Service Gaps and Employee Training Fixing Luxury Experiences

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Service Gaps and Employee Training

Fixing Luxury Experiences

Senior Project

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Abstract

The luxury hotel industry faces the challenge to provide excellent service experiences to its customers. This paper aimed to identify service gaps in luxury hotels to confirm the need for employee training. Previous studies emphasized the importance of training and development, to arm employees with the capability to deliver excellent service in a servicescape as part of a Gestalt configuration. To identify service gaps and the need of training, content analysis was used as a method. The analysis had the objective to confirm the assumed guests' desires of luxury services in the secondary research and identify the significance of employee training to arm human resources to fulfill guests' expectations. Results indicated that about significant portion of overall comments have reported service failures. This confirmed the need for training in hard skills and soft skills to fix luxury experiences to close the trending service gaps of rudeness, slowness, lack of attention, lack of skills, poor supervision and lack of problem-solving skills.

Keywords: Luxury Hotel Sector, Training, Development, Servicescape, Gestalt

Purpose and relevance

The concept of high quality and luxury, including luxury in hospitality is an area that is well researched, yet we still don't have a full understanding of how luxury is evolving and what has changed in the past decade. For example, a *Servicescape* model is built out of many components: fabrics, colors, composition, scent, dress, movements, clientele, etc. However, if we observe these elements separately and they are considered outside of the above-mentioned framework and without including employees in the equation we may miss key characteristics of service delivered to present-day customers. Today, it is the creation of memorable, authentic experiences that we are talking about, particularly in luxury. Luxury tourism in the 21st century is swiftly moving towards experiential and emotional tourism where high-end service is deeply rooted in the experience that affluent travelers expect.

Therefore, the question that we must ask is; how do luxury segment hotels transition, navigate and adapt through these changes? That is why measuring the gap between guest expectations and guest experience in the luxury hotel segment is one of the key indicators of service quality. Luxury services and experiences heavily depend on the performance of hotel employees, and not only front-line employees, rather the entire workforce collectively. People are the core element of authentic services today; they create and deliver them and are also expected to replicate this kind of services with every new customer encounter. That represents a huge a challenge for both; management and employees.

Consequently, a primary concern of designing luxury experiences is employee training and development. To date, there have been discrepancies of perception of luxury experiences. Additionally, studies have focused on research of employee training that is rather generic and lacked attention to the importance of employee training in the luxury segment. This paper will try to examine the significance of employee training in luxury hotels and understand what has truly changed in preparing employees for a luxury tourism paradigm shift that we are observing. Another objective of this paper is to investigate how employee training can enhance overall guest satisfaction in luxury experiences.

The main questions that we want to address in this paper are:

1) What are the expectations from employees in service delivery in luxury hotels?
2) What importance is given on service quality and employee training in the luxury experience?
3) What areas of employee training in luxury properties are needed?
4) What type of service delivery gaps do we identify in luxury hotels?

There is a clear need to engage in this type of research since projections for growth in luxury tourism exhibits the greatest growth potential of any segment in the travel industry. A study conducted by the World Travel Monitor states, that the luxury tourism market total receipt back in 2014 was 172 billion euros (WTM, 2014), with growth of 48% in the period from 2009-2014, which is twice as fast as the 24% growth rate of other categories of travel. Another report completed by Amadeus anticipates luxury travel trips to grow at a compound annual growth rate of 6.2% from 2015 to 2025, clearly faster than the projection of 4.8% of overall travel for the same time period.

Literature review

Luxury hotel sector

The luxury hotel sector truly differentiates from basic lodging operations. These hotels provide top-line guest service and opulent facilities, which are complex to operate and present a high degree of risk for developers and owners. Luxury hotels are generally the most volatile in the industry, enjoying strong performance in good times and often suffering significantly in times of economic downturn. (Yin, 2014)

Compared to the common luxury hotel sector, statistics have shown that the luxury hotel sector is growing quickly. The average occupancy rate for luxury hotels was 74.6 percent in 2018, while it was only 66.1 percent in the overall hotel sector over the same period. As the income is growing rapidly for full-service, luxury hotel-room rates have increased by 3.5 percent and revenue per available room (RevPAR) has grown by 4.4 percent. The common hotel sector achieved in the measured period a growth of 2.5 percent in room rates and 2.8 percent in RevPAR. (Anderson, 2018)

Previous research has indicated, that few developers are building luxury hotels, which leads to less competition compared to the overall hotel sector. The demand for luxury hotel rooms grew with 1.5 percent faster than the inventory with 0.9 percent. Economic investigations have identified the gap between solid performance of luxury hotels and the willingness of investors to buy a full-service luxury property. The high investment costs are caused by the requirements of spacious properties at expensive development sites with expensive high-end finishes. (Anderson, 2018) The author also found, that balancing growing revenues against increasing expenses is a challenge for luxury hotels as for any common hotel. As labor costs are rising, luxury hotels are more vulnerable to these costs than the remaining industry. (Anderson, 2018) Depending on economic development, investing in luxury properties poses a higher risk as more investment in labor and their training and development is required to meet the consumers expectations.

The importance of luxury is determined by the relationship between customer experience, service quality and satisfaction, as positive experiences cause the intention for guests to stay longer or return and promote word-of-mouth advertising. More recent studies have focused on the power of social media, as it enables the guests of luxury hotels to easily describe and share their experience and level of satisfaction. (Ekiz et al. 2012) Therefore, attention to detail at every service encounter is crucial for luxury hotel operators. (Lu et al., 2015) It has conclusively been shown, that customer experiences are not universal and unique to each customer and situation, so luxury hotel personnel are expected to manage each encounter professionally.

Further research investigated, that individual customer needs cannot be met by implementation of standardized processes in the luxury service operation. (Brant, 2016) This study found out, that luxury experiences go beyond standard and customizing individual needs is critical to differentiation in the luxury hotel sector. This study also pointed out the challenge of catering to the individual, which defines luxury, as it cannot be based on checklists. Brant identified customer segmentation, communication and observation as key factors for

successful service to the individual and maintenance of consistency. Customer segmentation allows the luxury hotel to tailor the service experience accordingly. Communication is pointed out as a direct way to identify customer needs and observation has been determined as a more discrete way to investigate the consumers' expectations.

Les Clefs d'Or, an international association for elite concierge claims to be dedicated to make the impossible possible. (Lewis, 2019) Harold Abonitalla, chief concierge of Habtoor Palace in Dubai, UAE has reported from most extravagant guest requests during his career at the luxury hotel. His top example was a Qatari Sheikh asking him to deliver a Rolls Royce Ghost as a present for his wife. Abonitalla claimed to be under high pressure having to resolve this request in very limited time and outstanding circumstances, for which no standard-framed procedure has been available. Nevertheless, he managed the request successfully. On the one side, it is expected to receive unusual requests, that go beyond the usual in the luxury world. On the other side, the chief concierge has contemplated, that guests, with no financial limitations, are easier to please than those with a tighter budget in a luxurious destination like Dubai. Those travelers come well-prepared with a limited budget and have conducted careful research prior to arrival and are eager to look for any possible discounts.

More recent studies have considered the substitutability of physical assets of luxury hotels and have drawn attention to the service experience as a tool to differentiate. For luxury hotel brands, it is essential to create an emotional bond to the guest, which cannot be copied easily by competition. (Ryu et al., 2018)

Servicescape

Bitner defined Servicescape as a physical setting, where a marketplace exchange is performed, delivered and consumed within a service organization. (Bitner, 1992) In the hospitality industry, these are key activities, such as accommodation, food and beverage provision, or travel and tourism. (Kaminakis, 2018) Many studies investigated the impact of hospitality Servicescapes on customers and customer-contact employees. Servicescape denotes a dimension of service quality and can be categorized into 3 main measurable indicators: Ambient Factors, Design Factors and Social Factors. These stimuli can be tailored and constrain employee and customer approach/ avoidance decisions in order to enable or avoid a social interaction between employee and customer. (Rosenbaum, 2011). Ambient Factors are background factors existing below the level of our immediate awareness, such as air quality, temperature, noise or humidity. Design Factors are stimuli, which exist at the surface of our awareness, such as aesthetic, architecture, materials décor or accessories. Social Factors are the people in the environment, who create the luxury experience, such as other customer and their appearance, number and behavior, as well as the personnel with the same indicators. The general consensus on defining service scape is, that service settings provoke emotional responses, which lead to customers to either choose to continue their association with a specific service provider or discontinue patronage. (Ezeh, 2007)

Rosenbaum identified a shortcoming in previous studies, as they are limited to objective stimuli, but cannot identify subjective stimuli that influence consumers and employee interactions and decisions. (Rosenbaum, 2011) The theories originate from biological studies of Darwin, in which he researched how organisms respond to objective provocations in a

spatially bounded area. Later, these findings have been applied to different service settings like retail stores. The research has shown, that these objective stimuli have a collective influence on consumers in a bounded setting. These observations are valuable to luxury hotel properties, as it contributes to determine the customers' expectations and design the luxury experience based on these. However, another limitation could pose the misinterpretation of the servicescape's complexity by managers. (Bitner, 1992) An important factor of interpretation is the guest's intention of usage of the space. Rosenbaum stated, that customers not only fulfill utilitarian requirements, but also social and psychological requirements.

Subsequent research has examined substantive and communicative staging of a Servicescape and its contribution to visitors' evaluation of the service experience. (Dong et al. ,2013) Dong stated, that staging a Servicescape starts with designing and constructing an appealing setting for the customer. This research suggests, that customers respond holistically to elements of the environment. This highlights the importance of substantive and communicative staging. Communicative staging combines personnel and cultural elements and determine how a setting is presented and interpreted. A service setting should therefore be designed in a way, that employees are approachable for any guest request or complaint. Dong noted, that measurement of service experience reflects consumers' feeling about their entire service encounter. Consideration of the Servicescape has the purpose to better caption the dynamics of the service environment and the entire service context. Research has shown, that the Servicescape is the immersion of a customer's quality evaluation of hedonic service in comparison to a utilitarian service. Therefore, Dong concluded, that substantive staging of a Servicescape should positively predict the guest's satisfaction evaluation, as it has been proven, that Servicescape elements cognitive and emotional responses towards a service encounter.

Statistics have shown, that 15 hotel chains have invested about USD 2 billion on renovations to redesign their Servicescape in 2016. (Kaminakis, 2016) These statistics include the Hyatt hotel conglomerate, which have completed refurbishments for USD 250 million for their property in San Diego in order to gain competitive advantage. Conclusively it is evident that luxury hotel managers value Servicescapes as a key managerial tool to induce particular guest behaviors and enhance profit by influencing length of stay or returning intentions.

Training and development

The American philosopher and writer Eric Hoffer stated, that "in a time of drastic change, it is the learners who inherit the future. The learned find themselves equipped to live only in a world that no longer exists" This quote can be understood as a parallel to training and development programs in the fast-changing hospitality world. Profound research highlights the importance of training by describing it as an investment rather than a cost (Hazra et al., 2017) Training and development are directly linked with a hotel's growth and success.

Training is the process in which participants extend learned knowledge, skills, abilities and behavior into the workplace, critical for successful job performance. The purpose is to sustain this new knowledge and apply it successfully in daily operations beyond the training environment and enhance work performance on the long-term. (De Grosky, 2013) In her study of perspectives of employee training and development, Maršíková has drawn a parallel between training and instruction. Training presents a systematic framework of methods and content, which serve in a meaningful combination as approach to instruction. Multiple individual steps of this framework combined lead to improved performance on the long run and influence employee evaluation. The author has classified training in her model into three rubrics. First, on-the-job-training, second off-the-job training and third a combination of on-the-job and off-the-job training.

The method of on-the-job training is used simultaneously to everyday business and part of a customized program. It includes demonstration, coaching, job rotation, mentoring, counselling, workshops and assisting. The second approach, off-the-job training applies to common educational institutions, where lectures or workshops are held. The combination of both methods is effected in forms of briefings, questions and answers or learning events and can be proceeded in various ways mentioned above. (Maršíková, 2015) Depending on the nature of business, the methods can be tailored to the hospitality operation. However, Maršíková found out, that training approaches shift from passive to active approaches and the tendency to outsource trainers has been proven as efficient. Statistics conducted by Accenture have surveyed over 400 companies in the U.S. in 2013 and the results point out that 51 percent expect to increase their investment in employee training and development in the next two years, while 72 percent of managers perceive training as the most efficient way for their personnel to develop their capabilities. Development practices in contrast identify the need for training in an organization. Hazra described development as ongoing improvement of an individual's potential. Experienced employees need to improve their skills to qualify for a higher position, as jobs become more complex and multidimensional. (Hazra et al., 2017) Training is an essential condition to ensure development, which provides employees with competencies to perform in anticipated future roles or jobs. (Maršíková, 2015) With any change or lack of skills or knowledge arises the urgency for training and ultimately improvement, which offers the opportunity to grow further not only individually, but also as a whole organization. The implementation of organization development practices and learning best practices is essential in ever fast-changing industries. These two practices combined help the change process go smoothly and achieve lasting changes. (Linn, 2013) Training empowers employees to meet high standards of service in the luxury hotel industry and adapt to the company's culture. The service sector is often described as a cutting edge, as customers are easily willing to change for better value for money, therefore training has become a necessity for every company.

To determine the relationship of training and development to the success of service providers, Dong identified four key factors. Those are employees, perceived service quality, customers and financial performance. (Dong et al., 2007) Dong points out, that increasing employee capabilities through training and development contribute to a reliably consistent degree of service quality. In the research, Dong claims, that customer satisfaction interferes between

financial performance and service quality. Due to strong global competition and rapidly changing business environment, hospitality operators experience high pressure to meet and exceed guests' expectations. Drawing on an extensive range of sources, Dong labeled courtesy, commitment, empathy, responsiveness as essentials of an employee skillset in the service encounter to be able to provide luxury quality. The service characteristics of intangibility, perishability, heterogeneity and simultaneous production, delivery and consumption pose a challenge for management to control the service quality. Training increases employee capabilities continuously to fulfill a satisfying service outcome, which is expected to be customized in the luxury industry. Therefore, it has been evident, that without proper attention to employee training and development, a hospitality operation will lack service quality. (Dong et al., 2007)

Another considerable case study into the benefits of management training programs measured the impacts on employee turnover and satisfaction level. (Choi et al., 2009) The findings demonstrate the relevance of human resources and the weight of training and development in the lodging industry. The study compared the New Castle Hotel's performance before implementing a fiscal training program and after the implementation. The turnover was reduced after the training plan from 89.6 % to 56.7 %. In addition to that, the employee satisfaction increased significantly, as employees in exit interviews stated much higher scores than in the prior year, with a 10% improvement for supervisors' evaluation and a 13% improvement for their "overall opinion".

On the one hand, the hospitality industry is diverse and so is a luxury hotel's staff, on the other hand, property's personnel are perceived as one unit by the guests. Therefore, basic training methods aim to increase communication and teamwork skills besides department-specific training. (Leonard, 2019)

According to the Council of Hotel and Restaurant Trainers (CHART), a non-profit organization of trainers, noted that decreasing revenues have led to budget-decreases for training. These results are contrary to further proofs of increased attention to training and development. According to CHART, several restaurants have resigned from memberships with the organization and hospitality companies are looking for lower-priced seminars online for instance. CHART coins these facts to economic crisis but does not diminish awareness of the importance of training strategies in hospitality firms. (Davey, 2012)

Hazra carried out a study, sampling hotels in Kolkata, India, during the time frame of April until September 2016, using a qualitative method by interviewing 120 hotel employees. The results have shown, that well-established training and development strategies increase effectiveness and the importance of employees' managers to execute those strategies to reach the full potential of their personnel. Competencies can be fully scooped through timely training design and execution. (Hazra, Ghosh et al.) It suggests, that every employee should be given equal opportunity to focus on training and reach full potential in order to serve the high expectations of their guests.

A further notable example of an innovative approach in training in the luxury segment is provided by Ana Brant in her article "how our hotel used data to make our luxury service glamorous", published in the Harvard Business review in 2017. By precise examination of

customer needs on social media and by mystery shopping, she identified the importance of clothing and special attention to fabric in the laundry service of luxury facilities, like the London-based Dorchester collection. New areas of improvement could be identified and based on that the housekeeping department now undergoes a special training on how to take care of different brands and fabrics in order to exceed guest's desires. (Brant, 2017)

Gestalt

"Gestalt" is a German term for "whole configuration", developed by German Psychologists at the Berlin School. The Gestalt approach explains how we organize mental visual images and how we perceive images through various types of sensory input (Schiffman, 1996). Since the Gestalt style of Servicescape is more organized and easily perceived as a holistic image, the Gestalt style would generally provide guests with better impression of the environment (Goldstein, 1999).

As a verb, "gestalten" means "shaping or giving form and structure to". The result is a complete figure or meaning. To illustrate this term, Ginger uses a table as an example in his research. (Ginger, 2007) A table can serve in different contexts, if it is used for work, with working material on it, or set with a tablecloth for dinner. Central to the entire concept of Gestalt, is the reference to a whole appearance, such as a symphony, where the entire form is different from the sum of its parts. (Ginger, 2007) In a hospitality context, the Gestalt psychology assumes how customers relate to their environment. Recently investigators have examined the effect of Gestalt settings and emotional responses of customers. Experimental design studies in hotel bars and hotel rooms have shown the impact of interactive Gestalt on personal pleasure and satisfaction. (Lin, 2010). However, a major problem with these findings is the lack of subjective differences in perception of a Gestalt environment. Lin (2010) has found, that prior research has not dealt with personality attributes as an influencing factor between Servicescapes and emotional responses. Lewin's environment-behavior theory proposes that an individual's interaction with environment lead to specific actions and responses. (Lewin, 1951) These responses are either of emotional or behavioral nature and origin from subconscious perceptions. The Gestalt theory is particularly appropriate in evaluating a Servicescape (Bitner, 1992), as individuals determine their emotional responses holistically. (Namasivayam & Mattila, 2007). Previous studies have defined a Gestalt-service scape, as a situation, where the ambience suits the purpose. Lin has reported, that guests commonly prefer a calm and tranquil atmosphere in a hotel room, while this ambience would not suit guests' expectations for a hotel bar, as a more dynamic setting is expected. (Lin, 2010)

In a recent study, Choi and Kandampully examined the effect of atmosphere on customer engagement in upscale hotels. (Choi & Kandampully, 2019) As elements of atmosphere act customer perceptions and interpretations, which lead to customer satisfaction and finally result in enhanced customer engagement. Since the conversion to an experience economy, especially the luxury hotel sector discovered "staging" as a way to differentiate from competition. Choi and Kandampully have mentioned Ritz-Carlton as an example. By the company's emphasis on staging experiences, through designing and upgrading their concept,

it has managed to gain competitive advantage and stimulate customer engagement. Therefore, Ritz-Carlton does no refer to itself as a common hotel, but rather as a "memory and experience creator." (Pine and Gilmore, 1998) With carefully designing each element of the atmosphere, the physical and human factors, co-creation of customers can be engaged and lead to memorable experiences, which result in word-of-mouth advertising and profitable operations for the company. The goal of the company by concentrating on the Gestalt context is to provide the customer with an engaging environment and creating a fundamental relationship with the guest. (Aaker et al. 2004) Considerable research has shown, that luxury hotels manage to engage their customers better than lower-priced hotels. (Yu & Timmermann, 2014) These findings also prove, the higher the customer engagement, the higher is the level of customer satisfaction, as the atmosphere fulfills their expectations for the hotel sector.

Methodology

This study uses qualitative analysis to assess customers' experiences of luxury hotel services and expectations in terms of services delivered by employees. Qualitative analysis, in this case content analysis is a research technique to evaluate textual material and validate assumptions. It allows researchers to interpret demanding content and perceptual concepts and has been applied repeatedly in areas such as organizational behavior, human resources and international management for instance. (Duriau et al., 2007) Textual coding schemes will be used to classify trends in guest experience reviews. An advantage of content analysis is the quantification of textual material, which allows to uncover trending terminology and frequencies of occurrence among the content. (Phils, 2013) In the past, this method has been confirmed as reliable, since it replicates systematic processes.

This method offers an effective way of identifying patterns of customer reviews on shortcomings and excellent performances of the service providers. Previous studies have generally focused on quantitative research methods, while content analysis, more precisely complaint analysis is a pilot approach in this field and enables thorough insights of specific patterns in customer reviews. The intent is to establish a logic with the selection of samples in order to compare luxury hotels of different geographic areas. Furthermore, establishing reasonable categories for this method is key to retrieve useful outcome of the analysis.

Criteria for selecting the subjects is to be top listed on the "Golden List 2019" of top property hotels across the globe, published in the elite traveler magazine "Condé Nast". (Stevens et al., 2019). Those have been selected by the magazine's hospitality experts and editors and have a scope of 6 continents and 36 countries. To develop a logic of comparison for the purpose of this research, they are clustered in 3 regions, Northern America, Europe and the Middle East/Africa. Additionally, 3 properties of the Dorchester collection, which according to Forbes Travel Guide consists of top luxury hotels all over the world, as the company is represented on the list of Top Luxury Hotels 2018. (Kester, 2018). Spotlight will be on reviews of 4-star and below on the social network platform TripAdvisor. This platform serves as a source for this study's qualitative research. The analysis has the objective to confirm the

assumed guests' desires of luxury services in the secondary research and identify the significance of employee training to arm human resources to fulfill those desires.

Possible limitation of content analysis is its emphasis on theory, which can impact meaningful inferences about the impacts of the research (Phils, 2013). This approach can also lack regard of the context of the analyzed content. Textual coding must be examined very carefully to result in a valid outcome. This poses another source of uncertainty, as it is time-consuming and requests usage of a coding software to analyze data profoundly and identify patterns in the content. Another cause of error can be inaccurate coding, which lead to invalid results. In this particular investigation, an additional concern for limitation are different levels of sophistication of the considered TripAdvisor reviews, as well as the number of comments overall per hotel. Depending on how long the hotel exists compared to other hotels, the number of overall ratings varies.

Prior to undertaking the investigation, the following instrument has been developed to categorize samples for analysis. The instrument displays the hotel and its location, the star-rating category on the platform TripAdvisor. By analyzing the comments, negative keywords are identified, such as the area of service failure (Rudeness, Slowness, Lack of Attention, Lack of Skills, Poor Supervision, Lack of Problem-Solving Skills) and in which department failure occurred. (Housekeeping, Food & Beverage, Front Office, Management, Spa, Overall or other).

Primary focus for this process is on the negative ratings to highlight shortcomings in customer experiences. Lower star-ratings of 4 stars and below will be considered to expose the importance of well-trained workforce in the luxury experience. 4-star ratings are expected to specifically highlight detailed flaws which incurred a service gap between guest expectations and guest experiences and prevented the customer from rating the hotel with 5-stars. Responses by the Hotel Management were also included and analyzed, whether the nature of content is apologetic, defensive or proposes concrete action.

Information examined in this analysis were the hotel name, location, the rating number of the TripAdvisor comment, relation of total number of reviews, the area of failure and in which department it occurred. Furthermore, it was noted whether management replied to the comment including categorization of the response's nature. (Table 1)

Results

Expectations from employees in service delivery in luxury hotels have been identified in secondary research. In the article about "How Our Hotel Used Data to Make Our Laundry Service Glamorous.", Brant stressed the significance of customized service in the luxury industry. Employees need to be ready to approach each encounter or task in a highly professional manner and cater to the individual, to fulfill guests' expectations of impeccable service and attention to detail. Customer segmentation, communication and observation act as tools to tailor individual needs. (Brant, 2016) However, as the chief-concierge at Al Habtoor Dubai stated, no standardized process can fully prepare a front-line employee to fulfill specific requests. (Lewis, 2019). It is apparent, that service experience acts as a tool to differentiate in a way, that cannot be substituted easily and lead that way to competitive advantage in the industry. This highlights the importance of a well-trained workforce, which is ready to provide such service experiences in luxury hotels. Therefore, it is suggested, that employees undergo continuous training, which leads not only to individual but also organizational development and success. (Hazra et al., 2017) As Hazra mentioned; employees can expect to constantly improve their individual potential and that way qualify for higher positions of higher complexity.

As Dong pointed out, courtesy, commitment, empathy and responsiveness combined are essentials of the skillset an employee should have to successfully provide luxury quality service. (Dong et al., 2007) received as one unit by the guests. Additionally, communication and teamwork skills are expected for the workforce to function as a unit (Leonard, 2019)

Table 2 displays the relation of ratings less than 4 out of 5 stars to the number of total reviews of each hotel. (Table 2) These results indicate, that an average of 24 % of total reviews are containing some sort of service failure in the luxury experience.

To identify the importance given on service quality and employee training in luxury experiences, a total of 270 TripAdvisor comments have been considered by using content analysis. 15 hotels considered as a sample have been on "The Golden List 2019" of the elite traveler magazine "Condé Nast". Additionally, three hotels of the Dorchester collection have been examined. Those appeared on the Forbes Travel Guide 2018, which verifies luxury based on up to 900 objective standards and awards outstanding hotels. (Kester, 2018). By carefully screening the first 15 comments of each property rated under 4 out of 5 stars in TripAdvisor, trends in service gaps could be identified, such as rudeness, slowness, lack of attention, lack of skills, poor supervision, lack of problem-solving skills. The results out of 435 failures identified are shown in figure 1. (Figure 1 – Total Failure Areas)

It is apparent from this table, that "Lack of Attention" is most frequently identified as a service error.

"Poor supervision" could be identified as an additional theme appearing in guest reviews. Many times, service failures are connected with poor management and supervision, even though management was not directly interacting with the guest.

Figure 2 shows evidence of which departments incurred service shortcomings. For this research, frequent service errors have been identified in Housekeeping, Food and Beverages,

Front Office, Spa and Management. Another category "no clear department identified" has been established in case the error affected the overall operation and no clear department has been mentioned in the TripAdvisor review. Interestingly, the majority of service failures is related to Front Office. (Figure 2)

The quality of management responses also identified another room for improvement. (Figure 3) Out of a total number of 270 comments, 192 were answered. Only 23 responses suggested concrete action for service recovery and optimization of luxury experiences. Most managements' responses were of apologetic nature and hoping for the guest to give the property a second chance.

Geographically, trends in departmental service failures can be recognized. (Figure 4) It has been evident, that the Dorchester collection is leading with service errors in the housekeeping department. It is also visible, that the Middle East is most represented in terms of failures in the F&B and Management sector, followed by Northern America. Europe ranks the highest in Front Office failures. A trend in low rankings in the Spa department has been apparent.

When evaluating the geographical comparison of service gaps, it has been evident, that Middle East ranks highest in "Lack of Attention", "Lack of Skills" and "Slowness". (Figure 5) Europe is scoring the highest in "Rudeness", while Northern America is leading in "Lack of Problem-Solving Skills". The Dorchester collection comparably displays the biggest score in "Lack of Attention", followed by "Problem-Solving".

Discussion

The purpose of this research project was to stress the importance of employee training and development by identifying service gaps between guest expectations and guest perceptions in luxury hotels. This project suggests proper training programs as considerable way to closing these service gaps and achieving impeccable service quality and on the long term.

The highest scores of service failures refer to "Lack of Attention", which conclusively identifies the need of thorough training in soft skills and etiquette standards. Lack of attention category also includes comments, which contained general disappointment about overall experiences in the properties observed. No specific failure occurred; however, the guest expectations were much higher. In order to be impressed with an upscale service experience, one must offer an impeccable service delivery which in many instances to be discussed later, did not take place. Another point that we must bring to attention is the concept of Gestalt. There are indications that luxury properties lack awareness of Gestalt concept and how essential is the role of well-trained employees in adding value to the entire experience. Choi and Kandampully examined the effect of atmosphere on customer engagement in upscale hotels. Customer perception and interpretations are reflecting the elements of property atmosphere. In that context, employees are the main character in "staging" this atmosphere, and that is why businesses must pay attention to thorough training and remain competitive. (Choi & Kandampully, 2018)

Technical skills and etiquette of staff are the basis of solid service delivery, but to exceed expectations, customized top-notch service is expected to wow the guests and provide them with memorable experiences and the desire to return. Standards and checklists only fulfill the necessary, but in the investigated luxury properties, guest expect a superior kind of service. To prepare personnel for this, thorough training is required, especially in problem-solving and service recovery. De Grosky highlighted the purpose of training to preserve newly attained knowledge and skills to optimize work performance on the long-term. (De Grosky, 2013) Concepts such as on-the job trainings can be used synchronously to daily duties and perform and be customized to current operation's needs. (Maršíková, 2015) Suggested methods would be demonstration, coaching, job rotation, mentoring, counselling, workshops or assistance by leaders or colleagues in daily tasks. Maršíková also identified off-the-job trainings as an effective training tool, as it focuses attention completely on attaining new skills and knowledge in form of lectures or workshops. Concerning the above-mentioned areas of service failures, it can be assumed, that on-site trainings tailored to daily routines and needs would achieve the highest short-term results. Another important area with need for training are thorough leadership trainings. Effective leadership is the base of on-site training and leading followers to excellent service delivery. In the example of turning laundry service to a unique experience, Brant showed how attention to daily routine and a focus on rooms for improvement can lead to implementation of a training program that changes the entire experience and finally adds value to the service design. (Brant, 2016)

Mistakes cannot be prevented 100% and the quality of service is perceived by each individual differently. However, patterns of expectations and trends of failures can be identified and be trained upon, as well as to prepare staff to proactively prevent mistakes or turn them into valuable experience by service recovery, should shortcomings occur. Another important area

to affect overall optimization of designing the luxury experience would be training in leadership. Leaders affect each department and should strive to inspire their followers to engage in going the extra mile and providing impeccable service. Leaders should communicate the mission, vision and values of the organization and turn it in a purpose-driven company, where each individual aspires excellent service delivery.

High failure scores that were found in this research in the Front Office and Food and Beverage Department lead to the assumption, that departments with a higher level of guest interaction offer a broader surface for failure. The low score of service failures in the Spa department on the other hand can be connected to the fact that Spas of luxury hotels are often times ran by outsourced companies. Another possible hypothesis could be that guests are in a more relaxed state when using the Spa facility as opposed to going through a check-in or check-out procedure for example.

Surprisingly, about 24% of overall comments have reported service failures. When choosing a high-end luxury property, guests expect impeccable service as they pay high prices and have therefore high expectations of qualitative service. These expectations leave no room for errors. However, given the nature of luxury industry and the pledge these properties are making to guests in terms of their service, the number of reported failures is simply too high in all examined properties and regions, and in the humble opinion of the author of this paper, this is rather unacceptable. What is worrying is that one must assume that the number of service failures that are not reported is possibly much higher and this is why luxury properties must act with clear understanding how to fix those service gaps. Conclusively, the importance for training to design luxury experiences can be confirmed by this research, as it is a strategy to close the service gap between guest expectations and guest experience.

As this research revealed, six trending service gaps could be identified; rudeness, slowness, lack of attention, lack of skills, poor supervision and lack of problem-solving skills.

First, "Rudeness" is a service gap which supposes lack of emotional intelligence or even employee engagement and satisfaction at their workplace. If a company would operate purpose-driven, individuals would embrace the organizational values, which ideally include friendly service-oriented manners and treat guests accordingly. Also, this can be a question of hiring the right staff, which naturally does not tend to behave rude. However, to communicate company values clearly, etiquette training on-site represents an appropriate approach to achieve welcoming manners and standards of behavior. In some cases, employees were clearly lacking empathy with the guest, why their behavior was perceived as rude. Attention to values such as cultural awareness and empathy are strategies to prevent rudeness. Geographically, Europe scored the highest in the service failure gap of rudeness. It can be assumed, that workers in European hotels in average might not have the level of emotional intelligence to fulfill guests' expectations of professionalism in personal interactions.

Secondly, "Slowness" was recurrently identified in the Food and Beverage department. Guests had to wait long to get a waiter's attention and had to wait long time for their orders or payment. It can be concluded, that staff scheduling is a plausible cause of slowness. During peak times, it is therefore recommended to make sure sufficient personnel is present and approaching guests to avoid long waiting times or cues at the reception. Interdepartmental

communication for instance between the servers and the kitchen can also influence the waiting time and therefore it has to be trained accordingly and communication processes have to be established. Concerning Front Office, especially communication flaws with the housekeeping department have caused delays and waiting times even after guaranteed check-in time. For instance, housekeeping did not mark a room as ready in the system, so Front Office assumed it was not ready for the guest, even though the room was physically checked. Therefore, it is important to introduce the system to all users and maintain standards of usage and communication.

Thirdly, "Lack of attention" has been the most frequent failure in this research and covers a broader range of issues, predominantly in the Middle East and Africa. Starting from not noticing a guest in the restaurant to sloppy room makeup. For preventing such service failures, it is essential to establish generalized procedures. In housekeeping, technical skills along with checklists need to be communicated to each employee. In F&B, standards such as "Each guest must be approached within 10 seconds from sitting down" or in general "Each guest in a proximity of 15 meters must be greeted with surname." Ensure a more customized service. Combined with emotional intelligence, experiences can be tailored to each individual and add value to the entire stay. Customized service and attention to detail are the substance to luxury experiences and required for closing the service gap. As this failure reached the highest score in the Middle East and Africa, it can be speculated, that this area has either less resources to conduct thorough trainings, or guest expectations are higher. Destinations, especially in the middle east stand for luxury and attract therefore guests with very high expectations, which might even be communicated too ambitious by sales and marketing departments. Also, these areas have high employee turnover, as expats from all over the world come for some short time to work. Some departments predominantly consist of workers from third-world countries, who might cause less labor cost, but did not have educational resources from their home countries to be capable of maintaining required standards in that region.

Fourth, "Lack of skills" refers to a lack of technical skills or hard skills in other words. Product knowledge training is fundamental perform on the stage in the Servicescape. Across all departments, employees need to be well informed about the property and its offers on the one side and about the guests on the other side. Even if a guest asks a security, whose major task may not be to recommend activities and providing information to guests should be informed about any events happening in the hotel for instance. In the F&B department, this especially refers to the menu and technical skills such as serving etiquette. Small shortcomings can have a big effect on the guest's perception, as the target group of luxury hotels is very sensitive to high quality. In the fast-changing environment of hospitality, employees need to always be up to date to cope with innovations and operational changes. In Front Office, technical skills especially refer to the ability of handling the reservation program. Off-site trainings simulating various situations and transactions with the software will help to prepare Front Office employees to handle daily tasks confidently later. Also, cash-machine trainings

should be effected by all revenue-generating departments. Back-of-the-house departments, such as facility management or housekeeping, consist for the biggest part of technical skills. Trainings of standards, using technology in the room, cleaning procedures and security awareness concerning hazards and fire prevention will reduce not only risks but ultimately customer complaints. The Dorchester collection appeared recurrently with lacking skills in the housekeeping department. This information could be used to close this gap and prevent similar issues in the future. As Brant described how the property managed to turn laundry service into a luxury experience, housekeeping should look for such opportunities even further. (Brant, 2017)

The fifth service gap, "Poor supervision", has been assumed to be the cause of failure in several reviews. Even though supervisors or managers did not interact with the guest directly, it was assumed, that poor management and supervision was the cause of the issue. In case several failures occurred across departments, the guest concluded the property was poorly managed. In this case thorough leadership training potentially change the entire picture of guest experience. In this rubric, Middle East and Africa and Northern America attained scored the highest numbers. Consequently, it could be that less importance is given to leadership or the difference between management and leadership is not clear. Leaders have a motivating function on the level of their followers and attempt to reach the organizational goals and communicate values as an example, rather than giving directions from above on a higher hierarchical level.

Finally, "Lack of Problem-Solving Skills" is a necessity to successful service recovery. As mentioned before, in human interactions mistakes can happen. This might be even part of the broad understanding of luxury hotel guests; however, this segment apparently has very little patience if employees are not able to take ownership and do an effort to resolve the problem. This failure can be connected with other areas of failure, like "Lack of Attention" and "Lack of Skills", as the issue might either not be perceived as important, or employees do not have the required capability of resolving the issue. Hypothetically, a new employee who does not have technical knowledge will not feel confident enough to deal with a problem and just hand it over to a supervisor or disregard it and try to ignore the problem. However, the guest is left frustrated of the employee's incapability of resolving the problem and will be likely to leave negative reviews on social media platforms like TripAdvisor. In this case, it might be useful to conduct trainings with an outsourced psychologist, who is professional in handling complaints and can teach valuable skills to all frontline employees exposed to personal interactions. As Maršíková highlighted in her research, active and passive training approaches are applicable and naturally lead to individual development by enhancing capabilities such as problem-solving. (Maršíková, 2015) This will increase the employee's confidence in facing complaints and ultimately diminish negative experiences, as problems have the opportunity to turn into positive experiences when handled right. The issue does not necessarily need to have its roots in the hotel. For instance, a guest can have issues with his transportation or flight bookings and a concierge can handle the problem efficiently and impress the guest.

This research also took the management's responses to the analyzed reviews into consideration. 189 out of 270 comments considered were answered from the hotel's side. The following nature of content has been identified in those responses: "apologetic", "defensive", "concrete action" and "ignored" (Figure 4). Presumably, the necessity of replying to comments might not be perceived as equally important. It has been observed, that some properties only copied and pasted the same answer regardless of the review's content. Also, there has inconsistency of style has been observed, as the reviewer was sometimes addressed by its TripAdvisor name and sometimes it was a more general address like "Dear Sir or Madam". Also, the response was signed by the managers name, at times only with surname, while the same manager replied with entire official title to other comments. For this research, concrete actions suggested to service failures were carefully looked into. 23 out of 189 responses included a concrete action followed by the failure identified in the review. This is a visible proactive approach and first step to prove problem-solving skills on the social media platform. However, with the available resources of this study, it cannot be investigated, whether those suggested actions were realized. For instance, a reviewer communicated disappointment about slow service during the breakfast, the manager suggested to review the staff schedule to assure prompt service during peak times. Also, these replies can lead to assumptions on how the property is managed and drive the costumer's choice.

Employee training impact may be limited by high turnover rates in international properties, which discourage employers to invest in training programs. Also, it can be concluded, that guests' expectations might be navigated in a direction, which is impossible to achieve in reality. Limitations of this particular research was a limited time frame to collect information. The sample size of 18 hotels has been appropriate for the time and resources available. Therefore, this is an exploratory study, which could be extended to a larger sample size showing even more evident results. Additionally, in this sample selection, the age of each property has been disregarded, even though it might affect the total number of comments and portion of less than four-star ratings accordingly.

This research leaves opportunity for further discussion on how to prepare an individual to deliver this kind of top service. As the experiences appeal to emotions, a study on effects of emotional intelligence could investigate further on this topic. Ultimately, it would be interesting to investigate the relevance of training in relation to employee fluctuation.

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Appendix

Table 1

| Hotel	Location	Rating	# Total Reviews	Area of Failure	Department	Response	Content response

Table 2

Relation of <5-star ratings to Total Number of Reviews

Hotel	Region	# Total Reviews	<5 Star ratings	%
Hotel 1	ME & A	265	55	21%
Hotel 2	ME &A	2619	320	24%
Hotel 3	ME &A	141	31	22%
Hotel 4	ME &A	1788	390	22%
Hotel 5	ME & A	3592	623	17%
	Total ME&A	**8405**	**1419**	**17%**
Hotel 6	EUR	489	100	20%
Hotel 7	EUR	404	50	12%
Hotel 8	EUR	1111	167	15%
Hotel 9	EUR	167	40	24%
Hotel 10	EUR	2285	486	21%
	Total EUR	**4456**	**843**	**19%**
Hotel 11	NA	797	159	20%
Hotel 12	NA	1843	261	14%
Hotel 13	NA	24430	6161	25%
Hotel 14	NA	1004	189	19%
Hotel 15	NA	149	13	9%
	Total NA	**28223**	**6783**	**24%**
Hotel 16	DOR	1493	1246	83%
Hotel 17	DOR	1773	412	23%
Hotel 18	DOR	798	160	20%
	Total DOR	**4064**	**1818**	**45%**
	TOTAL	**45148**	**10863**	**24%**

Figure 1

Total Failure Areas
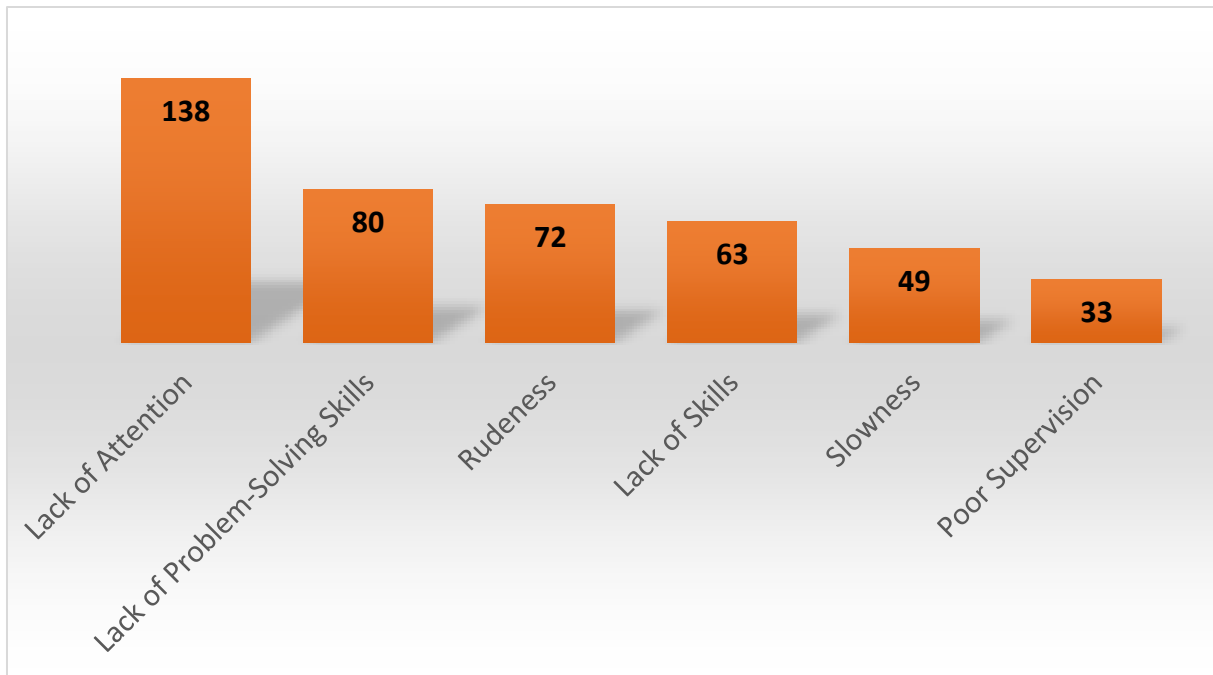
Total: 435 Failures
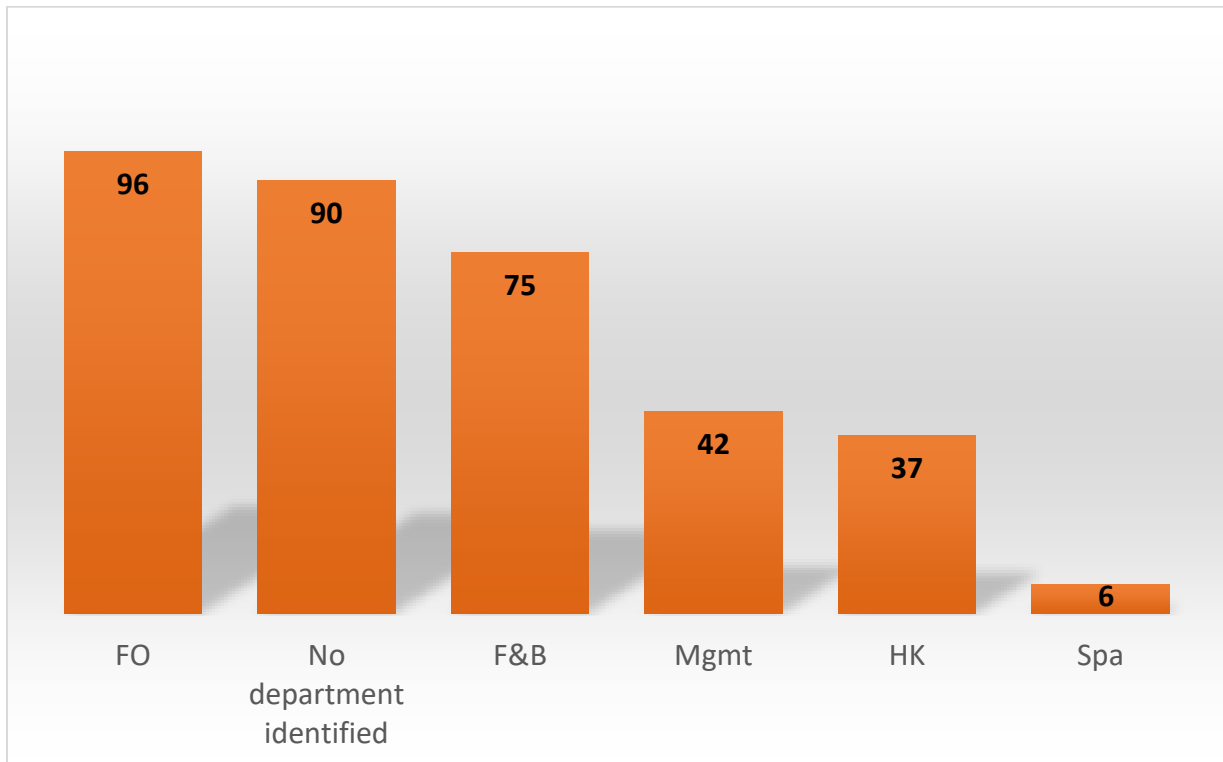
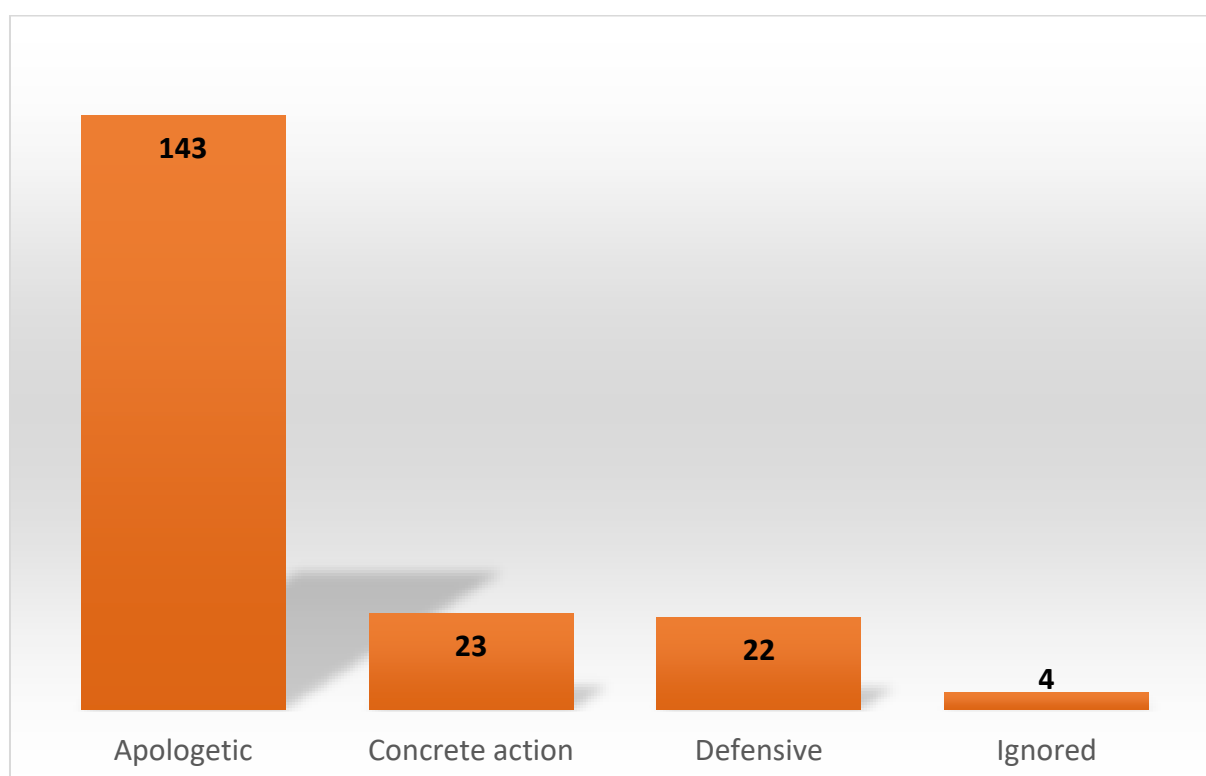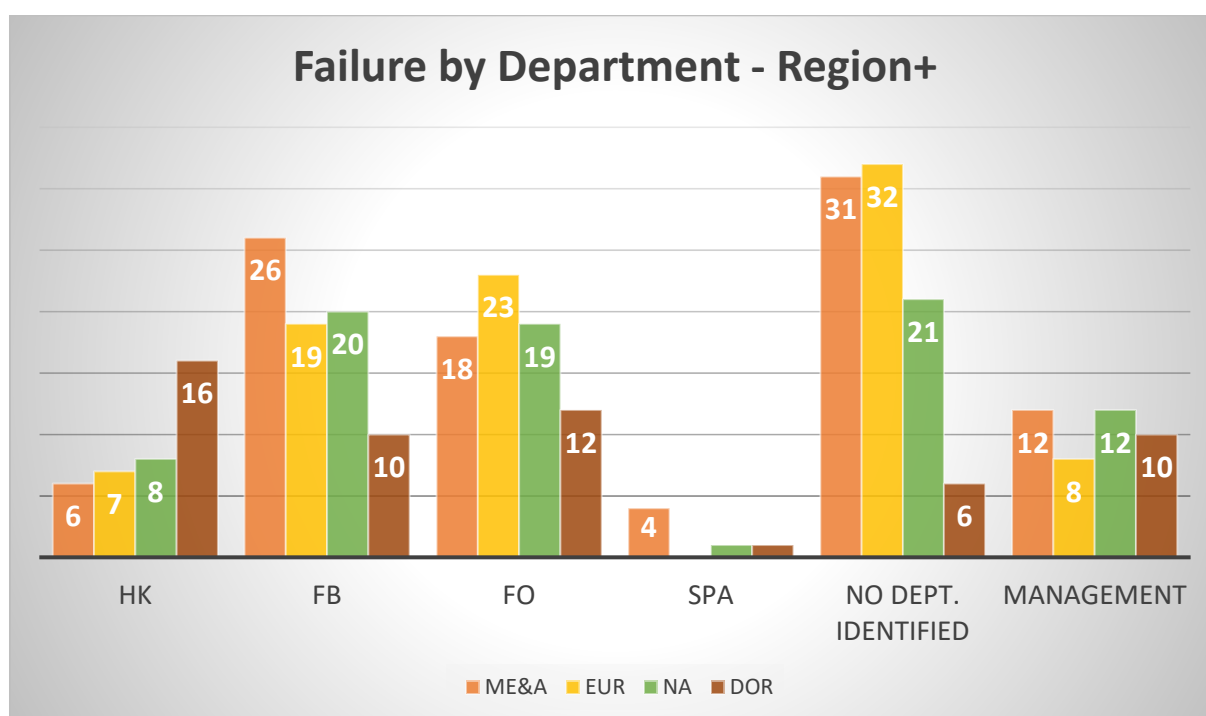**Figure 2:**

Total - Department Failures

Figure 3

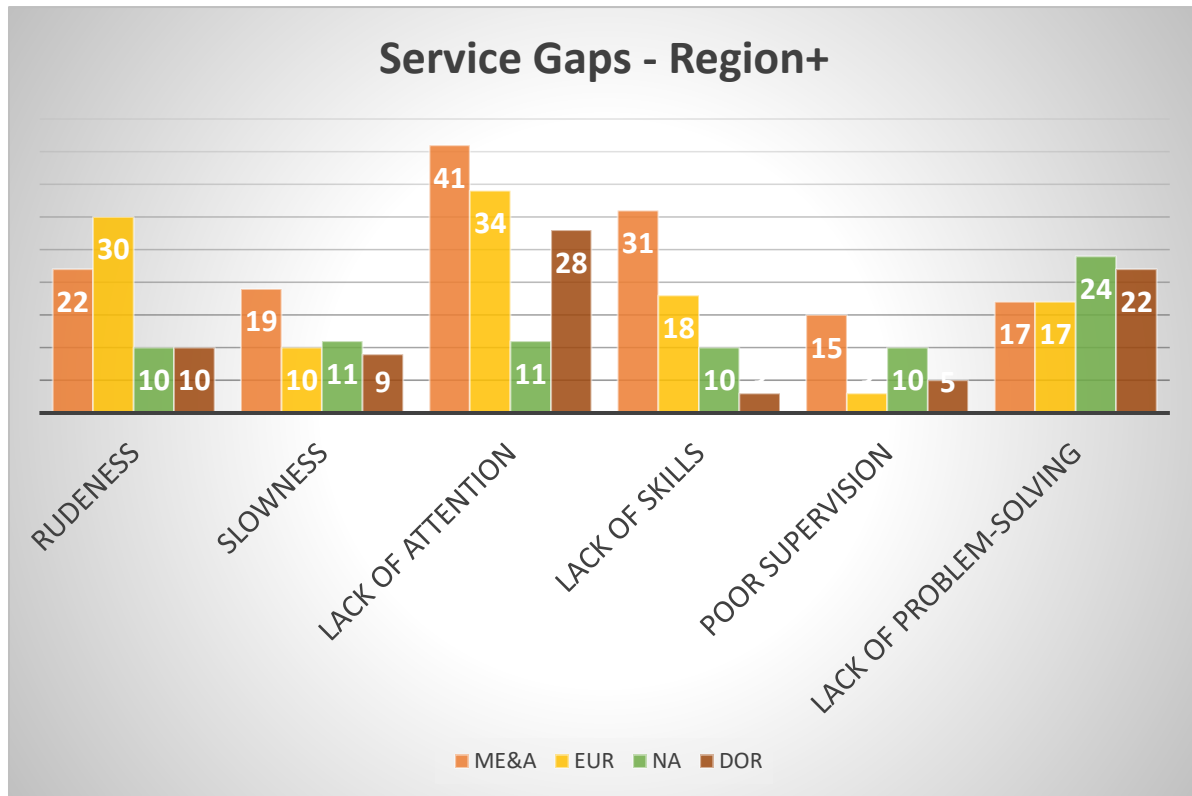Note. Out of 270 reviews examined, 192 were answered

Figure 4

Failure by Department – Region +

Note: Region + refers to Middle East, Europe, Northern America and the Dorchester Collection

Figure 5

Service Gaps – Region +

Note: Region + refers to Middle East, Europe, Northern America and the Dorchester Collection