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Hospitality

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An Interview with Christoph Schmidinger,
Regional Vice President, Four Seasons Hotels and Resorts,
and General Manager, Four Seasons Hotel New York

EDITORS' NOTE Most recently the General Manager of The Ritz-Carlton Chicago, a Four Seasons Hotel, Christoph Schmidinger formerly served as General Manager of Four Seasons Hotel Atlanta, and for eight years in managerial positions at the parent company's and Regent International properties in Asia. A native of Austria, he is active in numerous industry organizations. In his current role, he oversees Four Seasons Hotels in Atlanta, New York, and Philadelphia.



Christoph Schmidinger

PROPERTY BRIEF At 52 stories, the I. M. Pei-designed Four Seasons Hotel New York (www.fourseasons.com/newyorkfs) rises above the city's premier shopping and business districts. A Mobil five-star, AAA five-diamond property, it is known for its 368 oversized guest rooms (among New York's largest) and similarly spacious bathrooms, all completely remodeled in 2004. The hotel's numerous property upgrades in recent years have included the newly created Presidential Suites; a redesigned spa and fitness center; the addition of 57 and TY, two new lobby dining outlets; the celebrated L'Atelier de Joël Robuchon (given a rating of "excellent" by the New York Times and the recipient of the 2007 James Beard Foundation's Best New Restaurant award); and the world's most expensive hotel suite, the \$34,000-a-night Ty Warner Penthouse. The hotel is managed by Toronto-based Four Seasons Hotels and Resorts.

In light of the current economic crisis, what will your focus be for the property in 2009?

The issue that will occupy us the most in 2009 is how to manage through these difficult times. Our industry, like every other industry, is challenged. Travelers from all over the world are cutting back, so the influx of visitors to New York is going to decline. That means that occupancies will decline too, and the pressure on hoteliers to operate at the margins we're used to is going to increase. This is where our management skills are being challenged. Because we don't offer rate discounts, we need to provide increasingly excellent service. We're trying to sustain our rates as they were, and we're already charging a premium over our competitors. This premium, unfortunately, is going to increase this

year, and the level of service we offer has to increase proportionately to that premium. This is my focus. In planning for 2009, we know that we need to impress our guests, so that even though we are more expensive than other hotels, they'll feel that it's worth coming back. We believe that this is the most solid strategy we can have. It's more meaningful than reducing pricing, which will not lead to an increase in occupancy. So we have implemented a lot of activities and actions with the aim of improving the experience of the customers staying with us, from task forces to new services to other new ideas.

It must be particularly challenging for you to improve upon your service levels, as you are already known for such high standards. How can you take it to another level?

I'm trying very hard to be there all the time, for every single customer who checks in and checks out. There are still opportunities for us to improve. This is a very tough operation. People come with very high expectations and with different requests. To get it right for every single person is a challenge. The business traveler has different expectations from the leisure traveler. A single traveler has different expectations from a family or package traveler over the weekend. Most American travelers have different expectations from international travelers. You have to adapt to these customers and provide exactly what they expect, so that they leave with the impression of good value for their money. So we have vast opportunities, and that will never change.

Is this also a good time to make changes to the property?

Yes. You can take advantage of slower seasons to revamp the product. We have an extensive and expensive maintenance program in place, which we run every year. We're going to take that even more seriously now. At times like this, you can put whole sections of the hotel out of action, so that you can completely renovate them. We just did a major renovation five years ago, so there is no need to do anything urgently. But it's an opportunity that we talk about.

Many people talk about how the role of general manager has changed over the years to where they are now more like businessmen than hosts. How critical is it to be

an asset manager in this position, and have you had to change how you spend your time, in order to accommodate that focus on the numbers?

It is easier to be a great hotelier when times are good, because there are different demands when everything is up and running. Of course, I have to shift my focus to the numbers when business is slow, because we are here to protect the asset of the owners. We are here to ensure the revenue flow for the owners, and if that slows down, we have to find creative ways to try to maintain our margins.

In challenging times, the relationship between owner and manager is key. You've been in your job for nearly five years now, and you've always talked about that critical relationship. How important has it been for you, in leading the property and in terms of where it is going?

That's where it all starts. If you don't have open communication with your owners, your company, and your customers, you will lose an integral part of being successful. It starts with communication – that's number one. Number two is that all parties involved in that business deal should understand that they are in it for the long haul. They're not in it for a short period of time. Our contract is for many more years to come. We all expect that New York and North America will recover and we're going to experience good years again. Since 2004, we had one record year after another. We closed 2007 as our record year and we maintained an excellent pace in 2008 until September. We are now faced with an interim challenge financially, but we will recover. And fortunately, the hotel's owner sees that. He has a long-term interest in the property.

How much do you focus on communicating with your people? How important has it been for them to understand the challenges ahead, and what you're expecting, from a service standpoint?

It's similar to how I communicate with the ownership. My own company, Four Seasons Corporate, has increased communication with its hotels, with regard to direction and focus. I try to pass on this communication to my own staff. Communication is your best ally. The more you communicate your vision and the actions you

L'Atelier de Joël Robuchon, the Four Seasons New York's premier restaurant

will take to achieve it, the more likely it is that you will all pull in the same direction. So I have a very open communication flow, and my message is very clear. We are going through difficult times. We all have to tighten our belts. We have to think outside the box about how we can work and run the hotel more efficiently. I will try to cut expenses wherever I can, but the last thing I will cut back on is service to the customer. It's going to be uncomfortable for some of us, but hopefully we'll overcome it soon. Some predict that we'll come back to respectable business levels by the third quarter of 2009. We are just very worried about the first part of the year.

People who stay at Four Seasons Hotel New York always feel that they're getting value for the rate. During these challenging times, can you differentiate and show what value really is?

Yes. Anybody who is willing to pay a high price will be very sensitive to what he gets for his money. If that is not in proportion, the loyalty will go. In difficult times, people tend to be more appreciative of the service they get. We communicate how much we appreciate the business of our individual customers, because every customer has a choice in New York and could have selected another hotel. We are grateful to guests for trusting us to provide the best service for their dollars. We try to convey this through personal contact with our guests, rather than through a rate discount.

On the food and beverage side, you're going to develop a wine bar concept. What made you feel that was the right thing to

do, and what do you expect from that new facility?

We have evolved on the food and beverage side, with the creation of L'Atelier de Joël Robuchon, which is very popular. We are doing very well at night, in particular. It's an eat-in restaurant. In addition, the bar has been a prime meeting spot for the past 15 years. Our TY lounge, which is a wonderful, well-appreciated cocktail area for the entire day, is very busy in the afternoon and extremely busy at night. The 57 restaurant in the lobby is extremely popular for breakfast and lunch. I have no intention of changing anything there. It's a power breakfast place in the morning and a well-frequented place for lunch. At night, we believe that we could do better by offering something that is wine related. So we are going to create the environment of a wine bar, through interior design elements such as gigantic wine displays and a wine fridge, as well as trees to enhance the cozy atmosphere of this room. From a product point of view, we are going to offer approximately 250 different wines. We will have a very attractive and very large program of wine by the glass, at very reasonable prices, so you can enjoy a good glass of wine without paying too much for it. And all of this will be accompanied by a very small menu of reasonably priced food offerings, which go well with wine. We believe this is going to be a very successful and appealing place to meet for cocktails or drinks before dinner. So that's our next objective. By implementing this, we will have four very popular food and beverage facilities within the lobby of the hotel.

Do luxury hotels today need to offer spas? Has that part of the business grown and generated revenue for you?

Definitely. The spa has become an integral part of the luxury hotel experience. Customers look for this experience, not just leisure and weekend customers, but also business travelers, to a certain extent. Twenty years ago, nobody cared about health clubs. Nowadays, there is no luxury hotel without a health club. Five years ago, people did not really care about spas. But in another few years, everybody is going to care about spas. At our new Four Season Hotels, we place enormous emphasis and importance on the development of spas. I have a nice health club spa, but I'm limited to the footprint I have available. My aim is for us to be known as the spa in New York that provides the best treatments. This is our niche, and we focus enormously on trying to achieve that. And we do very well. We have a lot of third-party endorsements. We have a lot of recognition for being very good at what we deliver. Would I love to have a spa on the top floor of the hotel with a view over Central Park? Of course. I don't have it, but I can impress the customer with the quality I am providing.

Has the word luxury lost some of its meaning? Is it hard today to define what a luxury experience is?

I don't think it has changed. You determine the meaning of luxury based on your own experience, and luxury is different from culture to culture. What you consider to be a luxury might not be a luxury at all for somebody else from a different part of the world.

You hear stories about six-, seven-, and eight-star luxury properties, but this is a marketing gimmick. It's very dangerous, because it increases the expectation levels of customers and then you can't deliver. You shouldn't mislead customers. This is a desperate act on the part of properties that are trying to compete with the leaders in the industry, by evoking the customer's interest with a promise that is very difficult to fulfill.

Service in a luxury property like yours means knowing what's right for each individual guest. This requires employees who can read people. Is that ability something you look for in job candidates?

Yes. Four Seasons has started a new training program, called the Guest Recognition Program, and the program's mantra is: Get me right, get it right, wow me if you can. In other words, make sure you understand who the customer is – get him right. Then get it right, which is what you deliver on a day-to-day basis: the real services you provide. Then you have the opportunity to wow a customer. It might be someone who's here for a pleasant stay, or someone who has faced an operational problem. You choose the appropriate "wow" moment for that particular occasion, and those are the experiences customers remember. You won't always have the opportunity to wow a customer, and if the opportunity is simply not there, you should not try, because that would be overdoing it. But if the occasion arises, our people have the mindset to "wow" customers with their attitude and service. We give them this freedom, and encourage them to do it. ●

The famous Ty Warner suite

