



Guest Services

by Julie Metelski, CHA, CHT

Using guest frequency program rewards to resolve guest complaints

*Another great article from The Rooms Chronicle, the #1 journal for hotel rooms management! ***Important notice: This article may not be reproduced without permission of the publisher or the author.*** College of Hospitality and Tourism Management, Niagara University, P.O. Box 2036, Niagara University, NY 14109-2036. Phone: 866-Read TRC. E-mail: editor@roomschronicle.com*

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Sometimes referred to as frequent-stay clubs, traveler loyalty programs, or affinity memberships, “frequency programs” for various lodging brands have become a main staple of the marketing arm for large hotel companies. Modeled after airline frequent flyer programs, frequency programs offer many tangible benefits to a brand’s hotel guests. But these same programs also offer an avenue of service recovery for hoteliers faced with disenfranchised guests.

The benefits of using your lodging company’s frequency program to solve guest issues that may arise at your hotel are many. Among them are future guest satisfaction and loyalty.

It is well known that when a guest comes forward with an issue about deficient service delivery or poor product offering that guest will only be completely satisfied and subsequently return to the same property if the problem is resolved immediately. This would indicate that each and every staff member must be well-trained to handle any issue, preferably immediately, affecting guest dissatisfaction that they are presented with. Current guest satisfaction and continued loyalty, not to mention future revenues and profitability, depend on it.

Why guests don’t want to return

Many guests would not choose to go back to a hotel or restaurant where they have had a bad experience. Yet, this is universally the first option that is presented to the unhappy guest, an offer to return. Sometimes the offer to return is presented with a generic apology letter accompanied by a discount offer. Sometimes, if the problem was deemed to be severe enough, the repeat visit is offered for free.

Either way, an offer to return to the same hotel or restaurant is typically not a satisfactory resolution for the guest. As mentioned previously, the disappointed guest is not typically looking forward to a repeat experience. Think about it for a moment. If you were to put yourself in that guest’s shoes, would you find this proposed resolution to be an acceptable solution? Probably not.



A suitable alternative

Rather than refunding money or processing a credit to the guest’s credit card, consider signing them up for your company’s frequency program and crediting them with enough points to purchase a meal or a night’s stay at any facility within the network. This solution will drive repeat business to your hotel and/or restaurant by keeping your business and the generous offer that you have made to them front-of-mind for the guest. It will also begin the process of retraining the guest to have a different level of expectation when it comes to complaints. After all, 85% of the people that complain do so with the anticipation of some type of compensation.

The typical frequency program allows its members to redeem their points for a variety of rewards. Some programs allow points to be converted to airline miles. In choosing to use frequent-stay program points to compensate a guest for a service failure, the manager or service-recovery employee is offering the guest a cost-effective way to give the brand another try in meeting their needs. If they should choose to come back to your hotel or restaurant, great! If they choose to go elsewhere, great! Any use of the points is fine as long as you have retained the guest for your brand.

How many points to award should of course be completely at the discretion of the manager or service-recovery personnel. However, the amount awarded should be proportionate to the issue that needs to be resolved. Staff members must be well versed in the cost of these points, as they are not free. If the ultimate desire is to have a completely satisfied guest, and nothing less than a free night at the hotel of their choice is acceptable, then staff will know what they need to do to make that happen.

Let the guest decide

The key advantage is that by employing this tactic, the decision as to where, how and when the guest will redeem the points is placed in their own hands. They may choose to return to your property or they may choose to go to another. As long as they return to an outlet in your chain, that is all that matters. Each employee must be focused on saving the guest for his brand, rather than turning them over to the competition!

Business travelers will be particularly pleased with this method of problem resolution as the employer is typically picking up the initial cost of the business trip, either directly or through reimbursement to the traveling employee. These guests are usually not interested in a discount for their trouble as it does not benefit them personally. This is where a frequency program can answer the question, "What is in this for me?" A discount normally only benefits most business travelers when the points can be used for leisure travel with friends or family.

Delivering excellent customer service requires having a plan in place in the event that a situation occurs that requires compensation to the guest. This use of your brand's frequency program offers exceptional value to your guests and can result in driving repeat business to your hotel. ✧

(Julie Metelski, CHA, CHT, is a hospitality management trainer for Best Western International, Inc., The World's Largest Hotel Chain®, and is based in Phoenix, AZ. E-mail: julie.metelski@bestwestern.com.)