

Service used to be an art. Now it's a business.

'Nice and helpful' is the competitive edge that business travellers are responding to

CUSTOMER SERVICE has clearly become the function by which North American businesses flourish or are left in the dust. No other factor has a comparable impact on competitiveness, when pricing and product features are held to a common bandwidth. Distinction among competitors typically boils down to who takes better care of the customer, not least meaning how quickly the customer's needs are responded to.

"There is a general shift in most service business from the product to the customer," affirms Barry Rivolis, Partner, Customer Connections Practice for Ernst & Young in Toronto. "The value of your business today is the value of your customer relationships."

Ernst & Young studies have quantified the trend. In the retail sector, for example, 20 per cent of customers generate 60 per cent of sales and 70 per cent of profits. Critically, too, 80 per cent of customers will not return to a business where they have experienced poor customer service.

This is a competition in which Canada has often not excelled, with a cultural conservatism translating to service that was reactive rather than proactive, and which lacked the kind of dynamic outreach to clients that firms in the United States had trademarked as company policy.

"Canadians by nature tend to be reserved," notes Bill Pallert, Senior Vice-President, Human Resources and Quality for Delta Hotels & Resorts in Toronto. "It's a matter of someone initiating the contact as opposed to waiting for the customer to ask."

Customer service across North America, moreover, has wobbled noticeably at a host of large organizations in the wake of widespread staffing cuts in the early years of this decade. Simply, there has often been a lack of front-line people

available to deal with customer needs.

While these issues pertain to virtually every sector, nowhere are the shortfalls more acutely felt than in the hospitality industry, where the most complex and sensitive customer service demands are those borne by hotels.

This is a matter that meetings industry people in Canada are very familiar with. David Saxby, President of the Canadian Association of Professional Speakers chapter in Calgary, says that when hotels don't take care of clients properly, "there are some pretty serious consequences."

Saxby, head of Spark Communications Inc., leads seminars across Canada on the use of multi-media tools for presentations. His own presentations, naturally, require such use, which is precisely the kind of emerging area where a hotel will either be on top of its customer service obligations or drive the clients to a different venue next time.

How a hotel handles the needs of a client like himself tells Saxby "if they are getting prepared or not for the next millennium," he says. It isn't just a matter of whether the facility has staff versed in high-tech but "from a hotel perspective to be flexible enough, when something doesn't go right, to know who is going to be responsible."

In the meetings industry, Saxby adds, "the hotel is really the interface." From catering to audio-visual set-up to accommodation and local tourism, everything is dependent in the industry on the customer-service capability of that facility.

"It can be something as simple as having the guest service agent offering you to go to the conference room to look at it before the next morning, which is something meeting planners love to do," notes Pallert of Delta. "The thing is to

QUALITY CHECK

Some NQI survey results for Canadian hotels across the board:

	Excellent	Good	Fair	Poor
Overall Service Quality	26	63	10	1
Giving Clear and Complete Information	17	66	16	2
Providing Prompt Service Delivery	21	66	11	3
Level of Courtesy	36	54	8	2
After Sales Service	17	62	16	5
Quality of Service People	31	58	9	2
Changes in Service in the Last Three Years	Increased 21	Remained the Same 71	Decreased 8	

The National Quality Institute in Toronto tracks in considerable detail how Canadians view the standards of products and services in various sectors. The NQI's 1997 Hospitality/Travel Sector Report shows that while Canadian hotels fare reasonably well within the hospitality industry as a whole, there is considerable space for improvement in achieving excellence.

offer it before they ask for it." This kind of proactive service is central to cutting through client jadedness with advertising slogans assuring them they will be taken care of.

Indeed, service-industry observers note that the public is becoming

increasingly immune to the rhetoric of customer service. The called-for theme today is guarantees, concrete ways in which companies back up their promises rather than the traditional recourse to one-size-fits-all solutions.

To this end, along with a series of

service guarantees, Delta has initiated an empowerment program in which front-line employees have a "power of one" to take charge of guest problems and resolve them on the spot. The approach breaks down an age-old industry tradition of having hotel functions kept in

E-mail, video conferencing and teleconferencing are popular, but business travel beats them all

Angus Reid Group tracks the trends of frequent business travellers

WHEN THE numbers have all settled in, 1996 will likely prove the most heavily travelled year in Canada since Expo '67, a recent labour dispute at one of the domestic airlines notwithstanding.

An unprecedented bargain rate on Canadian currency has played an important part in sending domestic tourism soaring, while record levels of overnight visitation from the United States are being reached as well.

Travel industry observers mark that U.S. and other foreign visitation to Canada has not only been excellent in leisure markets this year but that Canada is also more attractive than ever as a conference, convention and trade-show destination.

Another driving force of this



booming travel sector are Canadian frequent business travellers, who generate a significant share of travel industry revenues. Canada's Angus Reid Group, a leading Canadian market research company, has focused on this elusive segment in considerable detail on behalf of a consortium of airlines, hotels, banks and technology companies.

Since 1990, the Angus Reid Group's Canadian Business Travel Study has surveyed a cross-section of 1,800 frequent business travellers, that is, Canadians who have made at least six round trips by air in the past 12 months.

Interviews for the study are done by telephone in Halifax, Montreal, Ottawa, Toronto, Winnipeg, Edmonton, Calgary and Vancouver.

The study finds that technology, particularly in the form of teleconferencing, is not replacing travel, despite frequent fliers' rapid adoption and regular usage of new technologies, particularly the Internet and audio-teleconferencing.

Even though audio-teleconferencing was used by

over half of business travellers in 1997, less than half of these respondents report that it has decreased the amount of travelling that they do. As video-conferencing becomes more prevalent among business travellers — 8 per cent indicate that they used it five years ago compared to 20 per cent in 1997 — the proportion of travellers who expect this technology to decrease their travel has actually declined from 48 per cent to 36 per cent.

Although use of the Internet has tripled from 23 per cent in 1995, when it was first measured, to 60 per cent in 1997, very few frequent business travellers (13 per cent) believe that the Internet will reduce their travel. Technology enhances travel rather than replaces it, with industry figures indicating that the sector is currently robust. After experiencing a bout of decline between 1991 and 1994 (during a recession in the Canadian economy), business travel among frequent fliers has been on the rise. Last year, frequent fliers averaged 18 business trips, a recent record. This compares to 16.6 trips in 1994, when the fewest number of

journeys were taken.

While frequent fliers are paying less. In 1997, 37 per cent of frequent travellers flew on a most recent flight, compared to 43 per cent of frequent travellers in 1994. Canada indicate that they're taking a Friday night stay over, reducing the number of trips over the course of the year.

The Angus Reid Group has been in the industry for some time. In 1991, they and a war in the Persian Gulf, explains Cathy Heatherton of the Travel, Gaming and Entertainment Group in Calgary, a few of her travel clients.

"There was a lot of speculation about the difficulty of the niche segment of the market. Please see STUDY on Page 6

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