

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

Summary

This case study explores a situation between the management, the staff of the El Lujo, Nashville and Dario and his family, who came in as guests to this property to celebrate Mother's Day Weekend in 2017. Expectations fell short in both service and accommodations. The case study aims to see through the eyes of both guests and managers, and the challenges each had to face, understand the culture of the hotel's brand name, and generate a discussion on how these difficulties should have been dealt with. The goal of this case study is to recognize all the failures and how to achieve service recovery immediately after an unpleasant situation occurs for a guest.

Target Audience

The target audience for this case study would be students enrolled in an undergraduate hospitality program. It is specifically designed for college students taking courses in lodging operations, marketing, management, and service management, preferably juniors or seniors as they might have prior work experiences in the industry. This case can also be used in a capstone class to strategically evaluate the operations in terms of training, service delivery, and service failure and recovery. In addition, students can analyze and develop strategies to handle the guest complaints and online reviews.

Learning Objectives

- Identify and understand service failures from the beginning to the end of the stay to demonstrate understanding of guests' needs and correct inappropriate behaviors in hotel operations.
- Discuss proper ways to correct service failures right away from the angle of both guest and management, to ensure that a guest leaves satisfied, and proper training is provided to hotel staff.
- Develop and identify methods that will assist hotel in preventing these service failures and other that may rise during a guest's stay as negative patterns are not permissible and would lead to negative advertisement in social media and other sources.

Prior to Class

Prior to class, students should be able to receive and read the case study and additional readings on service failure and service recovery. In addition, students should conduct research and become familiar with proper hotel management, quality of service, meeting and anticipating guests' expectations and teamwork in different departmental units within lodging operations. Students will also be asked to examine online review websites such as TripAdvisor®.

Teaching Approach and Strategy

Instructors can use the case in a number of ways. This case can be used as an individual assignment and assigned to students taking an online course of a face-to-face course to read and analyze. The instructor can select some or present all discussion questions to students.

The case can also be assigned as an in-class discussion exercise. If it is used for discussion, the instructor could require students read the case outside of class for homework assignment. In a classroom setting, the instructor may ask students if they have an experience working or staying in the luxury hotel. Divide students into small groups and have them discuss what they would expect when they stay in the luxury hotel in terms of service and amenities. After giving them several minutes to discuss, ask each group to present their answers. The instructor may highlight the answers of each group.

Continue a summary of the case and ask students to discuss the following items as a group based on their reading:

1. Proper handling of the delay and long wait time
2. Ways of dealing with additional fees that wasn't mentioned during the check-in
3. Level of personalized service in the luxury hotel
4. Proper maintenance and/or replacement of furniture with wear and tear
5. Presence of management in the busy weekend
6. Issue of a "I am sorry" voucher and its availability for redeem

After 10-15 minutes, have groups to present and share their opinions and what they have discussed. Ask students if they experienced service failure as an employee or a guest. The instructor may follow up by asking whether the service recovery effort was made. Have students discuss whether the service recovery effort was appropriate or not. The instructor may present the potential consequences of service failure to the hotel.

Discussion Questions and Answers

1. *In which areas could service have improved within this case study?*

The service could be improved in all areas involved in the case study. From the reservations department to the lounge, the hotel failed to meet their standard quality of service. In addition, the management failed to meet the level of service the luxury property should provide.

2. *What additional training recommendations would result from this case study? Why?*

Additional training would be required in the reservations department where the guest was not informed properly about the policy about a 3rd person in a room. At the front desk, the agents should be trained about the proper procedure for a check-in, especially about guest information. The guest information, including the room number, is private and should never be discussed loud at the front desk. The housekeeping should be trained for how to properly make the room for a new arrival. The concierges should also be trained for the proper procedures at the lounge.

3. *What could Lisa, front desk agent, have done to help diffuse the situation from the beginning?*

Answers may vary. Lisa could have apologized for the delay at the front desk. In addition, she could have called for help from more seasoned front desk employees or management as the line was long. She should have stayed calm and remember the proper protocol for check-in; if she did, she could have remembered that she should never go over the reservation details loudly at the front desk.

4. *Did Andrea and Vijay, Assistant General Managers at the El Lujo, Nashville made the right choice in handling the situation with the guest? Why or why not?*

Answers may vary. Andrea and Vijay attempted service recovery efforts by apologizing sending a plate of cheeses and lemonade to Dario's room with a signed card.

5. *How could Joyce, General Manager, and the El Lujo, Nashville' employees be prepared for a comparable situation during a busy season?*

Answer may vary. One of recommendations could be to have on-call staff to assist when there are more guests visiting the property. Another could be to offer multiple training/re-training sessions for employees.

6. *How does the TripAdvisor® review impact the hotel?*

Answers may vary. As El Lujo is a luxury property, the discussion of lack of service, low quality food and furniture could affect future customers to the location even if the review had three bubbles rating.

7. *Write a response to Dario's TripAdvisor® comments.*

Answers may vary. The following was the response Joyce posted on TripAdvisor®. The instructor could provide Joyce's response and have students discuss the quality of the comments.

Dear Dario,

Thank you for sharing your comments about your recent visit. I apologize that we did not provide the level of service or accommodations you have come to expect from us. You were so generous to afford me additional time over the phone and provide a deeper understanding of your experience and most critical areas where we can improve. I have already addressed these specifics with my leadership team and genuinely value your feedback.

Sincerely,

Joyce Bailey General Manager

Supplemental Reading

You may provide the following reading about the Ritz-Carlton with the case study prior to class so students can understand and learn how luxury hotels operate:

McKenna (2007) described in detail the need for employees to truly live and learn their company's mission statement to attain a level of service comparable to the Ritz-Carlton Hotel Company. He further explains that within all levels of service at the Ritz-Carlton Hotel Company, each employee receives two separate four-sided pocket size cards, where essential information regarding the credo, motto, employee promise and Ritz-Carlton basics, where both are required to be carried always and technically become a part of the employee's uniform. Pike (2016) in an interview with the Cayman Islands' Director of Tourism, Rosa Harris, mentioned that luxury is directly correlated to treating people well. The Ritz-Carlton brand clearly embodies luxury from its accommodations to the level of service provided by its Ladies and Gentlemen.

To empower employees in using their own judgement and to assist the hotel in correcting any significant issues that might present themselves during a guest's stay, Caulfield (2004) stated that employees are free to exercise their own judgement and use up to \$2,000 to address a guest's complaint. This fact has allowed the Ritz-Carlton to stay competitive in the global market and attract, with the passage of time, a vast number of loyal members to the brand name. Due to the company investment not only in guests, but on its employees, the Ritz-Carlton Hotel Company has been able to cultivate employees' skillsets by providing training and development opportunities; setting them apart from other hotel brand names that may have issues in service (McKenna, 2007). As other hotel companies in the hospitality industry imitate or create different structures for concierge services, this can confuse guests as to which services or amenities they are entitled to and could lead to internal issues within any hotel brand.

Understanding and anticipating guests' needs have been one of the main priorities of the Ritz-Carlton Hotel Company. Thanks to new available technology, the brand has been able to track and record guests' personal requests; in addition, it has been able to prioritize and identify certain preferences that satisfy the needs and wants of every guest during their stay. Heney (2008) discusses the idea of staying relevant in the marketplace and the Ritz-Carlton has taken such route by conducting surveys that further understand its clientele. This has been a journey to refine each Ritz-Carlton hotel's location, based on the guests' demographics and other information collected from these surveys. As the Ritz-Carlton Hotel Company moves towards the future, the need to have a certain level of elegance in a luxury hotel is long gone and understanding the guests' needs can pay off in the long run, while allowing them to have the freedom to be comfortably elegant in any Ritz-Carlton hotel property.

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