YHA accommodates almost two million overnight stays each year, with visitors from over 80 different countries who, on average, stay for 1.8 nights. Customers can book through a range of channels including YHA website, direct with the hostel, YHA Contact Centre and through third party websites including hihostels.com, hostelworld.com, hostelbookers.com, booking.com and even laterooms.com.

The organisation also employs 1,200 staff including 600 seasonal staff. Roles differ greatly, from National Office staff covering Sales & Marketing, Membership, Fundraising, Operations, Property, HR and IT, to hostel staff dealing with customers face to face, cleaning and maintaining the hostels as well as the day to day running of a hostel.
As a charity, YHA's mission is to “To help all, especially young people of limited means, to a greater knowledge, love and care of the countryside, and appreciation of the cultural values of towns and cities, particularly by providing youth hostels or other accommodation for them in their travels, and thus to promote their health, recreation and education.” A great deal of this is made possible by the generous donations it receives. All the money YHA makes is put back into the business enabling the organisation to give more experiences to more people, especially young people.

The business of keeping customers satisfied.

YHA is like any other business. It prides itself on the sociable friendly experience it offers, on the support it offers to learning, skills and self development of young people and of its work with young people who might not otherwise be able to broaden their horizons through new experiences of travel and adventure, which it believes sets it apart. However retaining members and attracting new members is paramount to its success as it faces stiff competition from budget hotel chains (with larger marketing and advertising budgets). YHA therefore works hard, using a range of techniques and methods to gather feedback from customers.

YHA makes a point of monitoring what’s important to customers. Understanding what members want and expect is vital

YHA makes a point of monitoring what’s important to customers. Understanding what members want and expect is vital. As part of the drive to understand and satisfy customers, YHA has worked closely with The Leadership Factor for over 4 years. Originally, the focus was on understanding the Family & Individual market (F&I) but over recent years the focus has expanded to include the Group market. YHA also makes a point of monitoring what's important to customers. Understanding what members want and expect is vital. Years ago members might have visited the countryside to escape the fast moving modern world – nowadays members make bookings using their smartphones and expect access to the internet and Wi-Fi regardless of whether they are in London or visiting the Lake District fells.

Survey method

The method of data collection, employed by TLF for the customer satisfaction survey, has been particularly successful for YHA. A web survey is sent out every Friday afternoon, ensuring that it is received within days of a visit to a hostel or is waiting for them when they arrive home. The response rate of between 25%-30% means that nearly 80,000 surveys have now been completed by customers. The volume of response means that results can be segmented in many ways including specific areas of interest to YHA such as customers under 26 years and by hostel. Prior to this approach YHA surveys were typically paper based and conducted at hostel level. The volume of data gathered during that time was very sporadic and, as a result, it was very hard to generate any meaningful analysis.

Mystery shopping

During the time YHA has worked with TLF it has also simultaneously run a mystery shopper program. This consisted of surprise visits to all hostels. The program ran for two years and focussed heavily on operational procedures, practices and conditions at a hostel. This worked very well, and was certainly fit for purpose at the time. After steady increases in mystery shopper scores there came a period where high scores were maintained and thus the mystery shopper program was completed and deemed a success.

Whilst the mystery shopper programme was in force it is fair to say that the organisation's focus was drawn away from the customer satisfaction surveys a little. A couple of years ago, a conscious decision lead to a refocus on the satisfaction surveys. The volume and reliability of the findings meant that the results, quite simply, could not be ignored. The organisation’s focus is very much on wanting to gather, understand and act on customers’ feedback post-stay. This is particularly important in this economic climate where customers need to be cherished.
**Other surveys**

Ad-hoc surveys have also been conducted for other products such as YHA’s summer camp Do 4 Real to understand the views of children as well as their parents/guardians. This information helped to pinpoint how young children benefited from their residential summer camp and how it had an impact on them.

**Using the survey results**

In common with many organisations, YHA struggled to secure buy-in throughout the organisation at first. However, there has been enormous progress in this area and now the whole organisation is well and truly engaged in the measurement process. In fact, the organisation is in its first year of working to strict KPIs for satisfaction and loyalty (CSI of 86% and NPS of 59%). It is currently on target to hit these levels by the end of the financial year. At the present time, a number of hostels achieve an individual index of over 90%. The challenge is increasing satisfaction at the hostels towards the lower end of the scale.

With the introduction of the new web reporting tool created by TLF, the results of the surveys have been a great deal easier to access and scrutinise. Every hostel manager in the organisation, as well as a number of people at head office, has access to the web tool. This ensures all the relevant people who can use the results and action the feedback are aware of what the customers are saying. The Health and Safety and Property teams are great advocates of the feedback which really helps when customers raise issues that perhaps the hostels themselves are powerless to act upon. Buildings managers can view the customer feedback and use the information to help make tough decisions when it comes to knowing how, and where, to allocate their limited budget. The Customer Insight team embarked on a “tour” to demonstrate the web tool to all relevant staff. This was a time consuming exercise but extremely worthwhile.

The survey results are also used to monitor pre and post staff training in customer service as well as pre and post investment in hostels to monitor any fluctuations in customer satisfaction. This helps to determine the impact of investments on satisfaction levels. Feedback also helps with any funding bids that are submitted because the aim of refurbishing existing hostels is to enhance the customer experience and increase satisfaction and loyalty.

**Feedback to employees**

Within the organisation, sharing results with staff is viewed as vital. YHA has an internal weekly e-communication called Connect. This portal allows any member of staff to update the organisation with things that are happening. Connect is used as a tool to keep the customer feedback fresh in the mind and remind people they have access to the raw data via the web tool. It stimulates their curiosity and interest.

Some staff are also invited to the quarterly TLF presentation of results. Highlights are then made available via Connect and used in relevant monthly team briefs. The aim is to provide enough information to keep staff involved and engaged without veering into overkill. Whilst the survey results and focus on action is important, there is also a great deal of other information that also needs to be shared with staff.

Ensuring the Connect articles are presented in the best way possible as a tool to engage staff is a priority. Ultimately, it is staff that make a difference to the customer experience – and to each other. Each and every member of staff has a role to play regardless of whether they come face to face with customers or not and Connect is way to convey and strengthen that message.

Whilst buy-in is a challenge, this was overcome by a clear strategic theme, from the very top, which clearly states that YHA must ‘put the customer first in everything we do’. This philosophy was backed up with a strong push internally which included various promotional material including mouse mats and coasters for desks. It really has been drilled home just how important customers are.

**Feedback to customers**

Sharing results with customers is particularly important to us as our survey is rather lengthy. It is important to thank customers for completing the survey and to reassure them that the feedback does not get lost...
Case Study

in a huge void. In an ideal world, the survey would be shorter, but it’s fair to say that the loyalty of our customers and their willingness to share their views means that the response rate is strong and consistent. Every week, the survey generates literally, hundreds of responses with some very detailed (and lengthy) comments that provide invaluable insight.

Feedback is currently provided to customers via our twice yearly membership publication ‘YHA News’. It was used to supplement articles on specific hostels along the lines of ‘Customers rate this hostel 9/10’. Where space permitted in the monthly e-newsletter that goes to Groups, the winner of the prize draw has been celebrated. This is also something that goes down well and is sure to become a regular feature.

Outcomes

Through trying to understand customers better, it has become apparent that the churn rate is much higher than was previously believed. This leads to a drive to understand why they churn. This understanding is and will continue to be fundamental to the success of the organisation going forward. Improved CRM systems will, in 2012, allow for better understanding of the link between satisfaction, loyalty and revenue.

Future challenges

Over the next 3-5 years, it will be a challenge to maintain the focus of the organisation on what customers want, when, and where they want it. This won’t be easy. It will also be vital to keep ahead of the game with emerging communications and booking channels.

There will be increased competition from other budget accommodation providers that have greater financial power. Not only will competitors be able to invest in aggressive advertising and marketing campaigns, they will also be able to open new properties in more locations. Indeed, budget hotel chains have already expressed their desire to open in areas previously considered unfeasible – such as on the edge of National Parks.

YHA has to face these challenges head on. This will be achieved by ensuring the organisation maintains its level of commitment to the customer by listening and acting on customer feedback. There will need to be more focus on complaint handling - reducing the number of complaints or issues customers face by getting the basics right first time, every time. This area poses particular issues in that it is easy for issues and complaints to slip through the net. Customers can complain to the hostel manager where they are staying or direct with YHA. Customers are often reluctant to complain whilst they are at a hostel and some hostel managers are likely to be better at dealing with problems and complaints than others.

In the past, there has been a lack of feedback from the core demographic, customers under 26. Going forward, we must gather as much feedback from this market as possible. This means keeping on top of how these customers respond and communicate and analysing customer feedback from all possible channels e.g. TLF, SurveyMonkey, social media, complaints, third party websites etc.

The current survey focuses on the customers who book accommodation with YHA. Gathering feedback from the customers who stayed but did not make the booking will play a more important role. This has been addressed somewhat by, at the end of the web survey, appealing to the respondent to forward the survey to other members of the party. The aim is to populate YHA’s new CRM system, Microsoft Dynamics, with, among other things, satisfaction and loyalty scores to create a detailed single customer view. This will then help with the generation of more personalised and segmented communications to support the customer retention strategy.

It is clear that customer feedback should play a role in marketing the organisation. The information gathered so far needs to be exploited to help promote YHA and build awareness. It will be valuable for both attracting potential customers and staying engaged with existing customers.

All in all, 2012 needs to be the year in which the strands come together to form a solid basis for years to come. In order to achieve this, YHA is working closely with TLF and through our close working relationship believe 2012 will see us move even further forward toward achieving our goals.

Paul Watkins
Customer Relationship Manager
YHA

Paul can be contacted on: 01629 592764
or via email at: paulwatkins@yha.org.uk

Rachel Allen
The Leadership Factor
Client Manager working closely with YHA

Rachel can be contacted on: 01484 467034
or via email at: rachelallen@leadershipfactor.com