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## Hotels Take 'Know Your Customer' to New Level --- Staffs Discreetly Monitor And Collect Data on Guests; Noting Room Service Leftovers

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THE DAYS of an anonymous hotel stay are coming to an end.

For the past few years, hotels have been asking guests about their preferences on amenities like bedding and what to stock in the minibar. Now they are going a step further: discreetly monitoring what guests do during their stays and then recording that information in computer systems that are shared by the hotel company's different properties.

The efforts range from logging the kind of fruit that is left on room service plates, to noting that a guest is sniffing and sending hot tea to their room. While such dotting service is great comfort to some travelers, some privacy-conscious customers are resisting the new nosiness.

In November, Marriott International Inc.'s Ritz-Carlton launched a central system called "Mystique" that for the first time shares its staff's observations about guests with all of the company's 60 hotels (In the past, these were jotted down in a notebook at one hotel but not effectively acted on at another around the world). Eight other Marriott brands -- from the high-end JW Marriott to the SpringHill Suites -- last month rolled out a system that sends information about guest preferences to 2,600 hotels (previously, the JW Marriott in Phoenix might know that a guest likes feather pillows, but a Fairfield Inn across the country where the guest has never stayed would not). Hilton Hotels Corp. is researching a radio-frequency identification system that it will test next year; the idea is, guests will carry a micro-chipped card in their pocket that will inform the front desk when they walk into the hotel, allowing for quicker identification and check-in.

What is generating the most concern is the reliance on sharp eyed-and-eared employees to pick up on and record clues. The hotel industry calls its data-collection procedures "capturing" information, but some travelers worry they amount to snooping.

Hotel company executives defend the practice and note that guests can sometimes opt out of the programs. Marriott's latest effort, for instance, requires that guests supply the information themselves through an online form. Hotel companies say the efforts are well-intentioned and center on fixing problems for guests before they have to ask. Pat Baird, executive housekeeper at The Peabody Orlando, says a housekeeper recently overheard a guest complaining to a friend -- while all three women were in adjacent toilet stalls -- that her room's bathroom didn't have handicapped-accessible rails. When the women had emerged, the housekeeper offered to fix the situation, and had engineers on the problem in minutes.

Concerns over the spread and safety of information are racking many industries, but hotels pose a unique problem because they're meant as a home away from home where privacy is often taken for granted. They've also been used for centuries to indulge -- ideally anonymously -- in bad habits, adultery or plain-old peace and quiet. Luxury five-star hotels have built their reputations on protecting the personal lives and indiscretions of VIPs. Still, hotels have a wide ability to collect information because no specific privacy laws apply to them, says Chris Hoofnagle, senior counselor at the Electronic Privacy Information Center.

Hotel companies hope the new personalization will help them win high-paying guests with impressive stunts and over-the-top touches. It's happening at a go-go time for the hotel industry, when the major companies are flush with cash from a year of near-record occupancies and room

rates. PricewaterhouseCoopers hospitality and leisure practice is predicting that average daily rates will increase by their largest-ever dollar amount in 2006 -- \$5.08, bringing rates up to \$95.92.

Hotel officials say that they are training their staff to act discreetly. Kerzner International's One&Only Resorts are asking the hotel staff to quietly and invisibly understand their guests; At One&Only Ocean Club, for instance, the staff now looks out for guests with a cold and brings them unexpected tea at turndown.

As the hotel companies continue to expand these programs, though, some frequent guests see big brother overtones. Terry Quinn, a 62-year-old engineering consultant from Oakville, Ontario, in Canada, refuses to give even the most basic information over to hotel employees. "It bothers me that they ask what size bed I want to sleep in," he says. "Like anything else, I try to keep as much of my life private as I can."

Ed French, Marriott's senior vice president of customer-relations management, says that most of Marriott's system is "opt in" and guests don't have to participate if they don't want to. Four Seasons stores a minimum of guest information (name, addresses) in order to speed up check-in, but recognizes that "preferences" change depending on the type of trip, or traveling companion.

Some find the close attention a little unnerving. Peter Chang, a 29-year-old consultant from Los Angeles, recalls one experience where a Ritz-Carlton bartender heard him say he likes an expensive wine called Opus One, and a complimentary half-bottle was waiting for him when he returned to his room not long after. "It literally just showed up," he says.

Laurie Wooden, Ritz-Carlton's vice president of operations strategy, says, "When we learn something new about a guest, we like to be able to act on it right away."

New technology is likely to allow hotels to capture even more data -- and act on it faster. Hilton will begin testing a card next year that will be embedded with a wealth of guest information, including whether a customer likes a smoking or nonsmoking room and what his or her favorite drink is. Hilton is looking at housing the technology on a number of different cards: A co-branded credit card, the Hilton Honors card or a special card that comes in the mail with the reservation. Hilton wants guests to carry the card around the hotel property, so it can tell, for instance, when a customer walks into the bar. Then, the name of the guest's favorite drink would flash onto the bartender's computer and he could begin making it before the customer sits down.

The new personalization efforts can, however, yield some potentially awkward moments. Matthew Clement, a 30-year-old management consultant from London, recalls one instance when he returned to a hotel that he had stayed at previously with his ex-wife. The two had since divorced, and he was checking in with another woman. The front desk clerk greeted the pair by saying: "Welcome back, Mr. and Mrs. Clement, so glad to have you staying with us again!" Mr. Clement whispered to the clerk that the woman was not his wife. "Luckily, everyone had a good sense of humor about the incident -- but if the circumstances had been different (suppose I hadn't been divorced or my partner didn't realize I was previously married), there could have been a lot of egg on my face," he says.

## What Hotels Know About You

Big hotel companies have differing policies on how they collect and use information about guests.

<b>HOTEL</b>	<b>SYSTEM</b>	<b>COMMENT</b>
<b>Ritz-Carlton</b>	New database called "Mystique" catalogues employee observations about guests for all of the company's 60 hotels. Replaces an old system that couldn't share information as easily between hotels.	Ritz doesn't ask guests to fill out a form - it instead relies on hotel staff to notice what guests like and dislike, and tailor services accordingly.
<b>Marriott</b>	"Rewarding Welcome" system asks guests for their preferences in pillow type, bed type, room location, extra towels or refrigerator. It now shares the information with eight brands, and 2,600 hotels.	Guests fill out a form to participate, so the system is entirely optional.
<b>Hilton</b>	This year Hilton's guest recognition technology is being expanded to include in-room preferences, such as pillow, blanket, need for a crib or rollaway and early or late check in.	In 2007, the hotel company hopes to roll out RFID-tagged cards for frequent guests to carry so that the hotel can track them around the property. Example: If the guest walks into the bar, the bartender can have his favorite drink ready before he has to ask. The company is also testing a way for its TVs to greet guests with a customized message when turned on.
<b>Hyatt</b>	In April, Hyatt is rolling out an "e-concierge" system so that guests can tell the hotel in advance about their preferences for amenities like golf, spa and restaurants.	Hyatt has a centralized guest history system that captures preferences like room type, amenity type, bed type and location near or far from an elevator. It has special codes employees can log into the system for preferences such as a guest who prefers grapefruit peeled and sliced in a certain way.
<b>Starwood</b>	Starwood (which includes brands like W Hotels, Westin and Sheraton) doesn't have a tracking system other than its Starwood Preferred Guest loyalty program.	The properties on its more luxurious end, like W, have internal guest-recognition systems. If a guest expresses a love for a certain sports team, the welcome desk will always provide that guest with a game schedule and a list of TV channels on which the team is playing. W asks guests if they want information about preferences to remain with one property, or expect it to be honored throughout the chain.

Source: WSJ Research