

HOW THE RITZ-CARLTON DELIVERS EXCEPTIONAL CUSTOMER SERVICE

by Stephen Blandino | Culture, Leadership, Organizations

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Exceptional customer service is a game-changer when building loyalty among clients. I've shared the [story of our greatest customer experience ever at Disney](#), and I've written about [how Disney uses systems to deliver stellar customer service](#). I recently discovered the same is true of [The Ritz-Carlton Hotel](#), widely recognized for providing truly extraordinary customer service to people worldwide.

I recently read [The New Gold Standard: 5 Leadership Lessons for Creating a Legendary Customer Experience Courtesy of the Ritz-Carlton Hotel Company](#) by [Joseph Michelli](#). I also sat down with David Cayuela, the General Manager of the Ritz-Carlton in Cancun, Mexico, and interviewed him about leadership, organizational development, and customer service. From these interactions, as well as our own experiences, I'd like to share seven insights I gleaned about how the Ritz-Carlton delivers truly exceptional service.



1. ORGANIZATIONAL CULTURE

Each staff member at The Ritz-Carlton carries a "Credo Card" that describes the core elements of the hotel's organizational culture. I asked a concierge if I could see her Credo Card and she happily said, "I'll

be glad to get you a copy to keep.” She handed me a small, multi-folded Credo Card the size of a business card. The card included six aspects of the organization’s culture:

- **Credo** – A creed that describes the Ritz-Carlton’s mission, service, facilities, and experience.
- **Twelve Service Values** – Twelve one-sentence values that employees personally own and model. These values begin with the heading, “I am proud to be Ritz-Carlton.”
- **Mystique** – A combination of emotion and tradition to create memorable and unique experiences for guests.
- **Three Steps of Service** – A concise list of three practical ways to offer exceptional service.
- **Motto** – “We are Ladies and Gentlemen serving Ladies and Gentlemen.”
- **Employee Promise** – A description of the Ritz-Carlton’s commitment to its employees and work environment.

Having clarity about these principles, promises, and values sets the tone for the organization’s culture. Nobody has to guess what target the Ritz-Carlton is trying to hit. It’s clear.

Lesson: *Healthy organizational cultures are created with intentional clarity about what matters most.*

2. EMPLOYEE SELECTION

I asked David Cayuela what he considered to be the most essential keys to creating an effective organizational culture. Without hesitation he said, “The selection process.” The Ritz-Carlton doesn’t select employees haphazardly, hoping to fill a vacancy quickly so they can get on with business. They take hiring (known as the selection process) very seriously. It’s not uncommon for the selection process to involve six or seven steps (and even more for management positions and higher). Mr. Cayuela said, “We don’t hire for technical talent but for natural talent.” It’s easier to train technical talent, but natural talent makes the difference. He pointed to being a “team player” as one example of natural talent. A person’s ability to work with a team and reflect the organization’s values has far greater value than any technical skill.

[bctt tweet=”It’s easier to train technical talent, but natural talent makes the difference. ”
username=”stephenblandino”]

The Ritz-Carlton also values diversity in the selection process. On one occasion I asked an employee how she enjoyed working for Ritz-Carlton. She said, "I really like it. I've worked here for ten years. Other hotels only like to hire younger employees, but the Ritz hires people of every age."

To help them with the selection process, Ritz-Carlton uses assessment tools from **Talent Plus** and **Gallup**. While multiple interviews and assessments require greater patience, this thorough process has proven effective. Joseph Michelli shared the perspective of Susan Strayer, a member of the Ritz-Carlton team: "By choosing the right people in the first place, our turnover is in the 20 percent range in an industry that averages about 60 percent. That payoff alone, not to mention staff morale benefits, is enough to justify our patience" (p. 78). Having an effective **hiring process** is essential.

Lesson: *Create a multi-stage hiring process that is thorough, values based, and leverages helpful assessment tools.*

3. EMPLOYEE ENGAGEMENT

The Ritz-Carlton has a long-held motto that sets the tone for employee loyalty and engagement: "**We are Ladies and Gentlemen serving Ladies and Gentlemen.**" This classy motto is more than a clever twist on words; it's at the core of how Ritz-Carlton views its staff and customers.

One way the Ritz expresses this motto and develops a high level of employee engagement is by listening to its Ladies and Gentlemen. For new employees, listening happens through "Day 21." "On the twenty-first day on the job, after becoming certified in the operational standards of their positions, staff members are given a forum to freely discuss the positives and negatives they have encountered in their first three weeks. The newly hired Ladies and Gentlemen can talk openly about things such as whether they have been given all the tools they've needed to achieve success, the quality of their job trainer, and whether the culture described to them at orientation is present in the employees' day-to-day experiences. Day 21 becomes an opportunity to listen to the needs of the Ladies and Gentlemen, solve problems, and reenroll staff members before they have an opportunity to disengage or become toxic to the workforce" (Michelli, p. 89-90).

Listening doesn't stop after Day 21. Ritz-Carlton regularly uses **Gallup Q12** (Gallup's employee engagement metric) to evaluate each Lady and Gentleman's engagement in their work and the organization. Statements such as, "I know what is expected of me at work," "In the last seven days, I have received recognition or praise for doing good work," and "At work, my opinions seem to count" help

Ritz-Carlton measure the engagement level of its staff. These statements are the **elements of great managing**, and they reveal what's truly happening in the hearts and minds of each team member.

Lesson: *Effective leaders and organizations listen to their employees and implement systems to regularly evaluate employee engagement.*

4. EMPLOYEE EMPOWERMENT

Two of Ritz-Carlton's service values state, "I am empowered to create unique, memorable and personal experiences for our guests," and "I own and immediately resolve guest problems." The Ritz-Carlton understands that the only way to deliver on these values is to trust its employees with decision-making authority. How does Ritz-Carlton do this? Every employee – from housekeeping to management – can spend up to \$2,000 per day, per guest, to resolve a guest's problem, *without seeking permission from a supervisor* (Michelli, p. 110).

The Ladies and Gentlemen of Ritz-Carlton are entrusted with the opportunity to do what seems best in the moment. They can create memorable moments without having to clear it with a manager. Ritz-Carlton has learned an important lesson: it's easier to solve a customer's problem earlier than later.

[bctt tweet="It's easier to solve a customer's problem earlier than later." username="stephenblandino"]

Vivian Deuschl, vice president of public relations observes, "I've come to learn that the least costly solution is the one that happens immediately. The longer and higher a customer complaint lives in an organization, the more it grows. By the time a complaint hits senior leadership, what could have been resolved by getting the guest the amenity he or she requested with a slight enhancement turns into resolutions on a par with an upgraded night on the Club level" (Michelli, p. 111).

Empowering employees is an extraordinary expression of trust. It's actually a great way to tell your team, "I believe in you." The Ritz doesn't just set high standards, it gives its Ladies and Gentlemen the authority to do what's necessary to reach that standard.

Lesson: *Identify practical ways to empower team members to deliver the results that help the organization achieve its defined objectives.*

5. RELENTLESS TRAINING

Training is an extremely high value at Ritz-Carlton, measuring performance against criteria like the five-star standards of Forbes. In my conversation with Mr. Cayuela, he confirmed that Ritz-Carlton requires

every employee to complete 250 hours of training every year. They use classroom training, online training, one-on-one coaching, weeklong seminars, and more to train and equip the Ladies and Gentlemen of the Ritz. Training is offered in different formats because the leaders of Ritz-Carlton recognize that team members have different learning styles.

While all of these training approaches are practical and essential, the greatest development tool is the daily line-up. The daily line-up is a 15-minute gathering of staff members designed to share customer testimonies, wins, wow stories, and what's happening that day. The daily line-up is also used to highlight the Credo, one of the Twelve Service Values, or the Three Steps of Service. Because the line-up happens *every day*, it keeps Ritz-Carlton's level of customer service *consistently* high. Mr. Cayuela observed that what's amazing is that the daily line-up works worldwide, in different countries and different cultures.

Lesson: *Develop and deliver diverse, effective, and regular training to team members so they can exceed the expectations of customers and uphold the organization's mission and values.*

6. EXCEPTIONAL QUALITY

Several years ago the Ritz-Carlton did a complete evaluation of the quality of service throughout the entire organization. Mr. Cayuela noted that at the core of their quality improvements was a commitment to innovate, document results, and then document the processes that deliver the greatest outcomes.

He further observed that maintaining focus is essential to delivering exceptional quality. It's easy for an organization in today's business climate to chase the latest fad, shift from one priority to the next, and pursue the flavor of the month. But the Ritz-Carlton understands what's important to its guests. In Mr. Cayuela's words, the top three priorities of guests are:

- A clean room
- Timely service
- Delivering on promises

An unwavering focus on these priorities creates what's known as the "Ritz-Carlton Mystique." The "Mystique" is the legacy of the Ritz. It's the combination of emotion and tradition to deliver memorable experiences for guests. Mr. Cayuela told me that the Mystique began when Mr. Cesar Ritz set out to

create a hotel that would “wow” royalty in Europe. In that day, most hotels had restrooms down the hall, shared by multiple guests. Ritz had a different vision: to put restroom’s in every guest’s room. That was the beginning of legendary service that focused on the needs and desires of guests. Rather than focusing on everything, Ritz focuses on its highest priorities.

To manage the “Mystique,” the Ritz uses a CRM (customer relationship management) system – also called “Mystique”. When I asked one employee for an example of how they maximize their CRM, she said that the preferences of a guest are noted in the system. Let me give you a personal example.

We had never stayed at a Ritz-Carlton before, but because we were celebrating our 25th wedding anniversary, we decided to do something extra special. Upon our arrival, our room was a bit warm on the first night of our stay. We shared this with the front desk, and they kindly replaced the thermostat in our room. The next day, the room was still warm, so our concierge took the initiative to show us two rooms, and then let us choose the room that we liked the most. We happily chose the colder room, and a Gentleman helped us move our luggage to our new room.

A couple of days later, when I asked our concierge about how they use the “Mystique” to deliver great service, she reminded me of the issue we had with our room. “We know you like a cool room,” she said. “In fact, we showed you two rooms, the first of which had a nicer view, but you chose the other room because it was colder. If you had to choose between a cool room and a better view, you would choose the cooler room.” Then she added, “This information is now in ‘Mystique,’ and if you were ever to stay at a Ritz-Carlton in the future, our team would know your room preference, no matter which hotel you stay at in the world. We would do our best to give you a room with a great view, but ensuring the room is cool is the first priority.”

Exceptional quality is also seen in Ritz-Carlton’s attention to detail, regardless of how small or how insignificant it might seem. When we checked in, chocolate covered strawberries were delivered to our room in honor of our anniversary. On another occasion, when we stepped onto the elevator to head upstairs, a Gentleman from the Ritz also entered the elevator to head to a different floor. On the way up, the elevator stopped to pick up more guests. Space was limited, so what did the Gentleman working for Ritz-Carlton do? He stepped off the elevator to make room for more guests...even though he hadn’t arrived to his floor. A small, simple gesture of hospitality.

We were also amazed at how well each Lady and Gentleman remembered our names. They didn't slowly learn our names as our time progressed. From the very first day, until the time we checked out, we were greeted by name and with a smile.

The biggest surprise came toward the end of our stay. At the end of my conversation with Mr. Cayuela, he asked, "Have you ever been to Cancun before?" "No" I said. "This is our first time." "Have you ever stayed at a Ritz-Carlton?" he asked. "No" I said. "We're celebrating our 25th wedding anniversary, so this is something very special for us." Then he asked where we had eaten dinner since we arrived, and what our plans were for the evening. I told him where we had eaten, and that we hadn't made plans for that evening yet. What he said next shocked me. "We have two five-star restaurants on our property, and you can't leave until you eat at one of them. I want you to be my guest."

My eyes were as big as saucers. "I'll let the concierge know," he said, "and she'll make reservations for you at the restaurant of your choice." I couldn't believe what I was hearing. I expressed my thanks over and over, and that evening was a very special celebration for Karen and I. The food and service were outstanding, and Mr. Cayuela's kindness and generosity was completely unexpected. That "Wow" experience is just one example of how the Ritz-Carlton specializes in unique and memorable moments for their guests.

Lesson: *Deliver exceptional quality in everything you say and do, pay attention to every detail, and look for ways to wow your guests.*

7. CUSTOMER ENGAGEMENT

Ritz-Carlton does more than focus on customer service; they use the Gallup CE11 to measure customer engagement. Each month Gallup calls 33 individual guests from each Ritz-Carlton around the world to ask the CE11 questions. Then, the results of the data are posted monthly (with an 18-month rolling average). The data is also used to place each Ritz-Carlton hotel in a green, yellow, or red zone, indicating how effectively it delivers the company's brand promise.

When a hotel performs around the 97th percentile in Gallup's global competitive database of hundreds of thousands of business units, it is considered world class. But the 97th percentile is the yellow zone. Green-zone hotels – like the Ritz in Cancun – are performing around the 98th-99th percentile. Even Ritz-Carlton's in the red-zone are performing around the 94th-95th percentile (Michelli, p. 134-135).

Gallup doesn't only rely on their phone calls to guests to acquire feedback. When we arrived home, we received an email with a link to an extensive electronic survey administered by Gallup. The survey is much more than a handful of generic questions. It's a thorough, specific, in-depth survey with the opportunity to provide honest feedback.

How does strong customer engagement impact the bottom line? Michelli observes, "Company research shows that a guest who is actively engaged with Ritz-Carlton and its staff spends 23 percent more money than one who is only moderately engaged. When employees produce a 4-percentage-point increase in customer engagement scores companywide, the Ritz-Carlton achieves an extra \$40 million in incremental revenue" (p. 115).

Lesson: *Develop clear performance metrics, a process to acquire detailed feedback from guests, and a systematic way to monitor progress.*

Ritz-Carlton is truly a remarkable company. They do more than talk about great customer service; they have mastered the art of delivering it. As you reflect on your organization's interactions with its customers, consider the seven lessons, and how you can improve. Be sure to pick up a copy of [Joseph Michelli's book](#) too. It's definitely worth the read.