

## case study

# *A Mother's Day Letdown: The case of poor service and facilities at the El Lujo Hotel*

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## Introduction

This case study will present a scenario of a well-known, highly respected hotel brand, where a guest's expectations fell short based on services provided and deteriorating facilities. In this case study, background information about the hotel company, respective hotel and staff involved in the situation will be discussed in detail. Additionally, the case study will provide an overview of the events that occurred during the guest's entire stay and any efforts (if any) made by the respective hotel's management team to aid in service recovery during and after the guest's stay. At the end, there are several questions presented to the reader to recognize and analyze letdowns, service recovery efforts, and any future repercussions for this incident to occur.

## Background Information

Customer satisfaction, often refers to an individual's subjective evaluation of any experience with consuming a product, is one of the main priorities of any hotels (Westbrook, 1980). Taking into consideration the hotel's brand name, location, reputation in service and attention to detail during a guest's stay, each item plays a crucial factor and requires major team work within all the hotel's departmental units to achieve the desired goal of customer satisfaction.

However, hotels, like other hospitality organizations, are not always free from mistakes in meeting the expectations of customers (Angleo, 2017; Susskind, 2002). Service failure are bound to occur as the hospitality industry depends highly on people and the services take place live (Kim, Kim, & Kim, 2009).

Luckily, numerous research studied service recovery paradox in which explains how customers' post-recovery satisfaction is higher when he/she experienced a service failure than satisfaction without any failure (McCollough & Bharadwaj, 1992; Smith & Bolton, 1998; Magnini, Ford, Markowski, & Honeycutt, 2007; Wirtz & Mattila, 2004). Wirtz and Mattila (2004) identified that the level of satisfaction is significantly different based on the existence of compensation; however, studies indicated that the compensation should be easy to collect, appropriate, and meaningful (Hart, 1988; Cook, Hsu, & Taylor, 2018).

## El Lujo Hotel

El Lujo Hotel company is a highly recognized luxury brand in the United States. Its brand is associated not only with luxury, but with the lofty standards in the quality of service that each of its hotels provide to their guests. El Lujo's culture is based on being able to anticipate guests' needs; this extends to the period before their arrival as well as while they stay. It is part of what distinguishes luxury hotels from other industry segments. In addition to their customer service, El Lujo invests in renovating lobbies, guest rooms, and increasing the quality of food and beverage offerings to stay on top of the contemporary standards of luxury.

The El Lujo, Nashville opened its doors in 1989 and it is located in Downtown Nashville. The surrounding area of the hotel allows for further exploration within a walking distance of its many restaurants and stores that entice and pamper any guest with elevated expectations. The El Lujo, Nashville, has been able to accommodate the needs of many guests with 273 guest rooms, featuring 18th and 19th century antiques and fine art, a grand and junior ballroom, with all the luxurious amenities expected from a high-end hotel.

Considered as one of the best places to work within Nashville, Tennessee, the hotel invests in training, tuition reimbursement, mentoring, employee recognition and development programs to make each of their employees succeed in their respective positions. On the other hand, the hotel has received continuous remarks related to be an outdated hotel from TripAdvisor and other hotel rating sites. This fact has led to a major guest room transformation in 2017. According to the recently replaced General Manager for the El Lujo, Nashville, the response rate has been overpoweringly positive and will once again be considered as a top luxury hotel for future travelers.

## Joyce Bailey, The General Manager

In 2016, Joyce Bailey took over the position of General Manager at the El Lujo, Nashville. Joyce has an extensive career in the hotel industry for over 20 years and has taken many successful roles in operations and marketing which led her to apply for and earn the position as the General Manager for the El Lujo, Nashville. During that year, Joyce became the sixth female General Manager for this hotel company and has been strongly supported by the rest of the women selected to work at the general manager status. With her extensive experience and dedication within the hospitality industry, Joyce has proven success to lead this

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hotel and it should not be an issue for her to address any issues or concerns that may come at hand from any disturbed guest.

A Mother's Day Weekend can be one of the many busiest periods for any hotel, especially a luxury brand, as guests come in and out to celebrate such a special occasion. Many might come in just for brunch during Sunday morning or might prefer to stay the entire weekend to celebrate and relax. In preparation for this event, in May of 2017, Joyce, the General Manager designated two of her Assistant General Managers, Andrea and Vijay, to cover hotel operations during her absence as she had other plans with family members. Although they are relatively new in their position, both Andrea and Vijay gladly accepted their supervisor's request and were ready to take the responsibility to deal with any issues.

## The Club Level

The club level at most El Lujo hotels is located on the top floor, where loyal El Lujo Rewards members and guests who are willing to pay a little extra for these services, can enjoy the privacy of a dedicated team of employees willing to go the extra mile to assist them with any request. From dinner and show reservations, to business calls and meeting arrangements, the concierges at the club level deal with a multitude of daily requests. The club lounge offers three different meals (breakfast, lunch, & dinner) and two snacks between meals. The lounge is open from 6am to 9pm daily for the meals and 24/7 to get snacks or drinks anytime during the day. The ambiance also makes a difference in this floor as the most modern and appealing furniture and amenities can be found in the club level.

## Reservation

Taking into consideration this information and previous individual experiences at other El Lujo properties, Dario booked a club level room with two queen beds for \$421 per night during Mother's Day Weekend one year in advance, which included three guests. The rate seemed to be quite competitive for Dario at the time of booking this reservation, taking into consideration all the amenities included with the rate and the high season in Nashville for hotel reservations. After waiting a long year, the time was around the corner to surprise his mother and partner, Scott, with a trip to celebrate Mother's Day.

## Arrival

Dario and his family arrived around 11am to the El Lujo, Nashville, after a long connecting flight from Orlando, FL. As they went into the hotel, they automatically noticed the dark mahogany wood all over the hotel, sculptures, artwork and old chandeliers hanging from the ceiling as a sign of refined, but conservative décor in many areas. As soon as they arrived at the front desk area, Dario decided to wait in the line that extended with over 10 guests and only one front desk agent assisting them. This may have been a challenging time to check-in, as other

guests were also trying to check out from the hotel before noon. To alleviate his family from this burden, Dario decided to make the line on his own and asked both his mother and Scott to take a seat while he dealt with the check-in process. After waiting for 20 minutes, Lisa, the front desk agent proceeded to ask for credit card and confirmation number without apologizing for the waiting time. In addition, as she went over the details of the reservation out loud, other guests could hear all the details regarding the reservation, including the room number.

Even though Dario's family was disturbed by such behavior and did not expect it from an El Lujo property, his party decided to retire to their room. As soon as they arrived, the room was not up to the standards of a club level floor room; most of the lights were not working properly, and usual requests granted in previous reservations with other El Lujo properties, like corner room and certain view type were not granted. As tension escalated with the progress of this experience, continuous calls came into the room from Lisa, including a voicemail reminding Dario that there is a \$75 fee per day when bringing a third person to the club level's lounge. Dario decided to go down on his own to the front desk to discuss the light situation and fees involved with the third person, as he felt aggravated by not being informed in advance during the reservation or check-in process. As he explained the situation, the agent mentioned that she will take care of this fee for just this time, but it was important to consider it for future reference.

## The Lounge

The day became more interesting as the party engaged at the club level's lounge. For the first time in his El Lujo experience, as they went to enjoy a cocktail or drink in the evening, the club level's concierges did not engage with any of them nor even greeted them in the first place. The customary practice by most concierges at the club level is to introduce themselves and ask the guest what they would like to drink. Instead, the concierges would come outside just to take care of minor details within the food/beverage area and go back to a room to talk or deal with food preparation. The club level is an oasis for the guest and personalized attention is necessary to make the overall experience enjoyable.

During such an experience, guests also noticed that the chairs and most of the other furniture in the lounge were outdated. Nearly all pieces showed signs of wear and tear. The seating chairs that looked impeccable in the pictures found within the hotel's website, perhaps mirrored their appearance when they first opened the hotel, but it was not a representation of modern times. Typically, this is not the case for a hotel of this caliber, but it was clearly noticeable that major renovations needed to take place to enhance the guest's experience. The most distasteful fact about the lounge was the lack of variety in food options and most of them were not being replaced soon enough, after they were gone. Throughout the stay, the club lounge food consisted

of recycled breads, lunch meats, and potato chips. This infuriated Scott, making him reach out to the General Manager of the hotel, but in her absence, he was able to talk to both Assistant GMs.

## El Lujo's Reaction

Andrea and Vijay were new to their positions and had recently relocated to the Nashville, TN area. At the same time, they were dealing with other issues related to facilities and customers complaints about service. As soon as they spoke with Scott, they did show signs of concern about this type of behavior and apologized for the quality of service provided at the club level. Their supervisor was out of the office, but they were going to research all these incidents brought to their attention, in addition to rectifying the service failure provided in the lounge. As a token of appreciation and rectification of such a terrible experience for Dario's family, both Andrea and Vijay signed a card and sent it to their room with a plate of cheeses and lemonade a day later the incident was reported. For Dario's family it was a thoughtful gesture, but still it would not solve the sour taste left for the rest of stay.

On the final day of their stay, they noticed that employees began to reach out to them and greeted them properly. At the same time, drink options were made available during the evening hours. In the long run, the damage was already done, and it was difficult to forgive these failures after planning such trip over a year in advance. Even though the quality of service improved, it did not seem for them to be genuine as one would expect from the service provided at an El Lujo property.

As Dario and his family departed the hotel, Dario made sure that proper feedback was passed to the General Manager and other future guests, through the automated survey sent by the El Lujo Hotel company and TripAdvisor®. Joyce was kind enough to receive the feedback sent through the survey after the stay and decided to extend an invitation back to the El Lujo, Nashville, for one night. As the voucher was received in Dario's hands, the voucher had so many restrictions that it was never used, and Dario and his family decided to never return to the El Lujo, Nashville location.

## Online Review and Response

The last words exchanged were through one of the most popular rating sites, TripAdvisor® in a message with three bubbles rating:

Title: Not your Typical El Lujo Experience

Dario's Message: I had a sweet and sour experience at the El Lujo, Nashville during Mother's Day weekend. I cannot deny that there are some staff at this El Lujo who certainly provide excellent customer service like the General Manager, Andrea and Vijay, at the Front Desk area. Unfortunately, there is so little to say about the service provided, food presentations and furniture at the club lounge. Lack of service, same food presentations with no change daily and furniture in bad condi-

tion are not associated with the El Lujo brand name when anyone speaks about the club lounge. I do hope that the necessary measures are taken to improve on these deficiencies and maintain high standards in such place.

## Discussion Questions

1. In which areas could service have improved within this case study?
2. What additional training recommendations would result from this case study? Why?
3. What could Lisa, front desk agent, have done to help diffuse the situation from the beginning?
4. Did Andrea and Vijay, Assistant General Managers at the El Lujo, Nashville, make the right choice in handling the situation with the guest? Why or why not?
5. How could Joyce, General Manager, and the El Lujo, Nashville, employees be prepared for a comparable situation during a busy season?
6. How does the TripAdvisor® review impact the hotel?
7. Write a response to Dario's TripAdvisor® comments as the general manager.