

# Travel Inn: everything you want for a good night's sleep - 100 per cent satisfaction guarantee or your money back

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## Abstract

In the UK, following a period of exponential growth, the budget hotel market is maturing. In the classic product/service lifecycle model, this phase of development in a market is usually associated with strategies which engender strong brand loyalty; which strengthen and underpin market share; which develop competitive relative positioning and which serve to emphasize, via differentiation, unique brand benefits or propositions. This paper considers the strategies of Whitbread Travel Inn who, as the market leader, launched their 100 per cent Good Night satisfaction guarantee (or your money back) across the brand in 2001. To begin with a review of the budget hotel market is undertaken. This is followed by an analysis of the achievements of the guarantee over its first 18 months of operation, and consideration of the training approach that inculcated a new mind-set within the organization. The paper concludes by reiterating the successes achieved and celebrates an award winning performance.

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## Introduction

In the UK, following a period of exponential growth, the budget hotel market is maturing. In the classic product/service lifecycle model, this phase of development in a market is usually associated with strategies which engender strong brand loyalty; which strengthen and underpin market share; which develop competitive relative positioning and which serve to emphasize, via differentiation, unique brand benefits or propositions.

Following extensive piloting, Whitbread Travel Inn (the market leader) launched their 100 per cent satisfaction guarantee (or your money back) across the brand (now incorporating almost 300 outlets) on 8 January 2001 on national television and via other media. It was stated that this innovative and path breaking (as opposed to benchmarking) strategy would not only serve to differentiate the brand but would through first mover status, maintain its proposition as "The UK's favourite place to stay" (over 17,000 sleepers every night). In turn, this would support its mission "To be the biggest (brand in the sector) and the best (as in customer's preferred choice) in the budget hotel market".

This paper supports the proposition that Travel Inn fulfils all the criteria to be considered as a leadership brand and that this mould-breaking introduction clearly demonstrates that their leadership has been earned. That this guarantee scheme is about the long-term resolution of their standards will be clearly illustrated, e.g. how guarantee invocations can both influence daily working practice and inform all future new builds and refurbishments. In setting this super-ordinate goal it may be observed that they have succeeded in energizing and focusing the whole company towards one shared vision. Combined with a reward and recognition system, their empowered, indeed, enabled staff, has witnessed a downturn in turnover of over 30 per cent in the last two years (an estimated saving of c. £1m).

In marketing terms the guarantee will be shown to encourage new customers to buy as it reduces the risk element in the purchase decision while for existing customers, it enriches their long-term relationship and loyalty. However, this is not simply some form of marketing gimmick, it has captured the total company ethos and is playing a key role in building competitive advantage. Providing this unequivocal guarantee is not easy, which is precisely why this competitive advantage exists. Its intention was to give Travel Inn a couple of years head start and all the benefits of first mover status before the "me-toos" and fast-followers adopted similar, though often diluted, guarantees.

This paper will:

- Briefly review the budget hotel market.
- Analyse (drawing from Whitbread Hotel Co. commissioned quantitative and qualitative research) the achievements of the guarantee over its first 18 months of operation.
- Consider identifiable performance improvements - the quantifiable rewards to date.
- Demonstrate the training approach that inculcated a new mind-set.
- Reflect on guarantee issues and draw support from contemporary marketing theory.
- Conclude, reiterating the successes achieved and celebrating an award winning performance.

## **A review of the UK budget hotel market**

Budget hotels were first introduced into the UK market in 1985 with the opening of the Ibis at Heathrow and the first Little Chef Travel Lodge. By September 2002 there were almost 900 hotels and 60,000 rooms (average 62 rooms per hotel). Indeed, the market leader, Travel Inn with 16,571 rooms across its 290 sites, has become Britain's largest hotel brand. Holiday Inn with 16,163 rooms is in 2nd place since it has fully integrated the Posthouse estate which it bought from Compass in 2001.

During the 1990s the growth rate in the lodge or budget hotel market was truly exponential. The growth rate has slowed in the first two years of this new millennium and there is evidence that the market has reached the mature stage, although saturation is only a feature at some locations. With under 20 per cent of the hotel market, there is still growth opportunity if compared to France where lodges represent almost 25 per cent of hotel stock or to the US where with a 30 per cent share, the market is truly saturated. [Deloitte Touche \(2002\)](#) report that:

For the UK hotel industry as a whole, 2001 was a turbulent and difficult year, hit by the foot and mouth crisis, the terrible events of September 11 and the general uncertainty surrounding the UK, US and other world economies. Throughout this all the budget hotel sector in the UK seemed fairly resilient. While other segments witnessed falling occupancies and lower achieved average room rates (AARR), a number of brands in the budget sector announced consistent, if not improved, performance.

The nature of the budget hotel market is going through transition in a variety of ways. The original race was to maximise the roadside network. However, the majority of growth now, and for the future, is within suburbia, in inner cities and in London. Furthermore, often built with 20-40 rooms at the start of the growth curve, average rooms per unit have now stabilised at around 62. However, in lodges in London 400-500 rooms is nearer the norm. Many early builds are also being extended. Another change relates to the market which is becoming more clearly defined in terms of price/quality, positioning clusters - from super economy (back-packers) to upper market economy.

The market has significantly polarised with the top three players holding over 67 per cent market share. Market share is seen as a key issue in this highly combative and maturing market (see [Table I](#)).

In June 2002, Michael Bailey CEO of Compass, the world's largest catering company, was widely quoted in the financial press when he announced that the Little Chef and Travel Lodge were being put up for sale as they no longer fitted into the group's core activities. He stated "We are into the business of feeding large numbers of people in semi-captive environments, we live in other people's premises and provide food".

Inevitably, Travel Lodge coming into play has been the subject of much analysis as to the potential benefits its purchase might bring to both the incumbents as well as possible new entrants. On 18 December 2002 (during the production of this paper) Compass sold Travel Lodge/Little Chef to Permira, one of Europe's largest private equity specialists for £712 million. Carl Parker, a Permira Partner, confirmed in a press release that Permira, as a new entrant, would continue to operate and develop both brands:

We are delighted to acquire two brand leading businesses in one transaction. Travel Lodge is the most highly recognized brand in the budget hotel sector and Little Chef has a unique position in the roadside catering market and has a loyal company base, which provides a solid platform for future development.

Permira's intention to operate both brands was further underlined in their widely reported release of 22 January 2003 where they confirmed that they had successfully headhunted the services of Grant Hearn as their new Chief Executive. Currently President of Hilton Hotels UK and Ireland, Hearn had been bought for his wealth of experience as Managing Director of Travel Inn during its major growth years. Industry observers have viewed Travel Lodge as a somewhat lackluster brand and expect a significant improvement in brand standards and performance from this new team.

What is certain is, to adopt an earlier quote by Robert C. Hazard (then President of Choice Hotels)

The period 2000-2010 will be the most competitive in the history of the UK Lodging industry...every lodge must become more market driven, improving its product to create a unique, sustainable competitive advantage and a perception of greatest value among its guests ([Crawford-Weish, 1994](#)).

In his vigorous reassertion of how strategic advantage may be gained through true differentiation, Michael [Porter \(1996\)](#) affirmed that:

A company can only outperform rivals if it can establish a difference that it can preserve. It must deliver greater value to customers or create comparable value at lower cost, or do both.

Through this process of differentiation, Porter concludes that:

The arithmetic of superior profitability then follows: delivering greater value allows the company to charge higher average unit prices, greater efficiency results in lower average unit costs.

Thus, we achieve a virtuous circle. Here, we contend that this has been achieved by Travel Inn through its introduction of the 100 per cent guarantee good night.

## **Performance improvements**

Some of the quantifiable rewards are:

- The 100 per cent satisfaction guarantee is estimated to drive 19,000 incremental loyal customers per annum. For this purpose "loyal customers" are defined as customers who stay more than one night per year. On average "loyal customers" stay 6.2 nights per year.
- Return on investment of the 100 per cent satisfaction guarantee is estimated at 238 per cent, this is an additional £1.1 million revenue in the first year of the guarantee. This calculation is based on 19,000 incremental loyal customers, based on them staying an incremental two nights per year, at the average room rate of £45.52. This is forecast to increase to £3 million additional revenue a year, 10 (real).
- Rooms occupancy has increased by 2 per cent over the past year and the 100 per cent satisfaction guarantee is considered to be a major contributory factor to this increase.
- Staff turnover of Travel Inn team members in 2001/2002 has fallen by 29 per cent, which equates to a saving of £956,000 and this can be mostly accredited to the success of 100 per cent satisfaction guarantee in improving team member satisfaction.
- Refunds (money paid back to customers when they have invoked the 100 per cent satisfaction guarantee) equate to just 0.39 per cent of total room revenue, this is against a budget set at the launch of 0.5 per cent maximum. As the largest brand within the budget sector with the highest occupancies, on average, Travel Inn sells 13,000 rooms per night, of which fewer than 50 are refunded. This amounts to approximately £700,000 a year.
- In 2001/2002, escalated complaints have reduced by 53 per cent compared with the same time last year. This is the equivalent of reducing escalated complaints from 38 per week to 16 per week. The estimated total cost per escalated complaint is £100, which equates to a saving per annum of £114,000.
- Travel Inn has improved its trading position with its key suppliers as a result of the 100 per cent satisfaction guarantee - these key suppliers (laundry, refuse, environmental services, etc.) have now put in place their own "guarantee" to pay for any refund that Travel Inn has had to pay out due to a problem that they have caused. This also now means that these key suppliers work harder to get it right first time when working with Travel Inn.

The estimate of 19,000 incremental loyal customers was reached by conducting a customer satisfaction and loyalty study of 10,000 Travel Inn customers in September 2001. The findings include:

- a 13 per cent decline in customers experiencing problems;
- of our customers, 19 per cent that did experience a problem told us about it to enable us to fix it;
- of the customers who did experience a problem, a total of 18 per cent are satisfied with the action taken; and

- there has been a 5 per cent increase in customer compliments.

The Travel Inn Vision is "Trusted for great value and a good night's sleep wherever our customers want to be. The UK's No. 1 hotel network". The key word in the Travel Inn Vision is "trust". Travel Inn already delivers the other elements of its Vision - it is one of the best value for money brands in the budget sector, it has a good quality product (high spec bedrooms and facilities) that provide a good night's sleep and it is officially the biggest and most-widespread network in the UK. The customer service strategy, 100 per cent satisfaction guarantee, provides the "trust" element of the Travel Inn Vision. Customers know, through the 100 per cent satisfaction guarantee, that Travel Inn "puts its money where its mouth is" and is committed to listening to and responding to any complaints in order to continuously and consistently improve its product and service. As a brand Travel Inn believes implicitly that it does provide a value for money service and product to its customers so much so that if it fails in this task at anytime it guarantees to resolve the issue and is prepared to give customers their money back unconditionally.

### **Training - the approach which inculcated a totally new mind-set**

Common and specific course objectives were identified across the three target groups to be trained ([Table II](#)). A number of measurements were used to ensure these objectives were met. These consisted of:

- post course reviews;
- post training, pre-launch visit by project group;
- operational quality manager audit;
- customer comment cards, feedback and complaints;
- managers tracking own trend analysis of invocations and customer comments via "Cristol System" (a real time intranet-based customer comment tracking system); and
- feedback by management teams, as appropriate, through observation/discussion with their team members.

Rather than the HR team deciding how the training should be designed and delivered they worked with a development group of line managers and team members who fed back how they would like to see the materials designed. Their requirements were that training should be:

- focussed - short bursts of memorable learning;
- fun - it should be enjoyed;
- realistic and practical exercises which could be used immediately;
- helpful such that it took account of different learning styles; and
- repeatable and manageable - that would have more than one application and that took account of the trainers limited skill.

Working with "Merlin Development Group Consultancy", Travel Inn designed and piloted a "ten-step" training programme delivered in 3 x 2 hour slots. The steps were designed to explain the vision behind the guarantee, and included topics such as understanding the guarantee, identifying barriers, taking preventative action, service quality behaviours, actioning service recovery, and applying the refund process.

Every step used accelerated learning methodologies incorporating videos, role-play, board games, quizzes and group discussions and most "steps" were supported by a relevant poster designed to remind/focus the team members on the outcomes of the training.

Part of the training included training the Unit Trainer which was a programme ([Table III](#)) repeated some 38 times. This consisted of a two-day event with the above population of facilitators across the country. This covered the headline thinking behind the design, the "ten steps" and how to conduct the training back in the Travel Inns. The success of this programme was dependent on the learning achieved from the programme outlined above.

Quality visits confirmed that this was successful for all facilitators and evaluation data confirms participants achieved their goals.

A number of barriers were identified which were overcome. These included people's fear of cheats raised in the presentation at road-shows. This was overcome by focussing on the "WOW" that can be given to satisfied customers rather than the damage that can be done by not trusting a customer who has a real complaint. Another barrier involved changing the mind-set of team members that managers would not "tell them off" or "discipline them". As well as including role-plays and group discussion about the lifetime value of customers an incentive scheme was introduced for having the fewest "Escalated complaints" to HQ. League tables or penalties for having complaints properly resolved on site were deliberately avoided but team members were celebrated/recognised for good complaint resolution. In September 2000, when the 100 per cent guarantee was signed off by the Whitbread Board, it was rumoured that a few middle and senior managers who had left and joined the competition were planning to launch their own guarantee before the Travel Inn CEO decided to fast-track. The original launch date of April 2001 was brought forward to January 2001. The scheduled training timetable, of 520 managers (30 x 2 day courses) across the country, was changed from a time scale of three months to six weeks. The 3 x 2-hour sessions for 7,000 team members were maintained.

The original team member and business objectives are set out in [Tables IV and V](#).

CRISTOL (Customer Reporting Information System Tracking On Line), is the logging system which Travel Inns and the Head Office Customer Service Team use to log complaints. This enables reporting and tracking of issues and/or causes, it allows fixes to be identified and focus to be given to sharing best practice.

Other key outcomes are:

- This is the first "Unconditional guarantee" offered in the industry which has focussed empowerment right to the grass roots of the organisation, and facilitated a "culture change" while training the systems and processes. The training broke with tradition and used practical applications of accelerated learning methodologies (chosen by the employees), and it has become the model by which all other parts of Whitbread will approach learning.
- The training and development changes derived from the 18 months experience include the way Travel Inns are built, the way they are run, the recognition process, the incentive scheme and their operational standards.
- There are a number of communication vehicles that are used within Travel Inn to communicate its vision, mission and values to its team members.

These include:

Regional road-shows for the launch of 100 per cent satisfaction guarantee. In January 2001 four one-day regional "Train the Trainer" programmes were held so that attendees could then go back to their hotels and train all the team members on site on the 100 per cent satisfaction guarantee. To assist them in this process a ten-step guide to training the guarantee was produced.

Check Inn newsletter. A quarterly newsletter that is distributed to all 7,000 team members that regularly refers to Values, Mission and Vision.

Business Quality Newsletter. The department that operates the 100 per cent satisfaction guarantee issue a monthly newsletter.

SMARTI intranet site. Although the focus tends to be on written material to communicate with team members as the vast majority of Travel Inn team members do not have regular access to a PC at work.

Annual conferences. These are attended by approximately 650 Travel Inn general managers and front-of-house managers who are then given the conference material to share with their site teams.

Team member question and answer sessions with the Travel Inn Executive team held on a regular basis. In terms of measurement, Travel Inn uses a method known as the balanced scorecard, which is used at each of its 285 sites and also overall on a company level. The balanced scorecard is developed for each unit and the general manager at each Travel Inn is incentivised on their individual site's balanced scorecard performance.

## **Reflections on guarantee issues and support drawn from contemporary marketing theory**

A similar scheme was introduced in the 1980s in the US by Hampton Inns. Their scheme initiator was Christopher Hart, now a Professor at Harvard.

Christopher Hart, the guarantee guru, was brought over by Travel Inn to help develop and assist with the launch of their scheme. Should a customer wish to invoke the guarantee, all staff are empowered to do so unequivocally. All that is required is that the nature of the complaint is registered both at the hotel and head office to help iron out the problem and to aid the learning of all. An account of the application of the Hampton Inn scheme and Hart's treatise on "The Power of Unconditional Guarantees" may both be found in Hart (1992). Extracted and abridged are some of the issues [Hart \(1992\)](#) identified for developing guarantees, against which the Travel Inn data disclosed so far may be considered:

- Service guarantees can help companies institutionalize good performance. Committing to provide an error free service can help a company provide it.
- A strong service guarantee enables managers to control organizations, setting the goals and providing the necessary data to improve performance.
- A guarantee should be written in concise language that pinpoints the promise.
- A service guarantee loses power in direct proportion to the number of conditions it contains.
- The best service guarantee promises customer satisfaction unconditionally.
- A customer who is dissatisfied should not have to go to excessive lengths to invoke a guarantee, as this lengthy process will only increase dissatisfaction.
- Similarly, a customer should not be made to feel guilty about invoking the guarantee, with pay-outs being quick and easy.
- When writing the guarantee it should not be shrouded in conditions.
- A service guarantee which is risk free to the company will be of little value.
- A service guarantee forces a company to understand the where, when and how of its failures.

In a recorded interview ([McCaskey, 2001](#)) Ruth Hutchison, previous Business Quality Manager for Travel Inn who was champion for the 100 per cent guarantee scheme and who drove through its introduction said:

This is about the long term resolution of our standards. In setting this super-ordinate goal we have succeeded in energizing and focusing the whole company towards one vision.

This "Single Vision" is best illustrated via the Ashridge Mission Model ([Campbell and Tawady, 1990](#)). The four components of this are, on evidence presented, met by Travel Inn. They are:

An inspirational definition as to what an organization is there for. "The UK's favourite place to stay". Unlike British Airway's now discredited claim to be "The World's Favourite Airline", this claim is sustainable. On an average night, some 17,000 people are sleeping in Travel Inns.

The organization strategy in terms of its commercial logic, its distinctive competence, its positioning and its source of competitive advantage are seen as coherent and achievable.

The policies and behavioural standards defining how managers and employees should behave are explicit, transparent and upheld via training and example. The beliefs that constitute an organisation's culture and underpin its management style inculcate a strategic logic for doing things, which are based on moral, and value-based reasons.

A strong sense of mission comes about when personal and organizational values match and when the four elements are closely knitted together, i.e. when they support and reinforce one another.

Hutchinson continued:

"this is not about refunds; it is about a promise to deliver total satisfaction. This has been a real hearts and minds operation to be shared and won over at every level".

## **Support from contemporary marketing theory**

[de Chernatony \(2001\)](#) proposed a move away from the traditional role of brand management with its inevitable tunnel vision towards the customer and his behaviour to one which fully recognizes the potential to be unlocked through staff teams brought on side through shared goals. He determines that today's business environment is one where marketing and brand management are more critical than ever before. He widens the argument calling for a more balanced perspective where the brand needs to be managed internally, to ensure that staff (the team) are energized and, through discussion, share a consensus on all issues pertaining to the brand and its values and are thus more able to support the promise made to the customer and to ensure the delivery of that promise. The approach and findings illustrated here in this Travel Inn initiative would entirely endorse this.

[Tilley \(1999\)](#) developed a model for leadership brands establishing seven common factors or characteristics for these brands as the means by which they consistently and coherently deliver their promise. In an earlier paper [McCaskey \(2000\)](#) fully analysed Travel Inn against these criteria and found them to meet each. Listed are the seven factors against which Travel inns still pass muster.

- They influence the behaviour of their customers. Rather than follow rules and markets, they create them.
- They effectively create a meaning that is more than just a function of the product or service.
- Leadership brands embody meaning in all that they do.
- They are consistent and eloquent in every aspect of their communication, ensuring understanding.
- They are dynamic, constantly changing to meet new needs and remain relevant.
- Leadership brands have societal responsibilities... they hold beliefs, attitudes and behaviours which earn the respect of those outside.
- Their leadership is earned, not given.

Leadership branding permeates the whole organization; they are not just its label. They provide a living template of how to act, what to do for the best and how to move into the future. One has come to expect pathbreaking strategies from Whitbread, most of the rest are followers.

## **Conclusion**

The results from the first 20-plus months of trading since the launch of the strategy have proved beyond doubt that this is the single-most successful strategy that the brand has implemented. As a result of introducing this strategy Travel Inn has reached new levels of customer satisfaction in the UK hotel industry, specifically but not exclusively within the budget sector of the market. It has also given Travel Inn a sustained competitive advantage

with improvements across a number of specific commercial measures including profitability, occupancy levels and labour turnover. To date the results have been impressive and these include:

In terms of customer satisfaction:

- 19,000 incremental "loyal customers" per annum;
- a 13 per cent decline in customers having problems;
- when customers do encounter a problem more are now likely to bring it to Travel Inn's attention with over 50 per cent of customers who have a problem now telling us about it compared to just over 30 per cent before the launch of the guarantee; and
- there has been a huge improvement in customer satisfaction with our complaint resolution processes, from 26 per cent satisfied to 44 per cent.

In terms of product quality:

- a number of brand fixes in the product that have led to fewer complaints; and
- a £13 million investment in refurbishment for 2002/2003.

In terms of commercial measures:

- ROI of 238 per cent!
- incremental PBIT in year one of £1.1 million, which is forecast to build to £3 million in year ten;
- escalated complaints have reduced by 53 per cent in 2001/2002 like-for-like. This is the equivalent of reducing escalated complaints from 38 per week to 16 per week;
- reduction in labour turnover from 76.5 per cent to 49.8 per cent in 2001/2002; and
- occupancy operates at 92 per cent mid-week, at 77 per cent at the weekend (Sunday nights at best 50 per cent) giving a sector beating overall performance of 86 per cent. Average Achieved Room Rate (AARR) is as per the net rack-rate, as no discounts are contemplated.

During the preparation of this paper Travel Inn were immensely proud to win the prestigious "National Training Special Award for a Large Organisation". The award sponsored by Investors in People recognised that the communication skills and attitudes learnt and developed via the 100 per cent satisfaction guarantee were outstanding. A full copy of their press release is appended.

**Table I** The top six operators (as of 31 October 2002)

Operator	Budget brand	No. of hotels	No. of rooms	Market share (%)
Whitbread	Travel Inn	290	16,571	31
Compass Road	Travel Lodge	214	11,666	22
S+N	Premier Lodge	124	7,547	14
Six Continents	Express by H.I.	66	6,115	12
Six Continents	Innkprs Lodge	50	1,401	3
Accord	Ibis	36	4,062	7
<b>Sector total</b>		<b>858</b>	<b>52,945</b>	<b>100</b>

**Table I** The top six operators (as of 31 October 2002)

**Table II** Course objectives for regional trainers, unit trainers and team members

Course objectives	Regional trainer	Unit trainer	Team member
Identify the business case for 100 per cent satisfaction guarantee	4	4	4
Describe the different types of messages relating to the training	4	4	
Explain the different learning methods associated with 100 per cent guarantee	4	4	
List the ten steps of 100 per cent guarantee training	4	4	4
Train in the 100 per cent guarantee training	4	4	
Manage the different activities in each step	4	4	
Explain their roles and responsibilities	4	4	4
Describe real world issues	4	4	4
Explain how they will evaluate their training	4	4	
Co-ordinate and manage the roll out of the training	4	4	

**Table II** Course objectives for regional trainers, unit trainers and team members

**Table III** Training the team member – a six-hour programme for every Travel Inn

Step	Title	Style	Why this style of delivery
1	What is the 100 per cent satisfaction guarantee	Video	Consistent message and need to position what the Guarantee was before embarking on the training
2	Barriers to delivering the guarantee	Group discussion	Allow team members to air their concerns, and gain realisation that many barriers are only psychological or perceived
3	Brand standards and managing customers expectations	Board game, followed by group discussion	Get the team to realise that most of the customer's expectations fit with the offering and brand standards
4	Preventative action	Presentation of the customer service journey, followed by a "physical" walk about	Identify the potential issues and agree the preventative action to be taken as a team
5	Service quality behaviour	"Just a minute" team quiz game, asking questions for one minute to identify problems without asking closed questions	Highlighting – everyone's responsibility to talk to customers and ensure they are having a good stay
6	Service recoveries	"Snakes and ladders" board game with situational cards and role plays	Proving that most customers with minor issues just want things put right
7	Corrective action	"Run-a-round" team quiz game followed by group discussion	Fun session, also acted as an energiser, gets team members to decide what would be the best route of action
8	The refund process	"Blind vision" hearing a role play and making a judgement	Get them to recognise the effects of both the customers, and their own tone of voice, body language, and behaviour
9	Service quality behaviour (Part II)	Presentation of the "Support and challenge matrix" used to highlight the need for high support and high challenge; followed by fun quiz	Demonstrate that a team is only as strong as its weakest link
10	Keeping it alive	Group discussion and "Blockbuster" quiz game	Group discussion about where do they go from here – ending the training on a fun team quiz challenge

**Table III** Training the team member - a six-hour programme for every Travel Inn

**Table IV** The original team member objectives

Objectives	Key outcomes
Engage team members in the "continuous improvement process" and the benefits of the guarantee	Of the employees, 90 per cent know what is causing problems in their Travel Inns 95 per cent of line managers are positive about guarantee 95 per cent of new team members are inducted using guarantee "ten steps" training 83 per cent of employees have implemented fixes to problems 98 per cent of employees feel guarantee is right thing for Travel Inn to do 66 per cent of guarantee refunds offered by team members 98 per cent of employees feel empowered to deliver the guarantee 98 per cent of employees feel guarantee has made Travel Inn a better place to work
Retain quality engaged employees	Employees feedback survey (VIEWS) says "overall satisfaction" increased to 87 per cent highest in Whitbread, and above high performing UK norm group Labour turnover reduced by 29 per cent = £956,000

**Table IV** The original team member objectives

Table V The original business objectives

Objectives	Key outcomes
Produce a framework for "continuous improvement"	Local fixes implemented across brand, new brand fixes in place: new fire alarm system implemented, signage improved, door closures improved, in-room instructions improved, reception manned between 7-9 am Internet based "real time" logging system developed (CRISTOL) – bespoke to the guarantee enables brand wide best practice sharing/fixes to be implemented
Generate 100 per cent return on investment (ROI)	Invocations are tracking at 0.39 per cent of total room revenue – expected 0.5 per cent ROI 238 per cent, which is shown by incremental loyalty of £1.1 million
Create a "First mover" advantage over competitors	Travel Inn still only budget hotel operator to offer unconditional satisfaction guarantee Market research "Unprompted awareness" increased from 18-29 per cent

Table V The original business objectives

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## Appendix. A Whitbread press release

### Travel Inn scoop national training award

Travel Inn, the UK's No. 1 hotel chain scooped the prestigious "National Training Special Award for a Large Organisation" at a high-profile ceremony at London's Guildhall last night (3 December 2002).

The award, sponsored by Investors in People was presented by Rory Bremner and recognized the success of Travel Inns 100 per cent satisfaction guarantee. Travel Inn was the

only company from the hospitality industry to be nominated for an award and beat off fierce competition from the likes of retail giants Sainsbury and Debenhams.

Travel Inn won the award for developing and implementing an excellent learning and training programme to support their 100 per cent satisfaction guarantee, ensuring that the pledge was deliverable to Travel Inn's annual 8 million customers. All of Travel Inn's 7,000 team members have participated in the learning and training programme.

With over 290 Travel Inns nationwide, the judges were impressed with Travel Inn's commitment to first class training methods to improve staff morale. Chris Humphries, Chairman of UK Skills commented when presenting the award that "Travel Inn demonstrated how important communication skills were in their business and what kind of attitude was needed to ensure high quality service" and added that the programme had "achieved outstanding results for Travel Inn".

The award was shared with the Merlin Development Company who worked in partnership with Travel Inn to implement the 100 per cent satisfaction guarantee learning and training programme.

Stuart Branch, Business Services Manager for Travel Inn, who was responsible for the training programme says: "we are absolutely over the moon to have won this award. We put together a fantastic learning and development programme and it has delivered outstanding results for our team members and our customers. To gain such prestigious external recognition for what we have done is the icing on the cake".

The 100 per cent satisfaction guarantee was launched in 2001 and is a first for the UK hotel industry.

Under the guarantee, if a customer staying at a Travel Inn is not 100 per cent satisfied with his or her stay then Travel Inn will refund the cost of their stay. The unique part of the guarantee is that there are no terms and conditions and customers are able to invoke the guarantee and receive their refund at the front desk.

Travel Inn previously won the regional final of the National Training Awards in Cambridge, held in November.