

Do Warm Cookies, USA Today and Lobby Coffee Really Make a Difference - By Dr. Rick Johnson

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This is a term used frequently in industrial sales. It means exactly the same thing that we refer to when we discuss customer loyalty in the hospitality industry. Believe it or not there are many other common best practices that are all intended to help reach the common objective of growth and profitability.

In the hospitality industry, customer service is the platform upon which everything is built. It's the mantra. It must become a core competency. So, if it's all about customer service which is designed to build relationship equity with your firm; your brand which in turn creates customer loyalty, are cookies, coffee and the USA enough? I think not.

Building that personal relationship and customer loyalty goes far beyond little perks like cookies and coffee. Don't get me wrong, I like those warm cookies and I absolutely enjoy having free coffee available 'In the Lobby' but that has simply become the ante to play. Creating customer loyalty and relationship equity goes beyond that and it starts by making it absolutely seamless and easy to do business with you. Industrial sales organizations call it 'World Class Service'. That is certainly a term and objective important to the hospitality industry.

The Next Hurdle

Once you've conquered that first hurdle and created a culture of world class service you can begin to focus on building customer loyalty by building relationship equity. You see, without the service you have no value proposition to support your platform. Relationship equity which creates customer loyalty requires all your employee to be customer focused. This means getting to really know who your customers are. Call them by name, know their purpose and intent. Are they on vacation or is this business travel. Who do they work for? This is not difficult especially if you have some type of repeat customer reward system. When you can show sincere concern about what really matters to your customer, who they are and what they are about, that builds relationship equity which creates customer loyalty.

Face the Employment Challenge

World class service is not guaranteed regardless of company mottos, promotions or any other marketing strategy. World class service is created by the employees. Make the investment in continuous training of your employees and provide real incentives for them to build relationship equity which in turn will result in customer loyalty. Don't just hire warm bodies even though there is a shortage of candidates. Consider a recruitment incentive for current employees to recommend candidates. This could be paid partially when and if the candidate is hired and the balance paid 9 months later after the new employee shows his/her value and retention. Look for potential, pay a little above market and make sure your managers are trained in leadership and continuously work on their people skills. There are many good books written on customer service. Provide some of the more popular ones to your employees and make them required reading.

Current generational issues create a challenge for retention of employees. You must overcome the 'chicken or the egg' dilemma that begs the answer to the question;

Why invest in training when turnover is high and it becomes a waste of money?'

Remember, your employees are going to treat your customers based on their personal perception of how they are treated. That perception is developed by the culture and work environment you create as a company. Communicate company values, integrity, goals, objectives, initiatives and listen to your employees. They become the voice of the customer. Ask your self this question;

'Can you afford not to invest in the training and development of your employees and expect to create real customer loyalty?'

Let me assure you, marketing strategies, advertising and warm cookies alone will not do it.

Build the Customer Loyalty Culture

Don't wait until you have a customer complaint to address specific issues that relate to customer loyalty. Listen to your employees. Encourage suggestions, ideas and comments regarding work environment improvements. Make sure communication is crystal clear. Employees need to understand what your expectations are. Believe it or not the vast majority of employees regardless of diversity, religion, background or personal upbringing really want to do a good job. They do want to be held accountable. Create a skills matrix and do a skills inventory to determine exactly what training is needed and what types of skills exist within your workforce. Leverage the pluses and train on the weaknesses. Every one of these actions will help build an environment that allows the promotion of customer loyalty.

If our employees hear their managers complaining about each other and whining about demanding guests, what message does it send to them? How do they see you dealing with other employees and managers? How do they see you handle a guest complaint? Do you reward good service or simply admonish poor customer service? This is all related to building a customer loyalty culture. It takes more than free coffee in the lobby and the USA Today. Make the following initiatives part of your strategic plan:

1. Develop and provide adequate training that starts with the basics and escalates to leadership development. Make sure employees have the right tools to do the job which means providing world class service. This even includes maintenance. There are numerous programs available and willing consultants that can help you.
2. Develop a buddy system for new employees that rewards the selected buddy based on new employee performance and orientation.
3. If your current employee culture and environment 'Sucks', don't hide it. Own up to it and commit to change. Involve your employees and your managers in that change to initiate the kind of environment that will create a customer loyalty culture.
4. Expect the best of your employees and don't protect or cover up incompetence or poor attitudes. But, give your employees the chance and training to adapt and change.
5. What worked yesterday may not work today. Always be on the lookout for improvements. Once you create an advantage over the competition, they will be quick to try to copy it. That is exactly why warm cookies aren't enough. That is exactly why you must create the 'Customer Loyalty Culture'.

Your primary competitive advantage lies in the hands of your employees. They are the ultimate amenity. You must recognize that and be proactive in leveraging it. If what you are selling is really good but your employees don't embrace the customer loyalty concept eventually you will lose because the competition that recognizes the role the employees play in customer loyalty and retention will take your business.

Today's customers expect more than warm cookies, free coffee and the USA Today. They expect a more than satisfactory experience with the people that represent the company they are doing business with.

Organizational cultures exist either consciously or unconsciously, companies can choose the culture that they want to create and communicate to both their employees and their customers. Make no mistake; a customer will feel the 'culture' very quickly even if they are eating a warm cookie.

Yes, warm cookies, lobby coffee and the USA Today do have an impact but if they aren't accompanied by world class service and a customer loyalty culture that impact will be minimized and make very little difference.

Please consider this:

1. What value do you place on your customer's experience?
2. What type of culture have you created within your organization?

Be brutally honest when you answer these questions, your future growth and profitability may depend on it.

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