

Act now

What do you need to do urgently?

News travels fast in a crisis so your customers will soon be in touch. Do you know what you would say to them? Do your staff know what they should say? In the first few days after a crisis you will need to make a lot of quick decisions, which are highlighted in this section

Take time now to check how well prepared you would be and start planning for how you would deal with your customers.

Step 1: Dealing with customers that are with you when the crisis hits

1.1 Safety

Your number one priority must be the safety and security of your staff, your customers and yourself. To do the right thing you need reliable information. Work through the following questions:

Ask yourself...

- How would I know what information/advice was being given by the police?
- Is there a single website to go to in a crisis?
- How would I find the helpline number for enquiries about friends/relatives?
- How would I find out what facilities in the neighbourhood were operating/ not operating?
- How could I find out what transport systems were affected?

You will need this sort of information to update your staff and customers. It is a good idea to prepare a bulletin and to keep it updated. The tone should be factual and calm with an absolute emphasis on following security advice. Try drafting an example of a bulletin now. Decide on your layout and standard headings so that you have this to hand if you need it.

London Prepared

The London authorities have worked together to create a single website which will contain comprehensive information for all Londoners. This is www.londonprepared.gov.uk/ You will be able to find the answers to all your questions here.

1.2 Websites

We live in an era of instant communication and your customers will use websites to inform themselves. If you have a website it is important that you review it and post some information on there immediately. This can be developed over time but a brief statement reassures customers that you are well prepared.

Many businesses have found it useful to prepare a special web page or pages that can be adapted quickly and used in the event of a crisis. These are sometimes called 'dark' websites. A standard set of headings and wording can be prepared in advance to cover a range of situations. Doing this ahead of time means that you can think about the best words to use to convey a positive and professional message. If you use an external company to manage your website, make sure you know how to update it in an emergency.

Tip – Checking helplines

Specialist helplines may be set up in addition to those run by the emergency services. Check whether there is a helpline number for visitors to London and make sure that your guests and staff know the number. It is a good idea to phone this number yourself, as it will help you to find out what your customers are being told. General information for visitors to London is available Monday to Friday on 08701 566366.

The Britain and London visitor centre is open 7 days a week. This is a good place to recommend to your customers for information and advice about the whole of London - or they can use the Visit London website www.visitlondon.com

Step 2: Responding to customers that want to cancel

2.1 Cancellations and Customer service

In most cases customers will cancel for a reason that is genuine and important to them. If you or your staff are dealing with cancellations it is worth remembering that the person you are talking to may be a customer in the future. It is highly desirable to part on good terms if you can.

It is inevitable that some visitors to London will decide to cancel or postpone their visit as a result of a crisis. They may feel that they would not be able to do all the things that they had planned so they would prefer not to come at all. If this happens where do you stand?

2.2 Your cancellation policy

Your legal position will depend on your cancellation policy. If you do not have one in place it may well be something you want to consider for the future as it avoids any ambiguity. Having a written cancellation policy that visitors agree to at the time of booking will make life considerably easier should it be necessary to make a claim for losses from cancelled bookings.

Cancellation provisions within the contract can only be applied when these terms were made clear at the time of booking. When the booking is subsequently cancelled you have the right to invoice for whatever monies are outstanding (having deducted any deposit paid). If the guest then refuses to pay it might be possible to charge the amount against his/her credit card or you may have to resort to the Small Claims Court. Any county court can provide information about this procedure which applies to any claim under £5000. For a copy of 'Guide for businesses to debt recovery through a county court' visit: <http://www.hmcourts-service.gov.uk/infoabout/claims/business/index.htm>

2.3 Credit card bookings

Accommodation, theatre tickets and tours booked on the telephone will often be confirmed by credit card. It is important that customers are advised at the time of booking that their card will be charged in the event of cancellation and that the guest accepts that condition. To protect your position, it is best to give reservations staff a script to follow or issue a written confirmation. This will provide proof to the credit card company that you met their conditions.

2.4 The legal framework

If you do not have a cancellation policy and wish to clarify your position, there is a summary of the legal position at the end of this section.

Please note that this advice is a guide only and you must take specific advice from your legal advisor with respect to your individual situation. An excellent guide for accommodation providers is the Pink Book available from VisitBritain.

Step 3: What alternatives can you offer?

3.1 The best outcome

Resorting to legal process will probably be expensive in time and money so it is always better to find an outcome that pleases both you and your customer.

3.2 Credit notes

If the customer is entitled to a refund they may be persuaded to accept a credit note. This has the advantage of keeping cash in the business and allows you to keep your relationship with your customer. You will need to decide some basic issues:

- Validity of the credit note
- Any special condition e.g. is it transferable?
- Can it be used for services other than those originally booked?
- What will your accounts system need if the credit note is valid in a new financial year?

Real life example: St. Christopher's Inns

St. Christopher's Inns is a budget hostel operation based throughout the UK with six properties in London.

What was the issue?

In the immediate aftermath of 9/11 customers were anxious and St. Christopher's received cancellations from 20 group bookings.

How did they respond?

St. Christopher's offered all their bookings credit notes instead of refunding the deposits.

What was the result?

19 of the 20 groups accepted credit notes against future business. This kept the cash in the business in the short term and kept the relationship with the customer for the long term.

3.3 Transferring the booking

Your customer may be willing to postpone their visit and wish to book for some new dates. The issues you need to think about here are:

- What is my policy if the new date is in high season and more expensive?
- How will I handle repeated requests for different dates?

3.4 Transferring within a group of businesses

If your business is part of a group, e.g. a group of restaurants, then it may be that you can offer an alternative to the customer that meets their needs. A hotel may be able to offer rooms in a different hotel; an attraction could offer a different venue for a function. The key here is to ensure that you are offering a good alternative to the customer so that they feel that they are getting good service and not being 'shunted around'.

3.5 Goodwill and flexibility

You and your staff will be operating under pressure. Try to remember that this crisis will not last forever and your business is for the long term. If you can keep the goodwill of your customers in these difficult times it will pay dividends in the end.

3.6 Travel advisories

The term 'travel advisories' is a general description of advice issued by governments to their own citizens. This advice is usually featured on the website of the Foreign and Commonwealth Office for UK citizens and the equivalent department for other countries. The Appendix includes the web address.

A travel advisory has a huge influence on the decision to travel and it also has an impact on a visitor's insurance cover. If a customer has already made a booking and a subsequent event leads to new advice being issued suggesting that a country is not safe to visit, then the insurance companies will usually cover any cancellation costs. It is useful to know what advice has been issued before you deal with enquiries. Be aware that the advice given is constantly reviewed so the situation may change

Step 4: Dealing with customers who have bookings for the following few weeks

4.1 Protecting your bookings

Once you have dealt with customers that contact you, your next priority will be to protect the business that is 'on the books'. It is a mistake to assume that silence means that your customers are happy. What action can you take to reinforce the 'business as usual' message?

Tip – Being proactive

Some useful things you can do to protect your business:

1. review your bookings and identify any that are particularly valuable
2. prepare a message for your future bookings in letter, telephone script, email, and web form
3. identify the positive reasons why customers should still travel
4. contact all your customers and tell them that you are looking forward to welcoming them

4.2 Reassurance and being positive

Your customers will be anxious and have a lot of questions. To protect your credibility adopt a policy of full disclosure about what is known and not known. The backbone of your message to your customers must be factual information that is regularly updated.

It is sensible to put yourself in the shoes of your customer and think about what they might want to do. If some activities are restricted then research some alternatives. Check with your neighbours, the council and Visit London and come up with some ideas for your visitors and then brief staff to suggest these. Remember that today's visitors will be ambassadors for the city when they return home.

What next?

Once the shock effect of the crisis has subsided, you will still be dealing with customers who are concerned and anxious. They will demand a lot of information from you and will need constant reassurance. To reinforce the 'Business as Usual' message your aim should be to help them have a really good holiday – despite any restrictions that are in place.

Step 1: Provide constant reassurance to your customers**1.1 Keep your customers informed**

If people are due to visit in the near future, your goal should be to offer reassurance and encourage them to go ahead with their plans. Take the opportunity to explain that you are still open for business and looking forward to welcoming them to London. To do this professionally you need a good source of information and a way to pass this on to your customers.

For the leisure traveller, it may be helpful to suggest an alternative itinerary if certain attractions are closed. Put yourself in your customer's shoes and be positive about all the things that they can still do to make their visit to London enjoyable.

Real life example: Transport operators

Many companies offer transport around London as part of the holiday experience – this includes the open top touring buses and river cruises.

What was the issue?

After the bombs on the tube in July 2005, many families were concerned about using the underground. This was affecting their decision to visit the capital's many visitor attractions.

How did they respond?

Several attractions came to an arrangement with the leisure transport companies to offer combined tickets. They then highlighted what could be done in the capital in a day using surface transport. This became a part of their PR message.

What was the result?

The approach generated some good PR and protected some business in the short term. It also opened up new relationships between the companies and more combined tickets are on offer now, even though the immediate problem has been resolved.

If you have a website, it may allow you to post a bulletin board. This can be designed as a newsflash which appears when anyone enters the website. This will immediately draw attention to the information posted on the bulletin board. Keeping a bulletin board updated is important. Think about how you would manage this in a crisis. Whose job would it be to manage this? How would you keep it up to date? How would the staff be briefed on new information?

If you do not have your own website, you can still use other websites to collect information for yourself and your customers. Check the Visit London and VisitBritain websites daily as a quick way of keeping up to date.

1.2 Rumours and misinformation

Do not be surprised if your visitors – or potential visitors – have some strange questions or concerns. A crisis gets reported in different ways by different media and some misunderstandings are inevitable. For example, during the Foot and Mouth crisis, some visitors believed that they would have to bring their own food to Britain as all the meat was contaminated. The recent cases of bird flu in Suffolk have been followed by queries on eating and serving poultry.

Be prepared to deal tactfully with these questions and make sure your staff are briefed to provide factual answers.

Step 2: Be flexible

A flexible approach will enable you to look at ways of substituting lost business with new opportunities. For example, if transport into London is disrupted then businessmen and women may be looking for rooms in London during the week. Think about your booking conditions to see if there is a way to attract a different type of customer. For example, if you let apartments in London for a minimum of 7 nights, can you repackage these to 3 and 4 night durations to attract short stay customers?

Why not take the opportunity to reward loyal customers who can be invited back with an attractive package? This might mean discounting prices but may still be worth doing if it brings in much needed revenue in the short term.

Your objective is to find a win:win situation. Use the ACTION PLAN to record some of the options you would consider in a future crisis.

Real life example: Cambridge School of English

The Cambridge School of English delivers English tuition to students from all over the world. As well as tuition, they arrange accommodation and excursions for their students.

What was the issue?

Several times in the last five years the inbound market to Britain suffered a downturn and this was reflected in the demand for English Language teaching, which put pressure on costs.

How did they respond?

The Cambridge School of English identified the fact that some businesses would value the opportunity to have their managers receive language lessons in their own business premises and explored the option of sending teachers to company premises.

What was the result?

The students appreciated the flexibility of having tuition in their offices and the School benefited as it reduced their operating costs. Fewer classrooms being required meant money was saved on running costs.

Real life example: Retailer specialising in outdoor wear

What was the issue?

This family business had built up a good reputation for all weather clothes and shoes – with walking boots contributing a significant profit margin. During the first few weeks of the foot and mouth crisis the business dropped significantly as footpaths were closed and cash was becoming a problem.

How did they respond?

The owner considered price reductions but was reluctant to go down this route. He decided to focus on telling customers what they could do and started collating information about local walks and footpaths that were open. He then produced hand drawn maps that he displayed in the shop and gave to customers.

What was the result?

Sales started to rebuild slowly and the hand drawn maps became very popular. The shop decided to keep offering this service after the crisis was over as a way of giving his business an edge over other similar shops.

Step 3: Get close to the customer

Many businesses spend large amounts of money trying to find, and find out about, their customers and put these in a database. In the tourism business we are fortunate that our database is walking through our door every day. How well do you know your customers? Work through the checklist below.

Ask yourself...

How well do you know your customers?

I know which country(area for UK) my customers come from	YES/NO
I collect a contact address/phone number for all my customers	YES/NO
I know how each customer found out about me	YES/NO
I collect an e mail address for all my customers	YES/NO
I know if a customer has been to me before	YES/NO

If you answered NO to these questions you are missing the opportunity to know what is going on in your business. Setting up a system to collect this information can be done quite simply. For a very small business a standard CARDEX system may be enough to begin with, while you decide which information is most useful to you. These days most companies collect and keep this information electronically. A database is probably the single most useful marketing tool at your disposal. It can be used in good times and bad to communicate with your customers. If you collect e-mail addresses you can do instant marketing.

For attraction businesses much information is available at your own gate like the number of children, adults, family tickets, groups that were sold. When did they visit (time of day/month/season)? You can also ask your customers a limited number of questions (to avoid causing delays at the entrance) such as: Where did they come from? How did they find out about the attraction? The response can be recorded quite simply in a manual system and the information collated on a daily and weekly basis.

For restaurants it is quite common practice to collect business cards with an incentive of a monthly draw for a free meal. These contact details then become a very effective means of communication with your customers.

Some benefits to you of keeping and maintaining a database are:

- you can build a profile of your customers and their buying habits which can help with marketing as well as tailoring your product to their needs
- it helps you collect personal details that can be used for future mailings
- you can monitor results and see how customers respond to mailings

- it allows you to develop a personal one-to-one relationship and helps you to build customer loyalty
- you can spend your marketing budget wisely - sending the right message to the right people
- having a database enables you to launch short term promotions quickly and efficiently

In the aftermath of a crisis you will need to experiment with several ways of getting customers back. If you already hold good quality information it will be much easier to carry out marketing activity without spending a lot of money. If you have not already taken this step there is a lot of advice available. A very good source of advice is Royal Mail. See the Appendix for contact details

Tip – Data protection

If you collect information on individuals you need to be aware of the provisions of the Data Protection Act. The principles are explained very clearly on www.ico.gov.uk

Looking ahead

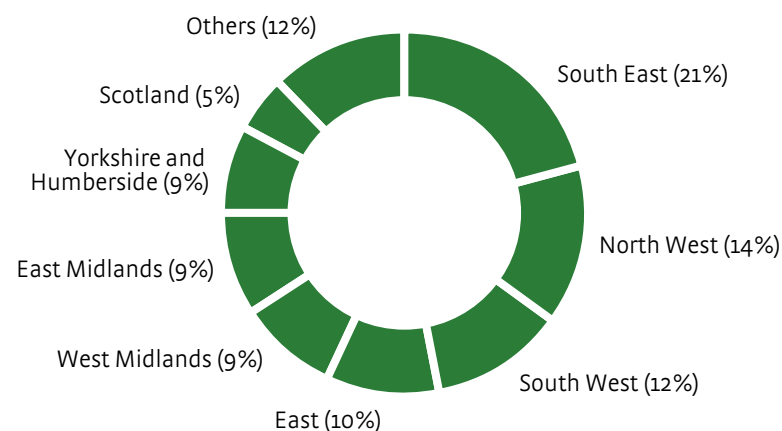
After a crisis, conditions will gradually return to normal and most customers will come back. However, all the evidence from the last 20 years shows that this does not happen overnight. It is also true that during the recovery period different markets react in very different ways. It is well known that US visitors are very cautious after a terrorist incident. Markets that value the environment highly (such as Germany) will be deterred from visiting a destination that has suffered from pollution such as an oil spill. Rebuilding your business may mean that you need to find new customers to replace those that will not travel.

Step 1: Finding replacement customers

1.1 Who visits London?

The charts below show the makeup of visitors to London from home and overseas. How does this compare with your business? Are you missing out?

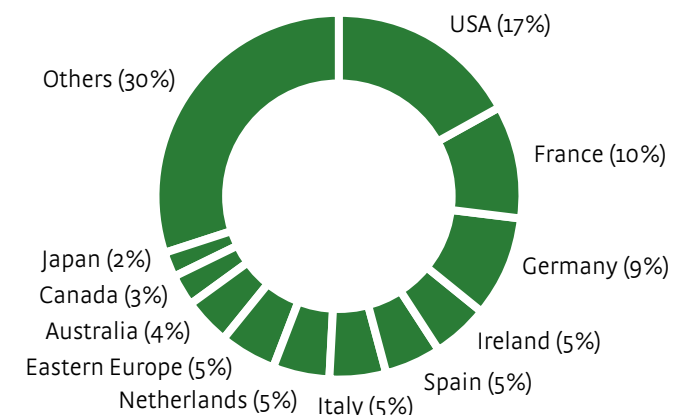
London: Origin of London domestic visitors 2005



Source: Visit London

Tourism Survey, excludes day visits

London: Origin of London domestic visitors 2005



Source: Visit London

Think about your customers

Ask yourself...

- Do you rely heavily on one type of customer?
- Would your business survive if your most important market stayed away?
- Is there anything you can do now to reduce your reliance on one market?
- How can you build your business from new customer types or new markets?

Step 2: Keeping your finger on the pulse

The best – and cheapest – way to find out about what customers want is to listen to your existing customers. This will give you ideas which will encourage them to visit more often. This is very important as it costs SEVEN times more to attract a new customer as it does to keep an existing customer.

How do you find out about customers you don't have?

There are several excellent sources of information on customers – usually called MARKET INTELLIGENCE. You can get this from Visit London and VisitBritain. Look for 'Facts and Figures'. You can also do your own research about changing tastes. What are magazines writing about? How are menus changing? What is happening overseas? What suggestions have your staff got? What are your competitors doing?

Step 3: Keeping the customer satisfied- delivering quality

The better you know your customers, the more you can tailor the product to meet their needs and aspirations. In turn this will lead to more satisfied customers and more repeat business. Every satisfied customer is more likely to tell someone else so they are helping with word-of-mouth promotion as well.

Think of imaginative ideas and extra touches that will impress your customers. Thoughtful touches might include Easter eggs for children; spring flowers on Mother’s day; free baby food for babies. One London hotel even gave their business travellers plastic ducks in the bath – something to take home for their children and certainly a talking point.

Do you know if your customers enjoyed their visit? A simple questionnaire can be very effective IF YOU PAY ATTENTION TO IT. Below is a sample of a guest questionnaire. If you do not have one, make a note on the ACTION PLAN to consider introducing one.

Let your customers know you are committed to offering a quality experience	Dear Guest					
	We are very proud of London and our hotel. We always strive to do our best for you the guest and we would appreciate it if you could answer the following questionnaire to help us maintain the service and hospitality for you.					
	Many thanks for your time					
		Very good	Good	Satisfactory	Not acceptable	Comments (please suggest any improvements or highlight any good areas)
Find out about your customers’ first impressions of their contact with your business	Booking and arrival					
	Ease of booking					
	Appearance of building					
	Welcome on arrival					
Understand what the customer feels is good and bad about your business and the quality of service that you offer	Bedroom					
	Cleanliness					
	Presentation					
	Ease of use					
	Bathroom					
	Cleanliness					
	Presentation					
	Ease of use					
	Public areas					
	Cleanliness					
	Presentation					
	Ease of use					
	Breakfast					
	Presentation					
	Enjoyment					
Staff						
Friendliness						
Helpfulness						
Competence						
Ask your customers what they feel about their overall experience in London. Give feedback to Visit London, or any tourism organisation you belong to	And finally, please tell us about your visit to London					
	Appearance					
	Transport					
	Friendliness					
	Enjoyment					
Value for money						

Feedback may not always be positive but try not to get defensive. It is always difficult to remain detached but you do need feedback from your customers. We all think we know what our customers want but it is far safer to ask them rather than guessing and making assumptions.

On a monthly basis it is good practice to go through the completed guest questionnaires and summarise the comments. A trend might emerge about service that can easily be adjusted which can improve business with little investment. It might also highlight facilities that you might need to consider for future investment. An example of a summary sheet is given below.

Identify what you are doing well and what visitors like about your business. Share this with your staff to motivate them and to help ensure that they continue to meet customers expectations.	Customer feedback		Action required
	Good comments	Friendly Staff. Efficient service on arrival and helpful	Write nice note for staff notice board
		Great location for shopping	Think about shopping map/ promotion with department stores
		Comfortable beds	

Have a clear understanding of what your customers are telling you they are unhappy with. Consider what you can do to address these by identifying the actions you need to take.	Bad Comments		Action required
	Breakfast slow		Look at breakfast staffing rota
	Dust under bed		Review house keeping standards
	Bed creaky		Review FF&E budget for bed replacement
	Would like a comfy chair in room		For larger room gradually introduce wing chair in corners
Hair dryer would not reach plug near mirror		Review socket position in relation to desk mirrors	

As business returns you can reconsider your investment plans and make some decisions on the priorities. The quality of the product and the investment you have made in staff will create a positive impression and build business for the future. The London Development Agency (LDA) sponsors training programmes for London businesses on improving quality. More information is available from the LDA or Visit London and their contact details are in the Appendix.

Summary

Winning customers is hard work at any time. The period after a crisis is especially competitive so it is vital to use every tool at your disposal. Use the action plan to help you identify what you can do now to give you the flexibility you will need when times are hard.

Footnotes

Cancellations – a summary of the legal position

N.B. Please note that this advice is a guide only and you must take specific advice from your legal advisor with respect to your individual situation

What the law says

In the eyes of the law, providing accommodation is different from providing a holiday. If the hotel or B&B is still open for business then the contract is still valid and can be enforced by the accommodation provider. Sometimes, the contract may be considered to be ‘frustrated’ for example:

- when access to that hotel/B&B is restricted and under quarantine or security controls (so in effect it is no longer available to the customer)
- access is restricted but the accommodation is still available, however, if the restrictions are considered to be intrusive, the contract may be considered to be ‘frustrated’

When a contract is deemed to be ‘frustrated’ then neither party can fulfil their obligations through no fault of their own. The Law Reform (Frustrated Contracts) Act 1943 dictates that:

- any money paid prior to the date that the contract was frustrated is repayable and no further payments need to be made. However, if the accommodation provider has incurred expenses in order to fulfil the booking i.e. advance purchase of food or special equipment such as a child’s cot, then those specific expenses can be recovered from the guest
- where the deposit (or the balance) has been received prior to the ‘frustrating event’ the expenses may be deducted from it, so that only the balance is repayable
- where the deposit (or balance) was payable, but has not been received, then the accommodation provider can require the customer to pay the specific expenses relating to the booking

It may sound complicated but generally speaking, a contract will only be considered to be 'frustrated' in exceptional circumstances. In other circumstances, the position will be dictated by the cancellation clauses within the terms and conditions of the hotel booking contract.

Guest cancellation

Where a guest cancels a booking or checks out early then he is in breach of the booking contract he has with you. You may be entitled to claim damages for any losses you suffered as a result. If you want to make a claim then the procedure is:

Check your booking conditions

Many organisations allow cancellations up to an agreed period before the travel date. If you receive the cancellation before this deadline then no deductions should be made.

Attempt to re- let the room

You must make every effort to reduce your loss by trying to find new guests. If you re- let the room at the same price, you should have no loss and will have no basis for making a claim.

How much money can I reclaim?

If you cannot find a new customer then you are entitled to claim damages that reflect the losses you have incurred. This is the value of the booking less the value of any items included in the price which you did not need to supply e.g. food.

Deposit

You may keep the deposit as part payment for any amount claimed.

Lodging a claim

You can make your claim after the date on which the service was going to be provided has passed. N.B. You will not be able to include VAT as no service has been provided.

What if I have to cancel?

If you cancel a booking that you have already accepted, you are in breach of contract. The guest is entitled to claim damages from you to compensate him for any loss. This might include the cost of taxi fares to find alternative accommodation or coaches to transfer guests to another venue. The customer has a duty to keep their losses to a minimum and may not claim for a 5 star hotel if they originally booked a B&B.

Being prepared Action Plan	High/ Medium/Low Priority	Low
	When?	June (before doing next years budget)
	What other resources are needed	Views of reservations team
	Who?	Reservations staff
	What to do	Check last years records for breakdown of types of customers

