



Guest Services

by Peter Ricci, Ed.D., CHA

Thinking about cutting back here and there? REMEMBER ME . . . I'm The Guest!

Another great article from *The Rooms Chronicle*®, the #1 journal for hotel rooms management! ***Important notice: This article may not be reproduced without permission of the publisher or the author.*** College of Hospitality and Tourism Management, Niagara University, P.O. Box 2036, Niagara University, NY 14109-2036. Phone: 866-Read TRC. E-mail: editor@roomschronicle.com

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According to Jonathan Barsky and Lenny Nash, two of the top survey and research professionals I know at Market Metrix Hospitality Index, "In 2008 hotels were able to maintain service and reduce expenses without affecting the guest experience". In this April 2009 article that appeared in *Hotel & Motel Management*, Barsky and Nash state that "hotels are not piling on excesses, but are providing a good value and responding to the economy with reasonableness and practicality."



Hotel cutbacks

Nonetheless, with the deepening recession, global travel spending cuts, and austerity measures in place at hotels across the country, one cannot help but notice the changes in day-to-day business procedures. Within the past two months, I have personally observed these situations. While one may call them "anecdotal", I call them a "sign of the times".

- *Boca Raton, FL – upscale international chain hotel*

One desk agent on duty, 12 people in line when I arrived to the desk, obvious lack of training by stating room numbers aloud in the lobby, cash on the counter, disconnecting people on the telephone because she was visibly frustrated and overwhelmed by the severe number of people she had to attend to. When I finally reached the desk, she told me it's been like this since she started just "one week ago". This type of brand would normally have a bell staff member and two desk agents at the desk.

- *Atlanta, GA – luxury international chain hotel*

One desk agent on duty when I arrived – I've never seen this for this type of property; asked to speak to the director of operations for some questions about a possible group and the hotel's ability to meet the expectations and size requirements; the desk agent quickly offered that the "director of operations had been terminated because we're losing too much money in the current economy". When I asked to speak to a sales person I was informed he would try to "track one down" but they also had two positions eliminated and have been "very busy today".

- *Dallas, TX – midscale international chain hotel*

A work colleague visited this property recently for a short consulting trip. Upon arrival he was told that the pool was closed for a short period of maintenance. After three days at the property he became friendly with some of the desk agents on duty. He later found out that one of the elevators (also closed for a short period of maintenance) and the pool were shut down indefinitely because the manager did not want to spend the money to fix them so he could make the profit & loss statement look as good as possible for the month of April. I hope this information doesn't get to the franchisor or the owner. Well, in today's state of affairs, maybe the owner is the one who suggested it?

- *Mobile, AL – midscale international chain hotel*

During the morning complimentary breakfast I have experienced at this property many times, I noticed many "down-grades" and "product eliminations". In conversation with the breakfast attendant she told me that the owner had instructed the team to violate brand standards and use inferior products until the "economy turns" and that as long as they taste okay, they shouldn't

pay too much attention to the expiration dates. The goal was to save as much as possible so that there would be no further eliminations of staff.

This one truly disturbed me the most since any owner who believes saving on per-room breakfast costs is going to “save the hotel” overall is truly heading down a dangerous path.

Hold the line on cuts?

While these aforementioned experiences seem somewhat trite, one must put them into larger perspective.

Smith Travel Research continues on its mission to protect hotel rates (ADR) in a time of recession cautioning both owners and operators that once you discount, it is a “follow the leader approach”. And, that discounting heavily really doesn’t increase travel to a particular market when it’s already lower than it was. But, to a local owner, if there is a shrinking pool of potential guests, the rationale becomes, “Let me discount heavily so I can get more than my fair share of this shrinking pool”. After all, hasn’t the STAR Report always told us to get “more than our fair share”? If RevPAR doesn’t suffer, this strategy helps pay the bills, keeps people eating in our otherwise slow on-property restaurants, etc.

But, take a step backward for a moment. If the industry professionals are telling hoteliers to “hold out on their rates” and yet we’re cutting staff across the board and amenities and offerings, aren’t you going to eventually *frustrate* and *irritate* me as a guest? Yes, indeed you are and YES, I’m already being frustrated and insulted as a guest.

One hotel in Deerfield Beach, Florida historically had complimentary van service, a bell staff, and a greeter in the lobby. On a recent visit, a business traveler from Arkansas told me that she was “flooded” to pay \$139 (only \$10 less than on her previous visit) only to find out that “no one was available to drive the van” and “no one could leave the desk to take her luggage to her room”.

We’re not talking about mom & pop bed & breakfast facilities...we’re talking about upscale, international brands here.

In the article by Barsky and Nash cited previously, they mention that hotel surveys are showing higher “practicality scores” from guests. This means that if we can demonstrate a good value and a practical reason for charging what we do, we might continue to keep some of the group business that is evaporating based upon the “AIG Effect”. However, their study was based on 2008 data. I feel confident that in 2009 hotels nationwide have cut, cut, and then cut again to the detriment of guest service.

I don’t know about you, but if I’ve stayed at your hotel twice a year for eight years and I go back and pay almost the same price and have no shampoo, no conditioner, no free ride to the airport and half the breakfast items I was previously accustomed to...I’m not going to be a happy guest.

Remember, to cut wisely and don’t cut foolishly. Saving \$25 a week on yogurt by downgrading at your continental breakfast offering might sound like the “bright idea” of the day, but remember me, I’m the guest. I will remember when the economy turns who held true to my wants and needs within reason.

Of course, the question remains, should an owner/operator go against the Smith Travel recommendations and deeply discount? As a guest, I’d be more inclined to live without too many amenities and a bit poorer service level if indeed my tab was 50% less than my last visit. But, only 10% off isn’t going to cut it.

Hotels have made record profits over the past decade. Some of that money should have been stored away to weather the downturn in the economy a bit better. As Peter Ward, president of the New York Hotel and Motel Trades Council, stated in regards to the hotel industry in a recent *New York Times* article (April 9, 2009), “They had 10 years of magnificent, never-ending upside; record profits and record occupancy...now, they’ve had just 100 bad days, and a bunch of these big tough capitalists are crying for relief.”

Tips for managers

When you combine these current comments with the fact that most hotels never fully re-staffed to previous staffing levels after the rebound from the 9/11 attacks, it’s no wonder that guests are feeling “extra pinched” on service and product offerings.

The answer is probably a balance of being able to keep the hotel running and keeping guests unaware of most of the cutbacks by focusing on areas of lowest guest impact. It is understood that this is easier said than done.

Here are some operational tips for property managers and owners:

1. *Make the hotel’s cost cutting measures as transparent to guests as possible* and let them know what they are saving in terms of cost during these trying times. Guests will feel much better if they receive 20% less in services, but are also paying 30% less in room rate.
2. *At no time is it acceptable to lie to a guest.* It is better to be honest, caring, and hospitable in your response than to downright lie. Once your integrity is compromised, it can’t be easily mended. And in a technologically advancing society, almost everything can be discovered online. Guests will find out; and though some may forgive, they will not forget that they were lied to.

3. *Make sure to continually educate guests on a regular basis.* Guests will indeed be “loyal” if they feel that they are part of the decision-making process and that they are treated with respect. For example, there is a midscale international brand in Gainesville, Florida that reached out to its frequent guests via emails and told them, literally told them, how bad the current times are and asked them to rank order from a listing of positions that had to be cut. One guest wrote back to the general manager and said, “Thank you for keeping us informed. I’ll be visiting during your trying times and, hopefully, later on when things are good too”. Guest education and transparency are key. Subterfuge and irrational cuts (at least in the perception of a guest) will only upset me and make me want to defect from your establishment.

Final thought

I’m going to close with a message that I just booked a room at a Radisson hotel in the Southeast. Even though we’re in the “worst of times”, my rate is only \$18 less than my last visit in mid 2008. I’ve checked all the web sites, phoned the hotel directly, and even spoke to the manager on duty who was quick to offer that this has been a terrible season and they’re only finishing the month of April at an occupancy rate of under 60% compared to their historical performance of 80%.

With all that work, I still only saved **\$18.00**. I’m anxious to see if the “cuts” I experience are far worse than the \$18.00 savings. You can bet I’ll take note. I’d be willing to bet on the fact that the costs will be VERY noticeable compared to the cost savings.

Remember me...I’m the guest! ✧

(Dr. Peter Ricci, CHA is a visiting associate professor and director of the hospitality management program in the Barry Kaye College of Business at Florida Atlantic University. He is a veteran general manager of hotels including Best Western, Holiday Inn, Radisson, Ramada and Crowne Plaza brands. Peter travels extensively as part of his hotel consulting business. E-mail: pricci1@fau.edu)