



Striving to be the Best Guest Feedback Programme in the World

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Agenda



- The Budget Hotel Market and Premier Inn
- How Premier Inn's Guest Recommend programme maximises technology to enhance the value and usability of guest feedback
- How the programme has become an integral part of Premier Inn's business and informs major decisions

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The Budget Hotel Market in Context

- In the UK in the first decade of the 21st Century, following a period of exponential growth, the budget hotel market is approaching the mature phase in the product life cycle.
- This phase of development in a market is usually associated with the implementation of strategies which strengthen and underpin market share.
- Which develop competitive positioning.
- Which serves to emphasise, via differentiation, unique brand benefits or propositions.
- Which in turn engender strong brand loyalty in their customer base.

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Structure of UK Budget Hotel Market

Feb 2008



Brand	Number of Rooms	% Market Share	Number of Hotels	% Market Share
Premier Inn	32762	38.2	488	41.7
Travelodge	19335	22.6	304	26.0
Express by Holiday Inn	11078	12.9	108	9.2
Ibis	6536	7.6	48	4.1
Total top 4	69711	81.3	948	81.0
Sector	85665		1171	

The remaining 20% is a motley of over 20 brands

Source: TRI/BDRC Budget Hotels 2007 Survey

We keep on growing via acquisition and new build



Analysis from The Times 28th April 2008

- Premier Inn had a record year, adding 3,400 rooms, with sales rising 15 per cent.
- Whitbread's target of a 50 per cent expansion of the chain represents an increase to 55,000 rooms.
- Recently in talks with Travelodge, but not pursued.
- It has **518** Premier Inns in the UK and is expanding overseas through two joint ventures: with Emaar-MGF in India, where it targets 80 hotels within ten years, and Emirates in the Middle East, where it opened its first hotel in Dubai this month.

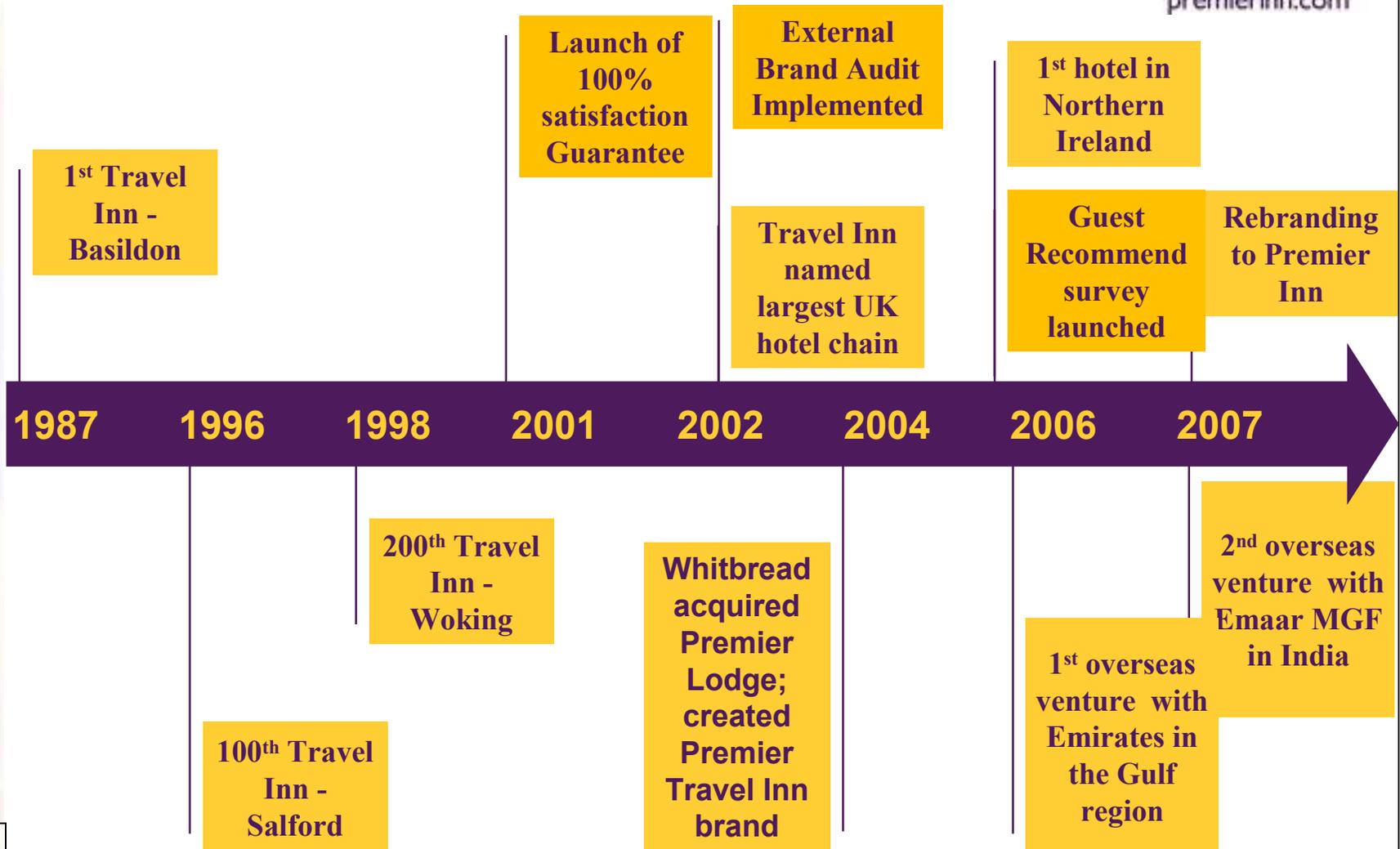
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About Premier Inn



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Premier Inn history



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UK coverage



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Never far away...

Premier Inn is the UK's biggest hotel chain.
We have more hotels in more places making it easier for you to stay away from home...

Everything's Premier but the Price
Premier Inn
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	Hotels	Beds
England	423	28,494
London (Central)	13	2,075
London (within M25 incl central)	40	4,892
Scotland	50	3,530
Wales	16	952
Northern Ireland	2	197
Total	491	33,173

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NOW - 518 Hotels

Consistency is key to successful branding



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- Many services are delivered by employees who need to be committed to delighting the guest and enabled to deliver guest needs
- Yet in hospitality they are often low-level staff who may not be fully trained in the brand standards or understand their role in achieving the vision
- For Premier Inn, most guests regularly travel outside of their local territory - consistent delivery provides reassurance and security
- Premier Inn utilises 3 key tools as part of its quality management programme
 - The 100% Satisfaction Guarantee (Good Night Guarantee)
 - Brand standards and external Brand Audit programme
 - The customer satisfaction survey, (known internally as the Guest Recommendation Survey)

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The Guest Feedback programme

“The Guest Recommend Survey”

Survey conception
E-experience

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From Great to World Class

- Strategy to move from being a “great” brand to “world class”
- Key components
 - Living our Good Night Guarantee principles
 - financial pain of unconditional guarantee focusing the entire organisation on possible failure points
 - Delivering a consistent brand experience
 - ‘hardlines’ and ‘guidelines’ measured by an external brand audit
 - Focusing on pleasing individual guests and to ensure we turn a night away from home into a Guest Recommendation to a friend
 - Really putting the customer at the heart of the business
 - Engaging all staff in the journey – one shared vision
- Understanding guest experience through research
 - Key factor in improving long-term business performance
 - Guest Feedback Survey – biggest change in Premier Inn in years

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Programme conception



- Previous guest satisfaction measured via a twice-yearly brand-level postal survey
 - Requirement for monthly feedback at an individual site level
- Move away from satisfaction to advocacy and word of mouth.
 - Key metric Guest Recommend is believed to be the most effective predictor of repeat purchases and customer growth. It enables Companies to measure satisfaction, loyalty and future profit with just one question, Frederick Reichheld, Bain & Co. Harvard Business Review, 2003 – One number you need to grow
- Premier Inn worked with ORC International to implement monthly site-level measurement of guest satisfaction
 - ORC International's pioneering e-experience approach
 - Event-based online data collection and portal reporting

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Event-based feedback

- Programme of significant scale – 1.3 million guests surveyed with 428,000 responses
- Guests sent an email the day after they check out
 - Ensuring their views are captured soon after their visit
 - Email explains the survey and its objectives, the prize draw, and contains a link to the online questionnaire
- In-depth questionnaire covers all aspects of the stay
 - 1-5 scale for guests to rate each element of the experience
 - Opportunity to provide verbatim comments, reasons for poor ratings and suggested improvements
 - It tells us exactly what our guests think of the key aspects of the service and product that we provide, including whether or not they would recommend us to a friend or colleague.

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Real-time web-based reporting

- We developed an online portal with ORC International
- Instantaneous guest feedback
 - Fast turnaround of data – valuable insight for Premier Inn

Emails sent out daily the day after the guest checks out



Portal updated daily with the previous day's surveys



Premier Inn can action findings within a couple of days of the guest's stay



Easy access across the organisation

- Quick and easy access for all team members
- Portal facilitates sharing of best practice and drives competition
- Hotels can track their own verbatim comments
- Over half the hotels log on every day to keep track of their scores and read their comments

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Guest Recommend programme outcomes

Brand level
Site level

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In motivating change, Reichheld advocates a number of guidelines

- ‘Be sure that everyone in the company knows which customers they’re responsible for. Then ensure that all business functions— not just market research—own and accept the survey process and results.
- Make your scores transparent throughout your organization.
- Then issue the managerial charge: “We need more promoters and fewer detractors in order to grow.”
- Create a sense of urgency by tying rewards to score improvement— giving customers, in essence, veto power over raises and promotions.’

Guest obsession is integral to all

- We describe our focus on our customers as ‘**Guest Obsession**’
 - The Guest Recommend Survey is central
 - Aim to make all guests ‘**Top Boxers**’
 - Disseminated throughout the organisation
- According to Premier Inn’s MD Patrick Dempsey, the research is *“worth its weight in gold”*
- By acting on guest feedback, KPI scores continue to increase
 - Likelihood to recommend
 - Overall satisfaction
 - Likelihood to stay again
 - Value for money

“Our success will be achieved by listening to our customers – and reacting quickly and instinctively to their feedback and future expectations”

(Patrick Dempsey, MD, Premier Inn)

Balanced scorecard

- Premier Inn's balanced scorecard includes the Guest Recommend score
 - Stretch targets for each site and region
 - All team members strive to hit their target and achieve Green on their scorecard
- Bonuses based on Guest Recommendation as part of their scorecard
- Successful teams who achieve 'all Green' or Guest Obsession awards at annual conference are rewarded with an incentive trip
- Balanced Scorecard results are also integral to promotion and remuneration decisions

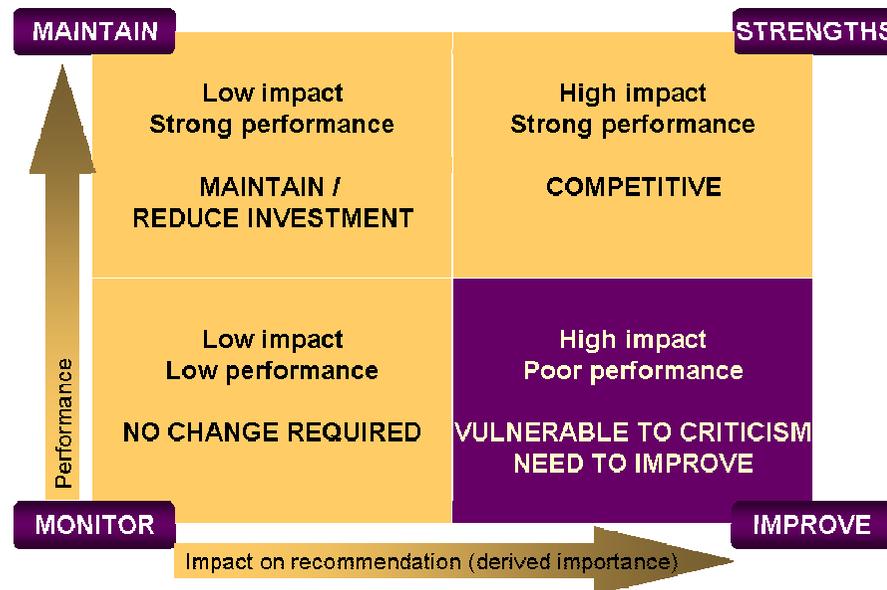


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Prioritising action using statistical analysis



- All brand decisions are underpinned by the likely impact on the Guest Recommend score and prioritised through Key Driver Analysis
- Which elements of the offer are most likely to impact on guest satisfaction - Brand Priority Action Plan
- Informed significant strategic investment decisions



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Focusing on Premier Inn's best assets

- Monitoring the softer human encounter and customer perceptions of their experience
- Huge importance of employees
- The staff are Premier Inn's best asset
- The feedback is used to inform training and induction
- We are committed to coaching team members
- Every team member has the opportunity influence



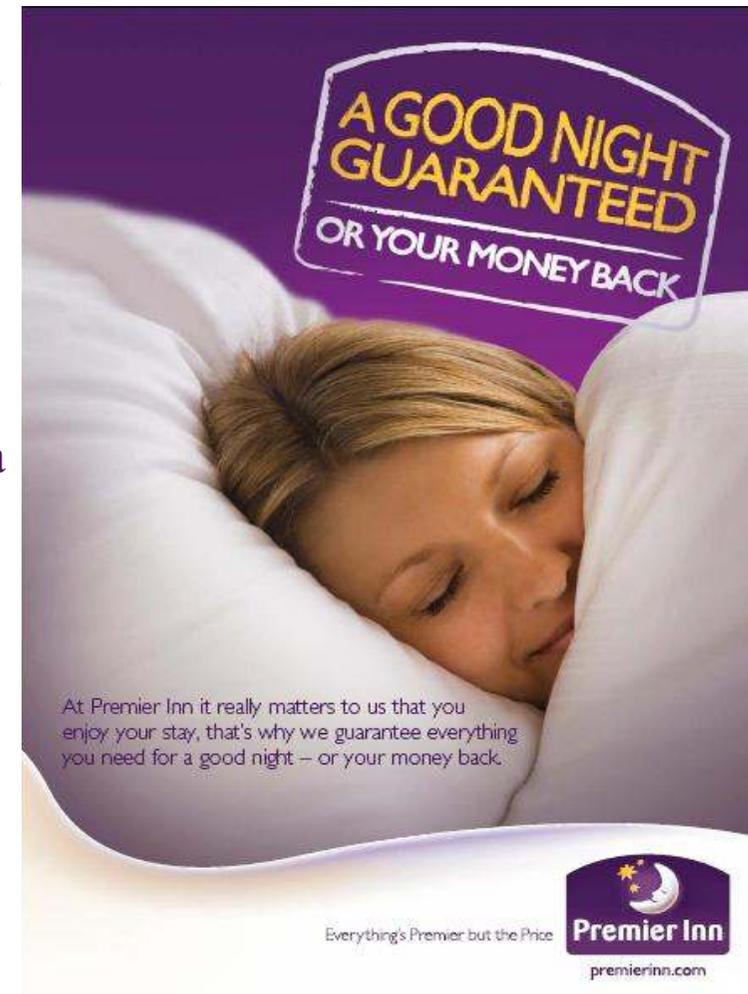
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Emphasis on Good Night Guarantee

- Premier Inn offer a unique ‘Good Night Guarantee’
 - Money-back guarantee for all guests who did not have a good night’s sleep
 - Understand the issues and fix the things that matter to guests
- Awareness of the ‘Good Night Guarantee’ increases the likelihood that a guest will give top box scores for each KPI
- Greater emphasis on this exceptional selling point



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New and improved breakfast

- Review of guest feedback identified that the breakfast offering would benefit from improvement
 - Specifically food quality and product choice
- Range of new breakfast menus were trialled across the network
- Specific questions appended to the survey throughout the trial
 - Pre and post scores analysed
- New breakfast concepts
 - Wider range of healthy and vegetarian options
 - Two new types of sausage
 - Warming porridge
 - ‘Superfoods’: granola, pomegranate juice, green tea
- Ratings for breakfast food quality and service are vastly improved as a result



Fast tracking investment where needed

- Introduction of Freeview channels
 - Of those guests giving a negative score, most wanted to see Freeview channels included
- As a value brand, air-conditioning is not offered as standard. Feedback from guests has prompted the installation of air conditioning at specified locations, e.g. city centre
- Property work at sites with significant levels of negative recommendation
- Through monitoring the national bedroom refurbishment programme, findings help to determine the level for future bedroom upgrades



Programme impacts on decisions made at a local level



- Portal provides real-time data to work with and widespread access
- Hotel personnel are able to take quick tactical action as a result of feedback from guests
- At progress meetings site managers are required to provide updates on their Guest Recommend feedback
- Many hotel managers have shifted their recruitment decisions to place more importance on behavioural traits – a natural service instinct more important than experience



Premier Inn at London Tower Bridge

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360° feedback to guests

- Programme has revolutionised Premier Inn's relationship with our guests
 - Understanding their needs
 - Establishing a two-way relationship
- Important to acknowledge feedback provided
 - Premier Inn have a high proportion of repeat visitors
 - Demonstrated on the website 'You said, we listen'
 - Actions taken as a result of the programme are publicised



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The future

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ORC INTERNATIONAL

It's not all plain sailing

- The Guest Recommendation survey (alongside the Brand Audit and the Guarantee) provides a comprehensive tool to flag issues centrally and drive behaviour at site-level
- However, Premier Inn recognises there are still opportunities to drive greater consistency - for every hotel to truly live a 'guest obsession' culture
- Organisational change is a long-term process
- Premier Inn must give on-going attention to their 'guest obsession' commitment through strong leadership and keeping restless in the search for continuous improvement
- Continual focus on survey results
- Greater insight through recent recruitment of a customer e-panel via the current Guest Recommend Survey



Conclusion

- The paper considers the strategies of the market leader Whitbread's Premier Inn
- Like many large hospitality and retail organisations, Premier Inn expands and grows through geographical dispersion, creating challenges for consistent implementation
- Yet, consistency is the key component of successful branding. Although advertising and customer relations affect brand and image, *'the consistent delivery of an offer is the fundamental principle from which brands originated'* (Young, 2003)
- Ensuring the details of that product offering meet customer expectations is essential. To deliver the customer experience, Premier Inn utilises the suite of tools as described
- Probably the best feedback system in the world

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Thank you

Questions?

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