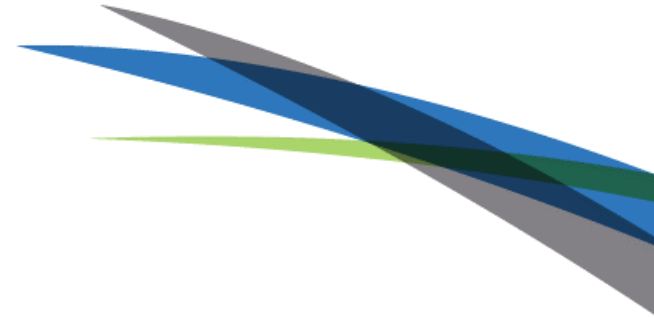




CORPORATE HOUSING
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Why Service Matters: Increasing Rates, Revenue, and Retention Through Investing in Customer Experience

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As corporate housing providers struggle to monetize “service,” one thing remains crystal clear. Customer experience matters and when high expectations are met, they will pay more. The foundation of the industry is reliant on producing a hospitable environment and fostering a relationship between guest and provider. Yet, as the *experience economy* continues to boom, customer relations have become more important than ever. With expectations higher than ever - as [60 percent of surveyed customers indicate](#) - the industry continues to adapt and evolve to meet and exceed the customers’ demands. These increases in service quality are not merely superficial. The data shows placing an emphasis on elevating an experience has a significant impact on brand value, revenue and long-term customer loyalty. As guests elevate their standards, rates must continue to increase to meet them.

A SHIFT TOWARDS CUSTOMER EXPERIENCE

When [Choice Hotels unveiled its refreshed launch strategy](#) for its Quality brand, the changes did *not* include building expensive new amenities such as pools and gyms. Instead, they placed an emphasis on guest-centric, experiential elements that borrow from tried-and-true psychological principles of luxury. Cornell researcher Michael Lynn claims that positivity, personalization, professionalism, and surprise are key hallmarks of the hospitality experience that function in a direct and positive correlation with overall customer satisfaction. Each of these are expressed in Choice Hotels’ new Quality Brand.

1. **Professionalism** – “Quality Hosts” will be trained in a highly service-oriented capacity. The Q service Style Program aims to act as an in-depth course to bring out the best in each staff member.
2. **Positivity** - This training program is said to encourage highly positive attitudes from staff members in serving their guests
3. **Personalization** - The company plans to have each guest greeted with a signature “Our Hotel” personal welcome, a “Meet Your Hosts” photo wall, a “Local Discovery Card” and a customized farewell box.
4. **Surprise** - “Quality Moments” are to be interspersed throughout a guest’s stay.

The touchpoints of luxury in Choice Hotels’ ([and other chains like the Curio Collection by Hilton](#)) are not rooted in the cost of bathroom countertops or high thread-count sheets. What makes these newer programs luxurious is the increased commitment to customer service and guest experience, providing key takeaways that can be implemented in smaller scale businesses for little-to-no cost.

Refining the training process to focus more intentionally on customer service is a great place to start. It’s a framework that is already existent within every hospitality business. Consultation with a customer service expert may be wise to refocus existing programs through a customer-service focused lens to provide long-lasting quality standards. Install performance reward systems to motivate existing employees to aspire to a new standard of quality. The learnings from these

consultations can be implemented and re-used with new and existing employees for years to come.

CURATING EXPERIENCES FOR GUESTS

Curating experiences for guests is a popular and inexpensive method of increasing customer satisfaction that both Choice Hotel and Hilton have included as add-on opportunities within their new luxury lines. This curation leads to ease of experience for the guest, which is a high convenience factor. This could come in the form of outsourcing experiences to local businesses with strong reputations, or something as significant as a dedicated customer service rep. According to a recent report from HN Hospitalitynet, *The Future of Luxury*, 76 percent of travelers understand the value of an expert, someone who can save travelers time, energy, and the headache of sitting on their phones doing research. Devoting time to the increased level of experiential desire that is tearing through the hospitality industry is inexpensive and opportune.

Consumer data has made it clear that investing in these opportunities is worth the time and money. Customers are willing and eager to pay more for a better experience. 73% of customers will go out of their way to do business with a company that provides better customer service, with that number being even higher if the experience is convenient and easy. [And a Forbes study reported that](#) 58% of customers would be willing to pay more for better service. The cost for *not* investing in these opportunities is also evident through anecdotal and statistical data. One negative TikTok, Yelp review, or blog post can be catastrophic in destroying customer trust and loyalty. 67% of consumers said they would share bad customer service experiences with friends, family, or on social media. And the spending data shows (graph below) that better experience has a directly positive correlation with revenue increases per customer.

CUSTOMER EXPERIENCE DRIVES SALES

In a transaction-based business, sales are driven by good customer experience

ANNUAL REVENUE INCREASE PER CUSTOMER



SOURCE: MEDALLIA ANALYSIS

CONCLUSION

Larger hospitality chains are taking note of the growing demand for high quality customer service and desire for experience. The elements that larger companies are investing in are related to relationship building - key to retaining customers and inspiring brand loyalty. As the culture surrounding travel - for business and leisure - becomes even more experience-driven, changing your company's training process and seeking opportunities to personalize and surprise customers are inexpensive and worthwhile.

About The Authors

James Higgins is the founder of Revalant Consulting and Recruiting. Serving as the Senior Partner, Revalant specializes in corporate housing, residential real estate, and the hospitality industry. As a former Vice President and sales leader at BridgeStreet, Oakwood and Convene, he has an expertise in having companies act more strategically, reach their maximum potential, achieve significant revenue growth, and deliver market expansion through sales development, branding, marketing, project management, and talent acquisition. Scott Higgins is the contributing author and head research analyst at Revalant. He is a 2021 graduate of George Washington University with a degree in both psychology and English.

Revalant works with organizations to successfully sell into the Fortune 1000, vertical markets, and uncover sales and operational advancement. Members of the Revalant team are experts in millennial workforce integration, business development, lead generation and project management. With exceptional leadership and a unique perspective for developing and driving others to fulfill their potential. Revalant delivers results on both the strategic and tactical level by providing executive leadership and direction, targeting sustainable revenue growth and market expansion. Revalant aims to assist businesses that are looking to improve various aspects within their company. Revalant tailors their approach to the company's specific needs and budget, while isolating key areas for development and creating a plan to implement and execute for success.

About CHPA

CHPA is the only trade association dedicated exclusively to the corporate housing industry. The association advances the highest standards in business and professionalism; provides valuable insight, knowledge and resources to the industry; and increases visibility among related industries. Along with networking, education, certification, and information sharing, CHPA members grow their business and expand their reach through an international network of partners. Find out more about corporate or furnished apartments at www.chpaonline.org.