

Creating Market Advantage with Delighters

Gina Ramsey was stumped. As vice president of marketing for CentreCourt Hotels & Suites (CCHS), it was her job to find ways of differentiating the company and its value proposition from the rest of the pack. Over the past four years, she and her team had experimented with a variety of improvements taken right from research including:



- Better mattresses;
- Free high-speed Internet connections;
- In-room espresso/cappuccino machines;
- Fluffier towels;
- Guaranteed late check-out.

Each of these things were noticed and appreciated by the customers, but price elasticity was still extremely high. Whatever customers asked for, CCHS gave them. But they weren't willing to pay more (or come back more often) for it.

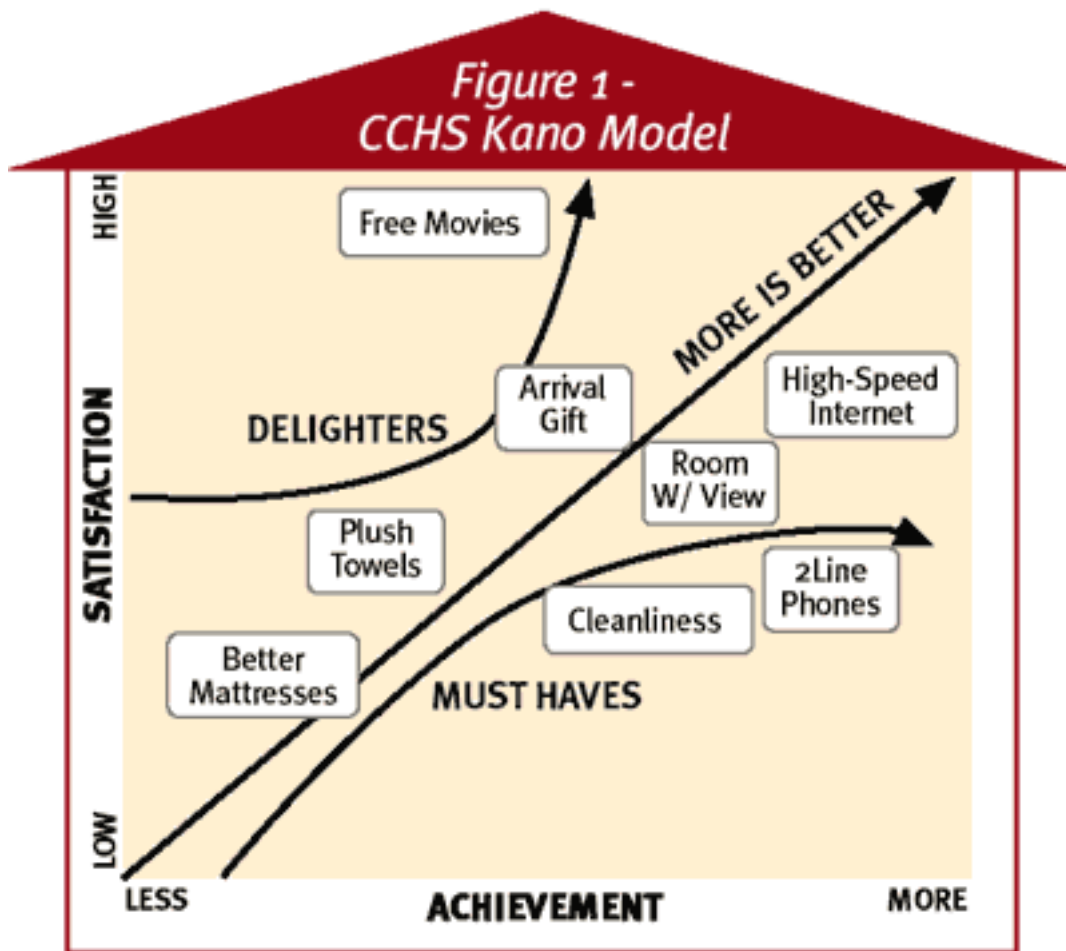
Then one day Ramsey was getting in her car with her morning coffee and it came to her. Cup holders.

Ramsey remembered that in the 1980s drivers who wanted cup holders had to buy them from an auto-parts store and hang them on the car door frame. Later, auto manufacturers picked up on the trend and began building cup holders into the center console of the car and eventually into the back seats, too. Moms tired of cleaning spilt milk from car upholstery began choosing their cars to some degree on the number and location of cup holders.

Today, cup holders are ubiquitous. But back then, no one could have imagined how such a simple innovation could change the interior design of every subsequent vehicle made worldwide.

Ramsey thought it unlikely that consumer research in the '80s showed car makers that consumers wanted cup holders. For the most part, consumers are not very good at imagining innovative ways to improve their experience with a product or service. This suggested that Ramsey's research approach had been all wrong. Instead of asking guests what they wanted to see improved (a linear projection approach), she should have been looking for clues to what made for the most memorable and enjoyable hotel stays they could recall.

With this new approach, the CCHS research team asked customers about their most enjoyable hotel stays ever (regardless of brand or location) and what made them so. The team broke the answers out into two dimensions — business travel vs. leisure travel and internal factors (things related to the hotel itself) vs. external factors (things off the property).



The responses were further divided into three categories:

- **Must Haves** — things which are "price of entry" to get my business;
- **More is Better** — things that will encourage me to come back but aren't necessarily unique; and
- **Delighters** — things that would make staying at CCHS so positive that I would always look for a CCHS property first.

The data was then placed into a Kano Model (figure 1), and the answer became clear. CCHS would differentiate by delighting customers with unadvertised free movies and Sony PlayStations in every room. On the basis of the glowing customer response to the idea, Ramsey would promote these perks through viral marketing only and provide customers with an upgrade incentive for each referral of friends or business associates.

The Kano Model showed how prior efforts to differentiate exclusively focused on the "Must Haves" and "More is Better" categories, completely overlooking the potential advantages of "Delighters."

Looking ahead, Ramsey and her team should bear in mind that CCHS competitors will eventually catch on to the CCHS program, just as all auto makers ultimately included cup holders. Innovation in the area of Delighters will always be necessary to build and maintain customer loyalty.

