Guest Satisfaction:** By meeting guest preferences, hotels can create a positive and memorable experience for each guest. Satisfied guests are more likely to return and recommend the hotel to others, leading to increased loyalty and positive word-of-mouth.
- **Personalization:** Recognizing and accommodating guest preferences enable hotels to offer personalized services, amenities, and experiences. This personal touch makes guests feel valued and special, fostering a stronger emotional connection with the hotel.
- **Loyalty and Repeat Business:** Satisfied guests who have their preferences fulfilled are more likely to become loyal customers. Loyal guests tend to choose the same hotel for their future stays, contributing to repeat business and a stable customer base.
- **Positive Online Reviews and Ratings:** Guests who have their preferences met are more inclined to leave positive reviews and higher ratings. Positive online feedback can influence other potential guests' decisions and improve the hotel's reputation.
- **Up selling Opportunities:** Understanding guest preferences can lead to targeted up selling and cross-selling opportunities. By offering relevant upgrades or additional services, hotels can increase their revenue while providing value to the guest.
- **Competitive Advantage:** Hotels that excel at catering to guest preferences gain a competitive edge in the market. This ability to provide unique and personalized experiences sets them apart from competitors and attracts more guests.
- **Data-Driven Decision Making:** Collecting and analyzing guest preference data can provide valuable insights into guest behavior and preferences. Hotels can use this information to make informed decisions about their offerings and marketing strategies.
- **Sustainable Business Growth:** Satisfied guests who become loyal customers contribute to a steady stream of revenue and long-term business growth. Building a strong base of repeat guests reduces the hotel's reliance on one-time visitors.
- To achieve the objective of guest preferences, hotels often use various methods, including guest surveys, feedback forms, and loyalty programs. They may also leverage guest data analytics and customer relationship management (CRM) systems to track and manage guest preferences effectively. However, it is crucial to handle guest data ethically and securely, respecting guest privacy and adhering to data

### Recall Back Questions

1. Define guest preference.



**PAN PACIFIC**  
Manila

**GUEST PREFERENCE FORM**

Salutation  First Name  Last Name

Email  Date of Birth

Would you prefer a non-smoking room?  Yes  No

**Interests**

Cooking  Diving  Diving  Fashion  History  
 Fine Wine  Fishing  Golf  Hiking  Music  
 Reading  Art  Technology  Theater  Cinema  
 Tennis  Others please specify:

**What kind of welcome amenity would you prefer?**

**FRUITS.** Please specify your preferred fruits.\*

Apple  Grapes  Orange  Banana  
 Pineapple  Mango  Guava  Local fruits in season  
 Others Please Specify:

\*Menu items are subject to availability on day and location of room.

**ICE CREAM.** Please specify your preferred ice cream flavors.

Vanilla  Chocolate  Ube/Yam  Mango  
 Cheese  Strawberry  Others Please Specify:

**What jam/marmalade would you prefer to have during breakfast**

Strawberry  Orange  Mango  Apple  Honey  
 Guava  Red Raspberry  Santal  
 Others, please specify:

88 Adriano Street Cor. Vibico Street, Manila, Manila 1004, Philippines  
Tel: (63) 2 80 0788 Fax: (63) 2 80 0739 Email: reservations@panpacific.com Website: www.panpacific.com

Format courtesy Pan Pacific Hotel, Manila

#### 4.4.4. Common areas where guest preferences play a crucial role:

- **Accommodation Preferences:** In the hospitality industry, guests may have specific preferences for their accommodations, such as room types (e.g., standard, deluxe, suite), bed preferences (e.g., king-size, twin beds), or specific amenities like a bathtub, mini-fridge, or a view.
- **Dietary Preferences:** In the food and beverage industry, it's crucial to consider guests' dietary preferences and restrictions. Some guests may be vegetarian, vegan, gluten-free, or have specific food allergies.
- **Communication Preferences:** Guests may have preferences regarding how they prefer to communicate with a business, whether it's through email, phone calls, chat bots, or in-person interactions.
- **Entertainment Preferences:** For events or venues, understanding guests' entertainment preferences is essential. This could include musical preferences, the type of performances they enjoy, or the activities they would like to participate.



- **Personalization Preferences:** Many guests appreciate personalized experiences. This could be as simple as addressing them by name, remembering their past preferences, or offering tailored recommendations.
- **Privacy Preferences:** Some guests may value their privacy and prefer minimal interactions or a “do not disturb” option during their stay or visit.
- **Environmental Preferences:** In recent times, guests may show preferences for environmentally friendly practices, such as hotels with sustainable initiatives or businesses that reduce their carbon footprint.
- **Seating Preferences:** In restaurants, guests may have seating preferences, like window views, outdoor seating, or proximity to specific areas.
- **Technology Preferences:** Understanding how tech-savvy your guests are can influence the use of technology in your business. Some may prefer self-check-in kiosks, while others might prefer traditional check-in processes.
- **Payment Preferences:** Providing various payment options can cater to different guest preferences. Some may prefer cash, credit/debit cards, mobile payments, or even crypto currency.

### Recall Back Questions

1. List down Common areas where guest preferences play a crucial role.

#### 5.4.5. Guest History

Guest history in hotels refers to a comprehensive record of a guest's interactions, preferences, and past experiences with the hotel. It is essentially a collection of data and information about the guest's previous stays and interactions with the hotel's services and amenities. Guest history is typically stored in the hotel's customer relationship management (CRM) system or a dedicated guest database. This information is used to enhance the guest's future stays and provide a more personalized and tailored experience.

The guest history may include various details, such as:

- **Reservation Details:** Dates and duration of previous stays, room type booked, and any special requests made during the reservation.
- **Guest Contact Information:** Name, address, email, phone number, and loyalty program membership details (if applicable).
- **Preferences:** Specific room preferences (e.g., smoking/non-smoking, bed type), location preferences (e.g., high floor/low floor), and any other personalized choices.
- **Special Requests:** Any requests or requirements made by the guest during previous stays, such as extra amenities, specific room features, or particular services.
- **Feedback and Complaints:** Records of any feedback, compliments, or complaints provided by the guest during previous stays, along with how the hotel addressed and resolved them.
- **Spending Patterns:** Information on the guest's spending habits during past stays, including room service charges, restaurant expenses, spa treatments, and other on-site purchases.



- **Loyalty Program Activity:** Details of the guest's participation in the hotel's loyalty program, accumulated points, and membership tier status.
- Hotels use guest history to provide personalized services and tailor the guest experience to individual preferences. For example:
  - Greeting returning guests by name and acknowledging their loyalty to the hotel.
  - Preparing the guest's preferred room setup and amenities before their arrival.
  - Offering personalized promotions and special offers based on the guest's interests and spending patterns.
  - Addressing any specific requests or concerns the guest may have based on their past feedback.
- By leveraging guest history, hotels aim to foster guest loyalty, increase satisfaction, and create memorable experiences that encourage guests to return for future stays and recommend the hotel to others. However, it is essential for hotels to handle guest data with utmost care, ensuring privacy and compliance with data protection regulations.

#### 5.4.6. Importance of Guest History

The importance of guest history in the hospitality industry cannot be overstated. It plays a vital role in enhancing guest satisfaction, personalizing experiences, and building long-term relationships with guests. Here are some key reasons why guest history is important for hotels and hospitality establishments:

- **Personalization:** Guest history allows hotels to understand individual preferences, such as room type, amenities, and special requests. By leveraging this information, hotels can create personalized experiences for each guest, making them feel valued and appreciated.
- **Improved Guest Experience:** When hotels cater to guests based on their past preferences and feedback, it leads to a smoother and more enjoyable experience. Anticipating and fulfilling guests' needs can positively impact their overall stay.
- **Increased Guest Loyalty:** Satisfied guests who experience personalized service are more likely to become loyal customers. Repeat business from loyal guests is a significant source of revenue for hotels and can also lead to positive word-of-mouth marketing.
- **Targeted Marketing and Up selling:** Understanding guest preferences and spending patterns allows hotels to offer targeted promotions and up selling opportunities. By offering relevant upgrades and services, hotels can boost their revenue while providing added value to the guest.
- **Service Recovery:** Guest history records any past complaints or issues encountered by the guest. This information can be crucial for service recovery efforts, ensuring that the hotel addresses any previous problems and prevents similar issues from arising again.
- **Operational Efficiency:** Having access to guest history enables hotel staff to streamline check-in processes and anticipate guest needs, reducing wait times and enhancing operational efficiency.
- **Competitive Advantage:** Hotels that excel at using guest history to personalize experiences gain a competitive edge in the market. This can differentiate them from competitors and attract more guests seeking tailored and memorable stays.



- **Guest Feedback and Improvement:** Guest history helps identify trends and patterns in guest feedback, enabling hotels to make data-driven improvements to their services and offerings.
- **Enhanced Guest Relations:** By referring to guest history, staff can engage in meaningful conversations with guests, showing that they remember and care about their preferences and previous experiences.
- **Data-Driven Decision Making:** Guest history provides valuable data that hotels can use for data analysis and decision-making. This can include identifying trends, optimizing pricing strategies, and allocating resources effectively.
- Overall, guest history is a powerful tool for hotels to create exceptional guest experiences, improve guest loyalty, and drive long-term business growth. However, it is essential to handle guest data responsibly, ensuring data security and compliance with privacy regulations to maintain guest trust and confidentiality.

#### 5.4.7. Guest History Information

Guest history information is often compiled and kept by hotels which:

- Want to offer personalized service – by being able to ‘recognize’ guests as returning customers, offer those rooms and amenities according to their previous likes and dislikes and so on.
- Want to pursue relationship marketing to guests – by being able to maintain contact with them after their stay, and offer personalized offers and reminders, in order to create repeat business, a growing ‘relationship’ with the customer, and, ideally, customer loyalty.
- Want to streamline administration of reservation and check-in, by retaining previously obtained guest information – so that it doesn’t have to be obtained and input again.
- Luxury hotels may compile guest history records as a matter of course, in the anticipation of guests returning, because personalized service is such an important part of their offering. For smaller hotels, and hotels with a high proportion of transient and non-repeat trade, it has traditionally not been worthwhile, other than for known repeat or regular visitors. However, in this – as in most things – computerized systems have put it within reach of the smallest hotel: allowing guest information to be input, stored, updated and retrieved easily and cost-effectively (and without filing space).

#### 5.4.8. Information for Guest History

- The first time a guest stays in a hotel, a guest history record will be opened, and it will be updated on all subsequent stays. A guest history card will usually contain basic information such as:
  1. Name, contact and registration details of the guest
  2. Date of arrival
  3. Room occupied
  4. Number of nights
  5. Room rate



6. Amount spent in total during the stay
7. Special requests/preferences noted (eg newspaper taken, view requested)

In addition, the hotel may compile a range of other details picked up by the receptionist and other staff:

- The names of the guest's partner and/or children; the guest's birthday
- Their stated likes, dislikes and interests
- Their reason for staying in the area and so on. This enables the hotel to welcome guests by name.
- Ask (without inappropriate familiarity) after the family
- Send a birthday card, personalized or targeted offers and invitations (eg if there is a special event in the area, in which the guest might be interested).

In a manual system, this information could be kept on a simple index card, with relevant headings. (space for notes).

In a computerized system, it can be entered into relevant fields in guest records – from the first booking enquiry onwards.

The following is a basic guest record screen.

Source: <http://intranet.bpc.ac.uk/widecoll/hotel/HotPerAv.html>

Figure Guest record (in Word Perfect)

**Note:**

The additional information that can be stored in the database in such a system. 'Media type', for example

- How the guest heard about the hotel (via advertisement, the hotel website, a travel agent or, in this case, recommendation).
- Statistical reports can be generated from the database to show
- How effective and cost-effective the hotel's advertising and web site marketing is.
- Data on amounts spent per stay (and as a cumulative total per customer) can automatically be compiled as revenue statistics.

When the reservation clerk enters a name and details into a computerized reservation/records system, the software will identify matching data and alert the clerk to the existence of a match which will eventually help by:

- Enabling the clerk to respond with recognition, if (s)he is speaking to the guest on the telephone
- Supplying the relevant guest record, so that details do not have to be re-input, and appropriate offers (eg of the type of room the guest requested previously) can be made.



Do you think it is worthwhile for a hotel to keep detailed guest history records?



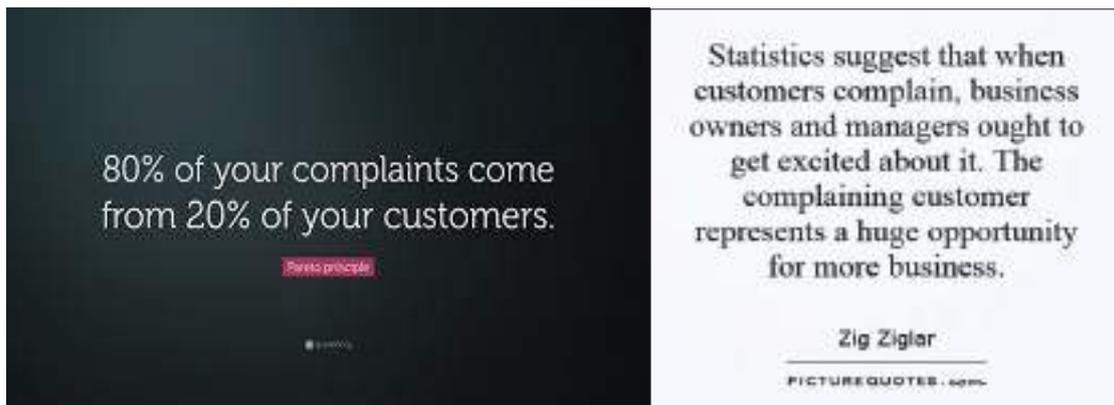
## 5.6. COMPLAIN MANAGEMENT SYSTEM

In the hospitality industry, maintaining guest satisfaction is crucial for the success of any hotel. One essential aspect of guest satisfaction is addressing and resolving guest complaints effectively. A Complaint Management System (CMS) plays a pivotal role in ensuring that guest concerns are addressed promptly and efficiently. This assignment explores the components and benefits of a CMS in a hotel setting.

A **customer complaint** is «an expression of dissatisfaction on a consumers behalf to a responsible party» (Landon, 1980).

A complaint is a formal expression of dissatisfaction, discontent, or concern made by an individual or entity to address a perceived issue, problem, or dissatisfaction with a product, service, process, or situation.

It typically involves conveying dissatisfaction with the current state of affairs and seeking resolution, improvement, or redress from the responsible party. Complaints can arise in various contexts, including customer service, business operations, public services, and personal interactions, and they serve as a means for individuals to voice their grievances and expectations for a more satisfactory outcome.



### Recall Back Questions

1. Define Complain

#### 5.6.1. Reasons for guest complaints

Guest complaints can stem from a variety of reasons, reflecting the diverse expectations, preferences, and experiences of individuals. Here are some common reasons for guest complaints in the hospitality industry:

##### 1. Service Quality Issues

- Unresponsive Or Rude Staff Behaviour
- Delays In Service Delivery, Check-In, Or Check-Out
- Inaccurate Information Provided By Staff



## **2. Room and Facility Concerns**

- Unclean or poorly maintained rooms or facilities
- Malfunctioning amenities (e.g., air conditioning, plumbing)
- Noise disturbances or inadequate sound insulation

## **3. Reservation and Booking Problems**

- Incorrect room allocation or reservations
- Overbooking resulting in unavailability of rooms
- Inaccurate pricing or billing discrepancies

## **4. Food and Beverage Dissatisfaction**

- Poor quality or presentation of food and drinks
- Incorrect orders or inadequate portion sizes
- Allergic reactions due to undisclosed ingredients

## **5. Miscommunication and Expectation Gaps**

- Discrepancies between advertised features and actual offerings
- Unmet expectations related to room views, amenities, or services

## **6. Inadequate Guest Assistance**

- Lack of assistance for special needs or requests
- Failure to address guest inquiries or provide accurate information

## **7. Hygiene and Cleanliness Concerns**

- Sanitary issues in common areas, bathrooms, or dining spaces
- Pest infestations or unclean linens

## **8. Technical and Facility Failures**

- Wi-Fi connectivity issues or malfunctioning electronics
- Power outages or equipment failures

## **9. Security and Safety Matters**

- Safety concerns related to fire exits, locks, or general security measures
- Accidents or injuries due to unsafe conditions

## **10. Communication Breakdowns**

- Misunderstandings between guests and staff
- Lack of communication regarding changes or disruptions

## **11. Cultural or Language Differences**

- Misinterpretations due to language barriers or cultural nuances
- Misalignment between guest expectations and local practices



## 12. External Factors

- Weather-related inconveniences affecting travel plans
- Nearby construction noise or disruptions

Guest complaints provide valuable insights into areas that need improvement and opportunities for enhancing guest experiences. Hospitality establishments aim to address these concerns promptly, efficiently, and empathetically to mitigate negative impressions and foster guest satisfaction and loyalty.

### Recall Back Questions

1. List the reasons for a complain

## 5.6.2. Stags in Problem Solving

### Obstacles you Might Encounter Solving a Problem



#### 1. Mental set and

#### 2. Lack of motivation.

- Mental set is a tendency of a person to solve problems by following already tried mental operations or steps.
- Lack of motivation is another obstacle to solving problems.





### 5.6.3. Benefits of Complaints

While complaints might seem like negative feedback, they actually offer several benefits to businesses, particularly in the hospitality industry. Here are some key benefits of guest complaints:

#### 1. Improvement Opportunities

Complaints highlight areas of weakness or inefficiency within a business. By addressing these issues, organizations can implement improvements that lead to better services, facilities, and processes.

#### 2. Customer Insight

Complaints provide direct insights into customers' preferences, expectations, and pain points. This information helps businesses understand their customers better and tailor their offerings accordingly.

#### 3. Service Enhancement

Responding to complaints effectively allows businesses to demonstrate their commitment to guest satisfaction. By addressing concerns promptly, businesses can turn a negative experience into a positive one, enhancing overall guest perception.

#### 4. Guest Loyalty

Handling complaints well can foster guest loyalty. Guests appreciate businesses that listen, take action, and value their feedback. A well-resolved complaint can actually increase guest loyalty compared to a situation with no complaints at all.

#### 5. Competitive Advantage

Businesses that actively seek to improve based on customer feedback gain a competitive edge. Addressing complaints positions the business as responsive and customer-focused, attracting new guests and retaining existing ones.

#### 6. Employee Training and Development

Complaints can highlight areas where staff training is needed. Businesses can use these instances to improve employee skills and ensure consistent service quality.

#### 7. Process Optimization

Complaints often reveal breakdowns in operational processes. Addressing these issues leads to streamlining processes and reducing the likelihood of similar complaints in the future.

#### 8. Innovation

Responding to complaints with creative solutions can lead to innovative ideas for improving products, services, and guest experiences.

#### 9. Online Reputation Management

Handling complaints professionally and effectively can minimize negative reviews online. Satisfied customers who have had their complaints resolved are more likely to leave positive reviews.



### 10. Guest Retention

A well-handled complaint can prevent a dissatisfied guest from leaving and encourage them to return. Addressing their concerns shows that the business values their patronage.

### 11. Internal Learning

Complaints can be used as case studies for staff training sessions, allowing employees to learn from real-world examples.

### 12. Data for Analysis

Complaint data can be analyzed to identify patterns and trends, helping businesses make informed decisions about improvements and resource allocation.

In essence, complaints are opportunities for businesses to evolve, grow, and create stronger connections with their customers. When handled with care and a commitment to improvement, complaints can ultimately lead to higher customer satisfaction and business success

#### Recall Back Questions

1. List down the reasons for a complain.

### Types of complainers

Types of complainers	Action Taken
Passive	NO action
Voicers	Complain only to service providers and not to anyone else
Irates	Complaint to service provider is average and more likely to spread negative word of mouth, and switch the service provider. Unlikely to complain to third party.
Activists	Above average propensity to complain to all parties and most likely than others to complain to a third party.

### Complaint Management System

Complaint Management System is the process of handling, managing, responding to, and reporting customer grievances. This process requires a streamlined approach and constant monitoring to ensure faster resolution.

Complain management software is used in hotel in two general contexts

1. Outward facing- In call centers scenarios, to record complaints and problems as reported by guest.
2. Inward facing- In internal help desk scenarios, to record issues as reported by the hotels' own employees.



## Importance of Complaint Management System in hotels

- Increase complaint handling efficiency and customer satisfaction
- Ensuring required levels of safety
- Fielding customers complaints while remaining complaint
- Giving insight into your own customer service team
- Providing further opportunities to improve.



### The Solution

An ideal guest complaint and request management software should be able to the following:

Ability to create tickets for every guest call.

Assign tickets to the right user in the right department.

Escalate the tickets that are getting delayed.

Offer meaningful reports to analyze the strengths and weakness.

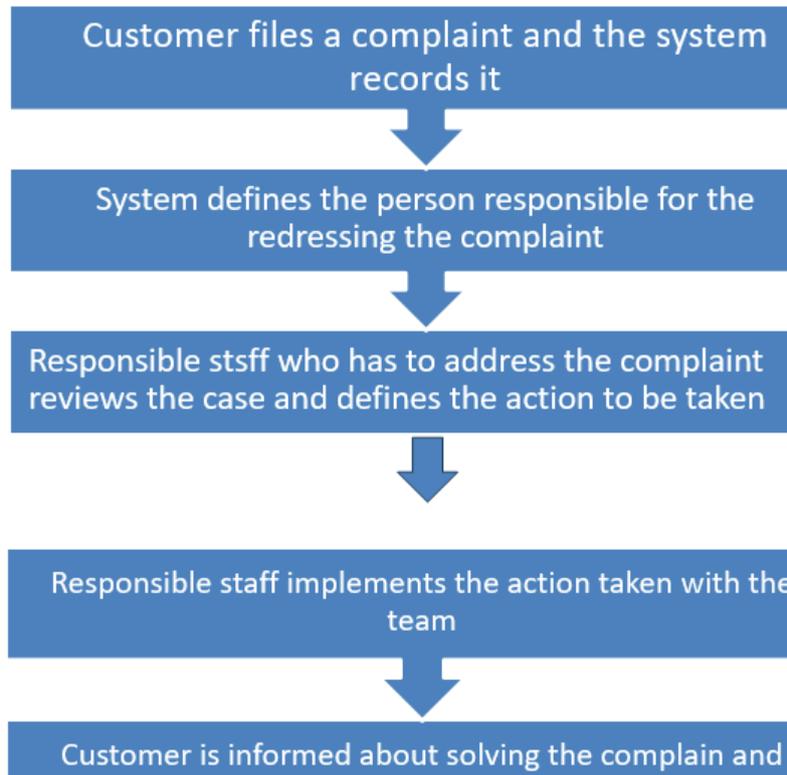
#### 5.6.4. Customer Complaint Management process

The complaint management system must have:

1. **Channels for feedback:** Different hotels have different channels for feedback and complaints, by developing the feedback channels it will be good for the guest because it will enhance promptness in providing solution to their complaints.
2. **Complaint log layout and database of received complaints:** The Complaint log is very important in redressing of complaint as it has recorded all the information required for solving a problem.
3. Responsibility of complaints management-redressing the problems the guest representative are deputed in hotels. They follow-up end to end until the complain is sorted out and even intimate the solution the the senior managers if required.
4. **Internal communication system:** The hotel must also have internal communication system to received feedback and complaints and convey error free messages to the concern department or person.



5. **Standard operating System (SOPs):** The process of handling complaints must be robust and proactive, all complaints should be documented, for record and training purposes. The employees should also be involved in the process to enhance the commitment towards the process.
6. **Customer confirmation in problem solving:** A hotel should keep record of the guest and follow up until grievance is redressed. The statement will certainly add more to its loyalty factor and will justify the robust process followed by the hotel.



In summary, a complaint management system is an integral part of delivering exceptional customer service in the hospitality industry. By providing a structured framework for addressing complaints, it not only resolves individual issues but also contributes to overall customer satisfaction, loyalty, and organizational growth.

A Complaint Management System is a crucial tool in the hospitality industry, particularly for hotels, where guest satisfaction is paramount. By streamlining the complaint handling process, hotels can improve guest experiences, maintain a positive reputation, and continuously refine their services. A well-implemented CMS contributes to guest loyalty and the overall success of the hotel.

## 5.7. GUEST SATISFACTION TRACKING SYSTEM & MYSTERY AUDITS

The Guest Satisfaction Tracking System (GSTS) is a structured approach used by organizations in the hospitality industry to measure, analyze, and manage guest satisfaction and feedback. The primary objective of implementing a GSTS is to systematically gather, evaluate, and act upon guest feedback in order to enhance the quality of services, improve guest experiences, and ultimately drive customer loyalty and business success.



### 5.7.1. Key Objectives of GSTS

**Measure Guest Satisfaction:** The primary goal of a GSTS is to accurately measure guest satisfaction levels across various aspects of their experience within the establishment, such as accommodations, services, facilities, and interactions with staff.

**Identify Strengths and Weaknesses:** Through the data collected, the GSTS helps identify areas where the hotel excels, showcasing its strengths, as well as areas where improvements are needed, revealing weaknesses or opportunities for enhancement.

**Real-time Feedback:** The system allows for real-time feedback collection, enabling hotels to promptly address issues and make improvements as they arise, preventing potential negative impact on guest experiences.

**Quantify Guest Feedback:** The GSTS quantifies qualitative guest feedback, transforming subjective opinions into measurable metrics that can be analyzed and interpreted to make informed decisions.

**Data-driven Decision Making:** The data collected through the GSTS provides a foundation for data-driven decision-making. Hotels can prioritize areas for improvement based on the insights obtained from the feedback analysis.

**Enhance Service Quality:** By analyzing trends in guest feedback, hotels can identify recurring issues or patterns that affect guest satisfaction and take corrective actions to improve service quality.

**Customization and Personalization:** Insights from the GSTS allow hotels to tailor services and offerings according to guest preferences and expectations, thereby enhancing the overall guest experience.

**Strengthen Guest Loyalty:** Consistently addressing guest concerns and providing exceptional experiences based on their feedback fosters a sense of loyalty among guests, encouraging them to return and recommend the establishment to others.

**Benchmarking and Competition:** The GSTS facilitates benchmarking against industry standards and competitors, enabling hotels to gauge their performance and strive for excellence in a competitive market.

**Employee Training and Motivation:** The feedback obtained from the GSTS can be used to identify training needs for staff and recognize outstanding performance, contributing to staff development and motivation.

**Continuous Improvement:** The GSTS establishes a cycle of continuous improvement, where the insights gained are utilized to make iterative enhancements, ensuring that guest satisfaction remains a top priority.

In essence, the objective of a Guest Satisfaction Tracking System is to provide a structured mechanism for capturing guest feedback, transforming it into actionable insights, and driving ongoing improvements that result in exceptional guest experiences and sustained business growth.

#### A guest satisfaction tracking system (GSTS)

A guest satisfaction tracking system is a tool or process used by businesses, particularly in the hospitality industry, to measure and monitors the level of satisfaction among their guests. This



system is designed to gather feedback and opinions from guests about their experiences with the hotel's products or services, facilities, and overall guest service.

### Recall Back Questions

1. Define GSTS

#### 5.7.1. Key features of a guest satisfaction tracking system may include

- **Surveys:** The system allows businesses to create and distribute surveys to guests, either through online forms, email, or physical paper forms. Surveys typically include questions about various aspects of the guest's experience, such as cleanliness, staff friendliness, service quality, amenities, and more.
- **Real-time feedback:** Some systems offer the capability for guests to provide real-time feedback during or immediately after their stay or visit. This feedback can be in the form of quick surveys, comment cards, or digital kiosks.
- **Data collection and analysis:** The system collects the responses from guests and compiles the data for analysis. This data can then be used to identify trends, strengths, weaknesses, and areas for improvement.
- **Reporting and analytics:** The system generates reports and analytics that help management and stakeholders understand guest satisfaction levels over time, identify patterns, and make data-driven decisions.
- **Performance benchmarks:** The system may compare a business's guest satisfaction scores with industry benchmarks or the organizations own historical data to gauge performance and progress.
- **Actionable insights:** Based on the data analysis, the system may provide references or actionable insights for improving guest satisfaction and overall customer experience.
- **Integration with other systems:** Guest satisfaction tracking systems can often integrate with other business tools like customer relationship management (CRM) systems, property management systems (PMS), or enterprise resource planning (ERP) systems to ensure a comprehensive approach to guest feedback and management.
- **Alerts and notifications:** The system may have automated alerting mechanisms that notify management or specific departments when there are significant changes in guest satisfaction scores or when negative feedback requires immediate attention.
- Overall, a guest satisfaction tracking system plays a crucial role in helping businesses stay attuned to their customers' needs and preferences, leading to improved customer retention, positive online reviews, and ultimately, higher revenue and reputation.

### Recall Back Questions

1. List down the key features of GSTS



## Sample GSTS

Dear

Thank you for your recent stay at **Novotel Guwahati GS Road**, we hope you enjoyed your experience with us.

In order to improve our services, we would be grateful if you could take a few minutes to share your feedback.

How would you rate your overall experience?

1	2	3	4	5	6	7	8	9	10
Extremely Dissatisfied	Dissatisfied	Dissatisfied	Dissatisfied	Dissatisfied	Dissatisfied	Satisfied	Satisfied	Extremely Satisfied	Extremely Satisfied

We greatly appreciate your time and we look forward to welcoming you again soon at **Novotel**.

Yours Sincerely,  
  
General Manager

### 5.7.2 Parameters for Guest satisfaction Tracking System (GSTS)

The parameters or key performance indicators (KPIs) used in a GSTS may vary based on the specific goals and focus of the hotel or establishment. Here are some common parameters that are often included in a Guest Satisfaction Tracking System:

- **Overall Satisfaction Score:** This is a general rating given by guests to indicate their overall satisfaction with their experience at the hotel. It provides a high-level overview of guest happiness.

#### Sample GSTS response to a guest review by hotel

You received a response to your review for  
**Novotel Guwahati GS Road**

Dear Mr. Khonglah,

We very much  your comments regarding your stay at the Novotel Guwahati GS Road.

It is always a pleasure to receive positive feedback. I will share your comments with our team. I am sure that this feedback will serve as an encouragement to all of our staff as we strive to continuously improve the quality of our services.

Thank you again for sharing your experience, and we hope your next visit will be as pleasant as the previous one.

Sincerely,  
  
Nites PATHAK  
General Manager



- **Room Cleanliness:** This parameter evaluates the cleanliness and tidiness of guest rooms, including bedding, bathrooms, and common areas within the room.
- **Staff Friendliness and Courtesy:** It measures the hospitality and helpfulness of the hotel staff throughout the guest's stay, including front desk interactions, housekeeping, and restaurant service.
- **Service Quality:** This parameter assesses the level of service provided by the hotel, including responsiveness to guest requests, problem resolution, and efficiency of services.
- **Check-in and Check-out Process:** It evaluates the ease and efficiency of the check-in and check-out procedures, including wait times and accuracy of billing.
- **Amenities and Facilities:** This parameter examines the availability and condition of various amenities and facilities provided by the hotel, such as swimming pools, fitness centers, business centers, etc.
- **Dining Experience:** It assesses the quality of food, menu choices, presentation, and service in the hotel's restaurants and dining areas.
- **Value for Money:** This parameter gauges the guest's perception of whether the price paid for the services and facilities offered by the hotel represents good value.
- **Noise Levels:** It evaluates the level of noise within the hotel premises, ensuring that guests can enjoy a peaceful and comfortable environment.
- **Safety and Security:** This parameter focuses on the guest's perception of safety and security measures taken by the hotel, including well-lit areas, security personnel, and secured room access.
- **Wi-Fi and Internet Connectivity:** It assesses the quality and availability of internet services provided by the hotel.
- **Feedback Handling:** This parameter evaluates how well the hotel handles guest feedback, complaints, and suggestions, and whether appropriate actions are taken to address concerns.
- **Repeat Business and Recommendation:** These indicators measure the likelihood of guests returning to the hotel in the future and recommending it to others based on their current experience.

The specific parameters used in a GSTS can be customized based on the hotel's unique offerings, brand standards, and guest expectations. Regularly tracking and analyzing these parameters can help hotels identify areas for improvement and enhance guest satisfaction, ultimately leading to increased loyalty and positive word-of-mouth referrals.

### 5.7.3. Mystery Audits

A Mystery Audit in hotels, also known as a mystery guest program or secret shopper program, is a quality assurance and customer service evaluation method used by hotel management to assess the overall guest experience. In this process, trained individuals, often referred to as mystery auditors or mystery guests, visit the hotel as regular guests without revealing their true identity. They then evaluate various aspects of the hotel's operations based on specific criteria set by the hotel management.



### Here's how mystery audits in hotels generally work:

- **Objective Setting:** Before conducting the mystery audit, the hotel management defines the objectives and specific areas they want to evaluate. These may include front desk service, room cleanliness, staff behavior, dining facilities, amenities, check-in and check-out processes, and adherence to brand standards.
- **Selection of Mystery Auditors:** Mystery auditors are selected based on certain criteria, such as their experience in the hospitality industry or their ability to act as typical guests without raising suspicion.
- **Incognito Visit:** Mystery auditors make an incognito visit to the hotel, checking in like any other guest. They may have a predetermined script or checklist to follow during their stay.
- **Observation and Evaluation:** Throughout their stay, mystery auditors carefully observe and evaluate the hotel's performance based on the predetermined criteria. They note the strengths and weaknesses they observe during the experience.
- **Detailed Report:** After the visit, mystery auditors compile a detailed report, providing feedback on various aspects of the hotel's operations, customer service, and overall guest experience. The report may include both positive aspects and areas needing improvement.
- **Feedback and Improvement:** Hotel management reviews the report and uses the feedback to identify areas where improvements can be made. This information is valuable for staff training, operational adjustments, and enhancing the overall guest experience.

#### Recall Back Questions

1. Define a Mystery Audit

### 5.7.4. Benefits of Mystery Audits in Hotels

- **Objective Assessment:** Mystery audits provide an objective and unbiased evaluation of the guest experience, as they are conducted by independent individuals who act as regular guests.
- **Identifying Weaknesses:** The feedback from mystery audits helps hotels identify areas that need improvement, allowing them to enhance their services and facilities.
- **Training Opportunities:** The evaluation results can be used for staff training and development, ensuring that employees consistently deliver high-quality service.
- **Maintaining Brand Standards:** Mystery audits help ensure that hotels maintain their brand standards across different locations.
- **Competitive Advantage:** Consistently providing excellent guest experiences can lead to positive reviews, word-of-mouth referrals, and a competitive advantage in the market.
- **By conducting mystery audits, hotels can continuously monitor and improve their services, leading to increased guest satisfaction and loyalty.**



### 5.7.5. Types of Mystery Audits

- Mystery audits, also known as mystery shopping or secret shopping, can be applied to various industries to evaluate and improve customer service, operational efficiency, and compliance with company standards. Here are some common types of mystery audits used in different sectors:
- **Hospitality Mystery Audit:** This type of mystery audit is commonly used in hotels, resorts, restaurants, and other hospitality establishments to assess the overall guest experience. Mystery guests evaluate aspects like front desk service, room cleanliness, food quality, staff behavior, amenities, and adherence to brand standards.
- **Retail Mystery Audit:** Retailers use mystery audits to evaluate the performance of their stores and staff. Mystery shoppers visit retail outlets to assess factors such as store cleanliness, product availability, staff knowledge and friendliness, compliance with merchandising standards, and the overall shopping experience.
- **Automotive Mystery Audit:** In the automotive industry, mystery audits are employed to assess car dealerships, service centers, and automobile showrooms. Mystery shoppers evaluate the customer service, vehicle presentation, sales techniques, and the efficiency of repair and maintenance services.
- **Financial Mystery Audit:** Banks and financial institutions use mystery audits to evaluate their branch operations, customer service, compliance with regulations, and the quality of financial advice provided to clients.
- **Healthcare Mystery Audit:** In the healthcare sector, mystery audits can be conducted to assess the patient experience at hospitals, clinics, and medical facilities. Mystery patients evaluate factors like appointment scheduling, waiting times, staff courtesy, cleanliness, and adherence to patient care standards.
- **Call Center Mystery Audit:** Call centers use mystery audits to assess the quality of customer interactions over the phone. Mystery callers evaluate the professionalism, knowledge, and problem-solving skills of call center agents.
- **Online Mystery Audit:** With the rise of e-commerce, online mystery audits have become more prevalent. Mystery shoppers assess various aspects of online shopping, such as website usability, customer support responsiveness, and the overall online purchasing experience.
- **Compliance Mystery Audit:** Compliance-related mystery audits focus on ensuring that companies adhere to legal and industry regulations. Mystery auditors evaluate if companies follow specific protocols, safety standards, or internal policies.
- **Employee Integrity Mystery Audit:** This type of mystery audit is designed to test employee integrity and honesty. Mystery shoppers might pose as customers to check if employees handle ethical dilemmas like misplaced items, returns, or cash handling appropriately.
- **Competitor Mystery Audit:** Companies may conduct mystery audits on their competitors to gain insights into their strengths and weaknesses and to identify areas where they can improve their own operations.

Each type of mystery audit is tailored to the specific industry and objectives of the organization, helping them enhance customer satisfaction, improve service quality, and maintain a competitive edge.



## 5.8. LETS SUM UP

By consistently applying these strategies and prioritizing guest satisfaction, you can build strong guest relations, foster guest loyalty, and create a positive reputation for your hospitality business. Remember that happy guests are more likely to become your brand ambassadors, helping to attract new guest through their recommendations and online reviews.

Guest perception is very important for guest decision making in the hospitality and service sector. If the guest does not perceive the service to be good, then all the efforts and the money spent by the organization will be futile. The marketers thus need to understand what guest perception is and how best to influence this. The service quality can impact guest satisfaction.

It is discuss that the customer is influence by the services the guest encounters during stay at the hotel and these 'moment of truth "can be managed for a better guest experience.

If the service provider can understand how the guest is going to perceived the services he/ he can channelized the energy and the resources to match the guest perceptions, and synergies to create a better service quality impact on the guest.

Handling these awkward situations with professionalism, empathy, and effective problem-solving skills is crucial to maintaining guest satisfaction and resolving issues to the best of the hotel's ability. By addressing guest concerns promptly and going the extra mile to find solutions, hotels can turn awkward situations into opportunities to demonstrate excellent customer service and foster positive guest experiences.

Ultimately, effective handling of awkward situations can not only retain customers but also enhance the company's reputation and build long-lasting customer relationships. Through empathy, active listening, professionalism, and problem-solving, representatives can turn challenging moments into opportunities for positive customer experiences.

Remember, choosing the right communication channels depends on your target audience, the nature of your business, and the preferences of your guests. Utilizing multiple channels allows you to provide a seamless and accessible experience for your guests.

Communication is a two-way street. Actively listening to guest feedback, concerns, and preferences can provide valuable insights for improvement and innovation. In the digital age, utilizing multiple communication channels, such as emails, social media, chat platforms, and direct messaging, allows for flexibility and accessibility that align with the preferences of diverse guest demographics.

### **The Power of GSTS and Mystery Audits in Elevating Hospitality Excellence**

In the dynamic and competitive landscape of the hospitality industry, achieving and maintaining exceptional guest experiences is paramount. Two instrumental tools in this pursuit are the Guest Satisfaction Tracking System (GSTS) and Mystery Audits. These tools embody a commitment to quality, accountability, and continuous improvement, fostering a culture that prioritizes guest satisfaction and service excellence.

#### **Guest Satisfaction Tracking System (GSTS)**

GSTS serves as a digital bridge connecting hotels with the invaluable insights of their guests. Through systematic data collection, analysis, and interpretation, the GSTS uncovers the



heartbeat of guest sentiments. It offers a panoramic view of the guest journey, allowing for the identification of strengths to celebrate and areas for enhancement. Armed with this knowledge, hotels can customize experiences, tailor services, and innovate offerings; all while addressing specific concerns that may arise.

Moreover, the GSTS catalyzes a responsive approach, enabling real-time engagement with guest feedback. This agility empowers hotels to address issues promptly, preventing dissatisfaction from spiraling into negative reviews or diminished loyalty. By harnessing the power of data-driven decision-making, GSTS becomes a cornerstone for guest-centered strategies, operational excellence, and enduring loyalty.

### **Mystery Audits**

The enigmatic allure of mystery audits transcends the conventional, injecting an element of surprise that mirrors the unpredictability of real guest experiences. Through these unannounced evaluations, hotels engage in a candid self-assessment. Mystery audits offer unbiased observations, dissecting interactions, facilities, and processes with a discerning eye. This impartial critique forms the bedrock of transformative change, as it highlights where standards are met and where opportunities for elevation exist.

The unique perspective of mystery audits extends to staff empowerment. Every team member plays a role on the stage of guest experience, and mystery audits provide a spotlight for showcasing their dedication. Constructive feedback from these audits not only fuels growth but also instills a sense of pride and accountability among employees.

### **A Symbiotic Duo**

Together, GSTS and mystery audits create a symbiotic relationship that amplifies the pursuit of hospitality excellence. The insights gained from GSTS enrich the scope of mystery audits, helping auditors focus on areas highlighted by guest feedback. Conversely, mystery audits lend an unbiased verification to the authenticity of the GSTS data. This synergy engenders holistic improvement, spanning from fine-tuning operational minutiae to sculpting grand strategies.

In conclusion, the union of GSTS and mystery audits is akin to an orchestra playing harmoniously. Each note, whether data point or critical observation, contributes to the symphony of guest satisfaction and service brilliance. The journey of hospitality is an evolving melody, and these tools serve as the conductor's baton, guiding the industry toward crescendos of unparalleled guest experiences. The power of GSTS and mystery audits is a testament to the unwavering commitment to deliver nothing short of excellence in the realm of hospitality.

## **REVIEW QUESTIONS**

### **SHORT QUESTIONS**

1. Define Guest Relations?
2. How do you improve the guest experience journey?
3. Define Customer Service



4. What is service culture
5. Define situation handling process
6. List the four-step system to deliver excellent customer service
7. Define guest communication
8. What is guest feedback?
9. Define guest preference.
10. Define guest history
11. Define complain
12. List the different stages of a guest complain
13. Define GSTS.
14. Define a Mystery Audit

### LONG QUESTIONS

1. What is the importance of guest relations in the hospitality industry?
2. What role does empathy play in building strong guest relations?
3. List and explain the service culture component.
4. Draw and explain the service culture components.
5. List and explain the situation handling process in hotels.
6. What are the guidelines for handling awkward situation?
7. List and explain the guest communication process.
8. What are the different Strategies to Boost Guest Communication in Hotels?
9. List and explain the common areas where guest preferences play a crucial role.
10. What are the various details that are existing in a guest history card?
11. Explain the importance of Complain Management System in hotels.
12. Explain the Customer Complaints Management process
13. List and explain the key features of GSTS.
14. List and explain the different types of mystery audits.

### FILL IN THE BLANKS

1. Guest Relations is a field of .....
2. Treat each guest as an .....with unique needs and preferences.
3. Service culture training helps employees understand your organization's ..... Culture.
4. There is something called ..... (PaaS), which combines physical products, companion software, and software to monitor the process.
5. The first step is to ..... any situation or issue that requires attention.
6. If the hotel is at fault or if the guest experienced a problem, offer a genuine and sincere .....



7. Communicating with hotel guests is the hallmark of .....loyalty.
8. Encoding deals with putting the targeted message into an appropriate .....
9. Treat each guest as an .....with unique needs and preferences.
10. Satisfied guests who have their preferences fulfilled are more likely to become ..... customers.
11. A customer complaint is «an/a ..... of ..... on a consumer's behalf to a responsible party”
12. Guest complaints provide valuable insights into areas that need ..... and ..... for enhancing guest experiences.
13. The Guest Satisfaction Tracking System (GSTS) is a structured approach used by organizations in the hospitality industry to measure, analyze, and manage guest ..... and .....
14. Mystery auditors are selected based on certain criteria, such as their ..... in the hospitality industry or their ability to act as typical guests without ..... suspicion.

## ASSIGNMENT

### Assignment 1:

1. Preparing guest welcome materials: Divide employees into teams and have them create welcome materials for different types of guests, such as families, business travelers, or couples.
2. The materials should include relevant information about the property, local attractions, and personalized touches.

### Assignment 2: Communication Channels Analysis

1. Research and compile a detailed report on various communication channels used in guest interactions within the hospitality industry.
2. Compare and contrast the effectiveness, advantages, and limitations of each channel (in-person, phone, email, social media, chat bots, etc.).

Provide real-world examples for each channel and discuss their relevance in different scenarios.

## CASELET

### CASELET 1: IMPROVING GUEST RELATIONS AT “SUNNY RESORT”

#### Background

“Sunny Resort” is a luxurious beachfront resort known for its breathtaking views, exceptional amenities, and top-notch service. Despite its reputation, the management recently noticed a slight dip in guest satisfaction scores and a few negative reviews regarding guest relations. To address this issue, the management decides to implement a comprehensive plan to improve guest relations and elevate the overall guest experience.



## Challenge

The primary challenge is to identify the areas where guest relations may be lacking and develop strategies to enhance guest satisfaction and loyalty. The resort aims to ensure that every guest interaction is positive, memorable, and aligned with the resort's reputation for excellence.

## Action Plan

### 1. Guest Feedback Analysis

The first step is to analyze guest feedback collected through online reviews, guest surveys, and direct feedback during their stay. The resort's management forms a dedicated team to comb through this data and identify recurring themes or concerns raised by guests related to guest relations.

### 2. Training and Development

Based on the feedback analysis, the management recognizes the need for targeted training for staff in the guest relations department. Specialized workshops will be conducted to improve communication skills, problem-solving abilities, and emotional intelligence. Role-playing exercises will simulate real-life guest interactions to enhance employees' ability to handle various situations with finesse.

### 3. Empowerment and Autonomy

To foster a sense of ownership and accountability among the staff, the management decides to empower them to make certain decisions independently. Employees will be given the authority to resolve minor guest issues promptly, without having to escalate them to higher authorities. This empowerment will not only expedite conflict resolution but also make guests feel valued and appreciated.

### 4. Personalization and Anticipation

The resort introduces a new system to collect and store guest preferences and past interactions. This information will be readily available to staff, allowing them to personalize guest experiences during subsequent visits. The goal is to anticipate guests' needs and surpass their expectations, creating a lasting impression.

### 5. Guest Loyalty Program

A guest loyalty program will be launched to reward repeat visitors and encourage them to choose "Sunny Resort" for their future vacations. The program will offer exclusive perks, discounts, and early access to special events, strengthening the bond between the resort and its loyal guests.

### 6. Feedback Solicitation during Stay

To capture real-time feedback, the resort will introduce digital platforms for guests to share their thoughts during their stay. This will enable immediate resolution of any concerns and demonstrate the resort's commitment to continuous improvement.



## 7. Guest Relations Ambassadors

The resort designates a team of guest relations ambassadors, easily identifiable by their uniforms, to roam the property and engage with guests proactively. These ambassadors will initiate conversations, offer assistance, and seek feedback to ensure guests feel welcomed and cared for throughout their stay.

## 8. Recognition and Incentives

To motivate and recognize outstanding guest relations efforts, the resort establishes a monthly “Guest Relations Star” award. Employees who receive exceptional feedback from guests or resolve complex issues effectively will be eligible for recognition and incentives.

## Results

After implementing the above action plan, “Sunny Resort” experiences a remarkable turnaround in guest relations. The resort’s guest satisfaction scores soar, and positive reviews flood in, praising the attentive and personalized service. Repeat bookings increase significantly, and guests express a strong sense of loyalty and fondness for the resort. The focus on guest relations not only enhances the overall guest experience but also solidifies “Sunny Resort’s” position as a leading destination in the hospitality industry.

## CASELET 2: HANDLING AN AWKWARD SITUATION IN A HOTEL

### Scenario

You work as a front desk manager at a luxury hotel. One evening, a guest approaches the front desk looking visibly upset. You greet the guest with a smile, but it's clear something is bothering them. As you inquire about their stay, the guest hesitates and then explains that there was an issue with the cleanliness of their room. They mention finding some stray hairs on the bathroom floor and a stain on one of the towels and that the guest found a ladies garment under the bed.

### Questions to Consider

How should you react to the guest's complaint?

Maintain a composed and empathetic demeanor while actively listening to the guest's concerns.

What should be your first response to the guest's complaint?

Apologize for the inconvenience and express genuine concern about their experience.

How can you reassure the guest that their concerns will be addressed?

Assure the guest that their feedback is valuable, and you will take immediate action to resolve the issue.

What steps can you take to address the situation?

Offer to change the room, upgrade their stay, or have the housekeeping team rectify the cleanliness issues.

How can you minimize any embarrassment on the guest's part?



Avoid placing blame and assure the guest that these situations are rare and not indicative of the hotel's usual standards.

Should you involve the housekeeping staff in the conversation?

Depending on the severity of the issue, you might want to consult with the housekeeping team discreetly before offering a solution.

How can you prevent similar situations in the future?

Discuss the guest's feedback with the housekeeping team and consider implementing additional quality checks.

Is there a way to turn this negative experience into a positive one for the guest?

Offer a sincere apology, a complimentary service, or a discount on their current or future stay as a gesture of goodwill.

Should you follow up with the guest after the situation is resolved?

It's a good practice to check in with the guest later to ensure that their concerns were addressed and to inquire about their overall experience.

What can you learn from this situation to improve the hotel's service?

Use this experience as a learning opportunity to enhance housekeeping protocols and ensure guest satisfaction.

Remember, the key to handling awkward situations in a hotel is to approach the guest's concerns with empathy, professionalism, and a commitment to resolving the issue promptly. Turning a negative experience into a positive one can leave a lasting impression and contribute to the hotel's reputation for excellent service.

### **CASELET 3: ENHANCING SERVICE EXCELLENCE THROUGH MYSTERY AUDITS**

#### **Background**

Riverview Hotel is a well-established 4-star hotel known for its picturesque location and impeccable service. However, in a competitive hospitality industry, the management realizes the importance of consistently maintaining service excellence to retain guest loyalty and attract new customers. To achieve this, they decide to implement a mystery audit program.

#### **Challenge**

While the hotel has been receiving positive reviews, there is a growing concern about maintaining consistent service quality across all departments. The management recognizes the need to identify any gaps between perceived and actual service quality, as well as to motivate staff to consistently adhere to the hotel's high standards.

#### **Solution**

The management introduces a mystery audit program aimed at conducting unannounced quality assessments to evaluate the guest experience objectively and identify areas for improvement.

#### **Implementation**

**Setting Audit Criteria:** The management defines the specific areas that the mystery audit will assess, including check-in process, room cleanliness, staff behavior, dining experience, and response to guest inquiries.



**Selection of Mystery Auditors:** The management hires external mystery shoppers who are trained to blend seamlessly with regular guests and follow a predetermined audit checklist.

**Unannounced Visits:** The mystery shoppers visit the hotel as regular guests, experiencing all aspects of the guest journey without staff knowledge.

**Audit Process:** During their stay, the mystery shoppers pay close attention to every detail, evaluating the hotel based on the predetermined criteria. They interact with staff, dine at the restaurant, and use the hotel's facilities.

**Feedback Collection:** After the visit, the mystery shoppers complete detailed evaluation reports highlighting their observations, experiences, and areas of concern.

**Analysis and Action:** The management analyzes the mystery audit reports to identify trends, pinpoint specific areas for improvement, and recognize areas of excellence. They develop an action plan to address the identified issues.

## Results

**Operational Improvements:** The mystery audit program identifies areas such as delays in room service and inconsistent staff behavior that need immediate attention.

**Staff Recognition:** Exceptional staff performance is recognized and rewarded based on positive feedback from mystery shoppers.

**Continuous Training:** The insights from the mystery audits guide targeted training sessions to address specific shortcomings, ensuring ongoing improvement.

**Enhanced Guest Experience:** As the hotel acts on the feedback from mystery audits, the guest experience improves, leading to positive reviews and increased guest loyalty.

**Benchmarking:** The mystery audit results provide a benchmark for the hotel's performance, allowing them to compare their service quality against industry standards.

## Conclusion

The mystery audit program at Riverview Hotel serves as a powerful tool for enhancing service excellence. By conducting unannounced quality assessments and using the findings to drive continuous improvement, the hotel ensures that its guests consistently receive exceptional experiences. The program not only identifies areas for enhancement but also motivates staff to uphold the hotel's high standards, ultimately leading to increased guest satisfaction and a competitive edge in the market.

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