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### **Selling the Special Touch --- Service-Challenged Companies Turn to Top Hotels for Ideas; Inside Look at Ritz, Four Seasons**

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TO MAKE the car dealership he manages more inviting, Bill Morton recently added valet parking, fresh flowers in the showroom and a marble floor in the bathroom. Customers picking up their serviced vehicles now find bottled water and Hershey's chocolate kisses in the cupholders "like when you go to a fine hotel and they turn down your bed at night," Mr. Morton says.

His inspiration: the Four Seasons Resort Aviara in Carlsbad, Calif., where he and other Lexus dealers got a behind-the-scenes tour last year. "It really made you open your eyes as far as the future of customer service and guest engagement," says Mr. Morton, who manages Tom Williams Lexus in Irondale, Ala.

A growing number of companies in industries not known for great customer service -- banks, hospitals, law firms and car dealerships, to name a few -- are increasingly seeking help from luxury hotels that pride themselves on service, like the Four Seasons Hotels Inc. and Marriott International Inc.'s Ritz-Carlton hotels. (New car dealers were among the 10 industries that consumers complained most about in 2005, says the Council of Better Business Bureaus Inc., while hotels were ranked 31st.)

Many companies are not only trying to improve service, but they also want to differentiate themselves from competitors. At car dealers, for instance, freebies like loaner cars have become the norm, so dealers are seeking hotel-service techniques to stand out, says Robert Palme, dealer communications manager at Lexus, which is owned by Toyota Motor Corp.

The strategy is working for Tom Williams Lexus. Mr. Morton says since the dealership was redesigned last summer and new service touches were added, sales are up about 20% and customer retention for vehicle service is up at least 10%.

Hotels like the Ritz-Carlton, in part sensing a business opportunity, started offering training classes several years ago after other companies sought help. Now, more companies in a variety of industries are signing up -- from Federated Department Stores Inc.'s Macy's to Starbucks Corp.

The goal for companies is to get tips on how top hotels train their own staffs and treat customers. At the Four Seasons' limited training sessions, topics include maintaining consistency in different locations (housekeepers have a 77-item checklist for readying guest rooms) and hiring staff with instincts for good service (at most Four Seasons hotels, one in 20 applicants is hired).

At the Four Seasons resort in Carlsbad last year, Lexus dealers talked to employees who handle laundry, landscaping and valet parking and learned service secrets like "crunch" teams -- administrative staff who pitch in to park cars, check-in guests or perform other tasks during busy periods. Executives from Park Place Lexus, with two dealerships in Texas, adopted a similar "crunch" process for handling cars coming in for service.

At Ritz-Carlton's most popular class, "Legendary Service," a full-day program held once or twice a month at its customer-service training center in Chevy Chase, Md., and at its hotels around the country, attendees learn about the Ritz-Carlton culture, like its motto "we are ladies and gentlemen serving ladies and gentlemen."

At a recent class in Chevy Chase, Diana Oreck, a vice president with Ritz-Carlton, explained how the hotel uses personality assessments to recruit the kind of employees who like to serve people, and how it offers cash incentives to employees who go above the call of duty for guests. Attendees also observed a daily gathering of employees who spend 15 minutes discussing service rules and stories of

employees impressing guests.

"Until you get happy employees, you're not going to make the leap to happy guests," Ms. Oreck told the seven attendees -- executives from a law firm, a private aviation-service provider, a hospice and a manufacturer of therapeutic pools.

The Ritz-Carlton program also divulged how the hotel allots employees as much as \$2,000 per day per guest to solve problems without supervisor approval. An employee can adjust a guest's room-service bill, for instance, if the guest is unhappy with the meal. Ritz-Carlton employees, including a pastry chef, a concierge and a bell captain -- also shared their experiences working for the company.

For hotels, the training programs are an additional source of revenue and a way to lure new guests. The Ritz-Carlton "Legendary Service" class costs \$1,700 per person. Ritz-Carlton spokeswoman Vivian Deuschl declined to comment on annual revenue its training classes receive, but added that "we would not continue if it was not profitable."

Last year, Lexus sent about 500 people, including dealer principals and general managers, to the Four Seasons resort in Carlsbad, in four groups that each stayed a little less than a week at the hotel and attended a three-day program. Robert Cima, general manager and regional vice president for the Carlsbad resort, declined to say how much Lexus paid, but said it was "an extraordinary piece of business for us." Lexus wouldn't say how much the trip cost.

David Reeve, director of operations for two Lexus dealerships in the Cincinnati area that sent more than a dozen managers to a similar day-and-a-half training program at the independently owned, four-star Cincinnati Hotel, estimates the cost was about \$8,000 for the rooms and a dinner on a yacht.

Some executives sign up their companies for the seminars because they already are customers at the luxury hotels. Ray Davis, chief executive officer of Umpqua Holdings Corp. and its Umpqua Bank unit, says he got the idea to send employees to training sessions after his stays at the Ritz-Carlton. At the hotel in the Buckhead section of Atlanta, a janitor stepped down from a ladder to show him the way to the restroom. At the Ritz-Carlton New York, Central Park, employees at the front desk mysteriously addressed him by name upon his arrival. (Bellmen look at guests' luggage tags and then use tiny, hidden radios to message the name to employees in the lobby and at the front desk.)

Those little things "make you stand up and go, 'wow, these people are really good. We need to talk to them,'" he says.

Umpqua, a West Coast bank chain based in Portland, Ore., has sent employees to half-day training sessions taught by Ritz-Carlton employees since 2003, and tellers now place customers' cash on black wooden trays along with a silver chocolate coin embellished with the bank's logo.

Still, not all five-star hotel service tricks translate well for other industries. After learning the guest-name technique from a bellman, Mr. Davis says he equipped bank employees with small radios so customers could be greeted by name, but the radios proved too bulky and were abandoned after nine months. Mr. Davis says he is still looking for the right hardware to reinstate the process.

After attending a symposium at the Ritz-Carlton Cleveland in March 2005, John Levis, manager of cultural leadership at regional bank KeyCorp, started a weekly version of the Ritz's daily meeting for his team. He stopped the gathering after six months partly because it kept getting canceled.

Sometimes nothing more comes out of a training session other than a memorable experience. Commerce Bancorp Inc. sent 14 assistant managers from its New York-area branches in 2004 to a breakfast training session at the Ritz-Carlton near Central Park.

One attendee, Susan Aminov, a 26-year-old assistant manager, says she didn't formally implement service tips at the Oceanside, N.Y., branch where she worked at the time. But she enjoyed her first trip to a Ritz-Carlton, especially when she dropped her fork and five employees rushed to help. "We spoke about the Ritz for a while afterward," she says of her colleagues.

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