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Fall 2008

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Raegan D. Ashcraft
University of Nevada, Las Vegas

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Customer Loyalty Program Integration in a Restaurant: POS System Tracking

Raegan D. Ashcraft

University of Nevada, Las Vegas

Abstract

      Restaurants today have a high failure rate for several reasons. Heavy competition is one reason that leads to the necessity of customer loyalty. Loyal customers represent not only "stable revenues", but they are also "six times less expensive to plan marketing. Restaurants are challenged with applying the personability to each individual customer that enters the front door in order to gain a return visit. This can be attained through "a greeting by name or simply a reference to a favorite dessert" (Liddle, 1999).   Currently there are numerous customer loyalty programs implemented in other areas of hospitality: gaming and hotel operations. The implementation of such programs in restaurants can achieve the same loyalty gaming and hotels are seeing daily. This in turn will be beneficial for the restaurant's image as well as having a positive impact on the bottom line.

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Acknowledgements

I would like to thank my chair, Yen-Soon Kim for her willingness to offer experience and knowledge in the field in order to better prepare me through out this process. I would also like to thank all of those professors that have guided me through the graduate school process making me better at my field of study and occupation. I would lastly and mostly like to thank my family and friends for the love and support they have offered through the process of my educational pursuit.

PART ONE

Introduction

Loyalty of a customer is the ultimate goal from business owners in all aspects of business. What does the customer want, when do they want it, and why do they want it? There can be a level of customer service achieved to better ensure the guest is happy upon the ending of their service encounter. However, the even greater question is: What can we do to bring them back?

The cost of gaining a new customer is significantly more costly than retaining an old one (Jang & Mattila, 2005). Capture the guest upon arrival and utilize information collected to retain him/her upon the next visit. In the food and beverage industry guest loyalty can be tracked through identification of individual guest trends. The following elements of a guest experience such as, tracking food items, beverage type, location occupied, and reason for visit, after dinner cocktail, and such information can provide pertinent information in order for the restaurant to expound upon at the next visit to personalize service. This will surpass the saying, "Going above and beyond" to administer outstanding service and to achieve ultimate guest satisfaction.

Purpose

The purpose of the study is to evaluate the need for guest loyalty programs in the food and beverage industry and to measure the direct result of such programs to the operations' bottom line with a focus on the Hard Rock Hotel and Casino in Las Vegas, Nevada. With over 900,000 restaurants in competition in the United States, customer loyalty and positive word of mouth in order to ensure success is crucial (Ragone, 2005).

This study aims to introduce the positive affects on the integration of POS systems in food and beverage outlets with operational aspects of food and beverage delivery with a direct result in customer loyalty. In order to have a successful loyalty program for restaurants, the tracking and delivery of information must be organized, systematic, timely, and understood by all of those involved, i.e. servers, bartenders, management, guests, IT individuals. In doing so, a loyalty program can be created to enhance customer service from the food and beverage standpoint. Offering incentives and tracking guests' wants and needs per visit will allow for a better relationship with the customer that will ultimately boost top line revenue for the company. Customer loyalty programs exist to enhance customer loyalty in bringing repeat business to an establishment. As these programs exist in casinos for gaming customers, in grocery stores for food shoppers, retail stores for clothing shoppers; they do not permeate the world of food and beverage.

In gaming, a guest signs up for a player's card and is inputted into a database and administered a card. Each time the guest uses the card, the information is processed as to track points accumulated. This tracking is similar in grocery stores with information in the database and tracking of visits to particular outlets.

Customer loyalty programs are designed to reward those customers on their initial visit by offering incentives to bring them back again for another visit. These programs gather personal information and store it to enable the establishment to track guests as

each return visit allows. Very few restaurants and beverage outlets have any information on first time customers in order to bring them back and offer service based on knowledge of previous visits.

Statement of Objective

By exploring the implementation of a tracking program for the Hard Rock Hotel and Casino's food and beverage outlet, Pink Taco's current POS systems is necessary to focus on guests' personal experiences as to enhance service delivery on the next visit. This study will identify challenges faced with the implementation of a loyalty program. It will also focus on the outcomes that will have a domino effect on all outlets and individuals in a positive manner.

Knowledge of the positive influence such programs achieve in increasing guest satisfaction will open new doors to a world food and beverage has yet to see. Also, personalization with guests upon return visits in combination with "hard" and "soft" incentives will create a new success driven project that will flourish.

Examinations of such programs do exist currently, but none confirm or deny an aggression of participation in the industry. The present study will examine the interests of implementing customer loyalty programs from the standpoint of both the guest as well as the food and beverage outlet. By tracking guest behavior and personalizing guest service, more frequent customer satisfaction will be achieved in creating loyal customers.

Restaurants that do provide a customer loyalty program presently, are seeing guests spend 17% more upon consecutive visits (Hobler, 2008). Lettuce Entertain You, a Chicago based company is bringing in over $200,000 from membership fees alone from

the loyalty program they have instituted. They have also seen significant return visits

from those enrolled in their frequent diner program (Ragone, 2005).

PART TWO

Literature Review

Introduction

Identifying customer loyalty through research has been the breadth of many studies associated with the implementation of reward programs in the food and beverage industry of the past and today. Repeat or loyal customers have continually been argued to be the most important focus for restaurant managers. Knowing how to define a loyal customer from a management standpoint is crucial in knowing how to achieve success for the business.

Food and Beverage Loyalty Programs

Research finds that foodservice outlets are significantly behind other service industries in respect to the implementation and execution of customer loyalty programs. Research proves that restaurants' loyalty programs have a meager 27.2 million members in comparison with 254.4 members airlines employ (Leahy, 2007). Also, this is significantly lower than hotel and casino gaming loyalty and rewards programs. However, those participating restaurants provide information proving that revenues and profitability rises in correlation with guest retention. Restaurants that do provide a customer loyalty program presently, are seeing guests spend 17% more upon consecutive visits (Hobler, 2008).

Lettuce Entertain You, a Chicago based company, is bringing in over $200,000 from membership fees alone from the loyalty program they have instituted. These 130,000 guests enrolled in the program continually interact with the company and contribute to growing revenues. They have also seen significant return visits from those

enrolled in their frequent diner program (Ragone, 2005). The Palm's 837 Club represents

a restaurant that offers a loyalty program that many cannot compete with (Restaurant

Hospitality, 2008). This exemplifies the challenge restaurants are faced with in deciding

the design for their own loyalty program. There are several different classifications of

restaurants that assist in the complication that no unified loyalty program can encompass

all types easily if at all. For this reason, it is important from the aspect of management to

utilize resources in the design and execution of their own program.

Technology for Loyalty Programs

Currently, technology is being used in restaurants to get customer feedback on

experiences, but there is much room for advancement to gain much more information.

Bob Evans Farms and Ryan's Family Steakhouses are utilizing kiosks in order to gain

feedback from customers on their experiences in their restaurants. Another example

comes from Grill Concepts' president and CEO who utilizes comment cards via the

internet (Liddle, 2008).   Feedback is important, but is even more crucial on an even

deeper level than these two prior examples. According to Wijaya (2005), customer

loyalty programs, if not designed and applied correctly, will allow customers not to be

loyal to the company, but rather to be loyal to the programs themselves. At this point,

careful consideration into "soft" versus "hard" rewards must be examined. Having a

good sense of customers and what makes them loyal; coupons, discounts, cash or rather

name recognition and VIP treatment is crucial to determining the success of a program.

Customer loyalty programs exist to enhance customer loyalty in bringing repeat

business to an establishment. As these programs exist in casinos for gaming customers,

in grocery stores for food shoppers, retail stores for clothing shoppers; they do not

permeate the world of food and beverage. Kathryn Jenkins, Sr. Director of Marketing

Research at the Hard Rock explains that database tracking does not exist within the Hard

Rock currently. Comps are administered through the mail to all those entries inputted

into the current database, but redemption of any kind is not tracked. Whether or not a

marketing incentive is successful is a "gut feeling". She says that the Hard Rock is now

working on a kiosk loyalty tracking system that will allow the Hard Rock Hotel and

Casino to better know their loyal customers and administer better customer service.

Loyalty Programs in other sectors

In gaming, a guest signs up for a player's card and is immediately entered into a

database and administered a player's card. Each time the guest uses the card, the

information is processed as to track points accumulated. This tracking is similar in

grocery stores with information in the database and tracking of visits to particular outlets.

As the customer frequents the particular venue, points increase allowing the customer to

become closer to the opportunity of redemption of the particular incentive offered.

Other customer loyalty programs are designed to reward those customers on their

initial visit by offering incentives to bring them back again for a repeat visit. These

programs gather personal information and store it in a database in order for the

establishment to track guests as each return visit allows. In comparison to other

hospitality segments, research shows restaurants and beverage outlets have little or no

information on first time customers in order to bring them back and offer service based

on knowledge of previous visits.

Possible Limitations

One problem that can occur in deciphering rewards is choosing what incentive to offer. Properly rewarding guests must be determined upon knowing one's target market of customers. The information gathered from the customer upon the initial enrollment into the loyalty program can be vital in deciding on such incentives to follow. Whether or not the guest knows what offers are important will assist in measuring loyalty to the program rather than the establishment.

Management must be prepared to commit to the program and follow through for the long term. Much time must be spent designing the proper program and incentives to capture and maintain the target market of customers. Management must also have proper training procedures in place for restaurant staff in order to execute the program internally. Administering personalization to repeat guests cannot allow for other guest's service to suffer. Proper training for front of house staff specifically instructing them on the proper way to administer VIP treatment plays an essential role in the execution of the program.

Purpose of Literature

The primary reason for research in this area is concentrated on ultimately finding out what customers want in loyalty programs for restaurants. Knowing the customer is an integral part of any process in the service industry. There are specified reasons that attract customers to loyalty programs for gaming and other programs that offer rewards to customers. These may or may not be for the same reason that customers desire to be members of loyalty programs in restaurants. This is what many researchers have looked for in order to provide specific services. Whether or not the implementation of a loyalty

program in restaurants as well as the type of practice is worth management's time, focus, and finances is the range of research being studied today.

Researchers have noted across the board that a loyal customer is the ideal customer. People currently are more aggressive to dine out at familiar places rather than finding somewhere new to experience. Not only will the loyal customer remain consistent in visits, but will he/she also be less expensive to retain than bringing in first time customers. It is proven that loyal customers spend more on average than the first time patron. Reichheld explains in his thoughts of the cycle of loyalty, a company that earns the loyalty of the customer "positions itself for continuously self-perpetuating gains" (Heskett, Jones, Loveman, Sasser, Jr., and Schlesinger).

In Petrick's 2003 study, loyal customers build revenues as well as act as 'information channels that informally link networks of friends, relatives and other potential' guests. Several references to current loyalty programs in restaurants display positive effects. One example, Subway's loyalty program demonstrates increased spending from loyal guests in that the average check of $5.25 from non loyal guests is increased by $2.60 by the loyal card carrying guest (Jang & Mattila, 2005). This revenue driving technique is not said to be without careful management analysis or consideration, but is implemented in several other food and beverage facilities other than Subway. Fifth Group Restaurants, measure their loyalty club members spending 17% more on average than the non loyal members. Spectrum Foods sales increased 10% after the implementation of its loyalty program (Hobler, 2006). Higher end restaurants such as Wolfgang Puck employ the idea of guest loyalty programs in several of its facilities.

These programs have proved successful in generating initial business as well as repeat business that in turn boosts revenues.

Jang and Mattila (2005) categorize loyalty programs in three groups. These three categories provide guidelines for moving forward with the idea of implementing a loyalty program in an establishment. Protecting the existing customer base in a dining establishment is first and foremost important to ensure the establishment is not negating the reason for such a program. Secondly, moving forward to "enhance the piece of the pie or the share of the stomach" with increased sales in the establishment. The third category increases cross selling. Hotels, restaurants, and airlines all encompassing can drive sales to service guests with loyalty programs.

Any loyalty program initiative must deem to maintain quality service and a smooth transition from development to execution. "The key to maintaining a quality image is consistently meeting or exceeding consumer expectations" (Bojanic & Rosen, 1994). Research shows little success and much intrepidation from the restaurant industry in undertaking loyalty programs for fear that not only is it a large financial venture that may not prove successful if poorly executed, but also that service execution will suffer.

> Service firms need to gather information that can be used to assess and
> enhance their service programs. They must determine customer expectation
> and perception regarding service so that they can address their strengths
> and weaknesses, as well as train their employees. Only then will the
> service firm be able to develop a corporate culture that emphasizes service
> quality. (Bojanic & Rosen, 1994).

Designing a loyalty program that provides guests with incentive to return and remain loyal to the establishment rather than the program itself is a challenge researches note occurs often, therefore hindering the implementation of these programs. (Butscher, 2002) defines customer loyalty programs as, 'building the relationship with the customers that turns them into long-term loyal customers, who ideally will obtain their lifetime demand for specific product or service from the company sponsoring the loyalty programme' (p. 39).

Rewards

Offering "hard" or "soft" incentives, or both, or one or the other is seen through out those establishments offering loyalty programs. None is either right or wrong, but depending on the establishment, the clientele, as well as what end result the establishment wants to see achieved. Brand identity is the key to formulating what type of loyalty program is appropriate.

Hotel guest loyalty programs are far advanced in comparison to any food and beverage establishment's program. These loyalty programs on the hotel side are easily evaluated and measured in effectiveness and contribution to sales. Also, gathering and tracking personal information from demographics, to reason for visit, as well as mini bar snack/wine/beer preference is more easily recorded. This allows for the hotel to not only offer hard rewards upon the guest's revisit, but also personalize the next visit with stocking the mini bar with the guest's previous recorded "favorite" items. This "above and beyond" technique utilizing the advanced database is an advantage the hotel side has implemented over the food and beverage industry thus far.

John Clapps, consultant at Brand24, reiterates the previously stated focus that many incentives and loyalty program offerings should satisfy emotionally rather than physically (Hobler, 2006). Application of a personal touch is a loyalty program to offer success in retention. Referring a guest by name, offering a favorite dessert of the past, or knowing the specific occasion the guest is dining for can relinquish such a program into ultimate guest satisfaction that in turn increases sales and profits. Such kiosks to record data have been integrated into such restaurants as Bob Evans Farms Inc. and Ryan's Family Steak Houses Inc. These customer service kiosks are an advancement in technology from paper comment cards and verbalized feedback (Liddle, 1999).

Online reservation systems such as Open Table have made noticeable advancements in tracking and retaining guests and encouraging guest loyalty in food and beverage outlets. Open Table occupies over 4 million users, 6,400 concierges, and over 75 partnerships with Citysearch, Zagat and Expedia. These well renowned companies utilize a tool such as Open Table to offer customers easier access to reservations and information across the nation. Open Table elicits a no show rate for restaurants that is one third what the industry average assumes. The support Open Table offers to restaurants that invest in services are easily accessible to information such as reservations, menus, special requests, photo displays, and a database of customer's personal information to fulfill that "personability" to enhance guest loyalty. This online reservation system builds this loyalty by offering valid information and recording data of guests' dining habits. It assists cooperating restaurants in gaining a good first impression and continuing that impression by email offerings and incentives to retain loyal customers (Open Table, 2006). Utilizing Open Table to the fullest in all that it has to

offer is the aspect of success cooperating restaurants must achieve in order to experience profitability.

The decision to implement a "reward" program in restaurant outlets is mostly deterred on the side of the outlet for financial fears. Entering into a program such as Open Table does incur cost. Loyalty programs are not profitable overnight. The initial costs can be crucial; however, it is the benefit of the program to retain guests that can prove profitable. Commitment to a program is necessary to build relationships and loyalty from patrons. Open Table enables restaurants to post and offer guest incentives for repeat dining experiences. Holiday and special events are posted, group reservations and rates, dining points and dining cheques; all offered to encourage diners to dine out more often. These are all "hard" rewards offered when utilizing systems such as Open Table. Open Table also allows for "soft" rewards to be offered to those guests by utilizing the information collected from the database. These examples are the recorded special occasions, frequent transactions, and demographic information used to personalize the experience (Open Table, 2006). Some examples are shown in figure 1 and 2:

Figure 1. Open Table data collection example.

Figure 2. Open Table data collection example.

Hard Rock Café offers a "soft" reward such as preferred seating for all guests enrolled in the loyalty program. Conversely, TGIF offers a "hard" reward once a member accumulates a specific amount of points to be redeemed for a free dessert (Jang & Mattila, 2005). This method of rewards is similar to Starbucks and the punch card. Once a guest purchases a specified amount of coffees and gets the next one free.

The monitoring and tracking of such programs is a timely process. Management must be on board once the loyalty program and its stipulations are put into place for it to have the possibility to be a success. Loyalty to the establishment must not be confused with loyalty to the program. Setting up the program and integrating the system into previous standard operational procedures is only the beginning stage. Commitment on all sides is necessary for executing the program well and seeing long term results (Hobler, 2006). The struggle to hold on to and gain customer loyalty grows stronger with each year.

Results for specific programs such as Open Table demonstrate the ability to bring loyalty programs into the restaurant industry through use of technology. By enabling establishments with the opportunity to offer incentives to frequent diners, track demographic and personal preferences, fill seats during noticeable slow periods, and bring information to the guest from outside of the establishment success for even better programs exists.

Restaurateurs designing a program and training employees to execute the program and the personability of service to ensure guest satisfaction retaining the customer as loyal scores well. "Whether that touch entails a greeting by name, an inquiry about an absent business associate or a reference to a favorite dessert, such individualized attention strikes a positive chord that often translates into a greater patronage, sales and profits" (Liddle, 1999). The growth of technology and desire to further guest satisfaction can be coupled to achieve profitability.

In speaking with the Vice President of Food and Beverage at the Hard Rock Hotel and Casino, Warner Hedrick III, questions are posed as to whether or not implementing a

POS tracking loyalty program is the move to make. Is this program that will track each individual guest encounter on the casino property in order to enhance customer service a process that will benefit the casino in all aspects of return on investment and return visit? The financial cost initially is great, the training is a task, and the customer perception is unforeseen. Whether or not the property is ready for a program that is so new is an unanswered question. Who will make the first move? Will it be the Hard Rock Hotel and Casino in Las Vegas Nevada or not? (Warner Hedrick III, private conversation, November 12, 2008).

Such technology presently exists, but is not widely used in the industry thus far. Sam Constantine, Director of Corporate Development with Konami Gaming explains the benefits of the implementation of this program. Universalizing a database tracking system in a casino environment can be a monumental move for a casino in the service industry (Sam Constantine, private conversation, October 22, 2008). If administered properly, customer loyalty will reach new levels through personalized customer service and incentives. By tracking data with a single loyalty card that can be used for any transaction made i.e. gaming, retail purchase, beverage purchase, dining use, hotel stay, etc the establishment is able to personalize all encounters with each individual guest. As research indicates, being able to promise and deliver excellent customer service on a consistent basis is the key factor in achieving customer loyalty. However, a crucial area of error exists is the misconception of customer satisfaction with customer loyalty (Seller Beware: The Curse of the Disloyal Customer). Knowing and being able to measure customer loyalty is pertinent in utilizing this system.

Research confirms much movement and attempts of implementing more programs offering non-monetary as well as monetary incentives to guests in restaurants. The purpose of this study is to examine the research to further develop and implement such a program using POS technology in individual outlets and executing personalization of information through staff-guest contact. All research examined verifies the need to integrate these programs in the foodservice sector of the hospitality industry.

Careful consideration should be taken in the design of loyalty programs as the loyalty market segment can grow tiresome. This is largely due to weak planning of programs as well as false loyalty (Capizzi & Ferguson, 2005). Differentiation between loyalty programs is important to avoid fatigue of such programs. Rewards and programs must stand out and remain loyal to the brand. Proper utilization of historical information through technological advances must occur to personalize customer service. As well as, the program must also reflect the culture of the establishment (Kim, Han, & Lee, 2001).

Part Three

Introduction

In part three, information is assimilated to advise Hard Rock Hotel and Casino on a program to assist in fundamentally securing ultimate guest loyalty through customer service and a unified loyalty program throughout the property via POS tracking. The customer service and loyalty programs in place currently allow for repeat business and profitability; however, the following design could prove with further research to be more successful in gaining loyal customers and higher profitability.

The Rockstar Club is the current gaming program in the Hard Rock. This loyalty program assists gaming customers only and does not incorporate any other guest/outlet incentives tracking. No such loyalty program or database for food and beverage/retail outlets exists currently on property. Customer satisfaction surveys through hotel operations and database tracking through kiosks in gaming are the only loyalty programs live at Hard Rock Hotel and Casino.

However, are these programs successful capturing loyal guests and rewarding them? The benefits of a unified POS tracking system with information gathered from individual outlets throughout the casino incorporating guest satisfaction prior to the implementation of guest loyalty tracking is explained. These benefits that will incur with the implementation of such a program to increase guest loyalty and profitability in the Hard Rock Hotel and Casino are assessed in following areas.

Results

Currently HRH uses Digital Alchemy a marketing firm to supply comment cards via the internet to guests visiting the property. Figure 3 gives an example comment card

filled out by a guest of the hotel. Questions are rated on a 7 point Likert scale, 7= highest score and 1= lowest score, about each aspect of the experience. Demographic information is provided by the guest in the appropriate areas along with comments in the comment section at the end of the survey. The information from the cards is then transposed and measured using and assimilated into a weekly report scoring from those surveys of 100% and decreasing. What the property and each individual outlet learn of guest experiences acts as a tool to improve customer service. However, without a program to utilize stored information on guest experiences and the ability to recognize information upon a guest return makes for difficulty in increasing loyalty of the guest.

Hard Rock Hotel and Casino currently has two separate systems measuring guest loyalty. Gaming employs a program in which coin in and coin out is measured. How much a guest spends on a particular slot or table game is measured by swiping the loyalty card and then redeemed for comp to particular food and beverage outlets or shows featured on premises. Hotel loyalty is measured in a separate way by administration of surveys via email post visit. These surveys are then gathered and quantified rating customer satisfaction per outlet.

Comment Card Alert Hard Rock Hotel & Casino, Las Vegas			
Summary	**Score**	**# of Answers**	**IP Address**
	66.67% = 4.67	31	68.14.142.241
Submitted	09/16/2008 11:28:56 AM Central Time (14.7 hours after thank you note email was sent.)		
Card Number	00102-107-730-213		
Alert Reason	☐ The average score is below 70%		
Guest & Stay Information			

Guest Name	Jim Paulon Dear Jim,
Guest Email Address	jimpaulon@yahoo.com
Reservation Number	4MDVS
Stay Dates	Thursday, September 11th, 2008 to Saturday, September 13th, 2008 9-11-2008 to 9-13-2008
Room Number	975 (Room Category `MQN`)

Click here to see the thank you note that was sent to this guest.
Click here to see a sample of your current comment card.

Guest Comment Card Answers									
1-7 Questions									
Question Number	Guest Answer	Question Text	7	6	5	4	3	2	1
86	4	Overall Impression:				X			
88	7	Room Reservations	X						
90	2	Front Desk						X	
92	3	Concierge					X		
93	4	Hotel Operator, Wake up, Message Service				X			
94	6	Guest Room / Housekeeping		X					
95	6	Beach Club		X					
97	5	Cable TV/Internet Access			X				
99	6	Hard Rock Store		X					
100	6	Sundry Shop		X					
103	2	Hotel Cleanliness						X	
106	4	Table Games				X			
108	2	Casino Cocktail Service						X	
109	2	Casino Cashier						X	
111	2	Security						X	
112	2	Casino Cleanliness						X	
130	6	Food/Beverage Experience		X					
115	7	Mr. Lucky's 24/7	X						
118	7	Pink Taco	X						
120	5	Beach Bar & Grill			X				

114	7	Room Service	X						
131	6	Food and Beverage Service		X					
121	4	Venue Cleanliness				X			
124	7	The Joint	X						
125	6	Body English Nightclub		X					
126	6	Casino Bars		X					
112	2							X	
Average	**4.6**	**Counts**	5	8	2	4	1	7	0

Text Questions	
Question Number	**Question Text**
	Guest Answer
	Overall Comments:
87	Construction **noise** and site was tough to accept. Friendliness of staff has dropped significantly.
	Hotel Comments:
104	Common area carpet **extremely** tired. Bathrooms need service more frequently. Staff at front desk come across **like** military personnel at Check Point Charlie. Reservations staff (Tammy and Cindy) were **top notch**. Randie Carlson in VIP services consistently delivers superior **quality** service. I **always** feel as though I am a **professional** friend as opposed to just a number. I didn't have an opportunity to use the Spa, Valet parking, or jewelry store.
	Casino Comments:
113	There use to be a core base of dealers that were dealing for years. I had **always** felt **welcomed** because they remembered who I was and treated me **like** family. The new staff are just that...new. Cocktail servie was **extremely** **slow**. Casino cashiers **lack** personality and pro active hopsitality. I **always** had to get there attention before being served.
	Dining Comments:
123	Mr. Lucky's has **always** delivered on serivce and qulaity of food. I have been coming there for 12 years and **love** it every time. This trip alone I used Mr. Lucky's 5 times. Room Serevice attendants were **efficient** and **friendly**. The beach bar takes way **too long** for a drink. The pool was a disaster as far as **cleanliness** goes. Pink Taco is also a blast! The **price** of a drink anywhere in the hotel is getting out of control.
	Comments & Suggestions
129	For 12 years I have come to your hotel. I make an average of 2 or 3 trips per year. Randie Carlson and your marketing team do a **great** job to get me in the hotel. I have never stayed at another hotel when I come to LV. The inconsistent service levels and militant style of security (specifiaclly the pool) make it **difficult** to want to return. There was an associate by the name of Caesar that was frequenting the Circle Bar that created a **very** unwelcomed scene. Because of his actions alone, my fondness for the hotel has dropped. It isn't worth going into the details, because it wouldn't make a difference. The fact that an employee can conduct themselves in the manner that they did leads me to believe there is a managment **issue**. I also feel that completeing a comment card may fall on deaf ears. I hope it helps to you to make a difference. I applaud Randie Carlson and the marketing team for getting me in the hotel. It is the **poor** service level from your staff that will make it a challenge to return.
Word	**9 Modifiers**

Summary	10 Good words
	7 Bad words

Notes
Only questions that were answered by the guest are included on this report. Blank, n/a or unanswered questions are not shown.

Figure 3 Example Hard Rock Hotel and Casino Comment Card

Pink Taco also has a comment card that is inserted in each check presenter to be given to the guest at the end of the meal. These comment cards are useful in knowing the satisfaction or dissatisfaction the guest experienced at the Pink Taco, but ensuring all of the information gathered from the card is utilized correctly is crucial.

According to Mattila (2001), "Because service failures are inevitable even in the best run service organizations" it is crucial to implement a program that is accepted on all sides of participation. Hard Rock has many opportunities to orientate such technology into its marketing/loyalty strategy. With the current reconstruction and renovation, Hard Rock can lead the service industry into a new realm of hospitality. Designation of one unified source of data to encompass all aspects of customer service is an integral way to assist in personalization that will positively affect the bottom line.

There are also weekly report surveys that collect guest information and ratings based on his/her hotel experience. The surveys that receive a score of 60% or lower are immediately examined and responded to in an apologetic fashion and compensation is offered to amend the negative situation. This reasoning is to bring the customer back and evaluate the initial visit. However; a recommendation to have avoided such a situation altogether would entail the initial program in which the hotel's customer loyalty program examined all aspects of the individual to ensure ultimate guest satisfaction. In turn, such surveys administered at the end of the guests visit would demonstrate astronomically higher scores.

Conclusion

Hard Rock's current program is not capturing and maintaining guest loyalty. Database marketing and incentive tracking hardly exists leaving much opportunity to be explored. Yes, guest enrollment and involvement is present, but whether or not the guest is loyal to the company rather than the program is suspect. Implementing a unified guest loyalty program using technology that will unify all aspects of the casino can enhance customer service as well as increasing the bottom line.

Recommendations

Current technology is available, but not widespread to incorporate all aspects of a hospitality organization such as the hotel and casino environment. Further research into whether or not such a program will be profitable long term should be tested and administered. In speaking with several executives within the hotel and casino environment of the Hard Rock demonstrated the necessity to collaborate thoughts and ideas of how to present such a program in a manner of long term profitability. The creation of one database to record all transactions of a guest from the moment he/she entered the property to the moment he/she made an exit off of the property. What brought the guest to the property, what restaurant outlets did the guest visit and what was enjoyed during the dining experience, what retail items were purchased and what gaming aspects were visited; All of the answers to these questions are pertinent in knowing and maintaining the loyalty of a customer. Management cooperation, proper training, strong financial backing, customer cooperation, and several other initiatives must be structured properly during the initial stages of the implementation of the program. Any failure in a

particular area will cause distress; however, proper procedures and administration will be the onset of a hospitality program that will lead the company to increased profitability. Even though the Hard Rock has developed and prospered through brand recognition, the competitive nature of hospitality is an ever growing one. Initializing an increase in customer loyalty and thinking outside of the box is crucial to the continued success of a company so held together by brand.

It is recommended to take a look at the opportunity Hard Rock has for profitability. With all of the competition in the service sector today, it is now the challenge as Hard Rock will see to step it up and make the move.

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