



Horwath HTL™

Hotel, Tourism and Leisure Celebrating 100 years

Industry Report
**The difference between
service and hospitality**

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There is a difference between service and hospitality and it's impacting your asset

As operational and financial professionals, it is important to easily identify customer touchpoints at the property level—not only to analyze the data of a hotel's success, but also to observe qualities of the service delivery. The nuances of the service delivery can prove significant as owners and operators strive to improve the overall profitability and bottom line of their lodging properties.

There are numerous factors to observe and analyze when studying a particular lodging property, but one observed rather frequently actually does not require a large capital expense or a major shift in hotel operations. We call it: Service vs. Hospitality.

Transactional Style

What is service? Although there are many definitions of the word, we believe that it is the “process of doing something for someone.” Service is the act of handling a task. It is the intangible good that certain industries provide, including the hotel industry. Hotels service guests and they provide shelter and accommodation. Basic service is level one: the fast food of the hotel business where employees have little interaction with guests. As people spend more money on their experience they expect more. Guests are not only expecting better tangible accommodations, they are expecting the intangible experience to be unforgettable—service taken to the next level. This is hospitality. This is where a hotel's value comes from.

Hospitality exhibits itself in interaction. It could be checking in a guest, cleaning the guest room, taking a meal order in the restaurant, taking a beverage order in the lounge or any of the other opportunities that arise to assist a guest.

Consider checking a guest into your hotel. What tasks does a front-desk agent perform when handling the service aspect of this most important effort?

- A guest enters the front door of your hotel.
- The guest proceeds to the front desk where an agent

greet them—“Can I help you?”

- The guest responds—“I have a reservation”.
- The agent responds—“Your name? And I need an ID and a credit card”

The entire process from stepping through the entrance to receiving their key may take 2-3 minutes. The clerk has provided a service—the clerk checked a guest in but did they show any form of hospitality?

Did the clerk take a minute or two to engage the guest? Again, our research confirms, what was missed was any effort at “true hospitality”: enhancing the interaction from a service to an unforgettable moment.

In today's world, many things feel the same: chain hotels largely look the same, largely feel the same and generally are the same from one city to the next. Brand to brand, for the most part, these same similarities exist. Yet, every smile is different. Guests are not going to be greeted with the same genuine welcome at every hotel they check into, no matter what brand or how cookie-cutter the front-desk agents have been trained.

Do guests remember and feel special about service and their check-in experience? Our experience and research indicate what guests really remember about a hotel is not service (the task that is expected) but it the hospitality that is exhibited. They remember the smile and the care; the moments that make them feel like they belonged where they were.

Sincere

Hospitality is a genuine smile and effort to make the guest feel welcome! An effort at exchanging a few words! A guest wants to be **recognized, respected, validated, appreciated.**

Guests value hearing their name. What better way to show that they are unique and you are truly serving them at that moment; not just performing tasks. A better scenario of a guest check in includes name recognition and care for the guest:

- Mr. XX or Ms. XX, where is home?
- Mr. XX or Ms. XX, how was your trip today?
- Mr. XX or Ms. XX, have you been at our hotel before?
- Can we provide suggestions on where to eat?

And these questions cannot be forced. If the guest seems rushed, do not waste their time. Pay attention and stay in the moment. Listen to what they are saying and you will notice the small comments which make this guest unique, allowing you to create a better and more unique experience for them. Our research indicates that this is what the vast majority of guests really appreciate. If you are the owner of a hotel or the manager of a hotel, ask yourself, what are your guests really looking for: service or hospitality?

Are we really providing service to our guests when we think we are providing hospitality? Today, the hotel industry for the most part is performing well with the industry's financial results reaching record levels. However, we wonder what will happen when the hospitality market declines—whether due to issues related to the overall economy, new lodging supply or world economic conditions—and hotels everywhere are ultimately fighting once again to retain their clients. What will happen when more and more hotels offer and/or implement automated systems to check in or check out their guests?

Our general comment or “food for thought” for hotel operators and/or owners is as follows: Will guests come back for service or will it take something more for them to remember your hotel—hospitality? Where will that hospitality come from in the next two to five years?

John Montgomery is managing director of Horwath HTL's Denver office. He has more than thirty years of hospitality industry experience, including 23 years of financial and operational consulting. Horwath HTL is a hospitality advisory firm with 57 offices in 32 countries. It is focused specifically on providing real estate, financial and contractual advisory services to its hospitality industry clients.

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Mr. Montgomery has more than thirty years of hospitality industry experience, including 23 years of financial and operational consulting. Prior to Horwath HTL, he performed consulting work as a Senior Principal with an international consulting firm and most recently with Horwath HTL in variety of hospitality and real estate clients. He had operations and development experience with Hyatt Hotels Corporation and Super 8 Motels. Mr. Montgomery's experience with Hyatt Hotels Corporation involved positions as Corporate Sales Manager and Director of Sales and Marketing. His experience with Super 8 Motels was as a Vice President of Development and Operations for a large Super 8 franchisee.

Mr. Montgomery's involvement in a real estate project often begins with product conceptualization and continues through the market study, facility recommendation, financial analysis and on-going consulting phases. As a consultant, Mr. Montgomery has conducted engagements throughout various states in the Rocky Mountain Region, as well as in the southeast and southwest United States.

Mr. Montgomery received his BSBA degree from the School of Hotel and Restaurant Management at the University of Denver and has a minor in secondary education from the same university. In addition, he has completed selected graduate level business courses at the Master Business Administration (MBA) program at Abilene Christian University in Dallas, Texas.

ABOUT HORWATH HTL:

Horwath HTL is the world's largest hospitality consulting brand with 45 offices across the world providing expert local knowledge. Since 1915, Horwath HTL has been providing impartial, specialist advice to clients and is recognized as the founder of Uniform System of Accounts which subsequently has become the standard for hospitality accounting. Horwath HTL in the United States focuses 100% on hotels, tourism and leisure consulting. With office locations in Denver, Atlanta and Miami, Horwath's seasoned industry professionals are renowned for their vast array of expertise and market study experience.

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