

# The Case For Consistency: What Justifies The Maintenance Of A Top International Hotel Reputation?

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## ABSTRACT

*This case addresses the issues encountered when an international hotel chain develops the reputation for being a “top” hotel. The case examines the situation of visitors who pay, by American standards, the premium price for a stay at this chain’s Acapulco resort only to encounter inconsistent and, at times, questionable service. Discussion questions and teaching notes are included.*

Institutions are embedded in their geography, culture and customs. An industry, such as the international hotel industry, is broadly categorized as a branch of the service industry. Defining excellent service and achieving and then maintaining a five star rating requires that the strategic plan, goals and objectives of the parent company be such that their services appeal to a broad range of international clients.

A major challenge for an internationally ranked hotel is to train their frontline personnel to meet the perceived needs of the clientele. Traditionally, these frontline workers are native to the culture in which the specific business unit is located.

At all levels of the enterprise there must exist shared perceptions of what attracts clients, serves their needs and encourages repeat business. Unfortunately across markets there is a lack of understanding how perceptions and values factor into perceived effectiveness on the part of the customer.

Communication relies on many factors. The more congruence there is among the stakeholders, guests, front line workers, managers, boards and stockholders, the more likely it is that success will be achieved. Other factors that impact on the success of this type of venture include cultural distance and business distance.

Another set of factors that influences success includes task interdependence, similarity of clients in a multinational setting, similarity of service standards compared to expectations and geographic distance that either facilitates or discourages transfer of values and information.

Our case takes place at Las Palomas, a five star hotel situated on the seacoast of Mexico. The chain specializes in privacy and service providing its guests with individual casitas (small houses). Each casita has its own pool, sprinkled with fresh hibiscus each day, room service several times each day and breakfast delivered to the pool area through a dumb waiter. In other words each guest is afforded an unusually high amount of privacy.

The culture of the situation dictates the policy the “customer is king/queen”. This attitude should be palpable from the moment the guest arrives at the reception desk. In our case, the Ryans, a middle aged, well-traveled, well-educated couple booked a week at Las Palomas. Little did the couple realize that the city, Cuidado, would be populated with college students on spring break. The plane flight was “interesting” as it too was populated with spring breakers.

After locating the transportation to the hotel that was part of the travel arrangements, none was provided by the hotel, the couple arrived at the reception area. They experienced a 10 minute delay prior to being waited on. There were no other guests ahead of them. A point of pride for Las Palomas was their internal transportation system. Guests were ferried to and from their cassitas in brightly colored jeeps. This service seemed to work efficiently and the Ryans were soon escorted to their accommodations. The terrain leading to the casita was rough and included a 20 step concrete staircase. A second casita was shown. In this one the couple noticed that there was a welcome platter and a bottle of wine. (Remember that this was not the room originally assigned.) Back to reception.

The clerk suggested an upgrade for \$100. What the clerk did not clearly state was that the upgrade would cost \$100 per day! Quite a difference in the bottom line. Several options were explored and the Ryans upgraded to a casita overlooking the ocean, Cuidado and many other individual accommodations. This facility was about 1000 feet above sea level. The couple was tired having endured a long flight, a long transport to the hotel and a check-in ordeal that took well over an hour. They unpacked (they don't travel light) and took a dip in their pool. There were no hibiscus in the room or the pool and there was no welcome tray of bottle of wine.

Being experienced travelers and having been instructed in the art of surviving in Cuidado by their fellow (student) travelers the couple phoned the transport desk for the jitney to the reception are. Directly they were transported to the bottom of the mountain. The fleet captain secured a taxi and off they went into the center of Cuidado.

This driver was excellent. He drove the couple to Wollywall in the center of Cuidado and escorted the couple through this vast enterprise. His bilingual skills were invaluable. At the last minute Mrs. Ryan recalled that there were no washcloths. The driver scurried off and returned with the sought after item.

With the needed supplies in tow the couple returned to the hotel, took the jitney to their unit and settled in. That night they selected a nearby restaurant and jitneyed/taxied to it. Returning about 10:30 PM to their casita they attempted to open their door. Remember the seclusion factor proffered by this hotel chain. The jitney left, the key didn't work, there was no access to a phone and there were no other people around. What to do?

Eventually, the couple sited another guest who phoned the desk for help. Quickly, (note 25 minutes have passed) a staff member arrive with a pass key. At last the couple settled in for the night.

Breakfast, lunch and recreation go well. The couple booked an excursion through the resident travel agent. At the appointed hour 4 couples boarded the van and were ferried to dinner. Menus were distributed and to the dismay of the group a full range of choices was not offered. Several couples had pre-visited the restaurant to determine whether or not the amount charged was a good value. Based on the full menu the involved parties had determined that the package offered was a good deal. The limited menu was a disappointment Next, the group was off the evening's entertainment component. The show and two drinks are included. The seating for the show was determined to be adequate. The beverages were deemed unpotable. The group was once again up in arms. The result was a very disgruntled group.

The return trip was uneventful until the couple arrived at their door. Having been burnt once the couple held their driver until they were inside their room. Well – what good judgment they showed! The door did not open. This required that the driver return to the base of the resort, secure a key, and return to open the door. This time the entry process took much longer as the key did not work. After securing still another key and a repairman the couple finally was able to retire for the night.

Upon arising, Mr. Ryan immediately approached the desk and insisted on a permanent resolution to the door situation. He was told that there was no manager available until 2:00 PM. Off to lunch, the resort's swimming pool and a return to the desk. The then present manager offered the couple a free upgrade. Mr. Ryan preferred that the management fix the existing door and not trouble the couple with a time-consuming move. Management

rejected this idea saying that they would be renovating that unit near term and it would be counterproductive. The staff would help the couple move. This was the final resolution.

The move went relatively smoothly and after an hour the couple was ensconced in the most exclusive unit that the resort could provide. What could be better? The pool was lovely, the bathroom large, the TV worked, flowers were everywhere, and there were even washcloths in the bathroom. The couple enjoyed an uneventful day.

Upon awakening, Mr. Ryan approached the dumbwaiter to get breakfast. To his surprise there was nothing there! The desk was called and within a half hour (a long time when one is hungry and needs a cup of coffee) the breakfast arrived.

Thereafter, the vacation went smoothly.

### **DISCUSSION QUESTIONS**

- Please describe the major management problems that you see.
- In the management hierarchy where do you place the responsibility?
- What could the guests do to make their stay less stressful?
- What systems could be implemented by management to preclude some of the situations encountered by guests?
- What do you think the mission statement should be? Create one.

### **TEACHING NOTES**

#### **Vocabulary**

- Culture
- Hotel Ratings
- “Star” ratings
- Strategic plans
- Cultural distance
- Business distance
- Mission statement
- Core competencies
- Feedback mechanism

#### **Concepts**

A basic premise of this case is that the subject hotel is one of top quality. Ratings vary according to rater and also when the ratings are assigned by travelers. These may even depend on mood or personality. “Ratings may vary several stars.... based on how well they treat the traveler in that very impressionable [first] five minutes.” (Hewitt, 2005.) Staff attitude may influence whether or not anyone in the business over (Sheraton ..., 2002.) which the visitors have influence or any of their friends and family will ever use the chain again. In some cases, the hotel offers a costly refund (Ramada Plaza ..., 2003) . The importance of delivering what is promised cannot be overstated.

Caterer and Housekeeper Magazine (2003) sets the standards for five star hotels as those having:

- Flawless guest services.
- Spacious and luxurious accommodations.
- Doorman or means of greeting guests at entrance.
- Porter and concierge service.

- Restaurant open seven days a week.
- High-quality menu and wine list.
- Evening turndown.
- TV, telephone, desk, luxury toiletries.
- Bath sheets and robes. The hotel in the case advertised each of these services. It is evident that they did not deliver. USA Today (Pascarella, 2005) further suggests that travelers visit local hotels and review those ratings as compared criteria such as those listed above.

International grading systems (Wade, 1988) are provided by governments, national tourism organizations and hotel associations. Quantifiable ratings are favored. Critics add a level of consistency to the process. The bottom line is that personal judgment and research must be the responsibility of the traveler. Harmonizing guides (Wade, 1988) would be a giant step forward. Country standards are embedded in a specific culture making a universal standard a challenge if not an impossible task.

Consistency (Nobles, 1999; Barsky, 2005.) is an essential of any fine hotel. Nobles, a professional rater of hotel quality, sites consistency should exist in the following areas: cleanliness, upkeep, professionalism of management, and staff efficiency. This is more important as the facility positively correlates to the rate charged, and the property's image and reputation. Nobles also states (1999) that it is advisable to establish and maintain a systematic approach in establishing and maintaining a high rating.

Establishing the chain's priorities as they relate to the client's priorities is a prime consideration. It is the obligation of the management to decide exactly which services are to be provided, at what level and to train the personnel to accommodate these standards. (Nobles, 1999.) Effective training programs include "periodic evaluation, retraining, review and revision of standards, reward for success and consequence for failure." (Nobles, 1999.) He further says that consistency, while easy to establish, is hard to maintain. Please note that this is apparent in this case.

Another dimension of maintaining a high rating is receiving feedback from guests. Note that this was an issue in this case. Factors that must be considered are: (1) the match between the guests' wants and the organizations' expectations and (2) the intent of the rating system to which the hotel is subjected. These must be incorporated in the rating systems. Complications arise when professional raters' and guests' concepts have to be blended. Authenticity, providing what can honestly and consistently be provided by the hotel, is a baseline necessity for success. Putting guests first is a starting point. (Nobles, 2005.)

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