

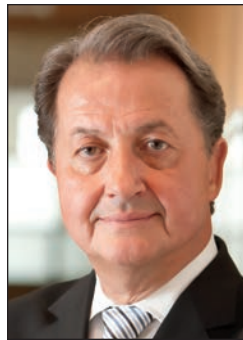
Hospitality Service Commitment

An Interview with **Hervé Humler**,
President and Chief Operations Officer,
The Ritz-Carlton Hotel Company



Sharq Village & Spa in Doha is an authentic recreation of an ancient Qatari Village

EDITORS' NOTE *Hervé Humler was named President and Chief Operations Officer of The Ritz-Carlton Hotel Company, L.L.C. in August 2010. Humler began as an apprentice in the industry, learning every aspect of the hotel business from housekeeping to food preparation. In 1983, Humler became employee number four at the newly established Ritz-Carlton Hotel Company. Along with his small group of co-founders, Humler was instrumental in the creation of the mission statement and credo for which The Ritz-Carlton Hotel Company has been known for 30 years. For much of his career at The Ritz-Carlton, Humler was responsible for the development of the brand's growing group of international hotels from Barcelona to Bali and Shanghai to Santiago. He earned a baccalaureate degree on Africa's Ivory Coast where he was raised.*



Hervé Humler

COMPANY BRIEF *Established in 1983 with the purchase of The Ritz-Carlton, Boston and the rights to the name Ritz-Carlton, The Ritz-Carlton Hotel Company (www.ritzcarlton.com) has grown from one hotel to 80, and 31 branded Ritz-Carlton Clubs & Residences worldwide employing 38,000 ladies and gentlemen. The management company has plans to further expand in Europe, Africa, Asia, the Middle East and the Americas. The Ritz-Carlton also offers its Leadership Center as a resource for leading organizations interested in benchmarking the business practices that led to The Ritz-Carlton becoming a two-time recipient of the Malcolm Baldrige National Quality Award.*

Has the luxury segment come back from the economic downturn? How has Ritz-Carlton been positioned during this time?

I am happy to say that luxury hotels have been rebounding since around 2008. The average U.S. luxury hotel occupancy reached pre-recession levels (72.5 percent occupancy) during the first seven months of 2012 (Smith Travel Research). We were hit hard by the AIG effect as groups were staying at lower-tier hotels. Now we see business travel coming back and we have had two of the best growth years in our history.

Globally, there are some bright spots, but there is also a sense of uncertainty in the U.S. economy, the regions of Europe and the Middle East, and China's moderated growth. However, when we look at The Ritz-Carlton business specifically, we

see strength. We've had steady increases in occupancy year over year. Group business is coming back and the growth in rate and occupancy helped us achieve record market share in 2011.

There are new, rapidly expanding markets of affluent consumers that represent significant opportunity for us: China, India, and Brazil, among others. These are aspirational travelers who give us business in Asia and Europe, but also in New York, Washington, and Florida.

The Ritz-Carlton remains confident in the future and in the vibrancy of luxury hospitality.

Despite the growth, you have maintained a consistent service standard. How have you been so successful in that regard?

You have to come back to the fiber of this organization; the history, consistency in brand standards, and a commitment to excellence is what makes it special. Horst Schulze, one of the founders, led the company for 13 years; Simon Cooper was President for 10 years; and I have been in the position since 2010. This in itself demonstrates great consistency over the years with three leaders, of which two were founders.

We also have leaders in the field that have been with us for their entire careers. Our turnover rate is lower than most in the hospitality industry because we understand and demonstrate that our ladies and gentlemen are the most important resource in our service commitment to our guests. We want to see them grow and develop within The Ritz-Carlton and fulfill their career goals with the company.

How can you be successful in the food and beverage arena?

Food and beverage is the reputation of the hotel in your community, because people who never see a guest room get their entire impression of the hotel via your bar and restaurant. So our service commitment is to be the social center of the community in every one of our locations. It's also about associating ourselves with star chefs in key locations, such as Eric Ripert and Wolfgang Puck.

Are you concerned with growing too quickly or too large?

We currently have 21 new hotels in the pipeline, 12 of which are under construction. Our goal is to reach 100 hotels by the end of 2015. We are expanding to open our first Indian property in Bangalore and our first in Israel, just outside Tel-Aviv; and we're moving into emerging areas such as Panama City.

We are not worried about having too many hotels because we are in control of our growth and handpick the very best locations that make perfect sense.

We also are enhancing brand offerings with intimate resort collections; Bulgari and Ritz-Carlton Reserve hotels. We have an 85-room Bulgari property that opened in May of 2012 in Knightsbridge, London and we are preparing for the opening of our second Reserve hotel in Puerto Rico. Ritz-Carlton Reserve is a brand extension we created four years ago in order to enter micro-markets where we cannot open a Ritz-Carlton. We are offering guests a hand-selected hideaway destination and individualized service – that's what the Ritz-Carlton Reserve brand is all about.

How critical is corporate responsibility?

Our Community Footprints focus is our legacy and our future; it's a commitment that was written into our original mission statement 30 years ago. Each of our 80 hotels and resorts has a comprehensive plan to focus on child well-being, hunger and poverty relief, and environmental responsibility.

We leverage the skills of our ladies and gentleman to inspire and engage children in low income communities through our Succeed Through Service program; 9,000 children around the world have benefitted since its launch.

In addition, we have an important program in many parts of the world called Give Back Getaways, the first of its kind. It was launched in 2009 and lets customers do things like volunteer with the Blue Iguana Recovery in Grand Cayman or work with our culinary team to create a meal for a soup kitchen.

Also, our ladies and gentlemen worldwide are looking after issues like reducing energy and water consumption, as well as increasing local and organic ingredients in our dining rooms.

How has the brand remained relevant after all this time?

Everything at The Ritz-Carlton is well defined and communicated, like our credo and our motto, which focuses on our ladies and gentlemen to serve our guests consistently. Our concept of service is well-defined.

We talk about the same thing every day at all of our properties around the globe: we remind our ladies and gentlemen what is important for our customer, based on guest feedback and research.

We energize our focus daily and that's why after 30 years, The Ritz-Carlton is expanding. ●