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Customer Service has long been the key to success in the Hotel Industry *Attracting A New Customer... Generation Y*

By: Jodi Cross



The hotel industry continues to show steady improvement in customer service scores according to the 2014 J.D. Power and Associates North America Hotel Guest Satisfaction Index StudySM released in July. Gen Y guests (Millennials) played a major role in this year's study as the survey looked at their travel habits, likes

and dislikes. For detailed information click the link below.

http://www.jdpower.com/sites/default/files/2014110-North_American_Hotel_Guest_Sat_Index_Study.pdf

“By improving the brand experience for first-time Gen Y guests, there is a substantial opportunity for hotels to gain a pool of satisfied, committed guests who will be loyal for years to come,” said Rick Garlick, global travel and hospitality practice lead at J.D. Power. “We also find that satisfaction is more than 300 points lower among Gen Y guests who have a low opinion of staff than among

Gen Y guests who have a high opinion of the hotel staff, while that difference is much smaller among those in other generation groups. Hoteliers have the opportunity to improve both satisfaction and loyalty rates by simply focusing on improving their staff interactions with Gen Y guests.”

Who are the Industry Leaders in each category?

The following hotel brands ranked highest in guest satisfaction in their respective segments:

Luxury: Four Seasons Hotels and Resorts

Upper Upscale: Kimpton Hotels

Upscale: Hilton Garden Inn

Midscale Full Service: Holiday Inn

Midscale: Drury Hotels

Economy/Budget: Microtel Inn & Suites by Wyndham

Upper Extended Stay: Homewood Suites by Hilton

Extended Stay: Candlewood Suites

See crossnm.com/shoptalk for ratings on top luxury, upper upscale, and upscale hotels.

Key Findings:

- Hotel brands that are perceived as being exciting and trendsetters receive the highest number of positive recommendations, while those perceived as environmentally careless receive the highest number of negative comments.

- The proportion of Price Buyers—hotel guests who select their hotel brand primarily based on price—has fallen by a significant 7 percentage points from 2013 (19% vs. 12%, respectively). Price Buyers are among the least satisfied of the guest groups.
- The proportion of Scrutinizers—those who thoroughly research their hotel choices through online travel review sites and other sources—has increased to 10 percent in 2014 from 7 percent last year. Notably, the Scrutinizer group has the largest number of highly committed guests to a hotel brand.
- Among all the problems experienced by guests, rooms that are not clean has the greatest negative impact on satisfaction.
- Challenges with Internet connectivity remain twice as prevalent as any other guest problem. The negative impact of these problems is relatively consistent regardless of whether Internet access is complimentary or guests have to pay an additional fee for it.

Who are these Gen Y's and how can hotels attract more of them?

With nearly 80 million people in the U.S. alone, Generation Y is the fastest-growing demographic in both the workplace and the marketplace. Also referred to as “Millennials,” the group covers those with birth years ranging from 1977 to 1995 and presents a dynamic opportunity for hotels to attract and retain a booming market that already represents one third of all hotel guests. Gen Y's are extremely mobile, energetic and place an emphasis on work-life balance and personal fulfillment.

According to a recent article from Trip Advisor Insights and the go-to expert on Millennials and Gen Y, Jason Dorsey, author of the book *Y-Size Your Business*, if you want to attract more Gen Y customers to your hotel focus engagement through non-traditional marketing channels.

When it comes to marketing strategies, Millennials or Gen Y's are far more likely to take hotel advice from their peers than from traditional marketing channels. Social networking sites like Twitter, Facebook and Instagram are essential to capturing this demographic. When Gen Y guests log-on to the hotel Wi-Fi, your splash screen should

prominently feature your social media channels. Set up your splash screen to have them “like” your page or follow you. This will instantly help you to develop new fans and allows them to become your brand ambassadors. Expect Gen Y's to be tweeting on multiple devices during their stay.

Here are some key strategies to attracting more Gen Y customers:

- Provide Free Internet—they want to engage and depend on it to be available in every nook and corner of your hotel.
- Give them an exceptional experience for a great value—they want more for less with value perceived in many different ways such as; guest room design, property layout, personal attention and pet and environmental friendly policies.
- Access to Casual food available 24/7, no more jackets required or room service that stops at 11 PM.
- Don't make them wait, provide self-service options - think portable iPads for check in and coffee on demand.
- Hotels with individual personalities and a distinctive ‘sense of place’, are appealing to Gen Y's. They consider themselves to be adventurous and are seeking “Wow” experiences.
- Multi-use lobbies that encourage guests to socialize with places to chill-out indoors and out appeal to this demographic.

Hotels that have the ability to change with the times and remain authentic and transparent to their branding and image will have the best opportunity to attract this growing market segment.

Jodi Cross is a hospitality marketing & branding consultant with over 20 years of hotel experience, she may be reached at jcross@crossnm.com. Or visit crossnm.com.

Sources: J.D. Power 2014 North America Hotel Guest Satisfaction Index Study ; Trip Advisor Insights on How to attract the Gen Y Guest ; Y-Size Your Business by Jason Dorsey