2235 The Guest Investment

Product Book · https://kb.jeffreysummers.com/docs/2235-the-guest-investment/

Every Ritz-Carlton employee is authorized to spend up to $2,000 per Guest per incident to resolve a problem or create a memorable experience. No manager approval. No escalation path. No form to fill out. The cast member reads the situation and acts.

The Ritz-Carlton did not build that policy because they are generous. They built it because they did the math. The lifetime value of a loyal Guest — return visits, referrals, the stories they tell — is worth exponentially more than the cost of the gesture that earns the loyalty. The $2,000 authorization is not an expense. It is a Guest investment with a calculable return.

You are not the Ritz-Carlton. You do not need a $2,000 policy. You need the same principle at your scale.

What would it cost your operation to give every cast member a $20 authorization — no questions asked, no approval required — to do whatever it takes to make one Guest come back one more time this week? Not to recover a complaint. Not to fix a problem. To create a moment worth returning for.

Run the math before you answer. Your average Guest spends $45 per visit. They come in twice a month. Over a year that is $1,080. Over three years — if you keep them — it is over $3,000. The cast member who spends $10 to make that Guest feel something specific and memorable has produced a return the marketing budget cannot touch. The one who watched the moment pass because they did not have the authority to act has cost you the same $3,000 — you just will not see it leave.

Most operators think about Guest recovery as a cost. The right frame is Guest investment. The unexpected extra, the specific gesture, the comp that costs nothing compared to what it produces — these are not expense lines. They are the cheapest Guest acquisition cost in the business. And they compound. The Guest who comes back tells someone. The someone becomes a Guest. The story becomes the brand.

The cast member who has been given the authority to make that call — without asking, without escalating, without waiting for the manager — is a different cast member than the one who has to

go get permission. One is a host. The other is an order taker with good intentions and nowhere to put them.

Give them the authorization. Define the standard. Trust the judgment you hired for. The Guest investment pays every time.