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Luxury Hotels Compete to Raise Service

By Alec Luhn

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A new program at the Radisson Royal aims to improve customer service. **Alec Luhn**

In 2007-10, the Radisson Royal Hotel, Moscow (formerly the Hotel Ukraina) underwent a $300 million transformation from Soviet behemoth to internationally branded luxury hotel. Now the hotel is rebuilding its training system to bring customer service up to world-class levels, with a "Russian twist."

General manager Jesper Henriksen, who started the job five months ago, is setting up a new training program to take advantage of individual talents and teach staff to meet customers' needs before they are asked. Although Moscow lags behind other major hotel markets, Russia can catch up, he said.

"Those who are leading the game, they are several decades in front of us," he said. "But in the future that's what we want to develop."

Young Market

Currently, nine luxury hotels are operating in Moscow, with several more projects on the way, according to Jones Lang LaSalle. The average rate for an entry-level room was $402 in the first quarter, well above the $250 average for mid-market hotels in the capital. Revpar, or revenue per available room, was $231.

Prices often fluctuate, however, and suites can cost far more than entry-level rooms. The rates for some top suites are in the neighborhood of 500,000 rubles ($16,000) a night.

Customer care is still developing on the Moscow hotel market, including in the luxury segment, market players said. Service is a key component of what these hotels are selling. Along with brand image, superior service is the main way that luxury hotels attract guests, said Marina Usenko, head of Jones Lang LaSalle Hotels Russia & CIS.

"It's the image and the level of attention and level of service they give to clients," Usenko said.

As competition on the luxury segment in Moscow continues to grow — several premium hotel projects, including a Four Seasons hotel, are in the pipeline — the level of customer care will likely also improve.

"There is definitely room for growth, because some people who are truly used to the luxury product, they say we do not have the same luxury product as in other gateway cities, the global financial centers," she said.

Since the typical luxury guest always stays at such premium establishments, Henriksen said, earning his or her repeat business is vital to a hotel's success.

"We need to be on the same level" as luxury hotels elsewhere, he said. "Our travelers are going to Singapore; they're also going to New York. They know what a five-star should be."

Not all luxury operators agree that the level of service is lagging here, however.

"Today one can definitely say that the level of service in Moscow five-star premium international hotels is the same [as at any of their] counterparts in megapolises," Olga Ryzhkovskaya, director of sales and marketing at the Hotel Baltschug Kempinski Moscow, said by e-mail.

Premium Product

Although the Radisson Royal is located farther from the Kremlin than most other five-star hotels, it possesses a unique selling point in that it occupies one of Stalin's famous Seven Sister skyscrapers: Henriksen said the hotel's history is a "big part of the draw" for both CIS businessmen and international travelers. Nonetheless, good service is what customers pay a premium price for, he said.

Henriksen has come into his job with a mandate to improve service. As new manager, he said his mission is to "get the service level up and through that to fill the hotel."

To this end, Henriksen dismantled the existing training department and is setting up a "talent development" department. The new system's goal is to help identify employee talents among the hotel's 1,000-plus employees and put poorly placed staff members into new roles. Besides talents, supervisors will also identify training needs through dialogue and observation, Henriksen said.

"If you want to run a successful luxury hotel in Moscow, training is top priority," he said.

In Russia, where the number of people who have experience working at an international hotel is relatively small, recruiting staff is one of the biggest challenges of running a hotel, said Arild Hovland, senior vice president for business development at Rezidor, which operates the Radisson Royal. He looks for a friendly, outgoing personality and ability to speak English in front-of-house personnel, he said at a hotel conference in October.

"The challenge in Russia is to find staff and train them," Hovland said. "In another country, you can just hire what's already there."

"With any emerging economy you have [staff-training] challenges. The skills don't necessarily exist," said Robert Shepherd, senior vice president in charge of development in Europe for InterContinental Hotel Group, which operates the InterContinental Moscow Tverskaya hotel.

At the same October hotel conference, Shepherd noted that one challenge particular to Russia is the visa regime, which makes it more difficult to bring in the experienced management staff who form the "seed from which to grow homegrown talent."

The younger generation now entering the workforce have often traveled and stayed in hotels abroad, so they have a better reference point for understanding how a world-class hotel should function, Henriksen added. Nonetheless, training is vital to prepare them to fill various functions.

"There's still a way to go. Our staff still needs to be exposed. We need to do a lot of training to grow the level," he said.

Anticipating Every Need

To recruit staff, the InterContinental is starting a Moscow branch of its IHG Academy this spring. During a three-year course, 15 to 20 students will spend four days a week working at one of the IHG-brand hotels in Moscow (InterContinental, Crowne Plaza or Holiday Inn) and one day studying at the Moscow State University of Tourism.

At the Baltschug Kempinski, new employees go through orientation and "people business trainings" that teach them how to approach guests, then start working alongside a mentor, training manager Zlata Nikolayeva said in e-mailed comments.

Staff education often continues long after initial training as hotels strive to attain better levels of service. Radisson Royal staff must undergo at least 24 hours of classroom training a year, Henriksen said. The hotel has in-house training facilities, as well as a full-time English teacher.

In particular, Radisson Royal employees "have to be much better at reading the clients" and offering a solution before the guest even voices the problem, Henriksen said.

"Anticipation and being proactive is key to luxury, otherwise you're just like anybody else," he explained.

A concierge is the paragon of customer care at almost any luxury hotel, including those in Moscow. For instance, Baltchug Kempinski has five concierges, all of them members of the international concierge association Les Clefs d'Or.

As part of his service overhaul, Henriksen has appointed a new chef concierge to head this section of the staff at the Radisson Royal, he said, which includes four concierges.

Ultimately, Henriksen would like not only to bring service at his Radisson up to a world-class level, but also to add a "Russian twist," although he doesn't know yet what exactly this might be.

"We want international travelers to come and say, 'The service we got in Moscow was like anywhere else, but with a twist,'" he said.

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