

A group of diverse professionals are seated around a dark wooden conference table in a bright, modern office setting. A woman with short, curly brown hair, wearing a blue and white striped blazer, is leaning forward and pointing with a pen at a tablet on the table. She is smiling and looking towards the other participants. To her left, a man with short dark hair, wearing a blue denim shirt, is looking at her with a slight smile. Other participants are visible on the right side of the frame, also engaged in the discussion. The background shows large windows with a view of a city skyline.

Evolving Your Customer Experience Strategy for Today's Guests

Medallia

Introduction

Just like human beings, experiences are ever-evolving entities. They can improve, stagnate, or decline ... or vacillate between the three. When it comes to the hospitality industry, leading brands strive to consistently create and curate experiences that make their guests feel special, appreciated, and valued. “Wow” moments become moments that matter, as they fuel customer loyalty, which is coveted and harder to achieve as consumer needs, preferences, and demands continually change and evolve.

Now more than ever, it’s imperative to take a hard look at your customer experience program and find new ways to dialogue with - and delight - your guests. With NPS scores and survey response rates declining, how can hospitality brands have an authentic, real-time, and on-brand dialogue with prospective and current guests at every touchpoint? And how can brands use the feedback they gather to identify and enact holistic organizational change that drives customer loyalty? In this guide, we’ll explore effective and practical ways to:

- Diversify Feedback Capture Methods
- Capture Feedback Along The Entire Guest Journey
- Proactively Recover Guest Service Issues In The Moment
- Improve Customer Engagement by Closing The Feedback Loop

As you read the guide, keep this equation for success in mind:

$$\begin{array}{l} \text{Diversify} \\ \text{(feedback methods)} \\ + \\ \text{Capture} \\ \text{(along the entire journey)} \\ + \\ \text{Recover} \\ \text{(in real time)} \\ + \\ \text{Close} \\ \text{(the feedback loop)} \end{array} = \begin{array}{l} \text{An ever-evolving} \\ \text{and effective} \\ \text{customer experience} \\ \text{strategy that drives} \\ \text{customer loyalty and} \\ \text{organizational success} \end{array}$$

Diversify Feedback Capture Methods

The post-stay survey. The one that's emailed to your guests following their stay or visit with you. It's a traditional approach that many brands have routinely utilized for years, especially when they initially embarked upon a customer experience program. Just like any tool, it serves its purpose ... however, as today's customers have ever-changing needs, wants, and desires, it must be utilized in conjunction with other tools to effectively construct an evolving customer experience strategy.

Post-transaction surveys can help your brand establish a baseline by identifying what you're doing well, while uncovering pain or friction points. These surveys are typically delivered via email, which many consumers - whether personal or business travelers - no longer read and review with the same diligence and gusto they did in years past. While it can be an effective and efficient way to communicate with people at scale, there's a lot of competition. The average American receives more than 100 emails a day, many of which are viewed as spam or unimportant. It's no wonder the open rate for email is between 20 to 40% and the attention span per email is 10 to 15 seconds.



While the traditional post-transaction survey can provide helpful insights, it's initiated after the experience has concluded. There's no opportunity to influence, improve, or elevate the guest experience in real time.

Lorena Kurtjian Hernandez

Senior Director, Travel & Hospitality Solutions Principal, Medallia

If your brand has a customer experience program that primarily relies on email to solicit feedback, it's time to modernize and diversify your outreach. The main ways to solicit and capture survey feedback fall into two categories: **company initiated** (those sent to the guest) and **guest initiated** (when the guest proactively provides feedback).

Some examples of **Company-Initiated Feedback Surveys** include:

- **Receipt-based surveys** - These are common in the restaurant and retail industries. While the response rates for receipt-based surveys are low; their volume is very high, which gives all customers/guests the opportunity to share feedback; not just known customers.
- **SMS/Messaging and Web & App Intercept surveys** - SMS messaging and website/app intercept surveys (they pop up when a customer/guest is visiting a brand's digital channels) are also company-initiated, strategically placed, and triggered by certain criteria. An added advantage is the opportunity for real-time engagement with your customers, especially in terms of service recovery and/or preventing digital abandonment.
- **Sense360 competitive surveys** - Medallia's Sense360 offers a competitive, benchmarking survey, which are unblinded industry benchmarks that cover a number of brand health and customer experience metrics.

Guest-Initiated Feedback Survey examples include:

- **On-property kiosks** provide opportunities for guests to share feedback as they check in at hotels and airports.
- **On-property signage** can offer a conduit for customers to initiate and offer feedback via a URL, TinyURL, or QR code that can lead to an online survey.
- **Web & App always-on surveys** allow consumers to tell a company about a friction point or problematic area on their digital channels.
- **Review sites/Social media feedback** Consumers are vocal and influential, in terms of proactively sharing their experiences with a brand and using the feedback from others to make their own purchase/booking decisions.

The last two examples should not be viewed lightly, as they can offer up a wealth of feedback that - if properly collected, aggregated, and analyzed - can be acted upon to enhance the experiences of prospective and current customers.



CASE IN POINT

The Power of Video

Yes, surveys are an important component of any customer experience program. However, they should not be viewed as the be-all and end-all, as they paint only a partial picture of customer experience. Medallia found that with our clients **only 20% of what we call experience data is captured through surveys**. In order to evolve your company's customer experience strategy, other solutions must be incorporated into the mix, such as speech analytics, text analytics, and digital behavior analytics, to name a few.

Video also offers a great way to mine customer feedback. In fact, **when customers leave feedback through video, they use six times more words** than those who use an open-ended comment box. The sentiment is also translated, as are facial expressions. This yields far better - and richer - data and insights when speech-to-text analytics are deployed. Often times, this elevated level of detail can be utilized to identify the root cause of costly pain points that directly impact customer loyalty and the bottom line.

Take Airbnb for example. As a Medallia client, they utilize video in a strategic and creative way. At the foundation of their enterprise are their digital platforms - both app and web - and they use customer feedback to elevate and enhance the usability and intuitiveness of both. Through Medallia Video, Airbnb deploys video to collect product feedback and conduct product research among all of their stakeholders. They are then able to take vast amounts of feedback and condense it into five-minute video reels that are easily shared with the appropriate stakeholders to drive exceptional customer experiences.

EVOLVE YOUR STRATEGY:

Diversify Feedback Capture Methods

If you are still relying solely on email distribution to solicit feedback from your guests, it's time to evolve and incorporate more modern and dynamic communication methods to achieve richer, timely, and more powerful data. These channels include video, speech, SMS/chat/messaging, and employee feedback.

Capture Feedback Along The Entire Guest Journey

If customer experiences are organic - continuously taking shape and evolving in the moment, in real time - why wait to ask for feedback at the end, after the experience has concluded and little can be done to alter, correct, or enhance it?

The brands that excel in the delivery of exceptional experiences distinguish themselves by viewing the entire guest experience as a journey. Each stage of the journey is critically important, as it's the catalyst for the next leg. Any pain points that cause friction can be detractors ... or worse, experience enders. Within the hospitality industry, we've identified five key parts of the guest journey:

- Research
- Book
- Prepare
- Stay
- Post-Stay

Now more than ever, it's imperative that brands think through the entire guest journey, how feedback is captured and used, and how your teams can influence and maximize the guest experience in real time.



Research

Identify points of confusion and frustration that impact online booking with always-on feedback and real-time digital surveys

This is a defining moment in your guest's journey, as it shapes the all-important **Should we or shouldn't we book, fly, or cruise with you?** decision. Think of it like online dating - how your brand presents digitally is of paramount importance, in terms of visual appeal, ease of use, and helpful information. Any red flags - like functionality issues or the inability to get the necessary facts - won't result in an in-person date.

To capture that potential guest and convert them into an actual guest, it's imperative to identify what the pain points are in the research - or discovery - phase. The ability to engage with the prospective guest in real-time is crucial, which is why **always-on feedback** - even at this early stage in the journey - should be a priority. Digital behavior analytics also can be incredibly powerful, as this involves capturing a visitor's movement through a web page. This allows a brand to detect if, for example, visitors "get stuck" on a page, seemingly not knowing what to do or where to navigate next. This is data that helps a brand better understand the user experience.

Book

Empower employees to engage with digital feedback and analytics, as well as speech-to-text analytics, to understand the guest experience, and to identify and resolve issues in real time

After carefully researching their options, your online visitor has made the decision: they want to book a reservation with you, either online or via your Contact Center. Regardless of their

booking preference, your brand must deliver a great experience across all channels. If a guest goes the Contact Center route, end-of-call surveys and speech-to-text analytics can determine the caliber of the agent-guest experience. The flow of real-time data can identify what customers are talking about, what calls are driving the longest conversations, and what issues or inefficiencies have the most impact on customer behavior.

For those who book online, digital analytics can empower you to better understand what this experience is like. This data can be very helpful to identify and remedy experience glitches, while reinforcing best practices. Again, it's important to take a guest's view of the experience you are offering; not a company view. View the journey through the eyes and ears of the person embarking upon or actually in the midst of it.

Prepare

Simplify and personalize two-way guest communication with personalized messaging via SMS, in-app, chat, etc.

Whether your brand is an airline, cruise line, or hotel, you have a golden opportunity in the Prepare stage. You can actively engage with your guests, positioning your brand as their travel partner - one who wants to ensure they have an exceptional, hassle-free, and memorable travel experience. A great way to make your guests feel welcomed and appreciated is through two-way engagement and personalized communication, like SMS or Medallia Concierge.

Here's an example: A family with young children has an upcoming reservation at your hotel or resort. During the reservation process, they did not request a crib ... so you reach out and proactively inquire if they need one. The delighted guest says an enthusiastic and relieved "please and thank you" - it was

a total oversight on their part. This simple act demonstrates care and concern by your brand and how you prioritize best-in-class guest experiences. You can take it a step further and offer the guest a kids' meal coupon at an on-property restaurant. Personalized communication can be deployed in different ways to anticipate guest needs, enhance their experience, and generate additional on-property revenue opportunities.



Stay

Alert employees with timely guest insights for proactive service recovery with real-time feedback capture via SMS, in-app experience-triggered feedback

Your guest has arrived! So far, their experience with you has been positive, but now that they are on property: it's prime time. During their stay, it's critical to give guests the opportunity to quickly and easily provide feedback on everything from check-in to room presentation to the amenities, like the spa or fitness center. This gives you the ability to not only gather invaluable customer feedback, but

also to quickly intervene - and course correct - when something goes wrong or detracts from the overall guest experience. We'll discuss this in more detail later in this guide.

Think about your property's on-site fitness center, for example. About an hour after a guest uses their mobile key to access the center, a quick, two-question survey can be sent to their smartphone, asking: *How was your experience?* and *Is there anything you want us to know?* While the feedback is positive, the guest shares that the fitness center was completely out of water. This observation can create an alert to the Housekeeping team to promptly restock bottled water to improve the experiences of others who will utilize the fitness center. Make sure to follow up with the guest to let them know their feedback was immediately acted upon, and send complimentary water to their room to demonstrate care for the guest. This changes the trajectory of an experience detractor, as the guest is more likely to dismiss the inconvenience and be impressed by your prompt service recovery.

Post-Stay

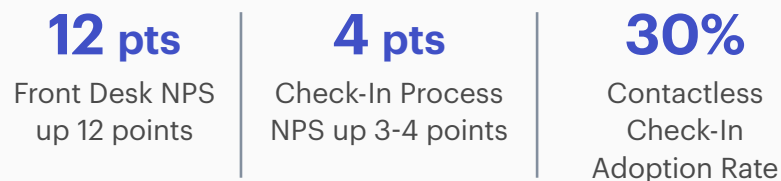
Increase online review volume and streamline responses with post-experience survey, review site feedback, and social benchmarking

The guide began in this stage of the guest journey, as we discussed the traditional post-stay survey. Clearly, this isn't the only option for feedback capture and data analysis. Social media and review sites - like Tripadvisor, Google reviews, and Expedia - can be scraped and mined to uncover invaluable customer insights. A careful exploration of themes and sentiments is well worth the effort, given the power and influence these platforms and sites have. Consider that **93% of customers read online reviews, and 51% of online reviews greatly impact booking decisions.**

CASE IN POINT

MGM Resorts

Contactless doesn't mean connectionless. That was MGM Resorts International's big takeaway after launching contactless check-in with Medallia Concierge to rectify a specific customer pain point ... long queues at check-in. By integrating two-way text messaging into the MGM mobile app, guest experience was elevated at their Las Vegas property, as guests could check in prior to actual arrival and/or make any special requests in advance of arrival. Even though the interaction was contactless, it created a dynamic, real-time connection, in which to engage with guests. The response by guests was swift and resoundingly positive, as evidenced by a **30% adoption rate from day one and significant increases in NPS scores.**



The adoption of Medallia Concierge also gave MGM Resorts Las Vegas the strategic ability to interact with guests throughout their stay. This allowed the property to further personalize guest experiences, swiftly address and resolve any friction points or service mishaps, and exceed expectations. All of which fueled customer loyalty, which was evidenced by 25% of guests becoming repeat guests in a relatively short period of

EVOLVE YOUR STRATEGY:

Capture Feedback Along The Entire Guest Journey

Each part of the guest journey is important on its own, but in order to deliver an experience that is seamless, consistent, and differentiated, you need to look at the guest journey holistically. Smart brands do this by forging a deep relationship with the guest early on, and influencing their entire experience from research to post-stay.

Proactively Recover Guest Service Issues In The Moment

As your guests' travel partner, you've shared in their journey thus far, attempting to create a special and personalized experience. Even the best of experiences, though, can encounter a rough patch or unexpected glitch. However, these glitches can be a great opportunity to go above and beyond with service recovery. Promptly turning a poor situation into a great one can be very powerful, as you demonstrate that if something goes wrong, you'll swiftly rectify it. This goes a long way with most customers, as it can instill trust and actually be



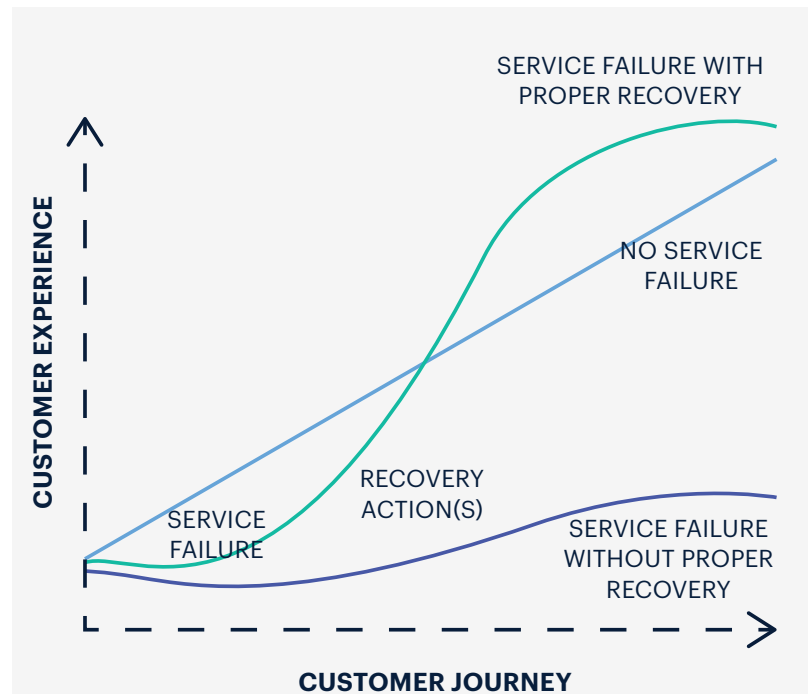
I've found that when a guest has an issue that you are able to fix and then exceed their expectations, you have turned them into a loyal customer.

Michelle Huntzinger

VP of Hotel Operations, Sahara Las Vegas

a game changer, in the right direction, in terms of experience cultivation. In fact, a Medallia Concierge survey found that 42% of respondents would return to a hotel that turned a poor experience into a positive one.

Consider the Service Recovery Paradox:



What Is It?

Unsurprisingly, when a customer's problem isn't addressed, it results in an unsatisfied customer.

But, surprisingly, when a customer's problem or feedback is acknowledged, they end up with a higher level of satisfaction than a customer who didn't experience a problem in the first place.

When guests don't encounter any issues, their experience is fine and continues to be a positive one. However, if a guest has a service failure but the recovery effort meets or exceeds their expectation, their experience is better than a guest with an issue-free experience. And as expected, poor experiences with little or no service recovery are doomed. Clearly, a focus on service recovery in real time is an excellent strategy.

33% of guests who don't report issues say it is because there's "not an easy or quick way to do so."

At Medallia, our transformative web-based messaging platform – Medallia Concierge – helps fuel experiences that raise NPS and RevPAR. It does so by combining artificial intelligence and machine learning with workflow automation and real-time mobile messaging. Providing a two-way interface early on is crucial, as only 1 in 4 guests will report any issue that impacts their guest experience. And it's also a highly responsive solution, as nearly 1 in 3 respondents say they don't report issues, because there's "not an easy or quick way to do so."

Experience Recovery in High Gear

Earlier in this guide, we spotlighted the very real issue of an on-property fitness center running out of water. In that example, the Housekeeping team was immediately alerted to restock bottled water. Here let's explore how to kick that service recovery up a notch. Imagine if the guest, who initially reported the issue, had bottled water sent to their hotel room with a note apologizing for the oversight and thanking them for alerting you. This demonstrates to the guest that you have taken their

situation seriously, have corrected it, and will make every effort to ensure it doesn't happen again. This personalized touch makes the guest feel seen, heard, and valued.

In addition, you can identify other guests who used their key card to access the fitness center when it was out of water. You can send bottled water to their rooms with a note acknowledging that water may not have been available when they were working out. This service recovery and proactive personalized outreach can go a long way, as guests are made to feel cared for and special.

Real-time engagement technologies strengthen relationships and the passive and active signal capture has multiple advantages. These include: a deep understanding of guest behaviors (how the guest is interacting with the property), real-time issue resolution, and the opportunity to maximize the guest experience.

EVOLVE YOUR STRATEGY:

Proactively Recover Guest Service Issues In The Moment

If your guest experiences a service failure and satisfactory recovery takes place and/or exceeds the guest's expectations, they rate their experience better than someone who didn't experience a problem at all. However, if that same guest with the service failure receives poor recovery, or no recovery at all, their entire experience remains poor. Therefore, real-time service recovery is critical.

Improve Customer Engagement By Closing The Feedback Loop

What exactly is meant by closing the feedback loop? It's taking intentional and purposeful action on feedback to drive improvement. While it sounds straightforward, it must be done with a strategic, steadfast focus in order to be transformative and successful.

A closed loop feedback process has two components:

The inner loop, which is where a brand responds back to the guest by providing feedback (i.e. think of the “no water in the fitness center” example). This is more of a micro approach.

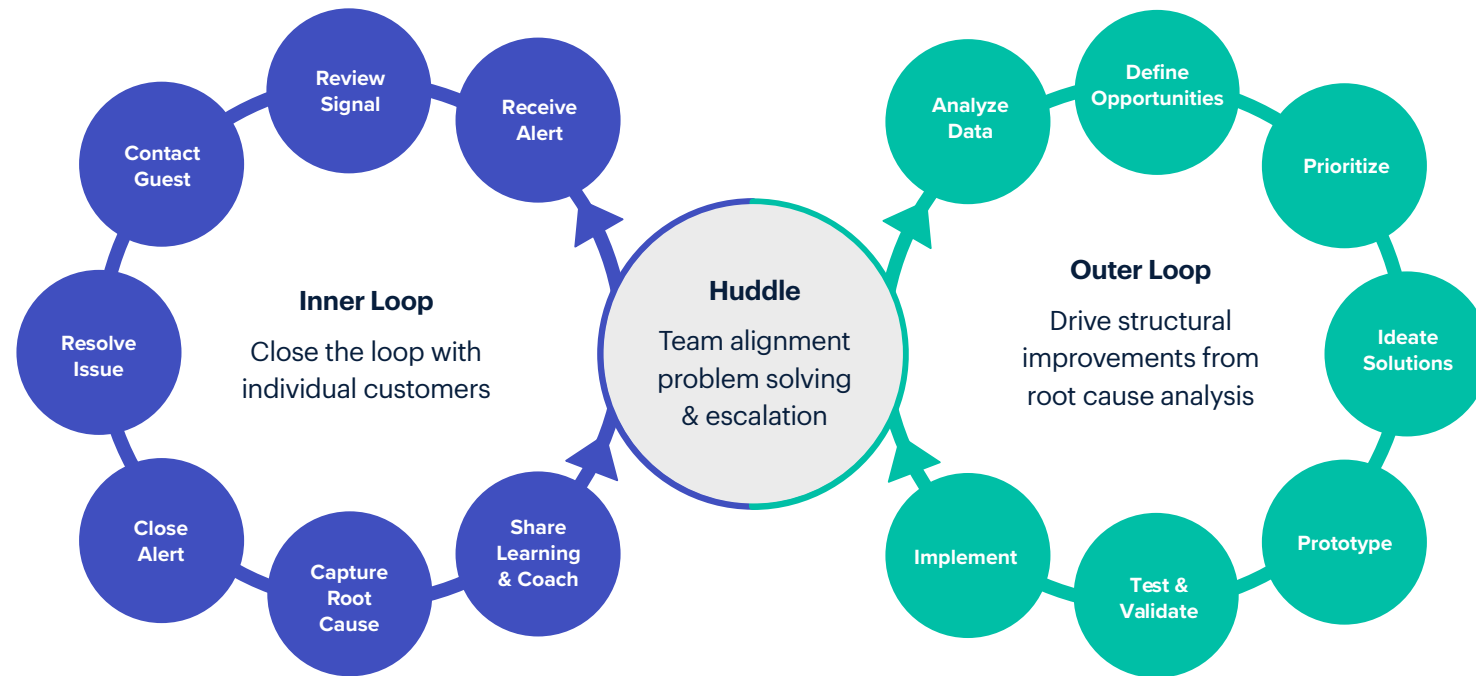
The outer loop, which involves reviewing all of the feedback collectively to detect service failures that might be a trend (i.e. is the fitness center routinely out of water and something that needs to be addressed more broadly). Consider this a macro view.



Brands that close the loop on guest feedback have an NPS that is 23 points higher than those who don't.

Rachael Ricketts

Principal, CX Advisor - Travel & Hospitality, Medallia



The Inner Loop

The inner loop is what most people envision when they hear the phrase - closing the loop. In fact, it's only half of the equation. Let's say a guest reports that they don't have enough towels. Their feedback is received and reviewed in real time, and additional towels are delivered to their room with apologies. The guest is appreciative and the issue is considered resolved.

However, a step that many brands overlook is capturing the root cause. Why weren't there enough towels in the room? Is there a monitoring system in place? Was housekeeping short staffed? Does this happen frequently? The root cause can be identified and captured with a case management form that's tied to that particular survey, and captures the operational point of view on exactly what occurred.

The final step within the inner loop is sharing the learning with your employees and coaching them on what was learned and how it was corrected. This has three benefits:

- It enables employees, especially those on the frontline, to hear feedback directly from guests in real time.
- It empowers employees to take action and own the situation to make it right for the guest.
- Inner loop follow-ups and interactions contribute as inputs for outer loop analysis in action.

The Outer Loop

The outer loop involves conducting a root cause analysis to understand why something is happening, and then use that insight to make broader improvements to the operation. It's focused on improvements that are in aggregate: they are cross-functional, strategic, and enterprise-wide in scope. Case management forms can be very helpful here, as well.

Once a brand knows where it can improve, it's important to prioritize these opportunities and build a roadmap. Involving a wide range of employees for input and ideation can ensure your brand has a holistic, 360 view of its operations so that transformative change can occur.

When a solution(s) is formulated, a prototype can be built and deployed, then tested and validated, and ultimately implemented. This is an ongoing process that will be repeated to generate systematic and structural operational improvements that elevate guest experience and drive coveted loyalty behaviors.

EVOLVE YOUR STRATEGY:

Improve Customer Engagement By Closing The Feedback Loop

Organizations that close the loop with guests have an NPS that is 23 points higher than those who don't. At face value, "closing the loop" seems straight-forward but requires an intentional Closed Loop Feedback (CLF) strategy that includes three components: the inner loop, outer loop, and huddle.

The Huddle

Between the two loops is a bridge, which Medallia refers to as the huddle. These are informal team huddles that can be part of pre-shift, stand up, or weekly meetings to elevate inner loop learnings. Employees learn about guest issues, how your brand is resolving them, and how they are empowered to positively shape and influence the guest experience in real time.

Closing the feedback loop is beneficial to key stakeholders: customers/guests, employees, and the hospitality brand itself. Customers and guests will feel heard and valued by your brand, which instills trust and drives loyalty. For employees, it creates an internal culture of accountability and an action-oriented, customer-first mindset. For the brand, it empowers you to proactively identify and resolve issues and problems on a broad scale and enable organizational collaboration and learning. All of which can save at-risk customers, reduce churn, attract new guests, grow revenue, and instill brand trust and loyalty.



Conclusion

Just as your guests take journeys with you, your customer experience strategy is an ongoing journey - and one that must continuously evolve. As consumer needs and preferences change, it's imperative for brands to meet consumers where they are, in real-time, and in the channels of their choice. There's a wealth of information - in terms of signals and sentiment - that if properly mined, aggregated, and analyzed - can be acted upon to increase customer engagement and loyalty.

Smart brands position themselves not only as an accommodation, but as an experience partner. They forge a deep relationship early on; and influence the entire experience from start (Research) to end (Post-Stay).

Medallia can help your brand

Diversify
(feedback methods)

+

Capture
(along the entire journey)

+

Recover
(in real time)

+

Close
(the feedback loop)

to achieve the following:

**An ever-evolving and effective customer experience strategy
that drives customer loyalty and organizational success**

**To learn more or to schedule a consultation
or demo, please click here →**

About Medallia

Medallia is the pioneer and market leader in Experience Management. Medallia's award-winning SaaS platform, the Medallia Experience Cloud, leads the market in the understanding and management of experience for customers, employees and citizens. Medallia captures experience signals created on daily journeys in person, digital and IoT interactions and applies proprietary AI technology to reveal personalized and predictive insights that can drive action with tremendous business results. Using Medallia Experience Cloud, customers can reduce churn, turn detractors into promoters and buyers and create in-the-moment cross-sell and up-sell opportunities, providing clear and potent returns on investment.

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