

At Your Service

As hotels and restaurants are fast expanding in Shanghai and across China, their level of service is now subject to more discerning demands and focused training.

By Brigham Kelly



As more and more hotels and restaurants enter China's ever-increasing tourism and food and beverage (F&B) market, hospitality has become the discerning factor for business success. Customers are developing higher expectations for service quality and companies must improve service in order to remain competitive.

China expects to receive 24 million foreign visitors this year, up from 22 million last year. Just from January to June this year, there were 12 million visitors, up 18.47 per cent year-on-year, according to the China National Tourism Administration (CNTA). Total

tourism generated nearly USD17.94bn in the same period, up 13.1 per cent from last year. More than half of that amount came from overseas tourists, up 19.64 per cent from the first half of 2006.

These figures may be exciting, but they're not at all surprising or extraordinary. The hospitality and F&B industries have been laying the groundwork for the past few years, building and refurbishing hotels and restaurants across the country. For the international hotel chains, such as Intercontinental, Wyndham, Starwood, Accor and Marriott, all of whom are expanding in the region, China is full of possibilities, with the rapid rise of

second-tier cities, an emerging middle class, in addition to the consistent influx of foreign travellers for business and tourism.

Here They Come

"According to the World Tourism Organization, China will become the world's most popular travel destination by 2020 with more than 180 million stays generated by inbound travellers," says Edmond Ip, Chief Operating Officer, Greater China, for the InterContinental Hotel Group (IHG). "If we add this to the 1.3 billion Chinese nationals who will also travel within China, it is clear the impact on the hospitality industry is going to be profound."

IHG is the largest international hotel company in China, by both number of rooms and number of hotels. It currently operates 71 hotels here and aims to operate 125 hotels by 2008.

But InterContinental is not the only hotel chain increasing its presence in China. According to the CNTA, by the end of 2006, China had a total of 13,378 star-grade hotels, an increase of 11.26 per cent from the year before. A total of 37 international hotel management companies are operating in the Chinese market with 60 brands and 502 hotels.

These numbers will only continue to rise, given the approaching Beijing 2008 Olympic Games and the 2010 World Expo in Shanghai, in addition to the growing presence of international financial, business and manufacturing interests.

Measuring and Maintaining Service

More hotels and F&B venues pose a challenge to the emerging service industry as available and qualified staff and management are still trailing behind that growth. In fact, hotels and restaurants are subject to higher customer demands, as overall customer service records are called into question.

Popular travel dining websites, as well as China-focused blogs, often criticise service

quality and cite that, despite prime locations, expensive décor and even excellent food, mediocre service alone can keep patrons from visiting again.

As a result, competition has created intense pressure for finding, training and keeping competent staff positioned, smiling and willing to cater to customers' needs.

Salary, training and retention are important factors affecting service quality in practically all sectors, but particularly so for hospitality and F&B. As Shanghai continues its drive for international recognition, many establishments are taking on service as a key element to sustain business and drive up profits.


A Tipping Point

China has yet to accept any semblance of a tipping culture, which may be one factor behind a negligible service standard. Waiters and bellhops lack immediate financial incentives. Another factor may be interpretations of hospitality. Chinese people are generally considered hospitable by nature; however, there is a world of difference in how most Chinese- and Western-run restaurants view service.

Jonathan Hasson, Director at Luxury Concierge China, a travel consultancy and service provider to high-end corporate and private clients, offers some insight into that difference: "Westerners are more sensible towards service, whereas Chinese are more flexible towards the whole service experience. Food in China is very important; a meal is symbolic, being together is important, quality of food and variety is the most important, and atmosphere and service are secondary."

Ed Dean, a founder of JETT Training, an assessment and hospitality training organisation in China, says that, "Service ethics are different here. There isn't the same pride or glamour in the service culture as there is in cities like Paris, London and New York." JETT caters to a number of hotels and restaurants in Shanghai and its assessment and training business is expanding to Beijing and Guangzhou.

While the lack of tipping takes away an added incentive for good service, people here are not devoid of the idea of service. Ed Dean states that his clients – including restaurants like KABB, Blue Frog and Simply Thai, and hotels like the Westin, Regent and Le Royal Méridien – have raised service quality through training and evaluation and have adopted more international standards.



And the secret to successful hospitality and F&B ventures in Shanghai? Consistent, quality service.

"There are a lot of places starting to get it right," says Dean, "but with Shanghai's aspirations foot next to London, Tokyo and Paris, [the quality] doesn't yet stand up. They want to be at a world-class level without saying, 'Well, we're different because we're in Shanghai.'"

Heading the Pack

Shanghai, however, does seem to be on the leading edge of service quality for mainland China. When asked to compare it with other first-tier cities, Dean placed Shanghai ahead of Beijing, which is ahead of Guangzhou. This level of service is mostly rooted in the high inflows of foreigners and foreign businesses that expect a high quality of service.

The overwhelming choices of places to dine, visit and stay in were some of the reasons that Jonathan Hasson and Spencer Dodington formed Luxury Concierge China. "Shanghai is fast evolving and changing," Hasson says, suggesting that visitors and residents now have a wider spectrum of venues to pick from, and, therefore, the quality of service will be a key factor in their choice.

The initiative to improve customer service in hospitality industries is not just brought on by foreigners and businesses. "Chinese customers are becoming more sophisticated in recent years and in the years to come," says Ip of InterContinental. "There is the trend that customers demand higher-level service." Creating this higher service is generally done either by in-house training or through third-party organisations. Many hotel chains employ their own incentive programmes and training courses.

IHG, for one, offers training programmes through an academy, partnering with universities in Shanghai, Chongqing, Jinan and Shunde, in Guangdong Province, to offer diversified courses for different levels of service staff.

Training in Action

Yet training will bring positive results only if it is provided effectively and tailored to the particular venue. And that often begins with the emphasis on good service, even if it may seem like a basic concept to regular diners.

Colin Ramsay, a JETT trainer, was working with a dozen of the restaurant staff on the 65th floor of Le Royal Méridien overlooking People's Square in Shanghai. "Always make time for customer service," he says. "Customer service is as important as food."

The trainees, clean-cut and proficient in basic English, were attentive, acting out role-plays and answering general questions about service. When asked about their motivation to do a good job, one employee answers, "We should take responsibility, and if you do anything terrible, you will get complaints."

Another employee, who conceded that the most difficult thing for her to remember was smiling, says, "Smiling is very important in this hotel, but sometimes I have no feelings about smiling. But I'm trying my best to smile."

Amy Smith, a manager at Moon River Diner, a popular American restaurant chain in Shanghai, reiterates the importance of training: it works to improve service, but it must be constant and consistent.

Training is not the only concern. Poaching employees is a common problem; however, incentive programmes and management training opportunities may help employees resist the temptation to abandon their current positions for other jobs.

As hospitality and F&B companies invest more resources into building up their customer service staff, other companies will be forced to improve their service quality as well. Says Dean at JETE "People are pushing the demand for better service; they get used to it and begin to expect it everywhere." □