

2000 CUSTOMERS

The Customer-Centric Corporation: How to Be One

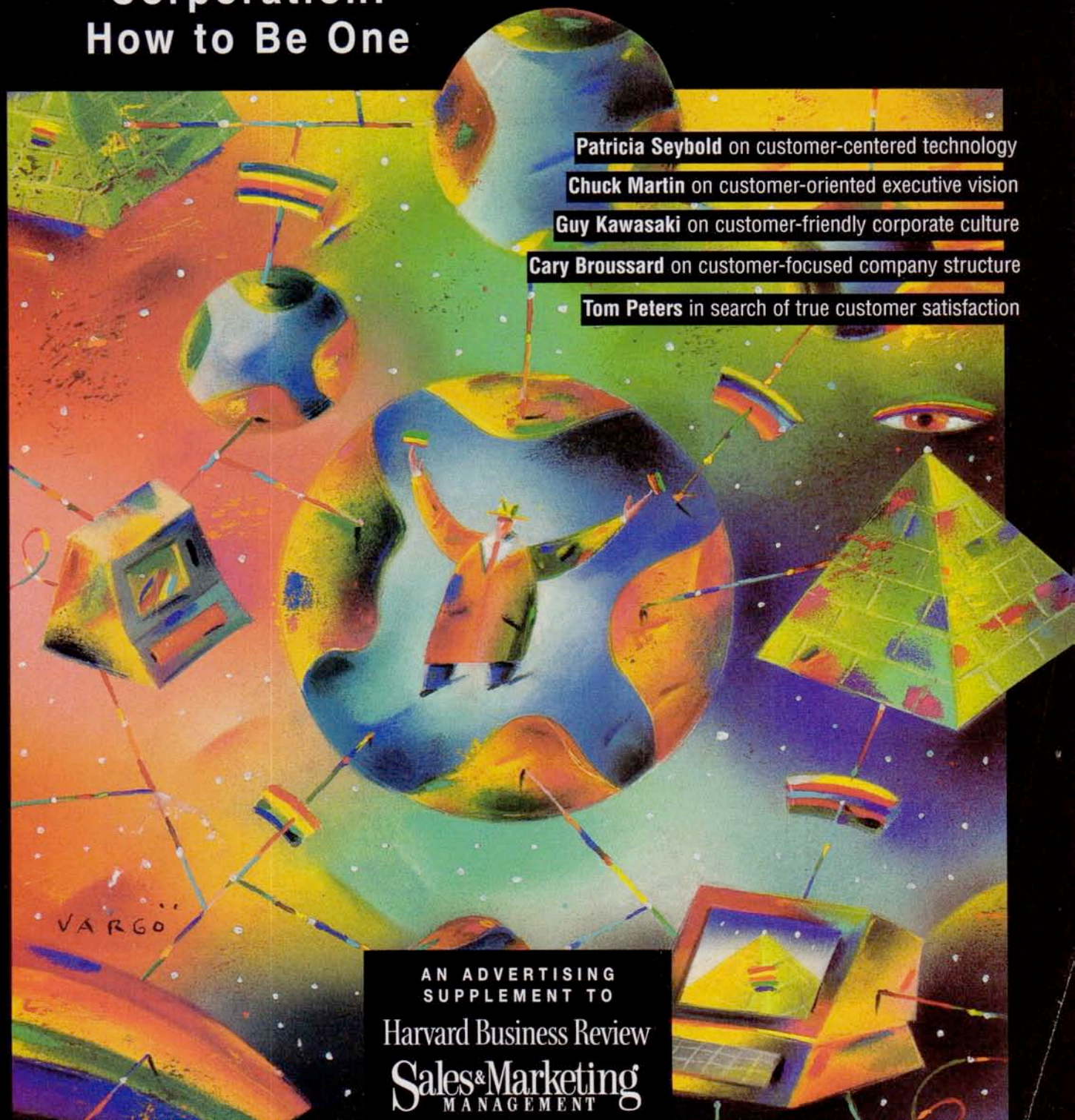
Patricia Seybold on customer-centered technology

Chuck Martin on customer-oriented executive vision

Guy Kawasaki on customer-friendly corporate culture

Cary Broussard on customer-focused company structure

Tom Peters in search of true customer satisfaction



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Inside the Customer-Focused Company

By Cary Jehl Broussard

A change agent and vocal consumers help **structure** an entire organization.

Cary Jehl Broussard's job at Wyndham Hotels & Resorts is to stay in touch with consumers—specifically, women business travelers. Empowered to improve their hotel stays and foster causes that enrich their lives, Broussard works to build women's loyalty to the brand, drive revenue, and—ultimately—make Wyndham better for all guests. Women business travelers now comprise 35 percent of Wyndham's total business travel customers and brand research indicates Wyndham has 59 percent more women business travelers than its competitors. When customers talk, Broussard rethinks Wyndham strategies to make their ideas happen.



Perpetual road warrior David Black answers his 6:30 a.m. wake-up call. He reluctantly rolls out of bed and goes to his door to retrieve today's edition of the *Wall Street Journal*. After scanning the headlines, he heads back to the telephone to order a room service breakfast, then to the bathroom to shave and shower. While in the shower he hears a loud knock on the door. "Room service." Black reaches for a towel to cover his dripping wet body and answers the door to retrieve breakfast.

This kind of scenario doesn't happen at Wyndham hotels, thanks to our standard policy of calling hotel guests five minutes before room service deliveries take place. We didn't think of the idea, a guest suggested it. One of our regular female business travelers said a room service pre-call would not only ensure a guest was ready (and presentable) when an order arrived, it would offer a measure of security. We listened, agreed with the concept, and restructured room service with this brand standard at each of our

300 Wyndham properties.

Our recent emphasis on meeting the needs of female frequent travelers evolved from our earliest business philosophy: listening to our guests. The Wyndham Way, established a decade ago, stressed customer centricity way before customer centricity was cool. When Wyndham executives decided to focus on staying in touch with customer needs, employees had to develop new ways of working—and thinking. To help the cause, our corporate office and each hotel established a Wyndham Way committee responsible for integrating consumer-driven initiatives into actual services and programs.

Wyndham Way committees also oversee Wynstar, our merit program to reward employees frequently lauded on guest comment cards, and actively encourage open employee communication to empower our workers and improve morale. We really read those little guest comment cards. Monitored by an outside firm, guest comments become the basis for each Wyndham property's Guest Service Index (GSI) score, used as an incentive for hotel staff. Last year the hotel with the chain that tallied the

highest GSI won a special performance by Cirque du Soleil exclusively for its staff. (As a Cirque du Soleil sponsor, Wyndham has access to Cirque talent for special performances at customer and employee events.) Our hotels' executive teams receive a percentage of their bonuses based on GSI scores.

To complement The Wyndham Way, we developed Wyntalks. Once a month, at every hotel, a group of randomly selected employees meets with its general manager with the aim of fostering an employee-motivated, customer-focused culture. (Internally, we refer to the program as "Promoting a culture of listening through Wyntalks.") Our corporate attitude is to

time. Because women are relatively new to the business travel market, they may not yet have forged long-term loyalties to a particular hotel brand. We decided the best way to enhance loyalty among female business travelers is to reach out to them through a tailored program.

Women on Their Way evolved from a national contest and survey inviting women business travelers to share their best travel tips. Wyndham officials organized the contest to generate ideas and to build relationships with female business travelers—to help gain their loyalty. The contest also provided a forum for recognizing their accomplishments and contributions to the travel industry. Since

Advisory Board that could tell us what women expect of hotel companies. Comprised of female frequent business travelers (not all Wyndham patrons and none compensated but for meeting-related travel expenses), the board also included a contest winner. Within three years the Women's Advisory Board grew to 20 members (including four Wyndham executives) holding meetings twice annually with top Wyndham officers, including the president of Wyndham Hotels & Resorts, and the senior vice president of marketing.

Now a cornerstone of Wyndham's customer-centric structure, the Women's Advisory Board continually challenges us to evaluate guest service issues. Our research indicates women tend to notice service details more and place a higher priority on them than do men. Listening to a group of women discussing service is vital to our business—now and long term. The Women's Advisory Board offers opinions on everything from bed linens to marketing material to personal trainers. Board members tell us they appreciate the fact that we hear their advice and quickly implement their suggestions. Most members are so enthusiastic about the process that they ask to remain on the board after serving their terms. (And we cannot include all the women who ask to join us or accommodate all of our hotel staff requests to place clients on the board.)

While much of the information we get from the Women's Advisory Board is anecdotal, qualitative and quantitative research offers other information critical to improving our brand. Customer, travel agent, and meeting planner focus groups along with ongoing research of business and leisure travelers provide customer reac-

tion to and feedback on products and services. Last year the focus of that research shifted when we commissioned a landmark study by New York University (NYU) designed to understand the attitudes and behaviors of women business travelers. Wyndham partnered with NYU's Center for Hospitality, Tourism, and Travel Administration to track the differing expectations of women and men business travelers.

The study, headed by Lalia Rach, dean of the Center, confirmed what we already believed: By focusing on service, a hotel company can develop customer loyalty, particularly among women. Perhaps most gratifying to us, given our significant investment in service issues, was learning that service is the number-one factor in a woman's choice of hotel; location remains the top hotel selection criterion for men. The study also indicated neither women nor men business travelers make hotel reservations online in significant numbers, but we expect this to change radically as improved technology will continue to simplify booking travel electronically.

The survey results and informal feedback from our female guests have driven us to personalize the guest experience. Wyndham's new ByRequest frequent stay program for loyal customers focuses on customizing guest visits to our hotels by profiling each member's specific likes, dislikes, and preferences, from the food they like to eat to the type of bed they like to sleep on. (Women tell us frequent stay points matter less than personal greetings, express check-out capabilities, and personalized service.) We have invested \$10 million in program-specific software, technology, staffing, and training; we've structured ByRequest to include a director at the corporate level and

The key to proactive customer service is helping staff understand our customers' perceptions.

treat our employees as we want our guests to be treated by those employees.

In 1995 we took The Wyndham Way a step further to focus on women business travelers, a select consumer group and the fastest-growing segment of the North American business travel market. Our program, called Women on Their Way, fits with Wyndham's history of leadership by women. Wyndham's first marketing director was a woman; currently, Wyndham's vice president of interior design, senior vice president of development, chief legal counsel, and senior vice president of human resources are all women. Fifty percent of our managers are women. Sixty percent of our recruits are women.

We believe brand loyalty drives women and men toward selecting a particular hotel when they travel. In many cases, that loyalty develops over

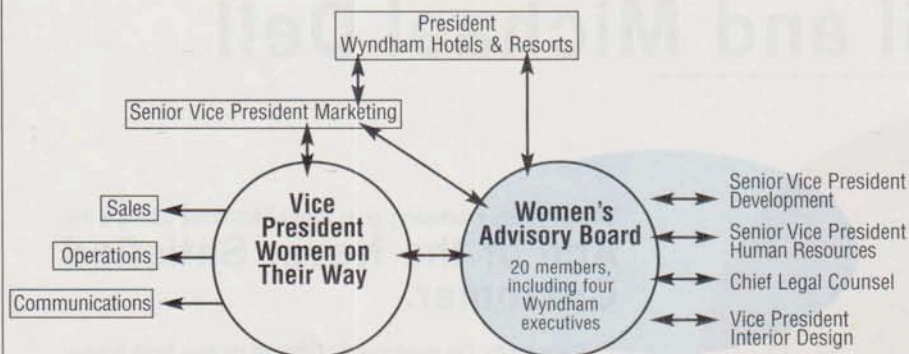
we sought to connect with frequent travelers, we partnered with American Airlines on air mileage minimums as a requirement for entry.

Initial contest results were overwhelming. Women frequent travelers submitted 1,100 entries, all of which were later posted on Wyndham's Web site, www.womenbusinesstravelers.com (which evolved from a winning suggestion), and later on iVillage.com's Travel Channel. Journalists who cover travel created a media fever about the contest. As a result, Wyndham garnered more than 61 million print media impressions and started becoming known as the hotel chain that catered to women business travelers.

Consumer and press response to the contest indicated our focus on women frequent travelers was a hot button. That early success led us to form a Women's

Structuring Around Customers

Information Flow of Women on Their Way Guest Input



a ByRequest manager at every Wyndham-brand hotel.

ByRequest offers guests the opportunity to complete personal preference profiles and submit them via mail or online. Because we store these profiles in a central data repository, our staff can easily access records to frequent guests and tailor their visits to suit them. While other chains have personalized guest preferences (Ritz-Carlton does a good job, for example), only Wyndham has linked its program technology property to property.

Beyond recognizing and satisfying our frequent customers, we look to embrace causes that matter to them—a key effort toward gaining their loyalty. According to a 1999 Cone/Roper Cause Related Trends Research Report, women will switch brands if those brands or their companies contribute to good causes. The study also shows that women place greater trust in companies that align with social causes.

In part due to the Cone/Roper findings, Wyndham recently adopted its first company-wide cause: the fight against breast cancer. We carefully sought a cause that fits with our Women On Their Way partnership initiative—a cause that addresses an issue important to women and one that all of our

employees would enthusiastically support. After choosing the Susan G. Komen Breast Cancer Foundation as our nonprofit cause, we launched Wyndham's "Dream for the Cure" during Breast Cancer Awareness Month in October 1999, designed to raise awareness among all guests and employees and promote donations to the organization.

We also partner with the National Association of Women Business Owners (NAWBO), the first test of our premise that relationship marketing would be Wyndham's most effective method of developing a loyal customer base among women. The program worked: Today, the organization and its members book hundreds of thousands of dollars in business with Wyndham. In exchange, Wyndham provides member benefits and in-kind services—and sponsors a scholarship program to help NAWBO recruit new members. Our Web site (a customer idea, as I mentioned) is strictly relationship marketing as well. We offer women business travelers information and tips that can make travel easier and more enjoyable. Our iVillage.com partnership helps to create a virtual community among those travelers.

A big indicator that our customer-focused structure really does make a differ-

ence: Our property-based employees consistently generate and test customer-friendly concepts. Ideas such as a women business travelers' networking table in our restaurants originated at one of our hotels and could be implemented chainwide if customers appreciate the experience.

To solidify customer care at the property level, we recently launched Be The

Brand, an educational effort that shares customer research and brand philosophy with Wyndham hotel employees. We believe the key to proactive customer service is helping our staff understand our customers' perceptions—what they think of us, how they see us, what they expect of their stays with us. I dislike the word training. Dealing with customers and structuring around them has more to do with sharing information with and motivating the people who deal with those customers every day. ■

Cary Jehl Broussard is vice president of Women on Their Way marketing for Wyndham Hotels & Resorts, the core brand of Wyndham International, Inc. She helped launch the women's customer-focused program and Wyndham's IPO as the company's director of corporate communications and was previously assistant press secretary to former U.S. Senate Majority Leader Howard Baker.