

Segmentation and loyalty in the hospitality industry

Alan Diaz, senior vice-president of Laureate International Universities recently shared his more than 30 years experience in the global hospitality industry with students of The Private Hotel School (PHS) and members of FEDHASA during an event organised by the students as part of their events management syllabus.



L to R: Renia Wiese (FEDHASA Cape executive officer), Alan Diaz (Laureate group), Susina Jooste (PHS director) and Dr Deborah Johnson (PHS vice dean: Innovation and Strategic Planning).

"One of the major tendencies currently guiding the hospitality industry, and which is critical for real and sustainable success, is that of segmentation," Diaz said. "Clients have different needs and preferences, with passions, personality, type of business and finances dictating the hospitality experience they are expecting and willing to pay for. There are even, in some cases, special sections in hotels for female travellers wanting a higher level of safety and security. Institutions should bravely position themselves and not try to be everything for everyone.

"The other trend is loyalty programmes," he shared. "Such a system gives institutions excellent insight into their customers, their traveling schedules, preferences and even hobbies. However, it is vital that such obtained data is carefully and smartly used to create a very real relationship between the institution and the client. Be careful not to overreach and invade the privacy of the client - which will naturally have the direct opposite effect as wished."

Know your customer

"For me, the value of Alan's contribution lies in the seemingly simple fact of 'know your customer'," said Susina Jooste, director of The Private Hotel School in Stellenbosch where students receive their tuition for a future in the hospitality and culinary industries. "Stellenbosch as a tourism destination, and South Africa as a whole, attracts a diverse group of customers and each establishment has to identify its specific target in this group, and then really understand the needs of this group. It is no longer good enough to provide generally good service - you have to provide very specific, excellent service all the time. The curriculum at The Private Hotel School is dynamic and we prepare our students for a future in an industry that is constantly evolving. It is important for us to stay in touch with industry needs and trends as well as with academic leaders in the educational world in order to prepare our students for a career in this industry."

According to Rema Wiese, executive officer of FEDHASA Cape, education is the bigger return on investment for the industry. "FEDHASA, as the official representative and industry voice for the hospitality industry, has emphasised the value of training and collaboration with industry role players in order to invest in education as the biggest return on investment for the industry," said Wiese.

"With our FEDHASA Cape Youth Bursary Fund, for example, proceeds of our Annual Golf Day fundraising event are used to give back to the industry by providing an ambitious hospitality student or industry trainee with a bursary to cover his tertiary tuition."

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