Management of customer experiences-the case of Ritz-Carlton hotel
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ABSTRACT
The concept of customer experience has emerged in recent decades as a central issue in scientific marketing. It is now commonly accepted that the purpose of organizations is to develop and protect distinctive, enjoyable, durable and memorable experiences. The concept is quite new and has gained the attention of academics and practitioners over the last three, decades. It has mainly been understood as a strategic process where the creation of a holistic customer value can lead to differentiation and some sustainable, competitive advantage. There has been a significant shift from consuming goods to experiencing services and experiences, which has been described as the 'experience economy'. The traditional philosophy behind product/service value propositions is no longer considered sufficient to successfully reach customers. It has been argued that value for customers is not created by a single element, but by the overall experience of all elements. This means that the Gestalt philosophy has become highly pivotal, where the whole is not simply the sum of its parts. The key word is holistic, and organizations need to redefine their overall offering by adopting the terms of personalization, customer engagement and meaningful organizational collaboration. This paper dealt with the Ritz-Carlton hotel attentive customer service innovation, using them as a case study. In this way, an attempt was made to draw useful conclusions and suggestions for Greek institutions.

KEYWORDS: customer experiences, satisfaction, Ritz-Carlton, service experience.

1. INTRODUCTION
The concept of customer experience has emerged in recent decades as a central issue in scientific marketing. It is now commonly accepted that the purpose of organizations is to develop and protect distinctive, enjoyable, durable and memorable experiences (Jain, Aagja & Bagdare, 2017).

The concept is quite new and has gained the attention of academics and practitioners over the last, three decades. It has mainly been understood as a strategic process where the creation of holistic customer value can lead to organizational differentiation and to some sustainable, competitive advantage (Pine & Gilmore, 1998; Gentile et al., 2007; Verhoef et al., 2009).

According to Pine and Gilmore (1998, 1999), there has been a significant shift from consuming goods to experiencing services and experiences, which has been described as the 'experience economy'. The traditional philosophy behind product/service value propositions is no longer considered sufficient, for successfully reaching customers (Carbone & Haeckel, 1994). Interestingly, in the same way, the traditional HRM approach is no longer considered sufficient for developing engaged employees. For example, it is not enough for organizations to simply provide job security and satisfactory wages in order to develop engaged employees.

Gronroos (2006) argued that customer value is not created by a single element, but by the overall experience of all elements. This means that the Gestalt philosophy, has become highly pivotal, where the whole is not simply the sum of its parts. The key dimension is the holistic part, and organizations need to redefine their overall offering by adopting the terms of personalization, customer engagement (Prahalad & Ramaswamy, 2004b) and meaningful intra-organizational collaboration.

It should be emphasized that although there have been significant efforts, in terms of conceptualizing the notion of customer experience, in terms of defining it, providing measurement tools and identifying related relationships with other variables, there has not been a broad consensus.
The service sector has grown significantly in recent years and has an increasing importance, in relation to the economic success of several countries, (Alzaydi, Al-Hajla, Nguyen, & Jayawardhena, 2018; Gentile, Spiller, & Noci, 2007; Ramanathan, Win, & Wien, 2018).

The prevalence of the service sector, may be directly related to the above. As services are intangible, it can be easily understood that more "subtle", psychological understandings are required in order to win customers and achieve organizational differentiation.

A product can be judged more rigorously, in terms of function and performance. The exponential increase in the information extraction capacity of modern customers and their consequent empowerment (the enhancement of expectations), can be an extra factor in regards to understanding of why holistic, customer-centric experience can be an important source of achieving competitive advantage (Lemon & Verhoef, 2016; Edvardsson, 2005; Hunter, 2007).

Therefore, the development of satisfactory definitions and measurement tools for the concept of customer experience, can be very important success factors for the overall marketing of modern organizations.

Due to the complexity of the service industry, a plethora of concepts have been developed concerning the qualities of organizations in terms of their relationship with their customers. For example, the quality of services offered, customer satisfaction, can measure the performance of organizations in terms of understanding what 'customers really want or need'. These constructs tend to complement each other, while understanding the customer experience in the service context is a huge challenge, which can create ambiguity and confusion among practitioners and researchers (Vasconcelos et al., 2015).

Satisfaction in particular, has been approached mainly as the gap between expectations and actual performance, which can lead to dissatisfaction.

The literature review by Bueno et al., (2019), showed that the terms service experience, customer and service experience, and customer experience have been used in a number of studies (Beltagui, Darler, & Candi, 2015; Brady & Cronin Jr, 2001; Klaus & Maklan, 2012; Mohsin & Lengler, 2015). Customer experience and service experience can be conceptually similar (Jaakkola, Helkkula, & Aarikka-Stenroos, 2015).

The main difference between the concepts of service experience and customer experience lies in the following: the concept of service experience addresses all actors, including customers, while the concept of customer experience focuses on customers (Jaakkola et al., 2015). In addition to the customers, the experience of a service may also include representatives or employees of service providers who also experience the service, (Heinonen & Strandvik, 2009; Dagger & Sweeney, 2007).

Something underestimated, may be the following-how employees experience customer experiences, or what they get out of them and in relation to the organizations. In the same context, a distinction can be made between the concepts of brand experience and customer experience. Although the two concepts are very close (they are members of the same set), it has been argued that the former arises from customers’ interactions with the brand (direct or indirect), while the latter arises from the use of a product/service (qualtrics, 2023)

Customer experience has been a focus of research as the creation of meaningful experiences has been found to tend to lead to customer satisfaction, which in turn is essential for achieving a competitive advantage (McColl-Kennedy et al., 2015; Mosavi, Sangari, & Keramati, 2018). What may be interesting to explore, is potentially the following: how rich and durable experiences may have a significant impact on the final comparison dipole: between expectations and actual performance.

Until the mid-1980s, consumers were considered rational decision-makers who acted solely on the basis of reason. The first evidence for the customer experience perspective came from the studies of Morris Holbrook and Elizabeth Hirschman (1982). As pioneers, they addressed the value of the "experiential perspective" in consumer research (LaSalle & Britton, 2003). Holbrook and Hirschman (1982) pointed out that a one-dimensional focus on consumers as programmed information processors can lead to significant gaps. Consumers may be neither perfectly rational nor emotional, and the understanding of these combinations can make a difference to the organizations. Consumers may need to find themselves in situations where the above, are balanced in harmonious and sustainable ways.
2. LITERATURE REVIEW

The concept of experience has emerged as the new basis for the interactions between customers and organizations. Schmitt (1999) pointed out that companies have moved away from the traditional approach of presenting features and benefits towards creating customer experiences (Shaw, 2007; Palmer, 2010). Contemporary research has led to the adoption of the experiential perspective in marketing.

This approach is based on the premise that consumers seek (in addition to practical benefits), rich experiences through the consumption of goods/services and through a series of multi-sensory interactions between customers and organizations at each touchpoint (pre-purchase, during purchase and post-purchase). Organizations compete not only in offering the best product/service, but in doing so, in ways that develop feelings and thoughts related to deeper needs and customer motivations.

There has been a clear shift from ‘commoditization to personalization’ - which implies the importance of the active participation of consumers so that there is some level of co-creation. Value for customers emerges during the whole consumption process as internal and subjective reactions (Vargo & Lusch, 2008; Prahalad & Ramaswamy, 2004a).

Holbrook and Hirschman (1982) emphasized the experiential perspective and approached the consumer experience as a phenomenon directed towards the satisfaction of fantasies, emotions and entertainment. Consequently, consumers are not only looking for practical benefits and features, but also for ways to awaken deep feelings, fantasies and “to enhance childhood”. They further commented that consumer behavior is the endlessly complex result of the interaction between the organism and the environment.

In the scientific literature, there have been several definitions of the concept under study (Holbrook, 2015; McLean & Osei-Frimpong, 2017; Verhoef et al., 2009). Historically, the concept was not treated as separate, but rather, as something related to service quality and satisfaction (Verhoef et al., 2009). Today, the importance of the concept, has been universally recognized (Dagger & Sweeney, 2007; Klaus, 2018; Roy, 2018).

It is important to emphasize that in academia, purchasing behavior was usually explained through rational cognitive processes, in which service evaluation was the result of comparing prior expectations versus actual outcomes (Ajzen & Fishbein, 1977; Goduscheit & Faullant, 2018). Today, it is commonly accepted that behavior is determined by both rational and affective evaluations (Brun, Rajaobelina, Ricard, & Berthiaume, 2017; Roy, 2018).

The customer experience includes the three classic stages of the purchase: before the purchase, during the purchase and after the purchase. It is therefore a process that combines emotional and cognitive dimensions (Verhoef et al., 2009). Homburg et al. (2015) defined customer experience as the evolution of the sensory, emotional, cognitive, relational and behavioral aspects of reactions to a brand through continuous interactions at touchpoints. This means that consumers at each point of interaction with a brand engage in a multitude of dimensions (affective, cognitive, relational, etc.), where they are continuously “combined” until they become certain, final judgments. These final judgements may (among other things) lead to certain behaviors.

The scope and the complexity of the concept is clear. This can complicate the work of organizations as they have to deal with complex qualities that may be unpredictably combined.

Lemon and Verhoef (2016) stated that customer experience is the result of the interaction between the customer and elements or parts of any organization, such as products, services or employees. The experience is specific to each customer: it is a personal experience with different levels of involvement (rational, emotional, sensory, physical and mental).

Consequently, complex internal processes can take place, in every small interaction with any element of the organization. At the same time the role of the staff should be emphasized. It is believed that no interaction with a brand is as influential as the contact with its people. No matter how impactful an advertisement may be, a customer’s contact with staff can reinforce or dispel any ‘perceptions/attitudes’. Customer experience is about all the moments of interaction with the organizations, as well as the brand, products/services, structure and/or employees (Gabbott et al., 2011).
A significant amount of research has been concerned with identifying and explaining the main steps involved in managing the relevant process. Most research efforts have adopted a methodology that focuses on the analysis, planning, implementation and monitoring.

However, as the concept is considerably more complex, there may be problems. Customer experience management seems to involve the identification of all the cues/signals that consumers identify during the purchase process (before, during and after purchase) (Berry et al., 2006).

Each signal may develop an emotion, leading to "different pathways". Tracking and anticipating these subtle cues, may require a holistic adoption process, which is not common. It requires the gaining of a thorough understanding of the customer journey.

Schmitt (2007) further suggested some steps to manage the customer experience, such as analyzing the customer's experiential world etc. As the concept of experience can be almost off-putting for companies, it is easy to understand the difficulties they may face.

On the one hand, their operational explanation tools may lack the precision required. On the other hand, concepts such as understanding customer experience can be burdensome in an environment where survival is linked to measuring specific attributes and making corresponding decisions.

It is important to emphasize the intermediate variables, between the customer experience and the end states of customer satisfaction or loyalty. To this end, the following figures are provided.

![Figure 1](image.png)

**Figure 1.** There lotion ship between brand experience, brand image and customer satisfaction  
**Source:** Yulianti & Tung, W. (2013).

As shown above, experience with a brand can affect customer satisfaction through brand image. Brand image has a mediating role, which means that in order for experience with a brand to significantly affect customer satisfaction, it must affect brand image.

Interestingly, brand image has been approached mainly as a rational concept or as a dominant impression related to the value proposition. This impression, can significantly influence the rational comparison of expectations with actual performance (satisfaction). The issue is this - in order for it to have an effect, the sensory and affective dimensions must operate.
Therefore, the complex concept of brand experience should be increasingly "simplified", leading to more rational paths. Alternatively, the complex dimensions of the brand experience, once combined, should lead to simpler impressions and intentions. Therefore, consumers may be led (through complex processes) into processes of simplifying the rich stimuli they receive, until they arrive at simple, one-dimensional impressions. What is certain is that this process may require the decoding and internalization of rich stimuli (sensory, emotional, etc.).

In the figure below, the relationships between brand experience, brand love, brand trust and loyalty are shown. Love, is a complex emotion that includes the values of honesty and emotional attachment. Although it often refers to human relationships, individuals can also develop love for an abstract entity (Zhang, Xu & Gursoy, 2020). Love for a brand has been defined as an emotional and passionate relationship between a satisfied customer and a brand (Carroll & Ahuvia, 2006).

This kind of love, can be understood as a strong emotional loyalty between a brand and a customer. In the same context, the formation of the concept takes place in three dimensions. These are the mystery dimension (unknown/unusual things, symbols, etc.), pleasure (such as sound, the senses in general, etc.) and honesty.

Love for a brand also includes passion for a brand, which may mean that a number of consumers try to persuade others to use that brand (Kazmi & Khalique, 2019).

![Figure 2. The relationship between brand experience, brand love, brand trust and brand loyalty](source: Kazmi, S. & Khalique, M. (2019))

Therefore, brand experience, through brand love and brand trust, can lead to an increase in loyalty. It can be stressed that the understanding (from the organizations’ perspective) of such a complex concept as brand experience can lead to feelings of love and trust and subsequently to loyalty. That is, consumers may also reward organizations that have developed knowledge of such complex and deep issues.

In the same context, Sirapracha & Tocquer, (2012) found that customer experience can have a significant impact on customer loyalty through brand image in the context of telecommunications. Also, Anjasari & Wijaya (2022), (2022), concluded that brand experience can significantly affect WOM (word of mouth) through brand love, brand image and brand loyalty.

Finally, Tavşan & Erdem, (2021) identified that customer experience significantly affects customer loyalty through brand trust and purchase intentions.
Figure 3. The relationship between customer experience, brand trust, purchase intentions and customer loyalty

Source: Tavşan & Erdem, (2021)

Eklund, (2022), concluded that brand experience has a significant impact on brand loyalty through brand love and brand image.

Finally, customer experience can be described as an umbrella term, whose breadth can be used to explain a wide range of phenomena (Hirsch & Levin 1999). Verhoef et al, (2009) already emphasized the importance of focusing on multiple concepts that may not be within the direct control of retail organizations. The diversity of how the concept has been perceived in the literature has led to a lack of clarity (Tynan &Mc Kechnie, 2009).

3. Company Profile

Many years ago, The Ritz-Carlton hotel revolutionized the hospitality industry by putting guests' needs first and bringing luxury into the hotel experience. Today, this legacy of innovation and attentive service is why meaningful moments are created for guests (Ritz-Carlton, 2023).

The first Ritz-Carlton in America (The Ritz-Carlton, Boston) - opened in 1927, hosting jazz great Cole Porter, play writer Tennessee Williams and Winston Churchill. Bolstered by the reputation of the Ritz in Paris and the
Carlton in London, the hotel helped Americans experience for the first time the concept of luxury and style in travel.

The Ritz-Carlton, Boston, managed by Edward Wyner, revolutionized hospitality and set very high standards: formal uniforms for staff, fresh flowers, an emphasis on innovative dining, etc. The hotel was committed to customer service at an unprecedented level, and entire rooms were renovated to suit the taste of a celebrity guest.

3. RESEARCH-ANALYSIS

Most people associate the concepts of luxury and excellence with simple, strict procedures and protocols. However, they don’t recognize what can drive a hotel to consistently deliver excellent customer experiences.

The hotel company under study operates luxury hotels and five-star resorts around the world and has managed to develop a culture that focuses on achieving excellence in regards to customer service. In addition to holding a top global ranking in terms of customer satisfaction, the organization has received a number of major awards in the hospitality industry (Morin, 2019).

The secret behind Ritz's 'gold' customer service lies in its unflinching adherence to the organization's 'Gold Standards', which were established from the beginning of the company's existence. These standards include the core philosophy and values by which the brand and its employees operate. They include the motto, the doctrine, the three service steps, the service values and the employee promise.

All of the above are displayed on the hotel's website, so that anyone interested can understand and get in touch with the service philosophy of the organization.

The motto "We are ladies and gentlemen serving ladies and gentlemen” is perhaps the most famous part of the Gold Standards. Employees can learn a lot by utilizing this framework in every situation when treating their guests and colleagues. This can be extremely impactful, as in its simplicity, it sets the tone for subtle behavioral issues. Although the existence of many rules can be restrictive, any person knows (deeply within) what it means to be a "master facing other masters" (Radu, 2023).

The organization is also committed to providing the best personal service and facilities for its guests, who will always enjoy a warm, relaxed, yet sophisticated atmosphere. This means that, in addition to material benefits, there will be employees who may evoke feelings of trust, security, intimacy, etc. (and which will lead to opening behaviors, fruitful conversations, etc.)

The organization's service values remind employees that true hospitality results from the long-term commitments of employees who perform their duties with passion and pride. These values are reflected in statements such as "I continually seek opportunities to innovate and improve The Ritz-Carlton experience," "I take on and promptly resolve guest problems," and "I take pride in my professional appearance, language and demeanor."

Therefore, by instilling pride, respect and a deep understanding of organizational aspirations, leadership has been able to qualify commitments that can be mutually beneficial (for staff, guests and the hotel). There has been a growth of pride among the staff, combined with a customer-centric culture where innovative solutions to customer problems are sought. This can be an ideal condition, as through meaningful empowerment, specific directions are given (Morin, 2019).

The organization considers employees as its most important asset, which is explicitly stated in the "Employee Promise". The Ritz-Carlton invests heavily in staff training and requires each employee to complete at least 250 hours of training each year. At the same time, different learning styles are offered.

The company also implements another policy - on their 21st day of work, staff members receive some certification to the standards of their position and at the same time have access to a forum to openly discuss everything they have faced so far. The 21st day is an opportunity for management to listen to the needs of new employees.
The following example may be characteristic as of the culture of the organization under study. The staff in Bali hotel, were expecting a couple where their daughter had significant food allergies and had to eat certain foods. At one point, it was observed that the special food the couple had brought was not there.

The Ritz-Carlton manager and dining staff searched all over the city for the right items, to no avail. One chef recalled a store in Singapore that sold similar items. He then called his mother-in-law and asked her to buy them and bring them by airplane (Radu, 2023). Therefore, it seems that the organization is extremely committed to the values it serves.

4. CONCLUSIONS/ SUGGESTIONS

The concept of customer experience can be very "hard to grasp" for modern organizations. Not only do they have to deal with an extremely fluid, uncertain environment, but they have to move away from old certainties in order to evolve and survive. Organizations tend to believe that if they can organize themselves in exceptional ways and deliver measurable benefits to consumers, they will succeed. Unfortunately, reality and modern research do not confirm the above.

Much more is needed for a modern organization to differentiate itself and succeed, and quality assurance is an absolute minimum element. The need to understand the concept of customer experience, and the inherent holism of the concept, means that there should be holistic understandings within the organizations.

This may mean that there should be a cross-departmental perspective (among others), where organizational outputs are considered in a more "complete/holistic way", in relation to contemporary, customer needs. Communication within organizations should be substantially enhanced to continuously generate new insights in relation to complex and changing customer needs.

Something that is not emphasized enough is the following-customers are also employees (they work somewhere or someplace). This may mean that in order to develop memorable customer experiences, memorable work experiences should also be developed. As customer experiences are deeply complex and personalized, employees (who have constant contact with the customers) are in a unique position to provide actionable insights.

In order to make use of this valuable knowledge, which may be dormant, the conditions for its externalization should be ensured. Organizations should realize that employees are a central source of knowledge in relation to customer experiences, and must do everything so that this knowledge is extracted, transferred and enriched.

The concept of organizational democracy can be very important. No senior executive can understand something as complex and holistic as the customer experience. The best that can be done is to combine the perspectives of customer-facing employees with the knowledge of middle and top management.

Employee empowerment and the development of healthy work relationships can be absolutely necessary conditions for the development of a successful, organizational response to something as complex as the customer experience. It can be emphasized that dissatisfied, unmotivated employees cannot not provide high levels of service, but also cannot provide insights that will help an organization understand the customer experience. For an organization's leadership that ties to enhance the customer experience, it can be completely pointless if the deep knowledge of employees who have direct experience, is not included.

Perhaps most importantly, the following is true-labor relations and overall health within an organization can determine the ability to understand and respond to customer experience challenges. The insights and perspectives of front-line (or field-managing) employees at each touchpoint along the customer journey can be invaluable.

It is rather important to understand the following - since customer experience is an extremely rich concept, it should probably be approached differently. This means that it does not make too much sense to strengthen it at every stage, but to remove friction points at every point of interaction.

It can be argued that clients will tend to agree on the barriers (they may be more 'objective'), while they may tend to differ on the positive sides of an experience.
It may not make much sense for an organization to try to enhance its customers' customer experiences, as they are subjective, deep experiences. What can be done, however, is the elimination of friction (at every point and stage) that may prevent clients from developing their own, personal, positive meanings.

This means that the staff should be trained to “put themselves in the shoes of the customers” in every possible interaction and be able to eliminate factors that can lead to the experience of negative feelings, such as dissatisfaction, frustration, anger, etc. It is believed that avoiding the above, can lead to a positive customer experience that will depend on many factors.

In the same context, a possible mistake is for organizations to try to positively develop their customer experiences, based on analytics etc. As customer interpretations can be extremely complex, the goal must be to avoid the conditions that give rise to feelings such as suspicion, dissatisfaction, etc. The rest can happen “naturally”, if the right conditions exist (a consistent brand image, competent employees, etc.).

5. EPILOGUE

According to McKinsey, (2016), in large organizations, achieving successful customer experiences depends significantly on the existence of a deep collective sense of purpose, in terms of serving the real needs of customers. At this point, there can be a shared vision in relation to the above that motivates and unites employees.

The importance of vision can be extremely important, as employees can not only be motivated to achieve a goal (which can make them proud, etc.), but they know exactly what to expect. Customer journeys are the framework that enables organizations to organize and motivate their employees and deliver value to customers consistently. When organizations focus on understanding the customer experience, they may take an analytical approach, identifying touchpoints, the individual interactions through which customers engage with different parts of the organization, etc. But this focus can lead to the loss of the “big picture”.

REFERENCES


