

# From the horse's mouth

This month **The Mystery Dining Company** looks at the importance of customer feedback and how to act on it to improve your business and profitability

With a food offer key to the success of many pubs, particularly since the introduction of the smoking ban in 2007, operators have been raising their game to try to provide a genuine, informal dining alternative to chain restaurants. However, with this transformation in offer comes increased customer expectation. Measuring this expectation and responding to it is increasingly important if pubs are to succeed in the face of rising competition from the restaurant chains.

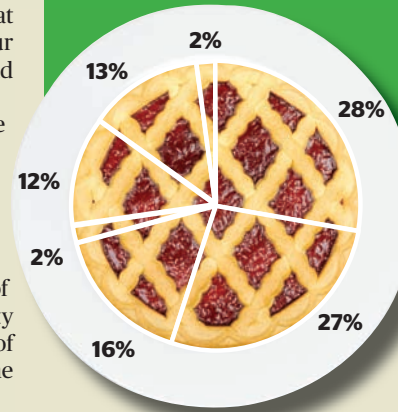
As part of The Mystery Dining

Company's (TMDC's) series of monthly features focusing on customer engagement, we take a look at the importance of listening to your customers, gathering feedback, and being seen to respond effectively.

TMDC has conducted extensive research into the area of customer feedback in the hospitality industry, including pubs. In so doing it has carried out separate surveys of hospitality operators and their customers. An interesting revelation of this research was the disparity between operators' expectations of feedback and the reality from the customers' point of view.

## How do customers prefer to give feedback?

Face to face: **28%**  
 Comment card: **27%**  
 Email: **16%**  
 Letter: **2%**  
 The venue's website: **12%**  
 On a 'review' website: **13%**  
 Other: **2%**



When asked how they like to receive feedback, face to face is the preference of 45% of hospitality operators, with email the preferred method for 32%. Asking customers the same question revealed that comment cards are nearly as popular as face-to-face chats, as the preferred means of leaving feedback.

The comment card fits in with the classic British trait of avoiding confrontation. However, it would seem that operators tend to see them as a time-consuming method of engagement because, to be effective, they need to be processed and evaluated.

Online feedback can provide a compromise, keeping the comment-card format that the customer seems to like so much, but without the downside for the operator of having to physically process the cards. Customer feedback is valuable, but learning how to harness it and use it to your advantage is crucial.

## Priority disparity

A surprising result of TMDC's research is the disparity between what operators expect customers to complain about and the reality. When surveyed, hospitality opera-

tors overwhelmingly expected customers to complain about speed of service above anything else.

This is totally at odds with the result of the consumer survey, however, which placed speed (21%) a distant third as the most likely reason for complaints, behind food (41%) and service (35%).

## Saying sorry

When things do go wrong, it is essential to rebuild goodwill through offering some form of compensation. TMDC's research revealed a three-way tie when it came to operators' preferred compensation methods. Offering a discount off the bill (29%), complimentary drinks (48%) or a voucher to be used on a return visit (19%) were the most popular ways to deal with unhappy customers. However, a clear majority of customers preferred complimentary food or drink at the time of the complaint.

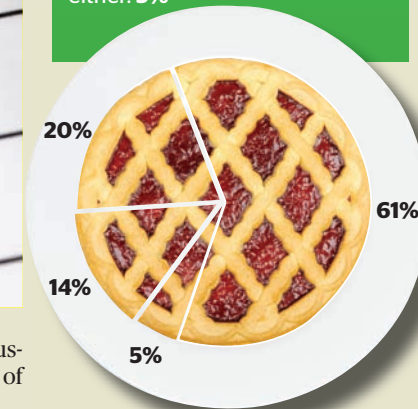
## Top tips

### Advice on getting the most from feedback

- Don't assume you know what your customer is thinking.
- Customers like comment cards and they are clearly a valuable tool, but be mindful that they are time-consuming and expensive to process.
- Online feedback can work as an effective alternative to the traditional comment card.
- The Mystery Dining Company is seeking to make online feedback even easier through a trial using new technology to

## When you give feedback to a restaurant, which of the following is the most likely?

You comment on a good experience: **14%**  
 You comment on a bad experience: **20%**  
 Commenting on good and bad experiences are equally likely: **61%**  
 I am unlikely to comment on either: **5%**



## Are we getting it right?

There is always a risk of complacency about customer feedback, in any industry. TMDC's research demonstrates that the hospitality industry can be guilty of this.

Two-thirds of operators surveyed said that the industry was better than most at listening to customers, while acknowledging that improvements could still be carried out, although 17% felt no improvements were necessary.

A similar proportion (62%) believed that fewer than half of their customers leave feedback, whether good or bad. In contrast, 51% of customers believe that operators do not make it easy to leave feedback, although this is an improvement on a similar survey conducted by TMDC in 2010, when 69% felt this way.



allow customers to leave online feedback at the venue as they pay their bill.

## The benefits of feedback

**Sally Whelan**  
 Director  
 The Mystery Dining Company



The contrast between our two surveys on how operators perceive feedback and what customers feel is an interesting one. In terms of ways to give feedback, the comment card is a non-confrontational way for the customer to give their point of view. The customer is also likely to feel that, as it is a format that the operator has chosen, the feedback will reach the right people.

Comment cards can be a very useful tool. However, they must be processed and evaluated. Processing comment cards takes time and costs money, which is likely to be the reason why our survey revealed that operators prefer a more direct approach.

Customer feedback is valuable, but learning how to harness it and use it to your advantage is critical. We have found that online feedback provides all the advantages of the comment card, without the work and expense of processing them, and we are

working on ways of making it even easier for the customer to leave feedback in this way.

I can understand why operators are inclined to blame operational processes for generating complaints. Speed of service is the least subjective of the three most common causes for complaint, which is likely to be why operators relate to it.

However, what is revealed by this research is the gap in perception between what the customer is feeling and what the operator is interpreting.

What does all of this tell us? Well, if nothing else, the research highlights that assuming you know what your customer is thinking is the wrong approach.

The importance of making it easy for guests to leave feedback, and to process this correctly to ensure you are picking up on vital issues, is key to bridging the gap between operators' perceptions of customer concerns and the reality.

The Mystery Dining Company provides customer-experience analysis for a range of hospitality businesses, from single-site operations through to multi-national chains, enabling them to use customer feedback to help improve profitability and build brand reputation. [www.mysterydining.com](http://www.mysterydining.com)



## Case study: Peach Pub Company

The 15-strong Midlands-based company teamed up with The Mystery Dining Company in 2004 with the aim of gaining a more comprehensive and objective insight into their customers'

expectations and feedback. Staff at each site are trained to ensure both consistency of approach and the ability to adapt as new challenges arise. The programme has become an

integral part of Peach's training and bench-marking process.

Peach credits TMDC with helping to understand the customer experience, raising standards through better awareness, enhancing brand reputation and providing a measurement tool for team and individual performance.

Co-founder Lee Cash says: "Hospitality is a feeling industry – you've got to pay attention to the subtleties. When it comes to customer service we like to set the benchmark high and strive to make improvements all the time. Asking customers to highlight what we are doing, good or bad, or where they feel we could do even better, really works to our advantage. There's no finger pointing.

"The biggest sin would be to have access to feedback and not act on it. Our staff are ambassadors for our brand. Therefore, sharing of feedback we receive is important."

**“The biggest sin would be to have access to feedback and not act upon it**



Having their say: customer feedback is very important to Peach