

ROLE OF EXECUTIVE LOUNGE IN ENHANCING CUSTOMER EXPERIENCE

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Abstract

Service management is becoming the new paradigm in the hospitality industry. Hospitality establishments offer services to fulfill the needs and experiences of customers through innovative concierge or personalized services. Hospitality managers are conceptualizing their hospitality offerings as service offerings conducted in a framework of human relationships. This essay will advance the framework through a concierge service study to determine how and why customer service has either increased or decreased in regards to the acquisition of concierge service marketing techniques. The purpose of this research is to first, analyze how and why customers seek concierge services and second, determine whether the acquisition of these concierge services affect guest stay experience and offer increased choices in guest services. The hotel lounge was once a simple affair, offering a television, perhaps, and a small buffet to its regular customers. But as business travel has started to pick up, and revenue along with it, a number of major hotel brands are once more turning to sprucing up their executive club lounges, making them more residential in feel and providing healthier food and improved technology like free Wi-Fi.

I. INTRODUCTION

Concierge Level -- the very phrase conjures up an image of your own personal hotel staff member, catering to your every request, no matter what time of night. Is it worth it? The answer depends on the particular hotel's service at concierge level and your own personal needs. Here's a rundown of what you can expect. This might include meeting room spaces, internet stations, a reception area with complimentary food and drinks, and of course, a special concierge desk to help you with requests. It is a lounge that is value for money. This concept was introduced by the Marriott Hotels, by starting a lounge facility for their repeat customers and business travelers. Over time it was a known fact that guests were ready to pay extra for the lounge facility. It also played a major role in guest satisfaction and repeat business. The American concierge is most common in larger cities and performs many of the same duties as the European concierge. One significant difference is that the American concierge deals primarily with business travelers, and thus, the need for foreign language skills is less important. The American concierge is less supervisory also, and therefore, does not have a large service staff reporting to them for direction.

Executive floors are fairly standard features across four- and five-star hotels. You almost certainly will find them at the well-known hotel brands: Hilton (hilton.com), Marriott (marriott.com) and Hyatt (hyatt.com) offer them at many of their properties, for example. Upper-tier boutique or independent hotels in major cities also are likely to have them. You'll find them less frequently at lower tiers of hotels, but some do offer them, particularly in business-travel-heavy locations. Holiday Inn (holidayinn.com), for example, has business and executive levels in some of its larger properties.

Amenities on an executive floor can vary wildly, even among properties in the same hotel brand, so you will need to check with your hotel, either by phone or on its website, for the exact offerings. As a base expectation, they should offer a public lounge area with work spaces and a small buffet, and a room with extra working areas. Many hotels, however, have invested well beyond that. In the lounge, you might find cocktails, gaming areas and free Wi-Fi hot spots. Your room might have free goodies to eat and drink and nicer bedding and furniture. You also might have an elevator exclusive to lounge floors or a private check-in area. Some luxury properties even offer high-service perks such as a butler to handle your packing and unpacking. All the hotel lounges do not provide the same services the services may vary from hotel to hotel or brand to brand. The customers' requirements are also a part in setting up for the services and facilities. Some of the common services provided by the hotels are:

- **Full Buffet Breakfast:**

Most travelers, families included, love the convenience of getting breakfast without having to leave the hotel in the morning. That becomes even more important on days you chose to take early day trips or leave very early for the airport since many places are not even open at that hour. Note that breakfasts can vary by chain, country, and property. While some might offer a continental version, others have a full brunch-like buffet

▪ **Extravagant Happy Hours:**

The “Happy Hour” that first started in restaurants has successfully crossed over to hotel lounges. Most properties offer appetizers and drinks as a free option between 5-8 pm. Some executive lounges offer potatoes chips, pretzels, and cheeses, while others can offer ample spreads making it unnecessary for some to eat dinner (which can be a money saver for the average family.)

▪ **Ample Seating Space:**

Depending on the space allocated by the property the executive lounge can feel spacious or crowded. Naturally, the larger the room the more comfortable the traveler will feel. Bear in mind that during the peak hours of 8am-10am and 6pm-8pm even some of the larger lounges might appear packed.

▪ **Unlimited Sodas or Drinks:**

Though many hotels in the United States offer unlimited bottled waters, sodas and coffees throughout the day, this will vary from country to country. You will discover greater differences on the wines, beers and hard liquor policies – some places offering very few choices and actively limiting patron consumption.

▪ **Separate family space:**

A growing number of hotels wishing to cater to traveling families now offer a separate room with books, toys and the quintessential TV/video set to help occupy the kids. This is a good idea for all lounge guests – the adults enjoy a relaxing atmosphere while the kids get to play and enjoy their own TV shows.

II. RESEARCH DESIGN

2.1 Need & Significance of the study: Hotels will understand how a concierge lounge can be effectively used for improving Guest Experience. The hotels that do not currently have a concierge lounge will get a ready insight on the details, and it would help them if they intend to propose for their property. The research will help academicians to understand the comparisons between hotels that have a concierge facility, and those who do not have. Thus it will provide as a platform for further studying the reasons and limitations of not having such a facility, mainly with regards to cost implications. This research will thus further create a platform for further studies by academicians.

2.2 Scope of the study: The scope of the study will be beneficial to the following hospitality professionals- hotels that intend to have an executive lounge will be able to this study. The research experience will help us, (the researchers) in understanding the subject in detail. It will act as a ready reference for hospitality students, to know more about the subject.

2.3 Limitations of the Study

The study is based on information received by the employees, managers and guests of sample hotels in Pune city.

2.4 Statement of the Problem

The executive lounge which is a new trend in the hotels these days, does it contribute towards enhancing guest satisfaction in the hotels.

2.5 Definitions

Concierge: The word “concierge” is uncertain, but some suggest that it comes from the Latin “conserves,” meaning “fellow slave.” Others claim that the first concierge “Count of the Candles” was in charge of Paris’s royal prison. The concierge is a separate entity from the reception staff, room clerks, and cashiers.

III. LITERATURE REVIEW

- **Richard Mills, Denis P. Rudd, Frank Flanegin, 2009**, this paper suggests that the concierge services are not only related to the facilities provided but also to the service provider. It determines that the concierge facility also helps to find the customer satisfaction level. Now days the customers are looking forward to innovative concierge or personalized services. The paper also throws light on the human relationship.
- **Jane L. Levere, 2004**, this article is saying that the customers do return to the hotels offering concierge services as a part of the facilities. It was noticed that 90% of the repeat customers were business travelers, who look forward to use this facility as it aids in their business trip needs.
- **Sara Dolnicar, 2003**, in this research the author focuses on the Hotel attributes which turns out to be a wide and extremely heterogeneous field of research. The authors review empirical studies investigating the importance of hotel attributes, provide attribute rankings and suggest a framework for past and future research projects in the field, based on the dimensions.
- **Noora Sirkiä, 2013**, This thesis gives information about the types of VIP guests in hotel industry in the United States and the specific procedures the hotel departments use in order to answer to the various needs of the guests and to provide high quality customer service, and one way of achieving the same is through the executive lounge.
- **Suzana Markovic, Sanja Raspor and Klaudio Segaric, 2010**, have examined and analyzed that satisfaction has a greater impact on customer loyalty. And it can be achieved through the services and facilities provided by the hotels.
- Sarah Peterhans, 2010, Standards, has studied that maintaining the level of service in the hotel should be done by understanding the guests’ expectations and setting service standards to meet the guests’ expectations.
- **Jiao Mingyu, 2014**, this paper analyses the formation of customer value and has identified the five driving factors which are functional value, social value, emotional value, utility value and cost value.
- **Phillips Paul Louvieris Panos, 2005** have analyzed the performance measurement processes. And have suggested a balance score card for the improving the service quality for customer retention in the hotel.

IV. OBJECTIVES OF THE STUDY

1. To study the availability of various services and facility in the executive lounge.
2. To find out how executive lounge, helps in enhancing the guest experience.
3. To understand guests expectations from the executive lounge.

V. RESEARCH METHODOLOGY

5.1 Primary Data: Primary data was collected through following sources-

- **Through Questionnaires for guests:** A well designed questionnaire was drafted and circulated to hotel managers of 5 and 4 star hotels.
- **Through Personal Interviews:** Personal Interviews and Interaction with hotel employees and the Managers of 5 star and 4 star hotels were conducted to understand how guests were satisfied and retained at their property.
- **Through Questionnaires for guests:** Also a separate questionnaire would be circulated to guests to understand their expectations from the concierge lounge.

5.2 Secondary Data collection: Secondary data was collected through various internet sites and research journals. Information is also taken published articles in magazines and newspapers.

5.3 Sampling Technique: The population of the research was homogeneous in nature – “The hotel managers and guests”. Hence few perspectives and ideas might be on similar grounds. Considering this fact a random sample of 30 hotel managers was selected from various five star hotels in Pune, as a Sample Size for the research. Also 70 guests were selected randomly as a sample size for the survey.

VI. OBSERVATIONS AND DISCUSSIONS

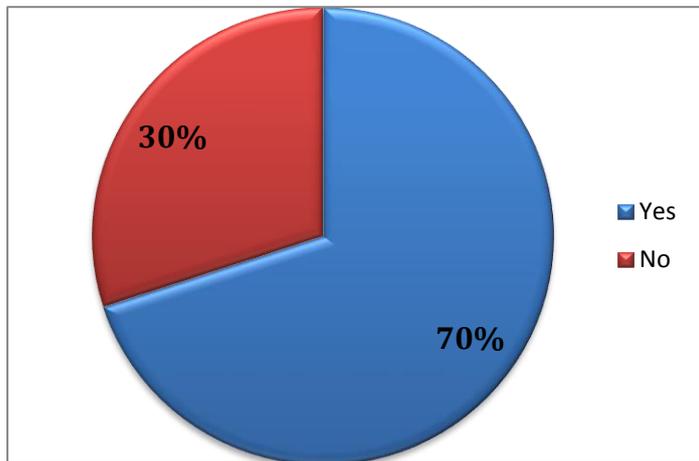
- i. 70% of the hotels have executive lounge facility provided in the hotel. Maximum of the hotels believe that the concierge lounge helps to enhance the stay of the guest as it not mere a business center. However there are 30% of hotels which do not provide an executive lounge facility but are looking forward to do so. As it is also seen that 80% of the guest are aware about this facility it is also important decision making factor for the guest while selecting a property.
- ii. As the guests are using the lounge for the meeting spaces, Wi-Fi, food and beverage and the happy hour it is also necessary that the hotel should take efforts in improvising the other facilities like conference calling, computer stations and printing facilities.
- iii. It is observed that the guest utilizing this facility the maximum is the business travelers and the members of the lounge also there are corporate company guests who also use this facility for hosting small meetings and lunches.
- iv. The lounge is making a considerable amount of revenue in the sales mix. It is also seen that as an outlet in itself it is making a revenue of more then 5,00,00/-
- v. The percentage of guests who are aware about the facility and are using the same is 70%, which shows that the guests are aware about the latest trends in the industry.
- vi. It is also observed that 80% of guests say that the executive lounge does add on to their

stay experience in the hotel. This helps in generating more repeat guests.

VII. DATA ANALYSIS & INTERPRETATION

7.1 FOR HOTELS

1) Availability of Executive Lounge



According to the surveys it was observed that 70 % of the hotels have an executive lounge service provided to the hotel guests. 30 % hotels in Pune did not have an executive lounge. These hotels are generally the four star properties in the city.

Figure 1: Availability of Executive Lounge

2) Facilities Provided in Lounge

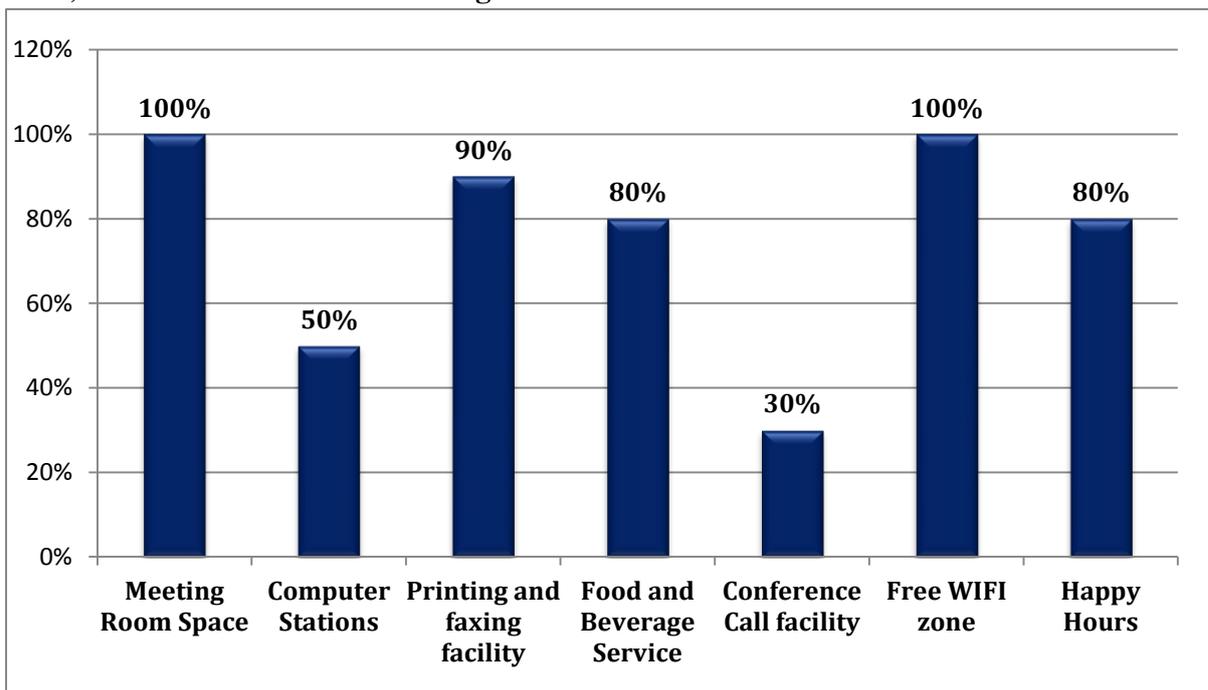


Figure 2: Facilities provided in the Executive Lounge

With the above data it is observed that the facilities utilized the most are Meeting rooms, Printing and faxing facility and the WIFI zone. Also guest also enjoys the facilities like the Happy hours and the food and beverage services provided during the meetings. Guest on business trips find it really useful as it gives them the opportunity to utilize the time wisely as the break timings can be reduced.

3) Type of Guests who use the Facility.

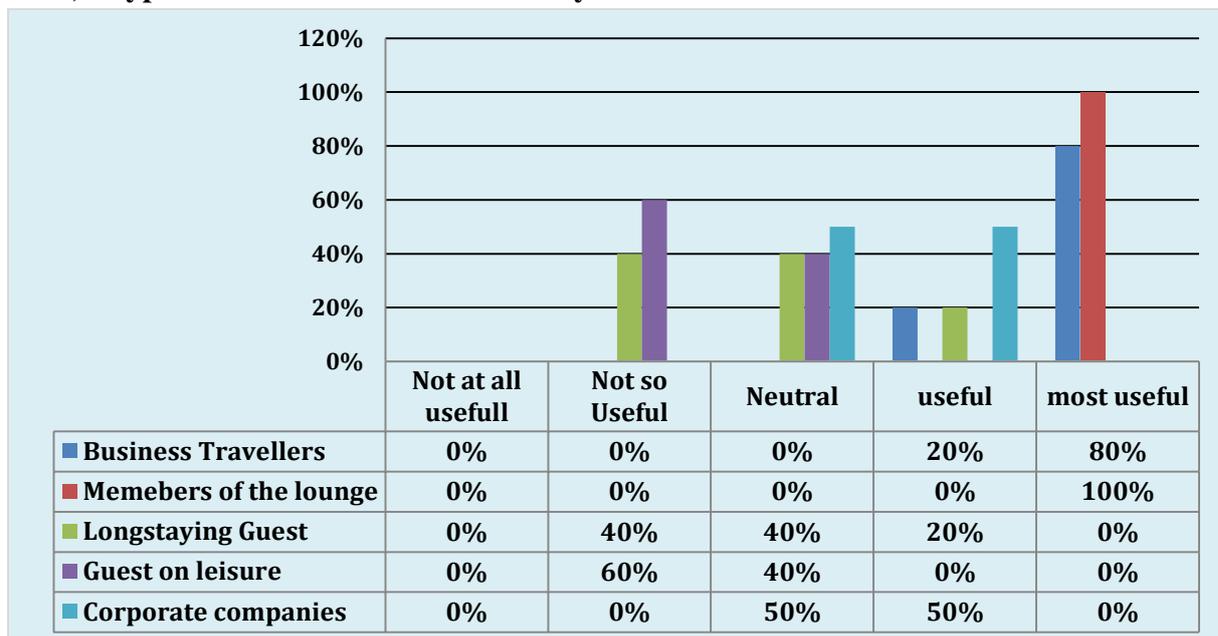


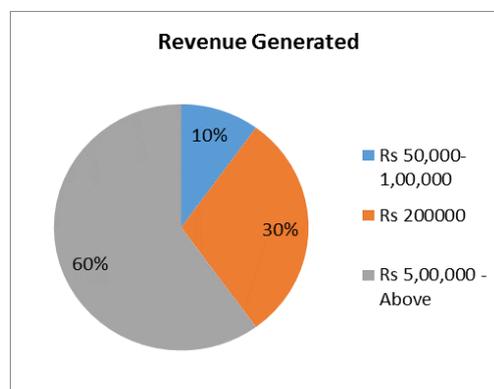
Figure 3: Guests Who Use the Executive Lounge Facility

From the above data we can conclude that guests who use the executive lounge facility the most are the members of the lounge and the business travelers as it suites there purpose the most, however even guest on leisure trips prefer to use the facility as they feel it is value for money with regards to the happy hours provided.

4) Revenue Generated through Executive Lounge

In a five star hotel the executive lounge generates a revenue of more then 5,00,000. It is a through there food and beverage services provided during meetings (Apart from the happy hours) and also from the printing services. The lounge also generates revenue by hosting small lunch and hi tea services for companies.

Figure 4: Revenue Generated through Executive Lounge



5) Revenue Generated as a Sales Mix

Revenue generated by the executive lounge in the sales mix is 10% - 40%. This is a considerable amount of contribution with not being a food and beverage outlet in itself. The prime focus is on the meeting spaces. However with the increase in awareness about the facility within the guests it would be generating more percentage of profit.

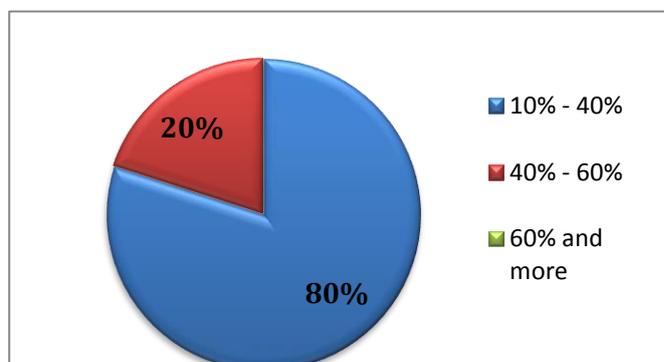


Figure 5: Revenue as per Sales Mix

6) Impact of Executive Lounge on Guest Experience

With all the facilities and services provided by the executive lounge it shows that the executive lounge has a great effect on the guest experience. As guest prefer to visit the lounge more not only for the facilities but also for the ambience and the service provided by the polished staff. The find it as a one point contact for the requests and complaints. It is also observed by the hotel managers and the guest who have used this facility once during their stay opt for the same during there next visit and are also ready to pay extra for the club floor rooms. Increase the room revenue.

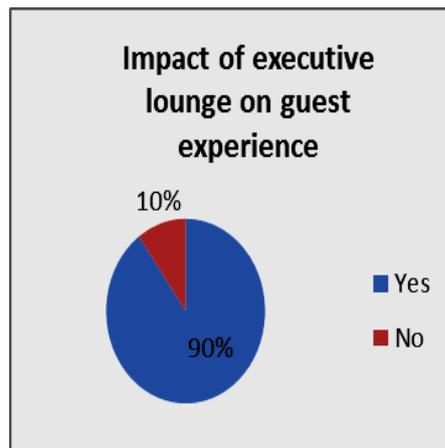
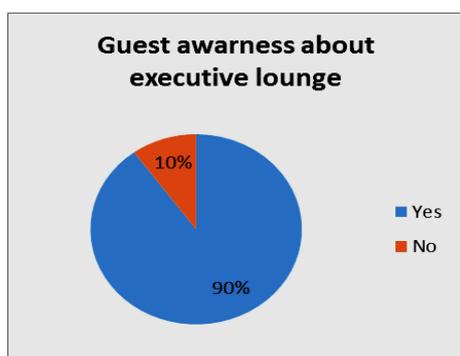


Figure 6: Impact of Executive Lounge on Guest Experience

7.2 FOR GUESTS

1) Guest Awareness of Executive Lounge



From the above analysis it can be seen that 90% of the guest are aware about the executive lounge facility provided by the hotel. Hence it can be seen that the customers now a days are aware about the new trends which are upcoming in the hotels. It can also be said that the hotels are also taking initiative in introducing the new facilities to its guests

Figure 7: Guest Awareness of Executive Lounge

2) Use of Executive Lounge by Guests

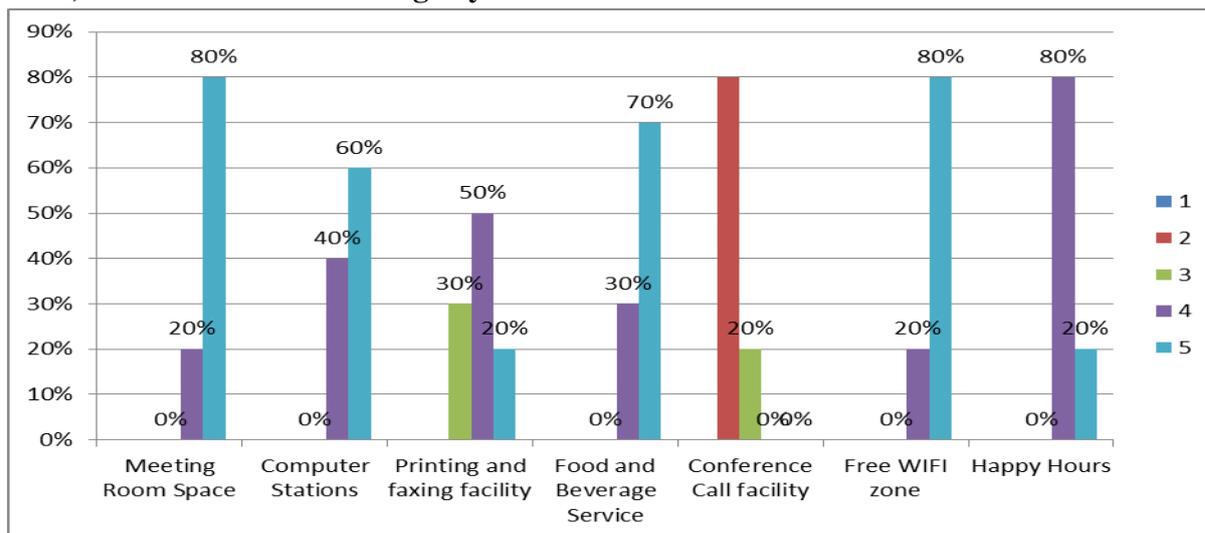
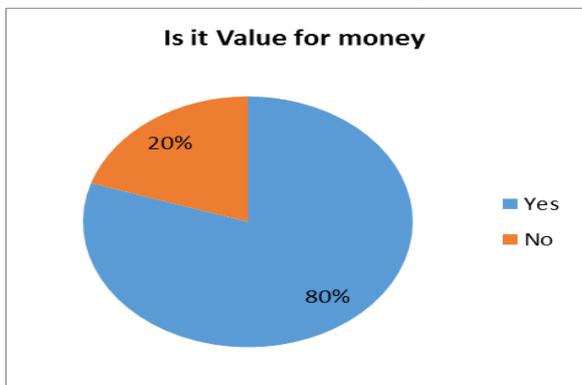


Figure 8: Use of Executive Lounge by Guests

From the above chart it can be seen that the guest use the executive lounge to avail the meeting room spaces, free wifi zone, the food and beverage services and the happy hours

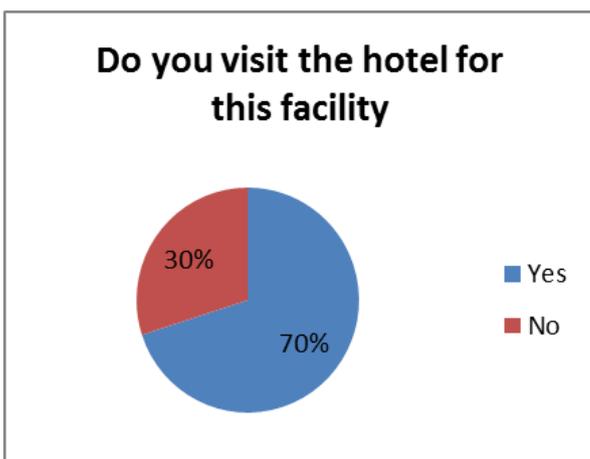
facilities the maximum. It can be seen that the guests are looking forward for the executive lounge to cater to their business needs the most. And also the guests on a business trip look forward for the happy hours to entertain the business clientele.(where number 1-indicates not used and number 5- indicates used maximum).

3) Guests Perception about Lounge with respect to Value For Money



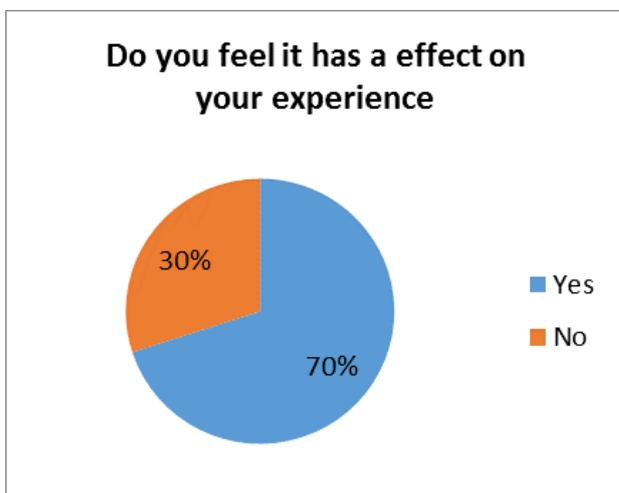
It can be seen that 80% of the guest find the executive lounge value for money. It also shows that the guests are happy with the services and the hotels are able to deliver as per the guest's perception most. It also gives the hotels to upgrade

4) Guests Using the Lounge Facility



It can be seen that the guest do visit the hotel for the executive lounge facility. Business travelers are the ones opting for this service more. It is also seen in the survey taken from the front office managers that there are a number of guest who opt for the executive lounge facility if they are a repeat guest and also don't hesitate in paying more for the same.

5) Guests view on Experience



From the above data it shows that executive lounge has an effect on the guest experience. It shows that the executive lounge does add up to the value of the guest stay experience. It provides personalized service and also technology which guest's prefer to see in a five star hotel. They are also looking for getting the experience which is equivalent for the money they have spent in the hotel.

7. RECOMMENDATIONS AND SUGGESTIONS

- Hotels which do not provide the executive lounge facility should provide this facility as the guest awareness about the executive lounge is high and a hotel may end losing business as business travelers would prefer a hotel which provides such facility.
- It is also recommended that hotels should take measures in introducing services in the lounge which would also draw more guests who are travelling on leisure. It would help to increase the revenue.
- Guests are using the lounge mostly for the business oriented needs, hence hotels should upgrade and introduce facilities which would aid in providing better experience.
- Also as there is high percentage of guest who do not find the lounge to be value for money, hence the hotel should take initiative in understanding their expectations from the lounge through feedback or a personal conversation.
- Hotels should take into consideration in making the guests aware of such a facility provided through the check in process, website or promotions in the hotel. It would help in increasing awareness about the facility.
- As it can be seen that the facility does have an effect on the guest stay experience it is necessary for the hotels to provide more personalized service, which would require a well-trained and well informed staff. It is also important.
- It is also recommended that the hotels should incorporate services which would help draw more long staying guests and guest on leisure trips to the hotel.

8. CONCLUSIONS

The executive lounge services continue to have a great impact on the hospitality industry that is greatly affected by loyalty programs. Therefore the level of executive lounge services continues to have a great impact on the revenue of the business as well. To be able to maintain the relations the property needs to excel in the job without exceptions. As executive lounge guests also include high profile individuals from around the world and therefore it is imperative in the hospitality business to make a long lasting impression that gives a positive impression of the property and furthermore effects on the reputation and revenue of the hotel. In the future the executive lounge guest services could be further researched by utilizing properties that are more involved with transient guests or properties that are located in other countries. This might provide surprising information on the executive lounges. Although executive lounge guests in different cultures and locations may have different requests and preferences, the fact that the hotel should nevertheless provide the guest with undivided attention and act on preferences and requests does not in my opinion change. I believe that the fact that unobtrusive personal service keeps the guests coming back to the property.

Also for future reference I would recommend using an objective guest satisfaction survey targeted to the executive lounge guests. I think if would correctly executed provide valuable information to hospitality industry. Because hospitality industry relies on customer service, it is essential to have a comprehensive training program for the associates who are

providing the service. By providing professional and polished customer service the hotel is able to demonstrate that every guest is as important and that the guest is the reason for the hotel's existence. In my opinion the basis for excellent executive lounge service starts from recruitment and continues through training. This combined with well-planned executive lounge service processes results in high-quality customer service and in impressed guests.

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