

# Listen To WIN



Companies that actively solicit, respond to, analyze and act on guest feedback find healthy customer satisfaction.

By Derek Gale, Senior Editor

**S**an Francisco-based Kimpton Hotels & Restaurants operates on a simple premise: Give customers what they want.

“We can spend a lot of time and money trying to figure out what they want, or we can simply ask them,” notes Niki Leondakis, chief operating officer. “Asking them what they want and creating a culture of listening is essential to keeping your product fresh and on the cutting edge.”

By creating a corporate culture of listening, Kimpton has been able to create a truly guest-centric hotel experience, something that frequently lands the company atop the Market Metrix Hospitality Index, which measures customer satisfaction.

The mandate for a

customer-centric culture that focuses on feedback must come from the top, says Liz Miller, vice president of programs and operations for the Palo Alto, California-based CMO Council.

This has always been the case at Kimpton, Leondakis notes, starting with company founder Bill Kimpton.

“We have always been customer-driven, and that goes back to Bill Kimpton, who was not a hotelier when he started,” she explains. “He was an investment banker. His vision was to create a hotel experience from a customer point of view, and that sensibility has stayed with us through the years.”

Leondakis herself, along with Kimpton CEO Mike Depatie, are other examples of top Kimpton executives who serve as models for a culture of listening.

“People like me at the senior level are getting feedback from guests directly,” she says. “They can reach me through a button on the Web site, and now, one of the ways I get feedback is through social media forums like Twitter. I use TweetDeck and search ‘Kimpton’ at least in the morning and before I go home. If customers are tweeting about anything to do with Kimpton, I can jump on and respond. Twitter and Facebook are great new ways to get in direct dialogue with the guest.”

Depatie, meanwhile, gives his direct telephone number to Kimpton’s Inner Circle members, the company’s most frequent loyal travelers. “He gets their feedback,” Leondakis says. In addition, other senior members of the company’s operations team sit with these

customers over dinner once a month to discuss how they can better serve these customers' needs and improve their overall experience.

This top-down modeling of listening to guests, along with a keen focus on the company's employees and being receptive to their feedback as well, ensures the culture of listening.

"We realize it starts with our employees—they're on the front lines, and the number of customer/employee interactions is far greater than the number of people who talk to us on the Web site or fill out a survey," Leondakis says. "We think about our employees the way we hope they'll think about guests, and that starts with asking our employees for feedback. Our receptivity to their feedback, we believe, is what drives their receptivity to customer feedback and their willingness to share that with us."

But besides top customer satisfaction scores, where does all this listening get a company like Kimpton?

"There is payback from it," states the CMO Council's Miller. "Optimizing the [guest] experience and leveraging customer feedback to do that has a direct link to dollar signs. It is worth every penny to do."

#### Driving Revenue

"In our typical business model, we measure revenue; we measure productivity," says Stewart Collins of Delaware North Companies' GuestPath program. "We didn't really measure how satisfied our guest was. But we recognized that the engagement of the guest was

critical to determining what they were going to spend and how loyal they were."

To put forth a program that not only helped the company respond promptly to guest feedback but also aggregated it in a way that could track trends, Buffalo, New York-based Delaware North partnered with a vendor specializing in gathering and analyzing customer feedback. Through the vendor, Delaware North works with a statistician who develops twice-yearly reviews reflecting trends within the data received from

guest-feedback surveys.

Although the company collects customer feedback for all of its divisions, its parks and resorts division has the highest capture rate. With the incentive of the chance to win a free vacation, about 35% of guests filled out a fairly extensive e-mail survey last year.

The information gleaned from this research has been valuable. Over a period of two summers, Delaware North compared its parks and resorts' guest feedback with guest expenditures over the same period. The company found that satisfied, loyal guests spent 8.5% more per stay than less-loyal, less-satisfied guests. "When you think about it, that's an upgraded bottle of wine or an extra gift they bought—that is driving revenue," Collins says.

#### Investing In Infrastructure

"We have for years had an extremely robust customer satisfaction tracking system, designed to give every property a statistically valid report card from the customer every month," says Jim Holthouser, global head of full-service brands and Embassy Suites Hotels for Hilton Hotels Corp. "Once a month, every hotel gets a report card based on an average of about 75 completed surveys. It's a very robust sample of customer feedback. We call it SALT—satisfaction and loyalty tracking."

the brand level to segment reports by region, by demographic or even by loyalty club members, this feedback system is not necessarily unique.

"I think today most every brand has some form of customer satisfaction tracking," he notes. "But having it is only half of the solution. It's really what you end up doing with it that makes the difference," he says. "So this SALT program is integrated both at the property level and the way we manage our [Embassy Suites] brand."

He explains that every

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As for the surveys themselves, they are e-mail based and "very, very detailed," Holthouser says. "Anybody who rates us less than average, our hotels are required to call the guest back, or guests who had a problem that we didn't fix, that is followed with a phone call."

Holthouser recognizes that even with the ability at

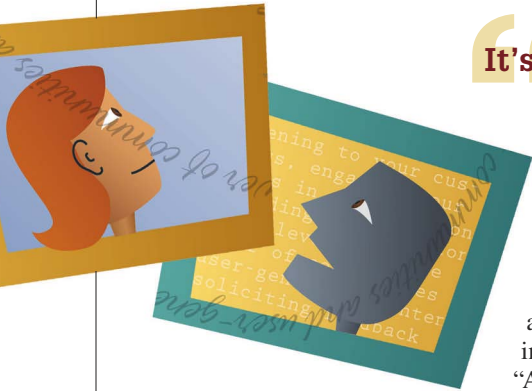
hotel in the system has a performance support specialist looking after its scores, including things like price/value and intent to recommend. And at the brand level, he runs regression analyses on the data from some 200,000 surveys a year.

Also, as part of the SALT surveys, customers can give verbatim comments that ▶

### FIVE key areas of managing customer feedback

1. Gather feedback through multiple avenues
2. Respond to complaints promptly, and be creative when taking corrective actions with guests
3. Set up a system to track responses
4. Share feedback: Let employees hear the good and the bad
5. Don't ignore the web—follow comments on social media sites

Contributed by Kate Leahy of Restaurants & Institutions, HOTELS' sister magazine



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- Orin McCann, director of operations, Sheraton Atlanta

are shared with the individual hotels. “And if we’re trying to make brand-level decisions without research, we can go back to the verbatims and see what’s in there,” Holthouser explains. “It’s not inexpensive,” he notes, “but you can see how we’ve integrated this into the way we run our brand.”

As a result of mechanisms like the SALT system and a guest assistance line that fields hundreds of thousands of calls in a year, Hilton’s Embassy Suites brand is able to identify and resolve top problems, ultimately using direct customer feedback to improve the customer experience.

This has led to the brand

earning a top ranking in the J.D. Power and Associates North America Hotel Guest Satisfaction Index Study six times in the past eight years.

**Real-Time Feedback**

Sheraton Atlanta, a city-center convention hotel, has great employees that make guests feel good, says Director of Operations Orin McCann. To accentuate that strength, he sought out a system that would get his managers and team members even more in touch with guests.

“If you’re a guest of ours, the more we can communicate with you—and the quicker—the better we’ll be,” he notes. “Everyone

strives for live feedback. So many guests in hotels are unhappy that we don’t know about. Anytime we can get around that, the better.”

The solution that is helping McCann and his team achieve live feedback and rapid response is Atlanta-based VOC Systems Inc.’s Express-Way guest feedback system, which captures, transcribes and within 15 to 20 minutes distributes via e-mail to a set list of recipients full text versions of guests’ spoken comments, with links to the audio (voice recordings reveal sincerity, emotional intensity, gender, etc.).

Verbatim feedback is captured via touch-screen kiosk with handset near the hotel lobby, as well as guestroom phones. At check-in, guests are encouraged to get in touch with the hotel’s general manager at any time, and this is reinforced by a welcome voicemail from the GM and in-room collateral, as well as the prominent placement of the kiosk.

“It’s really kind of powerful to have the GM saying, ‘This is a direct line to me, and we’ll respond immediately,’” McCann notes. “He’s such an important piece of this—if he didn’t care about guest service and follow-up so vehemently on this, it wouldn’t work.”

But it is not only the general manager who oversees▶

**TripAdvisor: A Hot Spot For Feedback**

■ “We pay attention to TripAdvisor quite a bit to understand what guests are saying on online forums about us. We monitor our rankings monthly. We’ll add additional sites as we need to, but for now, TripAdvisor is where it’s at for nationwide following.”

— Sherri Siroky, director of learning and development and quality control, **Larkspur Hotels & Restaurants**

■ “TripAdvisor has made a huge impact in our industry. Sixty to 70% of hotel travelers booking electronically look at TripAdvisor scores. And they’ll change bookings if they find comments they don’t think are satisfactory. We continually monitor those channels and work with our hotels to manage and respond to those complaints. That’s going to be a growing trend—more and more sites like that will pop up, offering the sharing of experiences across electronic channels.”

— Ron Pohl, vice president, brand management and member services, **Best Western International**



this system at the Sheraton Atlanta—McCann and the rest of the hotel’s executive committee, plus all department heads, receive every single guest comment logged by the system. One person then responds to the team, noting that he or she will handle that particular question or problem, if needed, and reports on the resolution.

In this manner, the hotel has achieved its service goal of connecting its people with guests even more often, McCann says, and the property has seen a rise in guest service and satisfaction scores.

He sums this up simply: “The marriage between technology and people helped us.”

In addition, technology like this is aiding operators’ ability to aggregate comments for trend analysis, enabling properties or companies to gain a better understanding of what their customers really want.

The Express-Way system includes a Web site through which users can trend and analyze guest comments. “It takes one comment rambling into 45 things and breaks them into departments, positives and negatives,” McCann says. “You can trend over different months, and being able to trend everything is a great benefit. The Web site is

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## The Value Of Returning Guests

In today’s market, it’s more critical than ever to optimize operations and enhance profitability. Keeping in mind that returning guests translate into lower customer acquisition costs and that the lifetime value of a satisfied guest has far-reaching financial implications (think recommendations to others), it becomes a no-brainer for hotel companies to implement technology that gives them the ability to understand completely how their guests perceive their stays and to respond immediately to guest concerns.

Shelton, Connecticut-based New Castle Hotels & Resorts, for example, uses UniFocus’ GuestScope guest survey systems in all the independent properties in its portfolio to gather, evaluate and act on guest feedback. GuestScope uses questions scientifically designed to increase guest response rate, thereby delivering actionable intelligence.

“We’ve had great success with GuestScope at our independent properties,” says Gerald Chase, president and COO of New Castle. “Not only do we find out how we score based upon history and how that relates to comparable properties in the marketplace, but this information is also correlated with other key indicators. These results serve to validate our culture of instilling ownership in every team member to create more satisfied guests.”

At Digby Pines Resort, one of three signature resorts the company manages on behalf of the province of Nova Scotia, General Manager Rene LeBlanc says guest satisfaction has improved greatly thanks to the team’s discovering and responding to guest issues more quickly.

“GuestScope provides query data and monthly reports that enable us to know exactly what matters most to [guests]. Most important, they appreciate getting a personalized, instantaneous response to their feedback and knowing that not only do we care about what they think, [but also that] we take commensurate actions.”

In this way, the resort is transforming feedback into loyalty.

a great reference tool.”

McCann sees his hotel’s guest satisfaction improvements as the system’s ROI, and says the investment in the technology was “worth it for us, even in difficult times.”

Meanwhile, the CMO Council’s Miller notes that for companies that still may look at such systems as additional costs, it is important to remember the favorable economics of keeping and

growing customers versus finding new ones.

As a recent CMO Council report states, “Companies that develop highly tuned disciplines and processes for quickly identifying customer issues and opportunities can limit defections and increase customer loyalty and value.” ♦

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*A portion of this article was written by Kate Leahy and previously appeared in Restaurants & Institutions, HOTELS’ sister publication.*