

The concierge's secret agenda

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Call centers in India are one thing. But unbeknownst to most travelers, hotels are quietly outsourcing a core position that can make or break a guest's vacation: the concierge.

After years of promoting concierges who will unpack luggage and arrange pet massages, some of the nation's biggest chains are trimming costs by renting out concierge desks at more of their hotels. Increasingly, employees of ticket vendors and hospitality groups, rather than hotel workers, are stationed in the lobby to steer guests to restaurants, shows and car services. These third-party concierges may have an agenda beyond making guests happy - namely, selling enough tickets to turn a profit for their employers.

Such outsourcing is becoming more common. Online travel agent Expedia acquired 38 concierge desks in North America last year, almost all located in hotels. It now operates a total of 76 desks - double its total from the beginning of 2005. Ticket vendor Vegas.com, which currently runs the show in six hotels, says it has agreements to set up shop in at least 24 more this year. One-year-old Tour Links LLC operates in five San Francisco hotels, including the Argonaut and the Hyatt at Fisherman's Wharf, and says it will be in two more next month. Chains including Hyatt, Marriott, Starwood and Kimpton confirm they've signed up for the services at some properties.

Little of this is immediately apparent to guests: In many cases, these concierges dress in hotel uniforms and are instructed not to identify their employer. "We have an agreement with the hotels, and we don't promote that we're separate. We fit in, we wear the name tags," says John Williams, president of New York Guest. The five-year-old service staffs the concierge desk at 15 hotels in Manhattan, up from five last year.

Hotels are signing on to save money as competition grows. Hotel construction is up 44 percent this year, says Bjorn Hansen, a hospitality analyst at PricewaterhouseCoopers. Mr. Hansen says training and paying staff is one of the biggest costs for hotels, and using an outside service can save hundreds of thousands of dollars a year. At the same time, skeptical travelers are now looking beyond the desk for recommendations - buying tickets on the Internet, or skirting a concierge's hotel-sanctioned advice in favor of edgier nightclub or bar picks from the bellman or bartender.

Critics question the outside services' objectivity. While old-style, hotel-employed concierges receive commissions of up to 15 percent on some bookings - say, from a limousine company - they have an incentive to keep guests happy so they'll return to the hotel. By contrast, third-party concierges are employed by companies that make money on commissions from suppliers such as tour operators, event managers and car-rental companies. And because hotels are often being paid to host these outside concierges, analysts say they may be more lenient about the level of service.

For years, retired New York sales executive Alisha Wynn sent out-of-town friends to the Crowne Plaza near the United Nations. They said they liked the hotel, she says, and the concierges often went out of their way to get better rates and upgraded rooms, mail packages or even drive them to the hospital. But last year, her friends started complaining that the staff gave poor advice on Broadway shows and sometimes were hard to find. After calling one day to reach a concierge she'd known for years, she learned a key detail: The hotel had switched to a concierge service after InterContinental Hotels Group took over the property in 2005.

Now she sends her friends to another hotel instead. "They started calling me for restaurant reservations and theater tickets," says Ms. Wynn. "I couldn't do it for them, and I didn't think it was fair to expect that they do it for themselves." The Crowne Plaza general manager says guests haven't complained since the hotel started outsourcing the service, but says it replaced the provider Ms. Wynn's friends had used with a new one this year.

Hotels argue that outsourcing buys guests quick access to restaurants, shows and clubs. Third-party services can accelerate planning because they already have booking software and industry contacts. Marriott is trying an outside concierge at its New York outpost in Brooklyn, so it won't have to conduct an in-house search for someone with broad local expertise. "It's not easy to find a concierge with that kind of knowledge," says spokesman John Wolfe. Many hotels say the front desk will still help guests with requests like getting a toothbrush or faxing a document.

The companies that supply the concierge services, meanwhile, say their employees have the same goal that an in-house concierge would. They want to keep customers happy, because hotels have their pick of hospitality companies and could kick a service out of the lobby at any time. New York Guest cites another incentive: The company courts hotel guests and corporate clients to use the service for bookings even after they've checked out, says Mr. Williams, a relationship that could help draw satisfied guests back to the hotel.

Some hotels, including the Fairmont, Four Seasons and Ritz-Carlton, say they're keeping their concierge staff in house.

Others are taking a mixed approach. Kimpton has a "Romance Sommelier" at its 70 Park Avenue hotel in New York, who will serenade couples and arrange candle-lit baths, and a "Canine Concierge" at San Francisco's Hotel Palomar who directs guests to pet-friendly parks and pet spas. However, the company has rented out the concierge desk at some of its other San Francisco hotels, including the Argonaut and the Tuscan Inn.

The outsourced concierge represents a big turnaround from the concierge craze of the past decade. Starting in the late 1990s, midpriced chains such as Hyatt and Hilton followed in the steps of luxury hotels by beefing up their concierge services, to help guests with everything from room upgrades to local services. As travel boomed and boutique hotels multiplied, smaller properties jumped on board to differentiate themselves, adding dedicated staff to entertain kids or get guests into exclusive nightclubs. Concierge desks soon spread beyond hotels, showing up at shopping malls, banks and movie theaters.

Not all guests oppose the idea of an outsourced concierge. Jesse Mendelson, a software company consultant in Newark, N.J., says he often uses Vegas.com to buy show tickets and research local spots on his own. "I don't think of having a personal representative from Vegas.com working in my Vegas hotel as being a detriment," he says. He says he hasn't yet had a chance - at least that he's aware of - to use the company's services in a hotel.

Savvy travelers have long taken the advice of any concierge with a grain of salt. Standard hotel concierges earn an average of \$20,000 to \$50,000 a year, according to concierge association Les Clefs d'Or USA, and about 15 percent of their salary comes from commissions for booking clients with certain transportation companies, restaurants and tour operators.

Travel brokers, including Expedia and New York Guest, won't disclose how much or on what basis they pay their staff. Travelocity, which has offered the service for two years, says some of its concierges are paid commissions, and some aren't. Lobby rental fees vary by location: Hotels say they're typically paid several thousand dollars a month, with one concierge service saying it pays more than \$10,000 a month at one property. The Hyatt Regency in Maui, which uses Expedia at its concierge desk, charges between \$1,800 and \$3,200 a month for lobby space, says hotel manager Frank Levy. Outside services aren't charged for access to the lobbies of a few hotel chains, including Embassy Suites, which typically doesn't employ its own concierge staff.

The strategy is paying off for Expedia, which got into the concierge business in 2003. With desks in 18 Orlando hotels, it sells more tickets to Disney World on site than online, says Will Daugherty, vice president of destination services. In Hawaii, the company books 90 percent of activities on location, and 10 percent online. (Four years ago, Expedia sold tickets for those activities online only.) Some hotels maintain an in-house concierge and have Expedia run a separate activity booth.

But many use Expedia's service only, and the affiliation may not be clear. At the Sheraton Safari hotel in Orlando, where Expedia moved in last year, concierge Grace Acuna said guests have no idea "at all" she isn't on the hotel staff. At the Hyatt Regency in Maui, Expedia employees wear "Aloha" shirts and name tags without the Expedia logo.

The division of labor can lead to confusion among guests and the hotels' own staff. When Jared PoVey phoned the concierge at the Hyatt Regency in Maui from his home in Salt Lake City in July to plan a trip, he was initially impressed. The concierge seemed so knowledgeable he signed up for four days of activities, at a total of \$4,000, including a five-hour snorkeling tour, parasailing and a helicopter ride. But when the 30-year-old sales executive called back a few days later and asked for the concierge by first name, he was told no such person worked for the hotel. "I couldn't understand why they bounced me around so many times before I finally got to her," says Mr. PoVey.

A Hyatt spokeswoman says the property doesn't tell guests it uses Expedia because it wants guests' experience "to be as seamless and transparent as possible." Expedia adds that it has fired several concierges after guests complained. "They were not getting the personalized concierge service they were expecting," says Daugherty.

The switch has ruffled some longtime concierges. Les Clefs d'Or, whose members must have at least five years of hotel experience and a letter of recommendation to join, estimates 10 to 12 of its 450 members have lost their jobs over the past two years after hotels hired out the positions. The Southern Nevada Hotel Concierge Association is debating whether to let employees of Vegas.com join, says Anne Marie Whitmore-Zepeda, president of the association and chief concierge at the Four Seasons in Las Vegas. "They don't necessarily have the clients' best interest in mind," says Ms. Whitmore-Zepeda. (Vegas.com says its employees have to keep guests happy; if they didn't, hotels could enlist a different service.)

Whether most guests care about that service is another matter. According to a recent poll by market-research firm Maritz, about half of respondents who stayed within the past year at an upscale hotel - one with amenities like room service and rates over \$150 per night - said they sought assistance from a concierge. While 18 percent of all respondents said having a concierge service was "extremely important" in choosing a hotel, 33 percent called it "not important at all."

Michael Berlin, an ophthalmologist from Los Angeles, says there are some times he won't trust a concierge anyway. When he wants to find a good restaurant, he checks local Zagat guides. He likes to quiz the concierge before taking advice on any else. "I ask them where they are from and how long they have been at the hotel, and then I ask the same of the bellmen and staff," says Mr. Berlin. "The winner gets my attention."