

Marketing Excellence The Ritz-Carlton

Few brands attain such a high standard of customer service as the Ritz-Carlton. This luxury hotel chain began with the original Ritz-Carlton Boston, which revolutionized the way U.S. travelers experienced customer service in a hotel. It was the first of its kind to provide a private bath in each guest room, fresh flowers throughout the hotel, and an entire staff dressed in formal white tie, black tie, or morning-coat attire.

In 1983, hotelier Horst Schulze and a four-person development team acquired the rights to the Ritz-Carlton name and created the concept by which it is known today, with its company-wide concentration on both the personal and the functional side of service. The five-star hotel provides impeccable facilities but also takes customer service extremely seriously. Its credo is "We are Ladies and Gentlemen serving Ladies and Gentlemen." According to the company's Web site, The Ritz-Carlton "pledge(s) to provide the finest personal service and facilities for our guests who will always enjoy a warm, relaxed, yet refined ambience."

The Ritz-Carlton fulfills this promise by providing impeccable training for its employees and executing its Three Steps of Service and 12 Service Values. The Three Steps of Service state that employees must use a warm and sincere greeting always using the guest's name, anticipate and fulfill each guest's needs, and give a warm good-bye, again using the guest's name. Every manager carries a laminated card with the 12 Service

Wow stories can also be as simple as an employee's remembering how a guest prefers coffee and then preparing it that way without asking for the rest of his or her stay. According to Cooper, the daily wow story is "the best way to communicate what we expect from our ladies and gentlemen around the world. Every story reinforces the actions we are looking for and demonstrates how each and every person in our organization contributes to our service values." Each employee is empowered to spend as much as \$2,000 without management approval to help deliver a guest's anticipated need or desire, supporting the company's intention to build lifelong positive relationships with each customer.

Ritz-Carlton measures the success of its customer service efforts through Gallup phone interviews, which ask both functional and emotional questions. Functional questions include: "How was the meal?" or "Was your bedroom clean?" while emotional questions reveal the customer's sense of well-being. The hotel uses these findings as well as day-to-day experiences to continually enhance and improve the experience for its guests.

In less than three decades, Ritz-Carlton has grown from one U.S. location to 87 in 29 countries; the company plans to expand further throughout Europe, Africa, Asia, the Middle East, and the Americas. It has also earned two Malcolm Baldrige Quality Awards—the only company ever to win the prestigious award twice.

Questions

1. How does The Ritz-Carlton match up to competing hotels? What are the key differences?
2. Discuss the importance of the "wow stories" in maintaining top-quality customer service for a luxury hotel like The Ritz-Carlton.

Sources: Robert Reiss, "How Ritz-Carlton Stays at Top," Forbes, October 30, 2009; Carmine Gallo, "Employee Motivation the Ritz-Carlton Way," BusinessWeek, February 29, 2008; Carmine Gallo, "How Ritz-Carlton Maintains Its Mystique," BusinessWeek,

"I am proud of my professional appearance, language and behavior." Simon Cooper, president and chief operating officer, explained, "It's all about people. Nobody has an emotional experience with a thing. We're appealing to emotions." The Ritz-Carlton's 35,000 employees in 29 countries go out of their way to create unique and memorable experiences for their guests.

Not only is the company known for training its employees to provide impeccable customer service, but it also reinforces its mission and values with them on a daily basis. Each day, managers gather their employees for a 15-minute "line up" to check in, resolve any impending problems, and read and discuss what The Ritz-Carlton calls "wow stories." These true stories, read to every employee around the world, recognize an individual employee for his or her outstanding customer service and also highlight one of the 12 Service Values.

One family staying at The Ritz-Carlton, Bali, needed a particular type of egg and milk for their son who suffered from food allergies. Employees could not find the appropriate items in town, but the executive chef at the hotel remembered a store in Singapore that sold them. He contacted his mother-in-law, who purchased the items and personally flew them more than 1,000 miles to Bali for the family. This example showcased Service Value 6: "I own and immediately resolve guests' problems."

In another instance, a waiter overheard a man telling his wheelchair-bound wife that it was too bad he couldn't get her down to the beach. The waiter told the maintenance crew, and by the next day they had constructed a wooden walkway to the beach and pitched a tent at the far end where the couple had dinner.

February 13, 2007; Jennifer Robison, "How The Ritz-Carlton Manages the Mystique," *Gallup Management Journal*, December 11, 2008; Kelly Kearsley, "Taking a Cue from Ritz-Carlton's Customer Service," *Wall Street Journal*, March 1, 2013; Micah Solomon, "How Four Seasons and Ritz-Carlton Empower Employees and Uphold Customer Service Standards," *Forbes*, October 28, 2013; Micah Solomon, "A Great Customer Experience (Ritz-Carlton Caliber) Requires More than Just Empowered Employees," *Forbes*, September 18, 2013; The Ritz-Carlton, www.RitzCarlton.com.