

**Textbook of**  
**Front Office Management**  
**and Operations**



# About the Author

Sudhir Andrews finished his high school from St. Columba's High School, New Delhi after which he graduated with honors in English Literature from St. Stephen's College, Delhi University. He thereafter qualified for the Indian Institute of Management, Ahmedabad and completed his Masters in Business Administration (then called the Post-Graduate Diploma in Business Administration). He joined the Oberoi Hotels in 1971 becoming one of the first MBAs to join the hotel industry and definitely the first from IIMA.

He joined the eighteen months Senior Management Training Program of the Oberois. During the program he earned two Hotel Management Diploma with distinction-one from the International Hotel Association, Paris, France and the other from the American Hotel and Motel Association (now American Hotel and Lodging Association) based in Michigan and Orlando in the US. He also earned the Golden Pin from the American Hotel and Motel Association as a trainer alt their "Train the Trainer" program in Goa. He joined the Oberoi Manpower Development Department, responsible for the recruitment and training of talent for the Oberois.

In 1979, he joined the Welcomgroup chain sponsored by ITC Ltd, as General Manager, Manpower Development and rose to be Director, Human Resources on the Divisional Board. He created the Welcomgroup hotel training center in New Delhi. His high point was the commissioning of the Welcomgroup Graduate School of Hotel Administration at Manipal, Karnataka. During this period he wrote the first edition of his books, Food and Beverage Training Manual, Front-Office Training Manual, and Housekeeping Training Manual, Tata McGraw-Hill accepted as official reference text books for the hotel management and catering institutes.

In 1979, he joined a Principal of the Institute of Hotel Management and Catering Technology, Pusa, New Delhi under the Ministry of Tourism. With the help of UNDP he was able to upgrade the institute. His expertise found him on the Board of many national Institutes of Hotel Management and the National Council of Hotel Management and Catering Technology. During this period he was involved in several ILO and UNDP programs as faculty, in India and abroad.

In 1994, he moved to Dubai as Director-Human Resources for the Metropolitan Chain where he set up the Metropolitan Institute of Hotel Management, to develop Arab nationals in collaboration with HIM, Montreaux, Switzerland. In 1996, he became Group Vice President-Human Resources with the sister concern of the Metropolitan Group that was expanding in the CIS countries with automobiles, airlines, hotels, travel agencies etc.

He immigrated to Canada in 2000 where he worked with a Property Management Company till he decided to heat east to Dubai again in 2002. He joined the Executive Office, a consulting wing to the ruling Sheikh of Dubai.

He joined as advisor to the Merit Hotel School of Ooty, opening two hotel school campuses in Dubai and Sharjah. He also taught as faculty. During this period he became one of the first persons in the world to be certified as a global hospitality trainer by the American Hotel and Motel Association.

Recently, he did projects for Elkon Academy which brought in the Herriot-Watt University, Scotland, into Dubai; plus hotel management degree courses accredited by the US and Switzerland.

Sudhir Andrews is now writing a series of indigenous hospitality textbooks for the hospitality industry to be published by Tata McGraw-Hill.

# Textbook of **Front Office Management and Operations**

**Sudhir Andrews**

*Consultant*



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**Dedicated to the memory of**  
*my mother*  
**Amrutham Andrews**



# Letter from the Author

## Dear Reader,

Congratulations on joining the hotel industry, which is part of the tourism industry that leads other industries in revenues and employment worldwide. Your decision to join this industry is a correct one, giving you ample opportunities to global careers. You have chosen that part of hotel operations that contributes substantially to a hotel's revenues – the front office. As a future front office professional it is important to adopt international practices, attitudes and behaviours that are presented in this book.

It has been over two decades since the release of my first book—*Hotel Front Office: A Training Manual*. Readers have encouraged me with their faith in the book. I thank readers for their trust and support, which has encouraged me and boosted my confidence to bring out this book – *Textbook of Front Office Management and Operations*.

The first book showed that the basic processes of front office operations worldwide remain the same and shall continue to do so in the future. This edition faithfully retains those chapters. What has changed is the application of those processes. This has been largely brought about by the revolution created by the information technology. The attempt of this book is to empower front-office professionals with the knowledge of these new changes to meet the challenges of the future.

*Let us examine some of the changes in travel and hotelkeeping that have emerged:*

Today's traveller wants to make reservation of a room for himself or herself through the web, from the comfort of the house or office. S/he wants the reservation to be instantly confirmed and the hotel to honour the promise of a room upon arrival. S/he also expects a certain level of service during his stay in the hotel. The traveller has so many choices—brought to him by Innovative Reservation Distribution Systems—available at his or her doorstep that the loyalty of the guest is at a premium. Websites take a traveller through virtual tours of hotels, showing what rooms and other facilities look like in reality and give pricing options to suit every budget. Information technology has enabled the traveller to customise his reservation as per his or her requirements, on a user-friendly form on the web, which selects those hotels that meet the specifications of the traveller offering him a deluge of options. A woman traveller may want a hairdryer and ironing board in her room while a businessman may want teleconferencing facilities and secretarial services during his stay in the hotel. There are no limits to the needs of the guests and the computer accesses those sources, which meet these needs, at the click of a button. What is essential in such a scenario is that upon the traveller's arrival, the front office staff must respond according to the convenience and expectations already created in the traveller's mind through the web.

With the onslaught of the information age, guests have become knowledgeable about what to expect from the hotels. Since quicker and convenient modes of transportation have made travel to all parts of



the globe possible, the traveller has become “international” and knows what global standards of services are. Hence, hotels now have adapted to the needs of the new traveller and brought about innovative ways of responding to these needs of a demanding customer. Some of the changes that hotels have made in their existing set-up, in their drive to orient themselves according to the new milieu, are given in the proceeding paragraphs.

**Downsizing** is part of the new economic business strategy. Newspapers are screaming everyday of the layoffs of thousands of employees by large reputed organisations. Hotel chains too are pruning their workforces and loss-making properties and facilities to stay economically viable. They are employing technology to do things that were originally done by people. Information processing has made middle-management redundant and the position of Front Office Manager and Supervisor could well be rendered redundant in future or turned into new dynamic roles. Establishments want their employees in the workforce to multitask roles. A Front Office Agent is now required to take reservations, register guests, handle guest complaints, do the front office accounting function and generate reports for decision-making. This is made possible by automation. Computerisation has entered into all aspects of our lives. The front office is no exception.

**Empowerment** is the logical consequence of downsizing. Empowerment is the delegation of responsibility along with the authority that goes with it, to lower levels. A Front Office Agent is now able to make decisions that were earlier made by his managers and supervisors. For instance, he can upgrade regular guests or offer complimentary stay if such decisions promote business. The Front Office Agent could well be in total control of front office operations and be held accountable for the total guest experience. Organisations have now begun to believe that “lean is beautiful” and are empowering its frontline staff with skills and tasks earlier held by managers and supervisors. The Front Office Agent has now become a knowledge worker with technical knowledge, competencies and skills to manage higher responsibilities. This has prompted me to bring in the subject like *principles of management*.

**Leasing** is another new business strategy and will be a part of hotel life. Investors are making radical configurations in how they are going to do hotel business. Investors now believe that standalone hotels are unlikely to give the return on investments. They are now creating community complexes under one roof rather than just a hotel. This concept makes the hotel a part of the community complex, which has shopping malls, cineplexes, entertainment centres, furnished apartments, convention centre and office blocks, all set in spectacular environments with landscaping and water courses. Entertainment centres will have facilities such as food courts, children’s parks, artificial ski slopes, ice-skating rinks, water sports etc. Investments would be in billions leading to a new breed of professionals such as real estate managers, event managers, convention specialists, cinema complex management etc. With real estate at a premium, investors feel that the best strategy is to lease space to ensure regular returns. They will lease space to branded food and beverage restaurants, shops, long-term guests, entertainment agencies, etc.

**Focus on Rooms:** As regards the hotel, the investor will concentrate on room revenue only, which would result in another form of leasing. They may have one common dining room or coffee shop and bar. They will lease space within their premises to branded restaurants like TGIF, Chillis, etc. Hotel investors have seen the virtue of linking with international chain operations that have the muscle of economies of scale, professional management, standardised systems and procedures, common advertising budgets and technical support. The hotel will be franchised to an international chain, which has established its name and reputation. This has prompted me to bring in the subject of *chain hotel associations*.



**Information Technology** has taken over all the processing work, which was done earlier by human beings. Innovative softwares make information quick, accurate and productive. Reports are churned out by the minute to make management decision-making respond to daily changes. Each chapter has a section on automation that influences that part of operation. I have also introduced the topic of *hotel automated systems*.

**Outsourcing** of the in-house services is another strategy to manage downsizing. This has become a part of the daily functioning in most organisations. Large hotels are outsourcing their functions such as housekeeping, accounting, security, horticulture, laundry, food preparation, etc. This is because of several reasons such as:

- High energy costs
- High cost of raw materials especially those that are imported.
- High labour costs and the availability of skilled personnel.
- High costs of real estate to accommodate non-revenue operations.
- Rapid changes in technology and the expertise required to keep pace. Outsourced businesses concentrate only on their limited sphere of specialisation attaining mastery.
- Quality movements require different types of expertise and certification for several sub-businesses like the laundry, food service operations, security etc.

The call for outsourcing has seen the mushrooming of specialist companies like the Housekeeping & Maintenance Companies, Security Companies, Landscaping and Horticultural Services, Industrial Laundries, branded restaurants etc. This in itself has opened additional employment opportunities for hotel professionals. These outsourced services will have to adhere to the hotel's policies while retaining their individual identity. All this is effected with well-designed legal instruments. This puts the pressure on remaining employees to multi task. Getting the right talent becomes a challenge. I have included a chapter on *managing human resources* to help front office professionals get the right people for the new roles.



**Youth** will form the chunk of the future workforce. It is quite possible to see a workforce of below thirty-five years. Those mature professionals who get out of the employment market would have to re-engineer themselves to consider self-employment. They could either open their own bed and breakfast places or turn into outsourced specialists. Hotels prefer youth for various reasons:

- They are better informed through advancement in education
- They bring the latest technologies and ideas
- They keep the workforce fresh
- Multi roles require high energy and longer hours
- They are ambitious to earn more
- They are hungry for success
- They enjoy working and are open to new ideas
- They come with better competencies

In spite of the whirlwind of change, the front office specialist will continue to be there to faithfully receive and room guests. Gone are the days when a service professional went to a hotel, did his job in an

eight hour shift and returned home. This luxury is perhaps left only to the college students who work part-time to earn a few extra bucks for their tuition. They are paid on an hourly basis anyway. But the front office professional has to think like an entrepreneur and is empowered to respond to changing business situations and customers constantly (See the section in Introduction entitled “*The Future Guest*”). We will see that the front office personnel will work for longer hours requiring youth and energy that goes with it. The front office professional has become a strategic player in the success of the hotel. It is important, therefore, to know how the new knowledge worker is recruited, trained and motivated.

This book has been carefully written to serve several segments of the hotel industry. This book, therefore, is ideal for:

- Front Office professionals
- Hotel Management students
- Craft course students of Reception services
- Lecturers of Hotel Management and Craft services
- Apprentices in front office
- Front office professionals like the front office agent, bell desk personnel and telecommunications staff
- New entrants who have no formal training or education in front office and are entering the industry.
- Supervisors and staff of leisure activities like theme parks, cruise liners etc.
- Entrepreneurs who wish to set up their own lodging facility
- Training centres of hotels
- Independent hotel owners and staff
- Hospitality trainers



Readers, it is time to shed the old coat and wear the new one of this new exciting millennium. I wish all of you the best of luck in your pursuit of becoming the new front office professional. I hope this edition will be your able companion throughout your career.

Yours faithfully

**Sudhir Andrews**



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# Introduction



## THE FUTURE GUEST

The traveller has changed like everything around us. The world has never been the same with the advent of cyberspace. People have crossed boundaries at the click of a button though remaining within the comforts of their homes. This has made them knowledgeable and adventurous. Political boundaries have broken down in the new global economy as is evident from the events like the breakdown of the Soviet Union into a flood of new states; the mass emigration into the United States, Canada, Australia and New Zealand; and the movement of people to the middle east for new job opportunities. This has made people to have greater accessibility of hard currencies, cultures, cuisines and customs.

Technology has made travel and correspondence quicker and easier. While air travel is fast and convenient, the web allows us to correspond with anyone in the world. The front office professional, as a consequence, has been presented with new challenges in the midst of these changes. The new front office professional needs to be aware and sensitive to the changes in attitudes of the guests who come to their hotel.

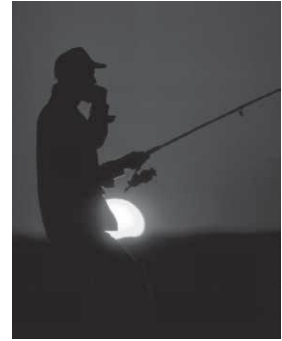
**Woman Power:** Women have entered all possible professions which are considered to be male bastions, from airline pilots to corporate executives. They now represent a substantial travelling public and need special attention to their specific needs. They expect hair dryers, ironing facilities, extra security features, privacy, etc. in their rooms. Eating and drinking in public bars and restaurants may not be a common custom in many cultures and therefore, women require efficient room service with menus that suit the diet conscious. Many expect an array of television channels to keep abreast with their popular soap operas on television and satellite communication to keep in touch with their homes.



**Business Wealth:** The buzzword in today's commercial world is 'privatisation'. Large dinosaurian public undertakings are forced to privatise. Governments can no longer manage and fund these behemoths. Private enterprise has reached horizons never imagined before. Worldwide investments and big capital funds have encouraged big businesses. Giants like the aerospace industry, computer industry, courier services and credit cards have overtaken oil, automobiles or shipping industries. Individuals too have amassed incredible wealth. Software professionals have become millionaires overnight by creating just one unique software program. The

result of this wealth is that business executives and entrepreneurs expect high quality rooms and business services to create an impression of their financial strength on their clients. They expect well-equipped business centres in the hotel and facilities such as secretarial services, videoconferencing, and telecommunication services. Business entertainment is part of business relations and hotels that provide an array of dining experiences and entertainment have an advantage.

**Emotional Experiences:** Guests have become adventurous. They want a total experience that will trigger emotions. A perfect experience is one that will appeal to all the senses of sight, hearing, touch, smell and taste. The eyes would like to see unique costumes, lighting, food presentations and décor. Guests want their hotel experience to touch their egos, creative tastes, need for adventure and mostly their heart. The way the front office staff give the service, contributes largely to the touching experience. They expect staff to anticipate their needs and respond efficiently to them. Guests today are very demanding and will patronise hotels that recognise their special ways.



**Time Conscious:** The new guest is time conscious in a fast-paced world.



They are willing to perform tasks themselves to cut time. Many are quite willing to go to the floor pantry to get ice and cold snacks. They are willing to prepare their own morning tea or coffee in their rooms rather than depend on a slow-paced room service. Guests want room confirmations, check-ins and bill settlements to be done quickly so that they could move on with their fast-paced lives. Guests want immediacy and do not tolerate delays in what they consider fair time. They will be intolerant to slow and inefficient service even if the hotel property is physically attractive.

**Health Conscious:** Guests are working hard at keeping fit and healthy. New research has made people aware of healthy living. Television has promoted that perfect figure and many expect to have health clubs and gyms in their premises. Many prefer to have a quick swim as the easiest exercise and the properties with swimming pools have an advantage. They are also nutritionally conscious. Health foods have crept into many menu offers designed by qualified dieticians. Health food is an essential requirement in most menus whether it is the T.V. menu or the gourmet restaurant menu. Food preferences extend to vegetarian and fat-free dishes. Some want saltless food while others want cholesterol-free preparations.



**Value-addition:** This refers to the extras given for a particular price. For example, business executives may expect a free limousine service from the airport to the hotel, free business lounge services, free newspapers and even a free breakfast for the price they are paying for a hotel room. Women may want free admission to the sauna and Turkish baths. Families may want free baby-sitting services while on their vacations.

**Information:** Curiosity has spurred guests to travel, made easy by quicker transportation and economy holiday packages. They are exposed to international cultures and service styles and are extremely knowledgeable. Guests do expect high and authentic standards of service and have no patience for fakes. They want information of hotel facilities at their fingertips without having to ask anyone. They want access to their room bills to monitor their budgets and expenditures.



**D-I-Y competent:** Guests are willing to do things themselves, (D-I-Y stands for Do-it-yourself). While the western person is normally manually competent, the vast lot of oriental people who have migrated to the west, where domestic help is not available, has learned to help themselves. Hotel rooms now are fitted with mini-bars, microwave ovens, shoe-polishing machines, and vending machines for ice, and hot and cold snacks. One of the benefits of self-help is that it reduces time for the guest not willing to wait for the food to be served.

**Techno-savvy:** In addition to being D-I-Y competent, guests are comfortable in using the web and would like to take control of their living experience over the web and via phone. They want to make their room reservations from the comfort of their homes and expect it to be honoured when they reach the hotel. They want to place their own wake-up calls in automated systems or have access to their bills in the room television monitor.



**Hygiene Conscious:** Guests are very particular about hygiene, particularly in how their rooms are prepared, and those that serve them. They will not tolerate soiled uniforms, bed linen, room clothes hangers, dirty bathroom facilities and unclean drinking water. They are willing to sue hotels for unhygienic conditions. Most governments give importance to healthy and hygienic conditions in hotel service areas. Litigations on this count prove expensive for

the hotels and have also led to bad publicity.

**Language Savvy:** While English is still the popular language in the global economy, hotels with multi lingual front office staff will be able to attract multi national clientele. While French and German were the common international alternate languages before, Spanish, Russian, Chinese, Hindi and Japanese have now become necessary in the new business communities.

**Point Casting:** The term relates to *specialisation* in a very narrow field. Guests will patronise hotels, which have achieved consistent excellence and authority in a narrow field. This has created business hotels, convention hotels, group hotels, etc. each a specialist in fulfilling the particular needs of its client segment. For instance, Business hotels will provide business centres with meeting rooms, secretarial services, office processing equipment and worldwide telecommunication facilities. Rooms will be equipped with writing desks, telecommunication facilities, internet connections etc.; Group hotels may provide group check-ins with minimum delay, buffets, coach services, doctor services, handicapped facilities and multi lingual staff for the demands of a group.

## Summary

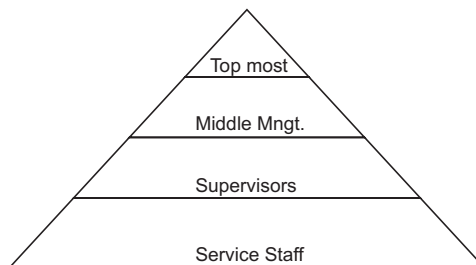
The front office professional has to rise to the challenges of the new guest, just as their hotels are upgrading their facilities to meet their changing demands. Future guests will demand new competencies from those that serve them, otherwise they will give business to some other establishment elsewhere in this new world that provides endless options to the traveller. Its important for the front office professional to understand that he or she has to change as a person and customer to keep pace with the fast-changing and exciting new world. S/he has to be empathetic to the demands of the new guest.

## THE NEW FRONT DESK PROFESSIONAL

Cyberspace has forced the world to see things in different ways. It has shrunk the world and we are now witnessing true globalisation. What does globalisation mean? It means that people have access to products and services worldwide at the click of a button. We are in the "third wave" of Alvin Toffler, the futurist. In his theory, he states that society moved from a traditional agrarian society to an industrial one after the industrial revolution. The industrial cycle is now paving the way to a service society, where services of any kind are easily available to the society, thanks to the web. The customer is the centrepiece of the service age. The key mission of cyberspace is to create value for the customer. Its credo is to offer the best and cheapest products and services from anywhere in the world. The basic features of web-based services and products are:



1. English is the primary language.
2. Most transactions in future will be made by Visa/Master cards.
3. The US Dollar will be the common currency though seriously challenged in future by the powerful currencies of other economic blocs like the Euro of the European Common Market; the Asean currency promoted by the Asian economic bloc (with the exception of Japan who will stand alone with the powerful Yen); a common currency like the Dinar of the Middle East as an economic bloc.
4. Web-based transactions will result in an increase in free trade between nations, as political and trade barriers do not exist in cyberspace. Organisational structures have already changed to accommodate these changes. The traditional hierarchical structure, as given below, is no longer valid.

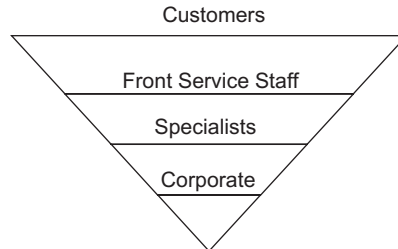


**Traditional Organisational Structure**

The changes in the new millennium have broken down bureaucratic structures and redefined them. The frontline service personnel, like front office agents, restaurant servers, counter sales persons or hosts are



now the business makers. This change has come from the belief that it is they who create guest experiences. The frontline has been empowered with decision-making authority, which their erstwhile supervisors had. The corporate management and specialists will now support the front-line staff to create effective guest experiences. Policies and procedures have been redrawn to meet the new structures and challenges. The new structure will, therefore, look like this:



### New Organisational Structure

Organisational Structures have gone flatter with technology taking over the processing work. The erstwhile middle management has been wiped out. Front-line staff shall now make tactical decisions at the operational level.

We have seen how the new customer responds to global changes in the previous section of the introduction entitled, “The Future Guest”. Hotel management students and professionals will need to engineer and re-engineer themselves to meet these dramatic changes.

Let us see how roles and competencies will change in future:

### Front-Line Staff

**Relational:** They will be good at customer relations with strong interpersonal skills. Frontline personnel will change people interaction into a joyful art. They will be adept at remembering faces and names and will be able to remember the special needs of regular guests. They shall keep elaborate guest history records of the special needs of guests in the past and respond to them. Frontline staff will be skilled in handling difficult guests and know exactly what to do in emergency situations.

**Multilingual:** Frontline personnel will be strong in the English language. Since English will remain a foreign language to the customers of many nationalities, frontline personnel will also develop skills in other languages to cater to such customers. French and German languages were the most preferred alternatives to English language in the past. However, the new world requires professionals having proficiency in other languages like Japanese, Russian, Chinese, Arabic, Hindi and Spanish. Front office

teams will be assembled to provide a range of language options to international clientele. With their multi lingual skills, hotel professionals will greatly enhance their prospects of getting a good job globally.

**Service-Oriented:** The future front desk staff will genuinely enjoy serving people and develop it into an art. Front office professionals would acquire all the technical, interpersonal, technological and management skills to give an excellent guest experience. They will use technology to assist them in the process. Guest Histories on common servers will help them in fine-tuning the information that they have needs and preferences of the guests. Computers will help in the delivery of a speedier service to an ever impatient guest who is in a hurry.



**Creative Problem-Solvers:** Frontline staff will be skilled in problem-solving and decision-making. Managements will empower them to make on-the-spot decisions to enhance the guest experience. For example, a front desk agent will be able to upgrade a regular guest or be able to provide a superior accommodation to a guest with a confirmed reservation when rooms are not available. They will also have the authority to permit a free drink for a guest waiting for a room assignment. Such decisions were earlier permitted only by the supervisor.

**Action Oriented:** Frontline staff of the future will support promises with actions. If a front office agent promises a guest a room in twenty minutes upon his arrival, she will be obliged to honour that time frame. If the Concierge promises to confirm an airline ticket for a guest by evening, the promise will have to be fulfilled to maintain quality service.

**Techno Savvy:** Frontline personnel of the future will be comfortable with fast changing technologies and environments that will affect them. Softwares (like the Fidelio) already exist to handle front office operations. New recruits from hotel schools will be equipped with skills to operate such softwares. Training programs for the front office personnel will focus on how to adapt them to new changes in procedures and technologies.

**Commission Oriented:** Service staff will prefer to work on commissions as part of their compensation packages. They will generate substantial secondary income through commissions and bonuses. Hotels will provide a salary to cover the cost of living, as well as incentive packages to motivate front office personnel to bring in new customers or generate additional revenues from regular clients by up-selling. Each frontline personnel will have his own database of regular clients to whom he will provide personalised service. Guests prefer to move their business to hotels who hire professionals known to the guests as these professionals already know their lifestyle and preferences and so the guests prefer to being served by them rather than cultivating their relationships again with new professionals.



**Multiskilled:** Service professionals will be equipped with management skills, technological skills, customer skills and reporting skills. This makes the erstwhile receptionist a knowledge worker. The titles will also change to reflect their new roles such as Front Office Agent, Relationship Executives, Customer Service Officers, etc. Multiskilling is a strategy to reduce staff, pay better salaries to those remaining and have the flexibility to deploy them where there is a need. Front office professionals will learn to take reservations, register guests, assign rooms to the guests, handle the telephone and do the front office cashier's function. They may even be required to do the Concierge's functions if required. In some resort properties the bell boy doubles as the bell boy and the room attendant in housekeeping operations. The doorman can function as a bell boy and security guard.

**Physically Fit:** Front line staff will be physically fit. They will have to be energetic to work actively and enthusiastically for long hours on their feet. The new front office professional will enroll into a gym and make exercise a way of daily life. They will be diet conscious and realise that their appearance is their fortune and that hotels and guests expect the smartest front desk staff.



**Grooming:** While hotels have traditionally given importance to grooming as part of the hotel culture, front-desk professionals will take their own initiatives to consult beauty consultants to advise the best way in which they can present themselves. The new front office professional will visit salon regularly to look smart and presentable; Now salons have also opened for men to give them a perfect manicure and hair cut.

### Backline Specialists:

**Backline Specialists** point cast themselves as Trainers, Revenue Managers, Reservation Agents, Animators, Software Programmers, Conference Planners etc. They enrich the frontline performance with their expertise. They would either be stand-alone specialists or members of project teams addressing special problems and innovations. Specialists would perhaps create new packages to stimulate room sales or websites to bring the hotel into homes and offices.



**Mastery in Functional Area:** The specialists will believe in continuous learning as a way of life to bring the best practices available in their field of mastery. They would use their high level of education and experience to give organisations a leading edge. They would research and find ways to beat competition with new models of performance. They would act as consultants to the organisation rather than just paid employees.

**Creative in Applications:** Specialists would not be bureaucratic and rigid in their approach. Their skills would be to find solutions to existing problems and new models to enhance guest experience. This requires innovation, research and cross-modification skills. Above all they must be thoroughly aware of systems and procedures.

**Technically Oriented:** Service personnel would be comfortable with technology and may guide software developers in developing new applications. They will become active members of development teams.

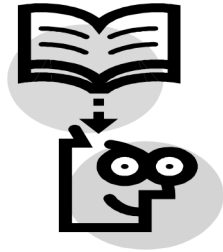
**Loyal to their Profession:** Backline specialists will believe in their profession and will commit themselves to excellence. They will benchmark themselves with other noted professionals and organisations in the field, so as to introduce best practices into the organisation.

**Ability to Work in Various Teams:** Problems requiring a variety of specialist input will be solved in teams. For example, new guest history software will require IT specialists, Guest Relations Executive, Lobby Manager, Front Office Manager, Front Desk Agents, Order-takers, Telephone Operators, etc. They will have to work in teams, each being a resource to the project. This type of working will require interpersonal skills, negotiation skills, problem-solving skills, listening skills, ability to assert oneself and knowledge.

**Focus on Continuing Education:** Specialists will invest in their self-development from their own pockets. Substantial part of their income will be used in continuing their own education. Obsolescence is



the greatest fear of the new millennium. They will have to continue their learning to keep themselves up-to-date with latest developments.



## Corporate Management

Corporate Management will no longer be "policemen" but "facilitators". The only control they will have is *strategic* control and *financial* control. They shall be responsible for long-term planning, legal affairs, finance and development. They will generate wealth creatively through investments, mergers and acquisitions, so as to expand and give their employees career growth. They shall design progressive policies and procedures to

make the frontline staff effective and productive.

The corporate will not be involved in marketing, production, purchasing and industrial relations. These tasks will be left to unit management. The corporate approach will be to convert each revenue outlet into a strategic business unit. This means that each restaurant will have its own balance sheet and profit and loss statement. The unit head will be held responsible for the unit performance and be empowered to make independent decisions with the allocated resources within broad corporate policies.



The challenges that the corporate will have in dealing with knowledge workers are:

- Developing an effective Performance Management system.
- Developing a reward and recognition system.
- Career plans for specialists.
- Creating a unified vision and a pride in it.
- Integrating project teams with frontline workers.
- Defining the role of project leaders and unit heads.
- Continuous improvement of the human capital.
- Acquiring and retaining talent.

## Summary

"Change or move out" will be the new *mantra*. Front office professionals must keep abreast with new developments. They cannot have the luxury of waiting for the organisation to invest in their learning. They must make the investment in new knowledge from their own resources. One must not forget that each generation that passes out of hotel schools comes equipped with the latest knowledge. They are potential replacements to obsolete thought and technology. Continuous education will be necessary for survival. Hotels will always give priority to youth in their ranks to keep the workforce young, energetic, creative, enthusiastic and up-to-date. Employees who cross thirty



five will have to seriously review their career plans to become specialists or generalists with leadership skills. A great part of leadership is to possess entrepreneurial skills to look at operations as a business. Modern business requires the effective allocation of resources, motivation of frontline staff and the creation of customer satisfaction.

# CHAPTER 1

## The Tourism and Hospitality Industry

### 1.1 THE HISTORY OF TRAVEL

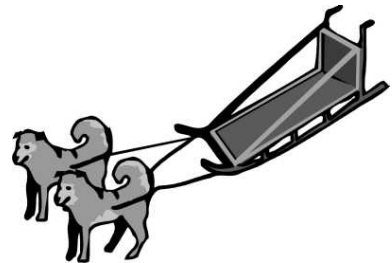
#### Early Times

Human mind has an innate bent towards travel. Since the earliest stages of human evolution, man has had the desire to travel spurred by the need for survival. People lived by hunting, fishing and gathering wild plants. People travelled on foot and carried their infants and belongings strapped to their heads and backs. Loads too heavy for one person were strapped on a pole and carried by two people. Soon people learnt the value of dragging things on poles and sledges made of poles and raw hide.



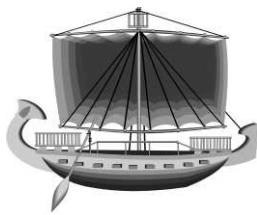
By 10,000 BC people had lived as tribes and migrated from place to place for the proverbial “greener pastures” where they developed settlements. Middle-Eastern tribes developed agriculture. They learnt how to grow plants from seeds. They also domesticated many wild animals of which horse, donkey, ox, cow and dog turned out to be most useful for the farm work. Trade developed

among various settlements as a means of access to those goods not found in a particular settlement. This created the need for better transportation. By developing harnesses, the domesticated animals were also used to pull sledges for trade. While trade was a good reason to travel, so was military movement to vanquish other tribes for the influence over larger lands. Military travel was made possible by the horse which was truly developed as a sturdy animal for travel over long distances. By 5000 BC people began to develop water transportation. They built canoes, dugouts and rafts and propelled them by paddle or poles used in rivers, streams and lakes.

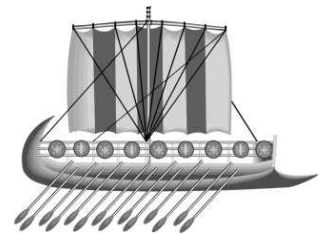




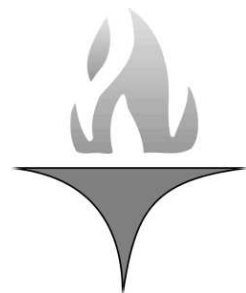
The development of the wheel around 3000 BC in Mesopotamia gave a major push to the humankind when they developed carts pulled by oxen and other mobile transport to carry people and goods. Wheeled vehicles reached other civilisations later — to India by 2500 BC, to Europe by 1400 BC and to China about 1300 BC. The first spoke-wheels were developed, mainly for chariots of war, pulled by horses, around 2000 BC and 1500 BC. By 1000 BC, the Chinese had constructed roadways between cities and the Persians had done the same around 500 BC. These 'paved the way' for greater wheeled travel. We soon saw wagons, carriages and chariots as modes of transportation for regular war and trade. Alexander the Great in 300 BC, propagated trade in his conquered territories from Persia to Egypt and Macedonia to India. From 100 BC to 400 AD, the Romans ruled a mighty empire spread between the Mediterranean in the West to the Persian Gulf in the East and the British Isles in the North to Egypt in the South. Naturally they needed an efficient system of communication to administer their empire. They had paved roads of 80,000 kilometers made of stone and gravel and finished with stone blocks some 3 ft. to 6 ft. wide. These roads helped in military travel and administrative chores in all their provinces. Europe saw paved roads only after 1700 AD, in England and France since the Romans.



The Egyptians developed sailboats around 3200 BC, leading to trade between civilisations. By 3000 BC, the Egyptians developed sturdier sailing vessels able to sail further to Arab and Mediterranean states for conquest and exploration. The Phoenicians in 1000 BC, were the first to have merchant fleets trading with Spain. Navigation was difficult so they sailed along coastlines only. The ships were driven by sails or oars. By 400 BC, the Greeks became a major power in the Mediterranean and expanded the trade started by Phoenicians. They developed two-mast vessels and increased the sails from one to four enabling trade all along the Mediterranean, Black Sea and Caspian Sea. By 400 BC, three hundred ports lay across the Mediterranean and brisk trade was established. Barges were developed for long haulage inland water travel, sometimes pulled by horses along the river banks.



Another reason for early travel was the Olympic Games in 776 BC in Olympia, Greece. The games, held every four years, brought athletes from the vast Greek Empire to compete in various sports disciplines. Excavations of Olympia show gymnasiums, stadiums, sports schools and hostels where sportsmen stayed. Travel for sports cannot be overlooked in those times, especially in the perspective of how dramatically it has grown in modern times.



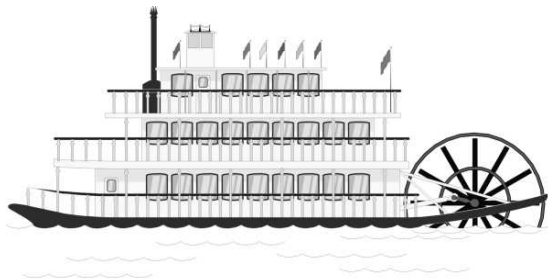
The horse as a means of travel for war was well established by the first millennium. We are well aware that from the late 1100 AD, Mongol hordes under Ghengis Khan created the mightiest empire in history. With the use of vast numbers of horsemen, they established an empire from Eastern Europe, Asia Minor, Persia, China, Russia, Korea, Burma, Thailand, and Vietnam to India. These conquests enabled contact between nations. They built roads to connect Russia with Persia and Asia Minor. It is with their efforts that European travellers like Marco Polo ventured eastwards in later

years. Kublai Khan, grandson of Gengis Khan developed modern cities in China and introduced printing, paper, gunpowder and the compass to the west. It is the Mongols under Kublai Khan who discovered that the earth was round while Europe believed it was flat. He accepted Muslims, Christians, Buddhists and Taoists in his court. This transfer of knowledge and inventions brought advancement to mankind. It was during this period that several improvements like the iron horseshoe, rigid horse collar and whiffletree (that enabled horses to pull wagons in teams) and suspension systems for wagons made travel quicker and more comfortable.

By 1600 AD, horse drawn wagons hauled people and goods locally. The first intercity stagecoach travel was between London, England and Edinburgh, Scotland (a distance of 631 kilometers) solely for the purpose of paid passenger traffic in 1640 AD. They completed journeys in stages giving the wagon its name.

During the late 1400 AD and the 1500 AD, the development of the rudder, triangular sails and the mariner's compass helped navigation and distant travel. These enabled European explorers such as Christopher Columbus, Ferdinand Magellan and Sir Francis Drake make great ocean voyages to discover North and South America (1492 AD), Australia and New Zealand. Overseas trade and travel due to mass emigration increased

rapidly during the 1600s with bigger ships.



The industrial revolution in the eighteenth century gave a giant leap to travel. Steam engines were developed by English inventors in 1700 AD, that not only powered steamships but also helped in creating other modes of transportation such as the locomotive, motor car and the aeroplane in later years. The first commercially viable railroad began service in England in 1825; steamboat in the US in 1807 and steam ships

in 1800. Steam transportation lowered costs of travel bringing commerce, trade and travel to the common man. During the 1800s, people saw the first diesel engine by Rudolf Diesel, and in 1903 the aeroplane by Orville and Wilber Wright. This changed the way people travelled making automobiles a household possession and commercial travel by air a common thing by 1919.

## History of Hotels

The hotel industry grew with travel as people needed places for shelter and food along the routes they travelled whether by land, water or air. The Hotel Industry is one of the oldest endeavours in the world closely linked to travel. The first Inns go back to 3000 BC; These were established for the people on the move, spurred by the urge to travel. The earliest Inns were private homes of husband and wife teams who provided





large halls for travellers to roll out their own beds and sleep on the floor. Many early innkeepers did not keep the rooms clean. Several travellers had to share the same room and sometimes even the same bed. The innkeepers also provided modest wholesome food like cheese, vegetables and a variety of cakes and buns, and meat when available. They provided thirst quenchers like wine and ale. The host's wife or his wench provided entertainment and recreation by performing folk songs and dances. An essential part of early inns was to provide stabling facilities. These conditions prevailed for several hundred years and by 320 BC at the time of the Roman Empire, inns were commonplace, because of the need for political, administrative and military travel. The Bible (referred to as a historical document here) gives an account of Joseph (Father of Jesus Christ), who found all the inns full because of a census called by King Herod in Bethlehem, before he took Mary to a cowshed to give birth to Jesus. This was well into the days of the Roman Empire.

Religious travel grew strongly after the crucifixion of Christ. As Christianity spread in Europe so did religious travel. In the first century AD, one of the important providers of lodging places was the church for pilgrims. The Roman Catholic Church maintained hospices, monasteries and hostels for pilgrims during the middle ages. The Knights of Saint John of Jerusalem (founded in 1048) established such lodgings to protect pilgrims travelling to Jerusalem. In effect, the church operated the first 'hotel chain' for religious travel. The quality of inns kept improving over the years as travel became more frequent due to conquests, religious travel and commerce as empires expanded.

The advent of the industrial revolution in England brought ideas and progress in the business of inn-keeping. The development of railways and steam ships made travelling more permanent. Travel also changed from social or government travel to business travel. There was a need for quick and clean service. The lead in Hotel keeping was taken by the emerging nations of Europe, especially Switzerland. It was in Europe that the birth of an organised hotel industry took place in the shape of chalets and small hotels, which provided a variety of services and were mainly patronised by the aristocrats of the day. Aristocrats received their education by travelling through Europe for periods ranging from three to six months. They needed accommodation for these travels made possible by chalets and superior inns of the day.



With the discovery of the new continent, inns soon proliferated into America. Samuel Cole is credited with the opening of the first inn in 1634 in Boston, called Cole's Ordinary. Inns such as this provided beer and rum and plentiful cheap food. Taverns and Inns modelled themselves in the European style. While eateries were established, the hotels came much later.

The real growth of the modern hotel industry took place in the USA, beginning with the opening of City Hotel in New York in 1794. New York then was a busy seaport with a population of 30,000 people. This was the first building especially erected for hotel purposes and had 73 guest rooms. This eventually led to great competition between different cities and resulted in frenzied hotel building activities. First came the Exchange Coffee House in Boston followed by the second City Hotel in Baltimore, then the Mansion House in Philadelphia and the Adelphi Hotel in New York. These soon became the centres of social activity in their respective cities. At best these were ordinary lodgings for the middle class. In

1829, the Tremont House in Boston had the distinction of being the first luxury hotel in America. It was the first to offer private rooms with locks, a wash basin, pitcher and soap. It had a French restaurant and uniformed service personnel. This signalled the development of luxury hotels in the USA during the 1800s. The Grand Pacific in Chicago, The Palmer House and Sherman House in St. Louis and the Paxton in Omaha were such luxury pre-runners in luxury hotel development.

In 1874, William Chapman Ralston established a super luxury property called the Palace Hotel in California during the Gold Rush. It was built on the lines of a European palace with domed glass roof, marble floors, own water supply, fire sprinkler system and airconditioning. It had 800 plush rooms spread over seven floors.



In 1908, Ellsworth M. Statler saw the need for providing accommodation for a new segment—the business traveller. He created the Statler Hotel in Buffalo, New York, built specifically for the commercial sector. It involved big investments, big profits and trained professionals to manage the business. The Statler Hotel provided private baths and full-length mirrors in each room. His engineering, architecture and service ideas became the standard for future commercial hotels. The Statler went into chain operations and can be credited to be the first hotel chain. In 1927, the Stevens Hotel, a 3000 room hotel (later renamed as the Conrad Hilton) became the largest hotel in the world.

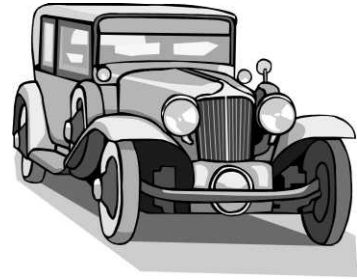
The depression in 1930 had a disastrous effect on the hotel industry. 85% of the hotels went bankrupt. It was felt that the industry would never recover. One hotelier who kept afloat was Conrad Hilton who made the Mobley, Cisco, Texas a profitable venture. The outbreak of World War II brought a tremendous upsurge. This prosperity continued through the war years into the fifties when two new concepts emerged: (a) **Motels** and (b) **International chain operations**.



## History of Motels

The first motels called **tourist cabins** were established in Western United States during the early 1900, when people began to travel by automobile and could not travel the long distances between towns in one day. Automobiles by then had come a long way from the first steam car in 1770 AD invented by Nicolas Joseph Cugnot of France followed by the car with the internal combustion engine by Jean Joseph Étienne Lenoir of France in 1860. These cars were the privilege of a few then. In 1885,

Gottlieb Daimler and Karl Benz of Germany developed the petrol engine the forerunner of what we have today. The technology was brought to the US in 1890 by Charles and Frank Duryea. It was only Henry Ford and Eli Olds who created the concept of mass production of cars in 1908 that made automobiles a household possession. People were mobile for long distances now by car. Therefore motels served fishermen and hunters besides vacationers in remote areas in the early 1900s. The great increase in automobile travel in the 1940s and 1950s led to the development of motels (short form of Motor and Hotel) situated at busy interchanges and on highways. Motels are also called **motor hotels, motor inns or motor lodges**. The United States alone



has over 20000 motels. Motels provide free parking facilities from which the guests can reach their rooms directly. Some motels have garaging facilities, restaurants and swimming pools. Over the years motels became chain operations and in 1970 we saw the budget motel with rates half that of regular motels. Budget motels have small rooms and provide fewer services. While most motels were mom and pop shows with 50 to 100 rooms, a Memphis businessman Kemmons Wilson thought of standardising motels into a chain operation. He created the first **Holiday Inn** on the outskirts of Memphis, Tennessee, which

remains as the headquarters of the Holiday Inn chain. It had 126 rooms, swimming pool, free ice, free parking and dog kennels. It became a standard for all Holiday Inn motels. Holiday Inns today has 315,000 guest rooms and is expanding at the rate of one every two and half days. The Holiday Inns in 1982 onwards built Embassy Suites, Crowne Plazas and Hampton Inns, which are segmented chains within a chain. The Holiday Inn is now a subsidiary of a British Hotel group, the Bass Company.

Another innovator was Cecil B. Day who in 1970 opened budget motels when he saw an opportunity with the construction of Disney World and Epcot Centre in Orlando, Florida. By establishing a chain of motels around the modern wonder he created one of the world, largest motel chain—the *Days Inns*.

## History of International Chains & Associations

While the growth of motels was restricted to the North American continents, international chain operations spread into all continents. Individual entrepreneurs were crushed in the race of this multidimensional, multinational industry. International chains provided the expertise, technology, and marketing thrust that individual hotels could not. In 1925, **Howard Johnson** created the first soda pop fountain in Quincy, Massachusetts. By adding popular foods like hamburgers, hotdogs and sandwiches, he created the first Howard Johnson Restaurant, which expanded to 400 restaurants through franchise. The first hotel was commissioned as the Howard Johnson Motor Lodge in Savannah, Georgia. The hotel chain was acquired by Prime Motor Inns of Fairfield, New Jersey. The restaurant chain which includes the famous Big Boy is now owned by Hardees.

Another famous hotelier, Willard Marriott, started as a restaurateur with A&W fast food restaurant chain in 1928. He entered into the hotel industry in 1940s expanding it into a \$5.3 billion **Marriott Corporation** with segmented hotel chains such as Marriot Hotels, Residence Inns and Courtyard hotels.

In late 1950s another new concept emerged – **budget hotels**. The budget hotel bought cheap land and offered lodging only. Budget hotels stripped all services like food and beverage, laundry, uniformed housekeeping services to be able to offer a cheap rate. The rooms had no televisions and telephones. Guests sometimes had to rent the bed, linen and blankets for their rooms. The first budget hotel was the **Travelodge**, Tacoma Washington and it grew into a successful chain throughout North America. Travelodge now has added amenities such as TV and telephones and bed linen as essential to stay in business. Travelodge is now a subsidiary of Trusthouse Forte, a luxury chain in the U.K.

## Relationships

Individual owners could not compete with large hotel chains and therefore merged with chains such as Sheraton, Hilton, Hyatt, Holiday Inn, Ramada Inn etc. The international chains provided the following relationships to individual owners:

- (a) **Partnership** – sharing equity and profits.
- (b) **Franchise** – providing name and association against a fee.
- (c) **Management Contract** – providing professional managers, technicians, manuals, systems, etc on the basis of management fees and a share of profits as incentive payment.

### Partnership

A partnership occurs when a chain and an independent investor jointly finance a hotel project. In such cases, both become owners of the property and bring to the table their individual expertise and talents. They share in the profits and liabilities on an equal basis.

Another arrangement that is popular nowadays is the straight lease agreement. A hotel chain reviews a property built by an investor who then leases the property to the chain on an annual lease bases. The owner becomes a landlord and does not interfere in the operations of the property. The chain becomes the tenant and is responsible for all the taxes and recurring municipal fees paid from the operations.

Another arrangement is the sale of a property by a chain and then the chain leases it back from the new owner under a lease basis, management contract or franchise arrangement. Chains opt for this when they want capital funds for other projects or when they want to reduce direct investment as a strategy.

### Franchise

A franchise is a license given by a franchisor to a franchisee who can be an individual, partners, small corporation or group of investors. The question arises why an organisation would like to take a franchise. Firstly, a franchise is given by an organisation that has over the years developed a worldwide brand name of consistent quality. A guest will know exactly what to expect from a brand name. Especially in a foreign travel, the guests are circumspect of the standards of unknown properties. A known brand name immediately gives comfort to the guest. Secondly, a franchise generates large revenues through referral business. For example, all Holiday Inns in the world become sales persons for the franchisee in a location. Thirdly, franchisors have their established central reservation systems to give leads to travellers worldwide about a franchised hotel.

A similar question can be posed of the Franchisor. Why does he give a franchise? Doesn't the organisation run the risk of losing its reputation? The truth is that a franchise is the fastest way to expand overseas. Captive investments are expensive for any individual corporation to finance. Secondly, any new franchisee becomes a new salesperson in a location for the other franchised properties. Thirdly, Franchise fees are big sums of revenue without direct investments.

The franchisee is given a license to use the franchisor's concept of business, methods of operations and name. Both parties sign a franchise agreement, which is a contract that spells out the obligations of both parties. One important aspect of the agreement is that the franchisee is required to maintain the quality-standards of the franchisor. Quality-standards include:

1. Building materials
2. Heating or airconditioning
3. Size of guest rooms
4. Type of décor and materials used
5. Minimum type of trained professional staff required
6. Hours of operation
7. Hygiene and cleanliness standards
8. Procedures for service

**Franchisors provide the following:**

1. Site selection and architectural design
2. Interior design
3. Central purchasing and economies of scale especially of equipment and service ware
4. Systems and procedures manuals
5. Global marketing
6. Worldwide corporate advertising
7. Merchandising material
8. Use of logos on local advertising and merchandising
9. Use of logos on service ware
10. Central reservation system (separate fee for this)
11. Training programmes
12. A regional manager who supervises the standards of operations and provides technical support.
13. Audits and inspections.
14. Credit or finding finance

The franchisee gives an initial franchise fee and gets in turn the permission to use the trademark name, designs, systems and procedures manuals and consultancy. Thereafter the franchisee gives a monthly royalty based on following possible terms:

1. A percentage of room revenue in the case of hotels or food and beverage sales in the case of restaurants.
2. A percentage of total sales
3. A fixed monthly fee



4. A fixed monthly fee plus an amount for each room reserved by central reservations
5. A fixed amount per available room
6. A fixed amount per occupied room

### **Management Contract**

A management contract is entered into by a chain and an individual hotel owner. The owner opts for a management contract to get international recognition, international expertise and a profitable operation. Sometimes the owner is not fully proficient in the art of running the hotel and prefers to hire experts who can bring his/her operation to international standards. He may opt for international chain management because he cannot get such expertise locally. The chain sends specialists like the General Manager, Food and Beverage Manager, Executive Chef and Rooms Division Manager. All sub-staff is hired locally and trained by the chain's corporate trainer.

The owner becomes the dormant partner in operational matters and only interferes when finances are exceeding budget. All operational expenses are borne by the owner.

The management fees under a contract can be as follows:

1. A fixed percentage of net income. The amount would be from 3% to 8% of revenues.
2. A fixed percentage on gross operating profit that allows the owner to charge operating expenses at will especially local advertising costs, but has to run the operation profitably. This could range from 15% to 25%.
3. A combination of both, which can be 3% to 5% of income and 5% to 10% of gross operating profit.

**The arrangement is confirmed through a management contract that stipulates the following:**

1. The management fee structure and the schedule of payment.
2. The number of experts hired by the owner.
3. The cost of the experts paid in hard currency at the standard of international salaries.
4. The condition that the employees of chain management are only agents of the owner and not liable for any litigation.
5. The chain can provide expertise in architecture, interior design, facility planning, engineers, consultants and project managers whose fees are paid by the owner from the project budgets.
6. Such project specialists shall be on-site when required especially when critical equipments are installed.
7. To provide pre-opening services like recruitment, training, promotion and publicity, selection of suppliers, procurement of licenses and permits for various services and planning and execution of the inauguration.
8. The owner provides cash flows for daily operations.
9. The owner bears all operational expenses.
10. The owner pays for all law suits.
11. The General Manager assumes full responsibility of operations.
12. The General Manager provides the owner with capital and operational budgets for approval and maintains the books of account open to review and audit by the owner at any time.
13. The General Manager will provide annual, tactical and strategic business plans.
14. The General Manager will provide reports and statistics of performance on a periodic basis.
15. A clause for a fixed contribution to the promotional budgets of the chains.

16. A clause that clarifies the responsibilities of non-operating expenses.
17. International standards are brought in by the chain with appropriate operation manuals.
18. The chain shall provide training of local staff according to those international systems and procedures given in the operation manuals.
19. The chain shall give its brand name to the establishment.
20. The chain shall provide central reservation system and that all properties worldwide shall refer a guest to the hotel.
21. The chain management shall observe all local laws, practices and customs, especially those of a religious nature.
22. The owner shall provide basic minimum infrastructure and standards as per the specifications of the chain management.
23. The chain will include the property in its global advertising campaigns.

## History of Air Travel

December 17, 1903 marked a major leap for mankind in travel. Orville and Wilbur Wright, bicycle manufacturers, flew the first engine-driven aeroplane near Kitty Hawk N.C. USA. Earlier attempts were made by the Chinese kites and hot air balloons to put objects into the skies. This started a new race for supremacy in the air. In 1909, Louis Blériot, a French inventor, made the first international airplane flight across the English Channel From France to England, a distance of 23½ miles. In 1911, Calbraith P. Rogers made the first airplane flight

across the United States from Sheepsbay N.Y. to Long Beach California. He made 70 stops enroute! In 1914, Tony Janus may be credited to be the first pilot of the world's first airline. He flew a seaplane for

passengers and freight across the Tampa Bay between St. Petersburg and Tampa Florida, USA. He had one passenger who paid him \$5 for the 22 mile flight. Due to financial difficulties the airline flew for only a few months. Attention shifted to war planes during World War I between 1914 and 1919. Germany, France, England and the United States produced many warplanes increasing their speed from 70 mph to 130 mph. Hugo Junker invented a steel plane, the

Junker I with cantilever wings for the first time, that greatly increase speed and maneuverability. Emboldened

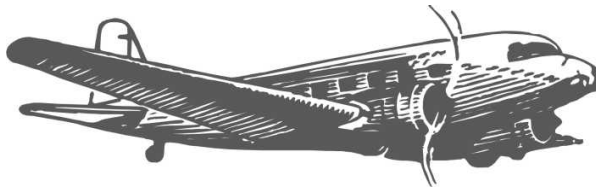
with these developments during the war the stage was set for commercial travel after the war. In 1919, small airlines flew in Europe converting WWI war planes for passenger and mail use. The cabins were furnished with decorated armchairs, but the passengers hardly heard themselves due to the roar of the engines. The cabins were not pressurised then. In 1918, the US Post Office used planes to carry mail between few large cities but gave up operations by 1926 due to air casualties.





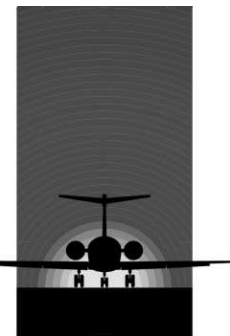
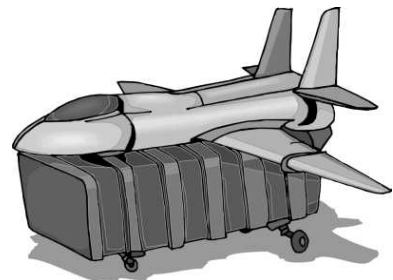
German engineers meanwhile worked on a more durable and powerful plane made of steel. In 1924, they successfully created a tri-motor transport plane called Junker 23. It started a series of transport planes throughout Europe. William B. Stout brought the technology to the US and Henry Ford financed the planes of Stout in the US. The Ford tri-motor carried 10 passengers and flew at 100 mph. In 1927, the Lockheed Company produced a single engine plane for passenger and freight travel called Vega. It could carry six passengers and flew at 135 mph for a distance of 500 miles without refueling. The Ford and the Vega were the mainstay of commercial travel during the 1920s and 1930s.

Aeroplane races encouraged the development of aircraft and instilled confidence in the people who were still averse to air travel. Richard E. Byrd and Floyd Bennett flew a Dutch tri-motor over the North Pole and later the South Pole. The year 1927 saw another landmark in aviation history. Charles A. Lindbergh made the first solo non-stop flight across the Atlantic Ocean, a distance of 3610 miles from



Garden City New York to Paris, in 33½ hours. In 1931, Hugh Herndon and Clyde Pangborn made the first nonstop flight across the Pacific Ocean. The next year, Amelia Earhart, flying an improved Lockheed Vega became the first woman to fly across the Atlantic Ocean. In 1933, Wiley Post flew the first solo flight around the world. This set the trend for commercial air travel as never before.

Planes flew faster and higher. Pressurised cabins were introduced to enable passengers to breathe easier. In 1930s, the autopilot and gyropilots were invented for better navigation and less pilot fatigue to fly the long distances. In 1936, the Douglas DC-3 was the first modern passenger plane that could carry 21 passengers and fly at 120 mph. It soon became the main transport plane of the world. During World War II, war planes were carrying heavier payloads and flying greater distances.

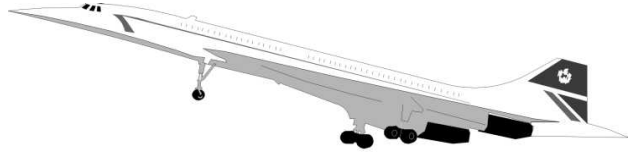


In 1939, Germany made the first jet plane. The Messerschmitt Me 262 was the first to fly combat missions. The Bell Aircraft Company (now Bell Aerospace Textron) developed the jet engine in 1942. By the end of the war, the development of war machines had paved the way for longer non-stop passenger and freight hauls. The Douglas DC-4 and the Lockheed Constellation were four engine planes invented for transatlantic flights. Soon the world saw advances in engine innovation that created the Douglas DC-7, Lockheed Super Constellation and by now the Boeing Stratocruiser that could carry up to 100 passengers at a speed of up to 300 mph across the Atlantic.

The Soviet Union and the United States raced for supremacy in air travel after WWII. They both worked on the crude jet engines of WWII developed by the Germans for military purposes creating the Sabre Jet and Mig 15. Great



Britain on the other hand, produced the world's first large commercial jet airliner – **the De Havilland Comet**. It started its service in 1952 and flew at 500 mph. Britain also developed Vickers Viscount, a turboprop (propellers driven by jet engines), for passenger flights.



The US was not to be left behind in the race for commercial jet travel. By 1958, they developed the famous **Boeing 707**, which began passenger service between the US and Europe. By 1960, two other jet transport planes the McDonnell Douglas DC-8 and The Convair 880 began passenger service to rival the Boeing. The battle for higher, faster and greater payload continued that resulted in the Boeing 747 Jumbo Jet carrying upto 500 passengers in 1969. It was a matter of time that the aeroplane became supersonic. In 1968, the Soviet Union developed the first supersonic transport plane, the **Tupolev TU-144**. Great Britain and France collaborated to develop the first supersonic passenger jet the **Concorde**, which had its maiden flight in 1976 under great environmental criticism for its noise pollution.

In the 1960s, many airlines asked themselves the question, “What business are we in?” They responded with, “We are a total service industry for growth lies in providing a total package of services”. From here, it was a short step to get into tourism in a big way. Many airlines created their own hotel chains on the belief that since they carried the passengers they had the control of where they stayed. Airlines also experienced a shortage of beds in certain destinations. They were able to get passengers on the strength of providing accommodation at certain destinations. The airline industry, therefore, built some of the finest chains known today in keeping with the image of the airline.

## Airline Chains

- |                      |                          |
|----------------------|--------------------------|
| • Panam              | Intercontinental         |
|                      | Travel Lodge             |
|                      | Residence Inns           |
|                      | Howard Johnson           |
| • SAS                | SAS International Hotels |
| • Swissair           | Swissotel Ltd.           |
| • United Airlines    | Westin International     |
| • Aer Lingus         | Dunfey Hotels            |
| • Air France         | Meridien Hotels          |
| • All Nippon Airways | ANA Hotels               |
| • Japan Airlines     | Nikko Hotels             |
| • KLM                | Golden Tulip Hotels      |
| • Lufthansa          | Penta, Kempinski         |
| • Air India          | Centaur Hotels           |

Another step took the airlines into tour operations. The infrastructure, in terms of the airline passages and hotels, was in place so it was easy to package tours. They offered the following types of packages:

1. **Destination package** – where the ultimate destination is the unique selling point for example, three nights and four days in Cyprus. The package included the air fare, hotel, surface transportation and meals.
2. **Stopover package** – where a passenger had the benefit of stopping at other destination enroute at no additional cost in their fares.
3. **Special Interest packages** – where travel was centred round a special interest like sport, history, archeology etc.
4. **Brand name packages** – where packages were built around famous attractions; for example, tour to the Niagara Falls; Everest Tours etc.

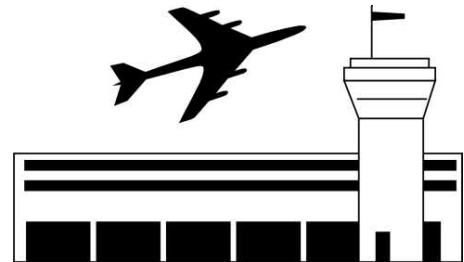
These packages guaranteed value for money backed by the airline's name and reputation.

## Air Travel

### Airports

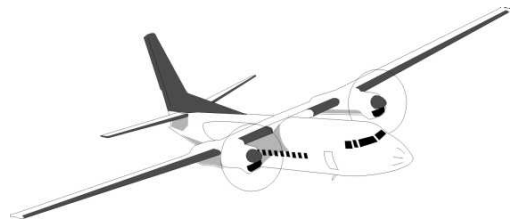
Today most countries have both domestic and international carriers (see appendix for a list of international carriers). Governments indulge in having their national carrier to fly international routes even if they are unprofitable. There are many reasons for this strategy:

1. Each government sees the potential of world tourism and wishes to have a slice of it. Airlines bring tourists into the country.
2. A national carrier is a source of pride.
3. A national carrier links with certain destinations, which other airlines do not reach due to political reasons.
4. Airlines generate foreign exchange.
5. Airlines develop national tourism.



Non-stop flights from New York to Tokyo or other major distances are common place. With the development of airline travel, the airports, are also maintained as essential infrastructure to meet the demands. Some busy airports handle 1500 flights a day with passenger movement of upto 90,000. With such movement airports have become mini-cities with hotels, restaurants, bars, shopping complexes, movie theatres, etc. Airports are controlled by each country's national airports authority. They govern the standards of airports to the standards of use. Governments negotiate with one another to grant certain freedoms of the air:

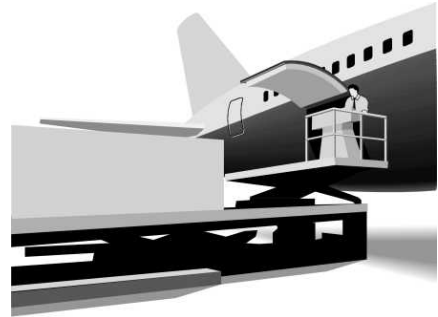
1. The right to overfly.
2. The right to make a technical landing.
3. The right to carry passengers and freight from one's territory to another's.
4. The right to carry passengers and freight from another country to one's own.



The airports authority governs these rights.

Airports serve the following traffic:

1. **Commuter traffic** that connect small communities. They have commuter planes including helicopters and seaplanes to keep small towns connected to larger cities.
2. **Regional airlines** that serve certain regions within a country. They have territorial license to provide passenger and cargo services within well-defined areas.
3. **Trunk airlines** provide services to larger areas primarily the principal cities of the country.
4. **International airlines** that connect the country to foreign countries.



The airports will tailor their size of operation and facilities to the kind of airline they serve. Principal airports may serve all purposes and have advanced facilities. Airports will have basic facilities like:

1. **Control towers** that oversee the movement of aircraft in the air and on the ground in its vicinity.
2. **Runways** that range from strips of grass for light commuter planes to sophisticated tarmacs for heavier jets.
3. **Hangers** for repair and maintenance of aircraft.
4. **Loading aprons** where planes are parked and accessed by passengers and cargo. Modern airports have overhead bridges to unload passengers directly into airports.
5. **Taxiways** are the internal lanes connecting to the runways.
6. **Surface transportation parking lots** for cargo trucks, private cars and coaches to transfer passengers.
7. **Baggage claim areas** where passengers retrieve their baggage after a flight.
8. **Ticketing counters** where tickets may be bought and flights and seats assigned.
9. **Cargo terminals** where tons of mail and freight are unloaded for onward movement.
10. **Bonded areas** for unaccompanied baggage to be collected.

The types of personnel typically found at an airport are:



1. **Pilots** and navigators who fly the plane.
2. **Cabin crew** of stewards and stewardesses who provide cabin services in a plane.
3. **Air traffic controllers** who control the movement of air traffic on ground and in the air.
4. **Baggage handlers** who handle passenger baggage at the time of arrival and departure.
5. **Emigration personnel** who handle the visa formalities for international travel.
6. **Customs officials** who ensure that no contraband goods enter or leave a country.
7. **Ticketing agents** at counters who check-in passengers for a flight.

8. **Meteorologists** who give weather reports to outgoing and incoming aircraft.
9. **Airport security** that protects the airport from hijackers and terrorists.
10. **Technicians** who prepare an aircraft for a flight. They could be working in hangers too for major overhauls or minor repairs.
11. **Cargo handlers** who load the aircraft for cargo.
12. **Flight catering** units who supply the airplane with food for the passengers. They include cooks, dieticians and loading crews.
13. **Airport cleaning services** including cleaners of airports and aircraft.
14. **Drivers** who man various vehicles at the airport.
15. **Facilitations personnel** who provide assistants to passengers. These include providing wheel chairs for the invalid, welcome services to VIPs, visa deposit services etc.

### Fares

Airfares are subject to increasing competitive conditions. In 1970s, the OPEC nations a consortium of oil producing nations including Libya, Nigeria, Venezuela and the Gulf States of the Middle East, which produced 45% of the world petroleum increased prices as never before creating a world oil crisis. The crisis hit the airline industry pushing airline fuel to uneconomical proportions.

Many airlines responded to the oil crisis in the following manner:

1. Liquidated the airline.
2. Cut down unprofitable routes.
3. Merged with other airlines.
4. Reduced manpower to reduce overheads.
5. Created travel packages to attract passengers.
6. Sold technology and services. Airlines provided ground maintenance to other airlines at a cost.
7. Sold off their hotel chains.

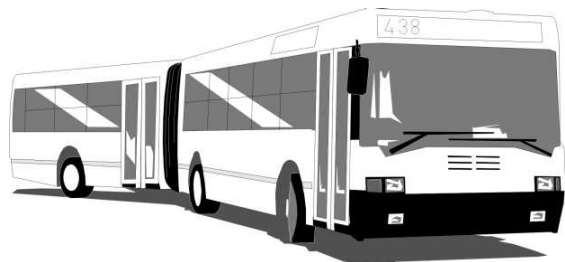
Airlines have come up with novel fares to increase their revenues:

1. First class fares for exclusive passengers.
2. Business class fares for the business traveller.
3. Economy fares for the common traveller.
4. Excursion fares for economy tourists.
5. Charter fares for groups travelling under a package scheme.
6. Discounted fares for students, senior citizens and emigrants.

These fares are taken into account as a product mix based on conditions of sale.

While the seat is the same the conditions of sale vary such as:

1. Value-added services on board for higher paying passengers. These services could include the service of drinks, type of food, on-flight entertainment, comfort of seats, etc.



2. Length of stay permissible at destination before they resume their onward journey.
3. The number of stopovers enroute.
4. Fare limits to different segments of the passenger market.
5. Time of the week, month or year of travel.
6. Rules on refunds, e.g. refunds will not be permitted beyond a particular date.
7. Return flight fares are valid during a specific period.
8. Group travel rules, e.g. that group members must travel together.

All fares are governed by the **International Air Transport Association (IATA)** or the government. IATA fares give guidelines for fare structures and how tickets are to be sold. This is an understanding with all associate members. The government directed fares are those specifically negotiated between two nations that are unique to the carriers of the two nations. Fares have a relation to volume and capacity. With wide-bodied aircraft that carry more passengers the cost of operation of each flight is distributed over a larger number of passengers. Freddie Laker brought in a revolutionary concept of air travel. He created the air bus, which was budget airline that cut down all ground and cabin services to an essential minimum so as to reduce overheads. He was able to give passengers budget fares without any frills. Many independent airlines followed suit and exist today.

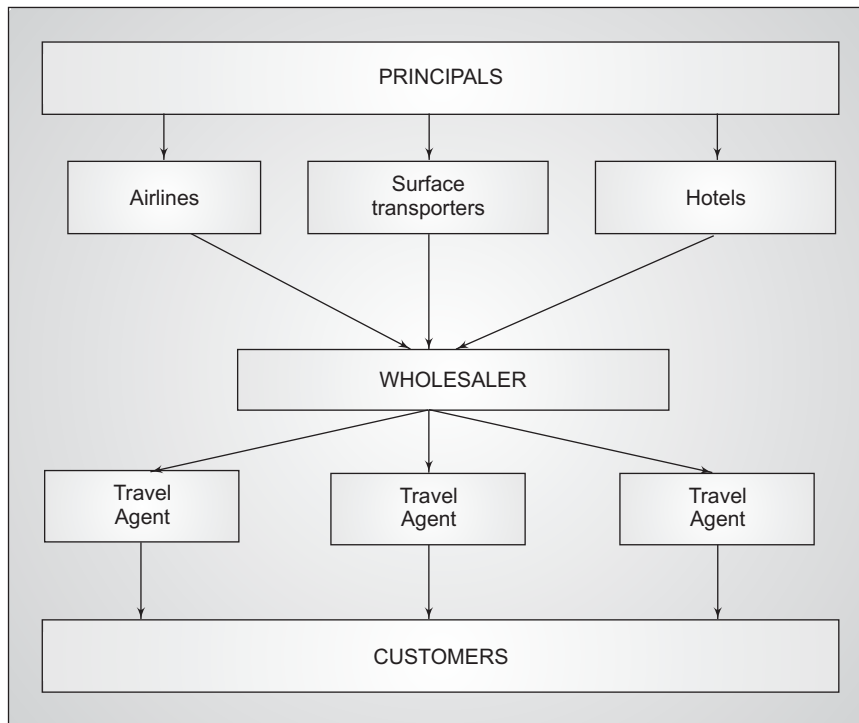
### **Charters**

Charters had their genesis when obsolescent aircraft were phased out by airlines and used for specific movement of people and cargo at a profit. This activity has become more widespread and has spurred major airlines to have their own charter subsidiaries. There are three types of charters:

1. **Ad-hoc**, where an organiser takes an aircraft to move a large number of people between two points at fares well below normal ones. This is normally a one-off flight.
2. **Series** is the mainstay for charter airlines and the tourism industry. Hotels recognise the importance of series charters as a source of regular business. A tour operator or organisers may schedule a series of charters at economical rates during the holiday season.
3. **Time charters** are those when individuals or companies lease out an aircraft for a fixed period of time at an agreed cost. Such type of charters may be used by freight operators who transport cargo around the world.

### **Tour Operators and Travel Agents**

A tour operator is a wholesaler of packaged tour programmes. He puts together a tour package by negotiating rates either directly or through a travel agent, with other principals like airlines for airline seats, hotels for rooms, surface transporters for transport facilitations, etc. and promotes that tour package. Tour operators invest in printing brochures, posters, advertisements in newspapers and travel magazines etc. and get the travel agents in various regions to sell the package. The relationship of a tour operator with travel agents is best illustrated below:



A travel agency is a business that offers the following services:

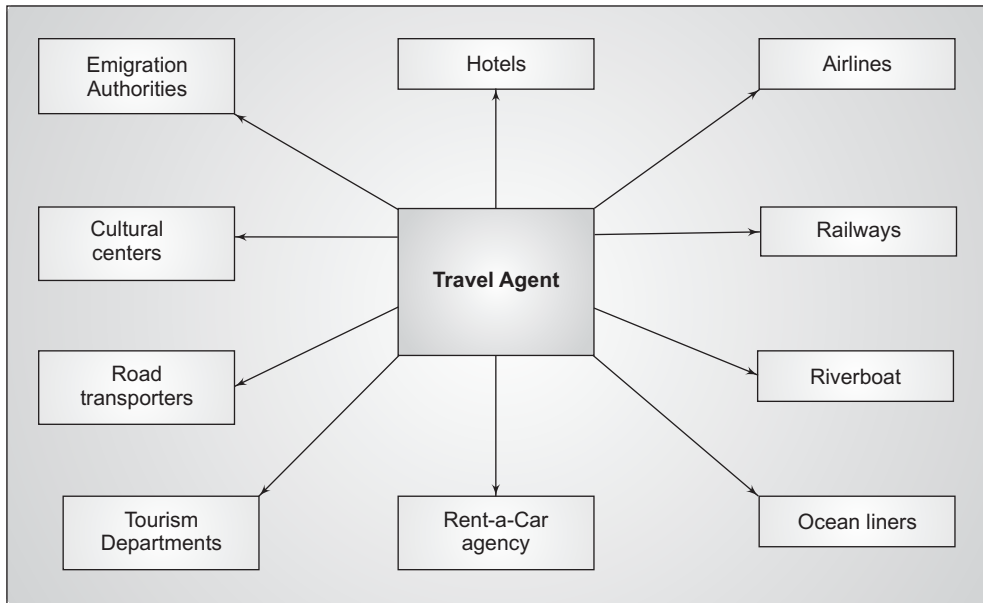
1. Provides information on national and international tours.
2. Arranges international and domestic airline, railway, bus, river boat, ocean liner tickets to the public consumer.
3. Arranges hotel accommodation.
4. Arranges city and inter-city tours.
5. Arranges surface transportation including limousines and coaches.
6. Organises local sight-seeing tours.
7. Makes arrangements for passports and visas for foreign travel.

A travel agent may be a freelance individual or a gigantic company. The most important role of a travel agent is to be that on-the-spot neighbourhood advisor on travel. As travel has become popular, we see travel agents in most neighbourhoods. They are recognised by the attractive posters of tourist destinations in their show windows. They sell dreams and are important partners of different agencies in any travel plan. The diagram below illustrates the number of other agencies they coordinate with to give quality services.

### **Role of a Travel Agent**

The role of the travel agent is that of a retail agent that sells travel plans and services. They approach travel principals to get cheap rates for the facilities they offer. Principals would be those travel partners like the airlines, surface transporters, hotels etc. who provide essential services. Travel agents get better rates because of the volume of business they give to each principal. They also provide access to the

principals in those regions where the principals would have to make heavy investments to get access on their own. Travel Agents, therefore, provide the distribution network that principals crave for. A travel agent's typical role would be to:



1. Plan itineraries for wholesale operators in their region, including arranging hotel accommodations, surface transportation and sightseeing tours.
2. Negotiate favourable rates with surface transporters to provide coaches for airport transfers, sightseeing tours and inter-city travel.
3. Negotiate with hotels for favourable room rates and meal prices.
4. Negotiate with art centres for cultural entertainment.
5. Negotiate fares with domestic airlines and railways for inter-city travel by the most economical route.
6. Coordinate with various tourist centres for sightseeing tours.
7. Develop comprehensive packages for tour operators and individual travellers.



### Travel Agency Revenue

Travel agents make money through commissions from the various principals. Principals work with travel agents as partners. Such partnerships are formerly cemented in an agreement that covers the following:

1. The amount of commission. Travel agents get as much as 20% from the principals.
2. Discounted tariff that they can pass on to the traveller or keep as their profit.
3. Reservation quotas to freely confirm rooms, seats, berths etc. in hotels, airlines and boats etc.
4. Policy on cancellation of bookings with penalty clauses.
5. Advance payments from travellers for services expected.





## History of Travel in India

### Early Times

India sets the lead in South Asian travel as it was the most developed country in the early times. Developed civilisations have developed modes of travel. It is impossible to segregate travel from the military and political evolution of India. Therefore in accounting for travel one has to understand the socio political scenario during the different ages in India.

The earliest civilisation in India dates back to 3000 BC during the Iron Age when the Indus Valley civilisation was born. The Vedic period followed in around 2000 BC when the Indus civilisation was in full bloom. Excavations show that the civilisation prospered in Sind, Baluchistan and Punjab (now all in Pakistan). Two major findings of Mohenjo-daro in Sind and Harappa in Punjab show ample evidence of that era. The excavations enlightened that the cities were modern and well developed with storied houses, paved floors and streets, drainage systems, common baths, large courtyards with columns perhaps for royal stay or as municipal halls. There is abundant evidence that the people traded with others parts of India, Babylon (now Baghdad) and Mesopotamia (now southern Iraq). The Indus Valley civilisation developed concurrently with other great civilisations such as the Nile Valley civilisation in Egypt, The Tigris Valley Civilisation in Assyria and the Euphrates Valley civilization in Babylonia. Surprisingly the Indus valley civilisation bears striking resemblance to Sumer and Mesopotamia raising speculations whether the Indus civilisation created these other civilisations or vice versa.

Seals of trade in terra cotta discovered in Mohenjo-daro further stamped the evidence of travel and trade. Similarly, the discovery of two seals of the Mohenjo-daro type in Elam and Mesopotamia and a cuneiform inscription at Mohenjo-daro leaves no doubt of the commerce between these two great civilisations. The merchants travelled overland in caravans consisting of carriages drawn by horses and oxen. Most of them travelled in groups to protect themselves being attacked by wild beasts and bandits. They camped outside the city to ply their wares at local markets. There is no evidence of maritime travel then. The local administrations burnt primeval forests to make roads for the use of traders and merchants.



We now know that travel existed for the purpose of commerce. The early Vedic period was dominated by the Brahmanical civilisation which created and adopted the Vedic scriptures; most notable of these scriptures is the great epic, the Mahabharata written around the Kauravs and the Pandavas.

The latter Vedic period was dominated by Aryan tribes. Through good leadership they subdued lesser tribes and ruled the whole Gangetic plain till the Deccan in the south of India. The vast empire needed military and judicial control. The establishment of provincial governments necessitated the need for good communication. It was then that the first crude grand trunk roads were created. One chief highway connected industrial and commerce centres from the Ganges valley to Taxila (now Rawalpindi in Pakistan), another stretched from Rajagurni in South Bihar by way of Oudh (now Lucknow in U.P.) to the banks of the Godavari river in the South of India. Another difficult route lay across the desert of Rajputana to the ports of Sauvira (Surat) and upper Deccan near the mouth of the Narmada River in the South of India. We had by now travel for military and administration purposes in addition to trade and commerce, which flourished then. While the military had local garrisons and cantonments to give food and shelter to military officials the traders still lived in their caravans (mobile homes).

Another great development during the Vedic times was the establishment of temples teaching Vedic scriptures throughout the dominion. The priests taught the Vedas, which were a collection of hymns, essays, books of instruction and doctrines. The temples became Vedic schools and attracted many students throughout the realm. So we now have evidence of religious travel too. The temples, supported by the charity of the rulers, gave food and shelter to the religious scholars. They extended their shelter and food to other travellers as well, as long as they were of the Brahmin caste. (The caste system was developing then).

By the 6<sup>th</sup> century BC the Brahmanic empire was too large to control and sustain. It broke into four great kingdoms of Avant (Ujjain), Vatsa (Allahabad), Kosala (Oudh) and Maghada (Patna). These kingdoms inherited the military cantonments, roadways and temples of the Brahmanic Empire and travelling continued between the states.

### ***Persian-Macedonian Times***

The Persian invasions in the 6<sup>th</sup> century BC, first with the hordes of Cyrus (558-530 BC) emperor of the Archaemenian Empire, followed by Darius (522-486 BC) annexed the Indus Valley as far as Rajputana. Xerxes, son of Darius, controlled the Indian provinces thereafter making Taxila his capital. Taxila became the centre of trade and commerce and was well known in the civilised world. Highways from Central Asia to Taxila were built for traders and merchants. Taxila was also the centre of religious learning inviting scholars from all parts of the civilised world. Tradition affirms that the Mahabaratha was first recited here.

A significant development in the 6<sup>th</sup> century BC was the birth of two great religions in India – **Jainism**, a doctrine of abstinence and non-violence (528 BC) started by Mahavira, and **Buddhism**, a doctrine of universal truth (566 BC) started by Prince Siddhartha of Nepal Terai and later called Gautama Buddha, the Enlightened One. This spawned Jain temples and Buddhist stuppas (monasteries) as their respective religions spread. This brought a new kind of religious travel. Centres like Rajgiri (in Bihar) where Lord Buddha got his earlier teaching and Bodhi-Gaya where he got his enlightenment became pilgrimage centres inviting devotees, disciples and scholars worldwide. These temples and monasteries provided food and shelter to its visitors.

333 BC saw the rise of the Macedonian king, Alexander the Great who annexed the Persian Archaemenian Empire establishing his capital in Babylon. In 327 BC, he crossed the Hindukush mountains

in Afghanistan and defeated the strong Paurav Empire, a remnant of the Brahmanic Empire. Alexander used the existing trunk roads for his march towards conquest and stopped at Sind before returning to Babylon via the river Indus to Egypt, as a wounded soldier where he died in 323 BC. He left behind Macedonian garrisons in Taxila and other strategic centres. The Persian and Macedonian invaders exposed India and its riches to the Western world inviting far more trade and commerce apart from military travel. New geographic routes were created far beyond to access this rich nation.

### ***The Mauryan Empire***

The real spurt in the development of formal travel facilities was during the reign of Asoka the Great, a Mauryan Emperor. Coming from the lineage of Chandragupta and Bindusara who reclaimed the kingdom from Macedonian governors in early 4<sup>th</sup> century BC, Asoka ruthlessly expanded his empire from Nepal in the north to Tamil land (now Tamilnadu) in the south; from Kabul (now Afghanistan) to East Bengal (now Bangladesh). He recaptured the Brahmanical glory. After seeing much bloodshed, he chose the path of morality and piety. He adopted Buddhist teachings and organised “morality tours” to promote morality throughout his kingdom. He left the administration to district judges, revenue collectors, clerks and secretaries who kept him closely informed about affairs of the state. This saw the rise of travel for religion, administration and trade. His officers improved the Grand Trunk routes with tree-lined roadways dotted with the Asoka pillars, which had his doctrine etched on them for all his subjects to see. He established several philanthropic institutions including hospitals, schools, monasteries, which had the funds to serve the travelling public. His emissaries even went to Ceylon, Burma, Malaya and Sumatra in the East and Egypt, Syria, Roman Empire, Greeks, Persia and even Gaul (now Germany) in the West. He constantly made pilgrimages to Bodhi Gaya, which set a trend of religious pilgrimage. Because of the increase in travel for various purposes, his officers saw the need to construct traveller-specific rest places along the Grand Trunk routes. They built reservoirs and planted trees and groves for the comfort of travellers. Asoka also had a maritime fleet not only for river navigation but also for international travel, primarily to Arabia.

After his death, several incursions by the Huns, Greeks, Persians and the Chinese put his kingdom in disarray. However, the scholars of those countries wrote of the glory of the Mauryan Empire. The empire was scattered and plundered for several years before the Gupta Empire started by Chandragupta, succeeded by Samudra Gupta till 528 BC restored the Mauryan glory. Skanda Gupta, the last king of the Gupta Empire, held back rampaging hordes of Huns for several years till his death when the Huns briefly took suzerainty over the Gupta Empire.

Another great king Harsha reclaimed the territories from the Huns and other expeditions and ruled over northern India being stopped by the Chalukyas in the south. Kanauj his imperial capital was a modern city as chronicled by Hiuen Tsang, a Chinese scholar. During his reign, he erected rest houses for the travellers and monasteries for religious scholars that provided food and shelter largely funded by generous contributions from the imperial palace. In 643 AD, a Chinese pilgrim chronicled a large religious convention attended by ten kings and 500,000 scholars, priests, pilgrims and Buddhist, Jain and Brahmanical scholars. The convention also honoured Hiuen Tsang, the noted Chinese explorer and historian. This is the first evidence of such a huge gathering other than military. One can extrapolate that the palace provided food and shelter for the dignitaries and the local populace gave boarding and lodging facilities in order to manage the shelter and food of such a great gathering. Harsha died in 646 AD.

## The Muslim Empire

The next most significant period in India was the 400 years rule of the Turko-Afghan Muslim rulers during the 12<sup>th</sup>, 13<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup> and early 16<sup>th</sup> centuries. By the time the first conquest took place by Mahmud of Ghazni, the entire Central Asia and the Middle East was converted to Islam. The expansionist plans of Islam meant Jihads (Holy Wars) to subjugate subjects and convert them into Islam. The only objective of the Muslim invaders in annexing India was to loot and plunder its wealth to feed their holy wars. Muhammad of Ghur was the next with the “hit, loot and run” policy. It was only Qutab-ud-din Aibak, a slave from Turkestan, who saw the merit of prolonged stay in India and through conquests became the Sultan of India with his capital at Delhi. He started what is known as the “Slave Dynasty” because he and those that succeeded him were originally slaves. Those that followed were Iltutmish who beat back Chinghis Khan in 1221 AD; Razia Sultan the warrior queen; Gyas-ud-din Balban who ruled the whole of North and East of India and beat back the Mongols led by Timur in 1285 AD.

The Khilji dynasty followed with Jalal-ud-din Firuz and Allaudin Khilji who expanded the dynasty to the south of India completing the Muslim domination throughout India. The Tughlaq dynasty, the most notable rules of which was Mohammad-bin-Tughlaq, consolidated the Muslim domination in India. This was followed the Lodhi Dynasty after a brief rule by Timur the Mongol till the 16<sup>th</sup> Century.

The Muslim rule bled India of its wealth and used trade and commerce to expand the coffers of the kings and nobility. It is clear that travel in those days was largely of military nature where forts provided the shelter and food for the rampaging armed forces. To rule such a large dominion required sound administrative network especially to collect the *tithes* from the land owners. The courts had other administrative departments such as the Department of Justice, Department of Intelligence and Posts, Department of Agriculture, etc. This meant that travel of administrative nature was frequent using the old Grand Trunk routes. The provincial forts provided the food and shelter to all official travellers. The sultans of Delhi encouraged industry and trade but only for their own political, administrative and pleasure purposes. They built several forts, palaces and mausoleums on the back of slaves and artisans from all over the dominion. They were perhaps kept and fed in huge labour camps. Foreign travellers like the Persian Amir Khusrav, Mauhan (who chronicled Bengal in 1406 AD), Barthema and Barbosa from Portugal were all guests of the state and enjoyed the courtly privileges. Merchants from all over the world never ceased to pour in gold into the country in exchange for herbs, gums, indigo, opium, etc. At that time the ports of Gujarat and Bengal were the only sea-faring trading points. Foreign merchants slept in their ships and ate at local markets.

## The Mughal Empire

The next major foreign rule was introduced by the Mughals (Mongols) under the leadership of Babar, a Chaghtai Turk and descendent of Chinghis Khan and Timur, who established the Mughal Empire after the famous battle of Panipat in 1526 AD when he subjugated Ibrahim Lodhi, the last of the Afghan Muslim rulers. He was followed by many Mughal rulers —Humayun, Akbar, Jahangir, Shah Jehan (who built the famous Taj Mahal), Aurangzeb and Bahadur Shah. The most illustrious was Akbar the Great, who as a benevolent despot served the welfare of the people.



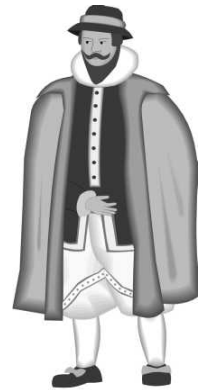
Akbar encouraged trade and commerce and developed roads and rivers to promote them. There was an active building of roads and bridges and the repairing of water canals. The main roads were metalled with avenues of trees for the comfort of weary travellers. He developed walled rest houses called *Sarais* in which the travellers could pass the night with relative security. The rivers afforded excellent routes for mercantile traffic. These were efficiently maintained by the administration of the country. There was an increase of international trade and the period saw the development of additional ports in Calicut, Cochin, Goa, Chittagong, Surat, Broach etc. In fact Vasco Da Gama, the Portuguese explorer, crossed the Cape of Good Hope to reach Calicut in 1498. He was received well by the Hindu ruler of Calicut and established trade for subsequent Portuguese merchants. In the interest of protecting the rich trade with India the merchants dabbled in local politics till 1503 when Alphonso Albuquerque formed definite designs of establishing Portuguese presence in India. He became Governor of Calicut in 1509, and annexed Goa making it a strong citadel and established two more citadels of Portugal at Daman and Diu. They dominated trade on the West Coast of India. Other European powers including the English, Dutch and French, soon forayed to make contact and trade with India. Foreign merchants were found to travel to the interior of the country with excellent infrastructural facilities. The Dutch came in 1616 AD initially trading in spices with Java, Sumatra, Indonesia etc. when they established factories off the Coromandal coast, Gujarat, Bengal, Bihar and Orissa but not without resistance by the English. The French under Francois Caron established factories in Surat in 1668 and Masulipatam in the South. In 1673 Francois Martin and Bellanger de Lispenay obtained a little village from the Muslim governor of Valikondapuram called Pondicherry in 1674, which was to become the citadel of the French.

Akbar's reign saw another development – schools and colleges. He established colleges in Fatehpur Sikri, Agra and other places. Akbar was active in converting the Hindus to Islam and sponsored religious schools called *madrasas* that attracted scholars from all parts of the dominion. These schools provided boarding and lodging facilities to external students. Jehangir repaired dwelling places for birds and beasts into *madrasas* and filled them with students and professors. It is evident that education was another major reason for travel.

### **The English Raj**

The first attempt of the English was made after the Portuguese had established a foothold in India. Seeing their success, the East India Company, a consortium of individual private merchants, sent a representative Sir Thomas Roe in 1613 AD to Emperor Jehangir's court in Agra to conclude a commercial treaty with the emperor. Sir Roe procured the privilege to open factories at Surat, Agra, Ahmedabad and Broach during his stay at Jehangir's court till 1618. In 1668, Bombay was transferred to the East India Company by Charles II who got it as a dowry by marrying Catherine of Braganza of Portugal. Soon the English opened factories in the South and even got a lease of Madras where they built the fort of St. George. Soon the East India Company established factories throughout the country including Bengal in the East under the encouragement of Emperor Aurungzeb who got fees for all trade that happened. Though the company officials had the emperor's support, they were often hassled by local customs people and rulers who sometimes seized their goods if not compensated and were forced to build a fort in Calcutta around their factory, called Fort William. The East India Company was only interested in trade and through clever negotiations with the ruling princes was able to get concessions for their commercial activities.

The coming of the French changed everything, as the European animosity between the English and French in Europe expressed itself on the Indian sub-continent. The famous Carnatic Wars are a testimony to the aggression of the two European countries that forced the English to station troops in India and dispatch the Admiralty, who by now were the undisputed lords of the sea, to protect the coasts of India to keep marine trade lines open. The French under the ambitious governor of Pondicherry, Lord Dupleix were an equal match to the English. Colonel Robert Clive protected the interests of the East India Company from both the local rulers and the French. Clive finally succeeded in defeating the French. By now, the East India Company had a formidable army to protect its interests. They used it judiciously to align with warring princedoms to secure additional expansion and lands for the company. The famous Battle of Plassey in 1757, which Clive won against a strong local Rajah, made him a hero and paved the way for the British conquest of Bengal and eventually, the whole of India. In 1757–1760, he was made governor of Bengal. He returned in 1765 when he secured the *Diwani* of Bengal, Bihar and Orissa for the East India Company. By the time he left in 1767, the East India Company was well-entrenched in local political intrigues setting the pattern of expansion for the following governors like Lord Warren Hastings (1772-1784) and Lord Cornwallis (1786-1793). By 1773, the East India Company came under a parliamentary supervision that modified the constitution of both England and India. Travel at that time was largely for military, political and trading purposes.



By 1833, the East India Company ceased to be a trading house but changed its charter to political and administrative duties including making war, concluding treatise, acquiring territories and building fortresses to protect political and trading interests. The new title bestowed to the head of the East India Company was Governor General. Lord Marquess Wellesly (1798) was the first Governor General. During the time between Lord Hastings, Lord Henry Hardinge, Lord William Bentinck and Lord Dalhousie in 1850s, British supremacy had been established from the Sutlej in the West to the Brahmaputra in the East; and from the Himalayas in the north to Cape Comorin in the south. Governor Generals like Lord Hardinge and Lord William Bentinck had to maintain the integrity of the British Raj and make it a worthy country through sound administration. This was necessary due to a crumbling Mughal Empire and confused local rulers. The last Mughal emperor Bahadur Shah II was finally ousted from Agra in 1858 making the British the supreme rulers of India. In 1858 the Indian government was finally assumed by the crown of England and the Governor General received the new title of Viceroy. Lord Canning was the first Viceroy in 1858. The last was Lord Louis Mountbatten when India got its independence.

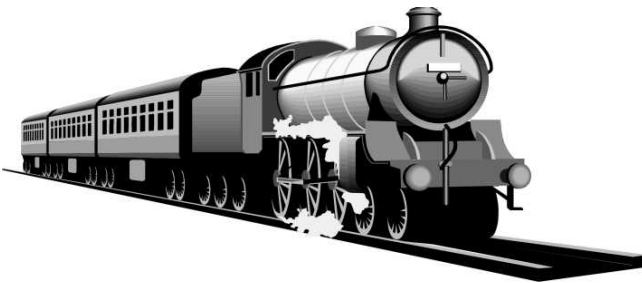
When the British entered India it was akin to the medieval times of Europe. It had not kept pace with the Industrial Revolution. The Muslim rulers had reduced the country to abject poverty and ignorance through plunder, excessive taxes and sheer slavery. The British made India modern, not for the love of the country, but for the purpose of their own better administration. They developed the post and telegraphs in all major centres with *Dak Bungalows* dotting the Grand Trunk routes for the postmen to rest on long treks to deliver mail. The *Dak Bungalows* were comfortable with caretakers who provided meals. It was





also used by administrators and military personnel if required. Most principal roads were paved to transport carriages. The introduction of the railways was the biggest development for transportation introduced by the British. From its modest beginnings as a private enterprise brought in by Lord Dalhousie of 36,000 kilometers it has expanded into one of the largest networks in the world. Its importance lay in facilitating communications and the impetus given to trade and industry. By bringing together distant places of the vast country within easy reach, the railways fostered a spirit of unity and nationality among the Indians. Along came railway stations, dining cars and catering services enroute. Cantonments dotted principle centres

for the military traffic, to feed and shelter troops. Guest houses were built for civil administrators, PWD houses were built for engineers busy in electrification, road building and other public works.



When the British entered India, the only centres of learning were the *madrasas* to convert Hindus to Islam. European missionaries set up schools of higher learning and introduced English, the knowledge of which was necessary to get jobs in civil administration. The first University in India was founded in Calcutta in 1857. Between 1857 and 1887 four new Universities at Bombay, Madras, Lahore and Allahabad were added. The Hindu

College, later named the Residency College in Madras was the first to be established in 1871. Education soon became an essential reason to travel.

Towards the latter part of the 19th century, the opening of independent hotels of the European style like the Cecil, Swiss and Maidens in Delhi and Clarkes and Cecil in Simla (the British summer capital) and the Grand Hotel in Calcutta, Felettis in Lahore etc. was a testimony of the introduction of modern hotels in India. Of course these hotels served only the British.

### **Post Independence**

When India got its independence in 1947, the British left behind a rich legacy of travel and related facilities like the railways, roads, hill stations, Dak Bungalows, PWD Guest Houses, cantonments etc. India now boasts of one of the largest networks of railways carrying over 11 million passengers per day. Enterprising hoteliers like the Oberois and the Taj Group took over the British hotels and maintained the high standards of service expanding themselves into quality chain hotels. The Government of India gave further impetus to hoteliering by creating the India Tourism Development Corporation (ITDC), which spawned excellent properties around India especially in destinations not visited by private hoteliers. Encouraged by the government's intent, private independent hoteliers mushroomed throughout the country offering hotel services for every budget. Corporate houses like the ITC came in the 1970s with another large quality chain, the Welcomgroup in the 1970s. By the first decade after independence, India boasted of a national carrier Air-India, a joint venture between the Government and the Tata Group and the

Indian Airlines a domestic carrier that connected the length and breadth of India. Air India saw the shortage of rooms for its passengers and soon created the first airport chain called *Centaur*. By the twenty-first century, India had several private airlines to maintain true blues skies policies and many hotel entrepreneurs.

With the opening up of its economy to the world and private enterprise, travel has assumed gigantic proportions in India. Travel for business or pleasure has made giant strides, a far cry from tourism for historical purposes only. Domestic tourism has increased with the introduction of modern fast cars and better roads.

## Review Quiz

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### Multiple Choice Questions

1. When was the wheel invented?
  - (a) 5000 BC
  - (b) 3000 BC
  - (c) 1000 BC
2. Travel in ancient times included:
  - (a) War
  - (b) Trade
  - (c) Administration
  - (d) All of the above
3. Who were the first to develop paved roads?
  - (a) Romans
  - (b) Chinese
  - (c) Macedonians
  - (d) Babylonians
4. Where were the first sailing vessels developed?
  - (a) Mesopotamia
  - (b) Phoenicia
  - (c) Egypt
  - (d) India
5. Who was the first to cross the Atlantic Ocean by air?
  - (a) Louis Blériot
  - (b) Tony Janus
  - (c) Charles A. Lindbergh
  - (d) Hugh Herndon & Clyde Pangborn
6. Who developed the first commercial passenger jet plane?
  - (a) Germany
  - (b) England



- (c) France
  - (d) United States
7. Who developed the first supersonic jet plane for passenger travel?
- (a) Germany
  - (b) England & France
  - (c) Russia
  - (d) United States
8. Which was the first foreign power to land in India after the Afghans and Mughals?
- (a) English
  - (b) Dutch
  - (c) Portuguese
  - (d) French
9. Who created the first Grand Trunk Road in India?
- (a) Brahmanical Empire
  - (b) Mauryan Empire
  - (c) Mughal Empire
  - (d) British Empire
10. What specific travel infrastructure did the English develop in India?
- (a) *Dak* Bungalows
  - (b) Railways
  - (c) Postal Services
  - (d) PWD Houses
  - (e) All of the above
  - (f) None of the above

### **Fill in the Blanks**

1. The first woman to fly across the English Channel was \_\_\_\_\_ .
2. The person to start the first commercial air travel in the US was \_\_\_\_\_ .
3. The people accredited to develop the wheel are from \_\_\_\_\_ .
4. A wholesaler who packages tour programmes for sale is called a \_\_\_\_\_ .
5. The Indus Valley Civilisation existed from \_\_\_\_\_ .
6. The specialists who forecast weather at airports are called \_\_\_\_\_ .
7. Institutions built for religious learning by the Muslims in India are called \_\_\_\_\_ .
8. The institution created by a group of independent merchants in the UK who wanted to trade with India is called \_\_\_\_\_ .
9. The purpose of travel in occupied India during the Muslim rule was for trade, administration, war and \_\_\_\_\_ .
10. The first commercial jet airplane developed by the British was called \_\_\_\_\_ .

## 1.2 THE TOURISM INDUSTRY

### Purpose of Travel

The tourism industry gets its inspiration from the motivation of the humankind to travel. We have seen in chapter 1(1.2). “*The History of Travel*” that travel is an inner urge of human nature. In pre-historic times humans travelled to survive and later, to trade with each other. The domestication of animals made travel easier from foot trotting to carriages. The invention of the wheel brought new and comfortable dimensions to travel. People travelled mostly for trading, military campaigns, religious reasons and in some pockets, for sport. Rail, automobiles, air and now space flights are reaching new horizons in travel. The purpose of travel has changed dramatically too in modern times. Some of the new reasons for travel are given below:

**Sightseeing** is a strong reason for travel. With disposable income people seek to connect with other nations to understand cultures. Culture includes the way people live, history and folklore, cuisines, arts and handicrafts, languages etc. It is common to have tour packages to practically every part of the world now. East meets west and vice versa. North meets south and vice versa. Historical travel is very popular and a major reason to travel. People now can see and experience the pyramids of Egypt, The Taj Mahal of India, The Great Wall of China, or the Hanging Gardens of Babylon that they only read about in history books. Globalisation has made people adventurous. They are willing to try new cuisines, spiritual methods, costumes and cross pollinate them into their own. Soon we see Indian *Samosas* and *Chicken Tikkas* in traditional English pubs; Mongolian barbeque in upmarket food courts; Mexican *nachos* in cinema halls; and Thai sarongs as formal evening wear in Hollywood.

**Leisure** is a strong motivation in a highly stressed work life. People just want to put up their feet and relax. There are numerous resorts for such purposes at sea sides, hills, ski resorts, etc. At resorts people can get away from mundane chores and let the tourism infrastructure take care of the rest. A major attraction in leisure travel is the weather. Some like cold weather found in the mountains while others find the warmth of sea beaches attractive. Arabs of desert kingdoms visit India just to see the rain, while others may find the desert fascinating.

**Sport** has become a huge industry where travel is common for

sportspersons and their fans. Huge championships, world cups and

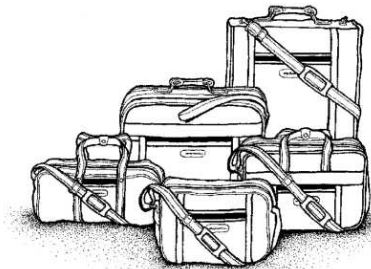
Olympic Games are well organised to make a traveller enjoy the sport of his or her choice. Television has brought these mega events to the bedrooms of the viewers making them knowledgeable and frenzied about the sporting events. Adventure sport is the other aspect of travel for those who wish to pursue their own sport of interest such as fishing, sailing, river rafting, skiing, gliding etc. Adventure sport is a billion dollar industry that includes white river rafting in Himalayan rapids or falcon hunting in Khandahar.



**Special interest groups** are those who travel in pursuit of their hobby. Climbers can fulfil their ambition of climbing the Mount Everest, ornithologists their interest in rare birds, trekkers who find challenge in the Amazon or the Antarctic can go trekking in these regions. There is no limit to special interest groups who have connected with each other over the web to make the exchange of interest easier across continents. Many may travel for the purpose of architecture appreciation both of old and modern marvels. Wild life has become a popular interest and people go to safari parks where animals are preserved from extinction. The Kenyan National Park, the Jim Corbett Park or the Kaziranga National Park in India have many enthusiasts. Whether they ride by elephants or modern utility vehicles, the thrill is immense.



**Shopping** is a major attraction for anyone visiting new places. Basically people gather mementos of their visits by buying cuckoo clocks in Switzerland or the Masai Spear in Kenya. Shopping has taken a new dimension with modern electronic domestic and commercial wares. Dubai in the United Arab Emirates has set the lead in making a state a destination for shopping. With innovative Shopping Festivals people worldwide can get the best bargains from mobiles to cars. Mega Shopping malls are virtual cities with food courts, Cineplexes, children playgrounds, restaurants, etc. to make shopping interesting and attractive. Toronto has underground shopping complexes to protect shoppers from the cold winters while Abu Dhabi has shopping malls that are fully air conditioned from treacherous hot temperatures outside.



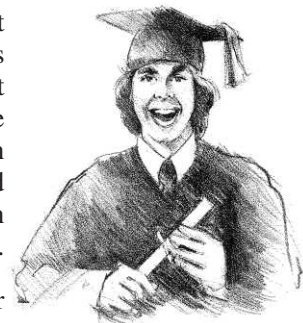
**Business** as a purpose for travel has from ancient times been a strong motivator. We know of trade between the earliest civilisations to distribute goods not available locally. We have evidence of trade between Egypt, Phoenicia, Indus Valley and Mesopotamia. Naturally business has become more sophisticated.

With countries breaking down trade barriers, companies can go global in terms of possession of business in other countries or through franchise.

**Governmental** travel has become important to foster better understanding and trade between nations. Political delegations pave the way for trade delegations. To maintain diplomatic relations countries need to have constant travel to keep in touch and to help each other in the progress of mankind.

**Education** as a reason for travel was a state sponsored tradition throughout the ancient times. We know that the Hindu temples, Buddhist Monasteries and Islamic *madrassas* went beyond religion to educate its people. Today it is a multi-million industry where universities have made it possible for anyone around the world, with certain minimum qualifications, to enter their education system. We have seen the eastern students flooding American, European and Australian universities. Likewise western scholars have moved to eastern universities for their special interests in history, culture, linguistics or society.

**Reunions** are a major reason for travel. With people working in other countries due to global opportunities for employment, the return home for



family reunions is a strong motivation. The Middle East for instance has a large expatriate population from eastern nations, especially India, Pakistan, Afghanistan, Sri Lanka, Philippines and Nepal. Workers from construction labour to corporate executives return in planeloads for family unions. Similarly children who have left home for international work, education and assignments touch base with their loved ones at Christmas, Thanksgiving, Easter or national holidays and religious festivals. Another type of reunion is the almas of schools, colleges and higher universities. These reunions take place when students have advanced in age and reached economic self sufficiency to finance these get togethers anywhere in the world, especially in exotic locations. Military unions are another reason for travel. Old regimental officers get together to relive old battles or to revisit old battle fields where they lost many of their friends. Soldiers of the Second World War may visit Bastogne in Belgium or the Normandy beaches to praise their survival during those terrible days.

**Health** is a sad but necessary reason for travel. Many travel to access the best hospitals for specialised treatment or visit health resorts to get into better shape.



**Religious travel** has always fascinated humankind from ancient times. We know of pilgrimages to Jerusalem for the Christians and Mecca for the Muslims, Bodh-Gaya for the Buddhists, Vatican for the Roman Catholics etc. This is big travel involving millions of travellers at a time.

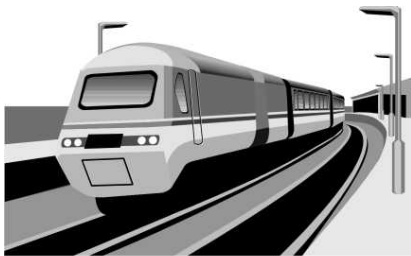
## Scope of Tourism

Tourism is a collective term that involves all those agencies and activities that support travel. These sub-sectors are:

**Transportation:** This sector is vital to move travellers around the world. The first would be **international airlines** that brings people into a country. Each country has its own national carrier and they try to outdo each other to give passengers value-added services within competitive prices. As aviation fuel gets more expensive the challenge is to retain services of high quality within smaller margins from passenger fares. Some services include pre-check-in, cabin crew courtesy and efficiency, better food options, beverage service, convenient connections for onward journeys etc. Supporting international carriers are the **domestic airlines** of a country. Domestic airlines connect principle cities of a country and even upcountry locations through feeder services. Domestic airlines were earlier promoted by the State. With increasing privatisation and costs of operation, countries have adopted Blue Sky policies to allow private sector to enter domestic airline business. Budget airlines have slashed all the frills of service to give cheaper fares to make domestic air travel affordable. Competing with the domestic carriers are the **train services** that traverse across the country. Places like the USA, Canada, Russia, India and China have some of largest rail networks making every remote corner accessible. Europe has the inter-Europe rail travel which is popular for tourists. **Inter-city bus** services are also so efficient and comfortable for the budget-conscious. Buses have

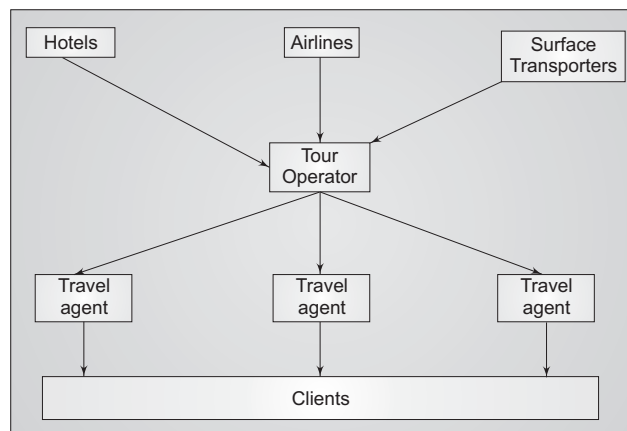


improved in their comfort and noiselessness and compete well with rail travel. Buses also include city travel and tourist coaches for sightseeing. Most hotels link up with such **coach services** to transport their guests to and from the airport as also for sightseeing purposes. Inner-city travel also includes trams, local unique conveyances like the *phut phut* in Bangkok or the rickshaw in Calcutta. A popular method of travel is by renting cars. Car Rental services have sprung all over the world with latest model cars. They are able to track their vehicles and receive payment through the credit card. We cannot forget **sea travel** made less popular by the quicker air travel. However, there are large segments of travellers who still have a cruise in a



luxury liner as one of their life long ambitions. So we do have very popular cruise liners to the Caribbean, Alaska and even the Antarctic. Travel along interior rivers are done by motorised ferries and launches which have all the conveniences for the traveller including restaurants and bars, car park, viewing decks etc. The Hovercraft across the English Channel is popular and unique for many. At ski resorts and hill stations the **cable cars** are popular to transport enthusiasts. Ferries, barges, riverboats and hovercrafts help tourists cross water expanses within a country, just as ships and cruise liners bring people into the country.

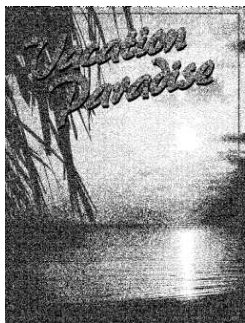
**Travel Agents** An important aspect of any tourism activity is the role of tour operators and travel agents who put travel together. A tour operator is one who compiles the various aspects of a holiday, including air travel, surface transportation, hotel accommodation etc. into a package that is retailed by travel agents. The way the relationship works is given below:



The fancy advertisements and brochures announcing a week-long holiday in Greece or two nights and three days in Seychelles is the handiwork of the tour operator. The volume of business he promises to, the various travel components gets him or her discounts and therefore, he is able to promote an affordable package. He then becomes the wholesaler. The travel agents have moved beyond just displaying tour packages of tour operators to the public. They are active in making tour programmes themselves and make bookings on behalf of the customer at hotels, airlines and surface transport. Travel agent business



is easy to establish therefore, we find them in abundance all over a city and country. The important aspect of travel agency business is to be as close to the public as possible. Each area would have their neighbourhood travel agent and it is they who bring the whole plethora of travel available at the doorstep, therefore, making travel attractive and easy. Travel agents get their revenue from commissions from tour operators, hotels, surface transporters and airlines. They are a vital ally to the various components of tourism as they are in touch with the actual buying public.



**Accommodation:** This is an important part of tourism because any traveller will need a bed to sleep in at the end of the day. The hotel industry satisfies this need of the traveller. Accommodation comes in many forms:

- **Hotels** – they come in various categories and standards to meet every possible budget. (See Chapter 1(1.3), “*Hotels and their Classification*” for detailed information).
- **Motels** – are motor hotels located on highways.
- **Lodges** – are upcountry accommodation mostly sponsored by the local state.

We would have forest lodges, country lodges, ski lodges etc.

- **Guest Houses** – were originally meant for government travellers but now opened to the public.
- **Furnished Apartments** – are a modern popular alternative to hotels especially for travellers staying longer.
- **Camps** – are ideal for trekkers on foot or caravans. They provide outdoor accommodation ranging from tents, porta-cabins to caravan sites.
- **Resorts** – are for holidaymakers and located at attractive natural sites like hills, beaches, hot springs, waterfalls, lakes etc. Man-made resorts are the latest craze like Disneyland, Universal Studios, Lego-land, Wild Wadi etc.

## Tourism Infrastructure

Tourism is heavily dependent on infrastructure which is a complex system of facilities to make travel possible. The slide below gives the different components of infrastructure:

### Infrastructure

- |                      |                         |
|----------------------|-------------------------|
| ▪ Roadways           | ▪ Left Luggage facility |
| ▪ Railways           | ▪ Health facilities     |
| ▪ Telecommunications | ▪ Entertainment         |
| ▪ Emigrations        | ▪ Archeological Survey  |
| ▪ Duty Free Shops    | ▪ Museums               |
| ▪ Tour Guides        | ▪ Parks                 |
| ▪ Emporiums          | ▪ Tourist Offices       |
| ▪ Exchange Bureaus   | ▪ Airports              |
| ▪ Customs            | ▪ Bus Stations          |



Infrastructure is largely financed by the government as it represents huge investments that only the state has the budget for. While the components are self explanatory, they are briefly explained for better clarity.

We know that **roadways** and **railways** bring access to tourist centres. If a traveller cannot reach a tourist destination, there is no chance of a tourist site to be profitable. **Telecommunications** enable the traveller to be in touch with his or her home base. Satellite communications has considerably improved telecommunications to the extent that anyone can reach anywhere in the world from any point. In India, even a small village will boast of a STD/ISD facility to make communications possible.

**Emigrations** are an important component of any travel outside one's country. Any foreign traveller will need a visa to enter a country. The quicker the visa formalities are processed, the easier it becomes for travellers to enter a country. Some countries due to political compulsions make the granting of visas very difficult. Obviously tourism in those countries will suffer. It is the embassies and consulates that issue visas in any country. Travellers from up country locations will have to visit the city where the embassy or consulate is located. At this point, it is important to mention the difference between High Commissions, Embassies and Consulates. High Commissions belong to Commonwealth states that were or are under the British rule. High Commissions are headed by High Commissioners. Embassies are those sovereign states that were not affected by the British rule and are headed by an Ambassador. Therefore India, Australia, Sri Lanka etc. have High Commissions headed by a High Commissioner while countries like Italy, Austria, Belgium etc. have embassies headed by an Ambassador. Consulates are representative offices of Embassies and High Commissions in principal cities of a country to make visa and other services more reachable. Consulates are headed by a Consul General.

**Duty Free Shops** are a major foreign exchange earner for any country. Here foreign and domestic goods are exempt from local excises making these goods cheaper than those in any local market. Duty Free shops are found primarily at airports that have recognised the value of such shops by opening extensive shopping arcades for transit passengers.

**Emporiums** may be located at airports and local shopping centres. Emporiums sell the local handicrafts of the nation. It becomes a show window for cottage industries of the country. Travellers want to take souvenirs of the country back home and visit emporiums to get authentic handicrafts.

**Exchange Bureaus** convert foreign currency into local currency and vice versa for travellers and issue an exchange certificate required by many countries from their citizens. The exchange bureaus can be found at airports, surface transport terminals, shopping malls and shopping districts. Of course all banks have the license to convert foreign currency.

**Customs** is an important security wing of the government at airports and surface transport terminals to protect a country from the illegal traffic of banned goods like drugs, animal skins, arms, etc. They also earn revenue for the exchequer by levying duty on imported goods.

**Left Luggage Facilities** are found at airports, surface transport terminals and hotels to enable guests to travel upcountry without having to haul their heavy baggage. Travellers can transfer basic essentials into hand bags for light travel, leaving their heavier baggage at these left-luggage facilities.



**Health Facilities** are obviously required for the care of travellers. Hotels have house doctors while tourist centres have care centres. Specialised care can be done at hospitals located in every major town and city. We must understand that most of the tourist traffic is done by pensioners who look at travel as the last gift to themselves. On retirement, these pensioners get huge sums of money from gratuity and pension funds to make travel possible. These older generation will need medical care.

**Entertainment** is a huge arena of activity for every kind of taste. Entertainment can express itself from the Palace on Wheels in Rajasthan, India where a rail journey relives the travels of the old Maharajas. A boat trip by the “Maid of the Mist” under the thunderous Niagara Falls can be memorable. A trek to the bottom of the Grand Canyon in Arizona, or an air flight around Mt. Everest in Nepal can be once in a lifetime events. Entertainment at modern facilities like joy rides in theme parks and water worlds have transported entertainment to new heights of excitement. Each city also has its entertainment district of theatres, cinema, night clubs, restaurants and bars. Each country likes to promote their national dances and performing arts and provide such facilities for travellers to see.

Historical Monuments are brought alive by son-et-lumiere shows. The Archeological Department is that branch of the government responsible for the discovery and maintenance of historical monuments. Countries like India, Egypt or China, with rich historical pasts, need to have this department to make these ancient monuments safe and worthy of travellers interest. This they do by having parks around these sites with souvenir shops, eateries and rest places etc. Another aspect of historical sites is the training of guides who take travellers through time with authentic historical facts.



**Museums** are a great attraction to all travellers especially for their exhibits of rare collections and their educational value. England and France have set the lead in museums of extraordinary quality like the Natural History Museum, Madam Tussauds Wax Museum, Louvre, etc. The Salarjung Museum in Hyderabad, India is the largest single collection of art and artifacts.

**Tourist offices** are another component of the tourism infrastructure. They are established by the tourism department of a state in source markets, to enable tourists get better information about travel to that country.

The bus, rail and boat terminals are cities in themselves providing travellers every conceivable facility such as accommodation, eateries, left-luggage facilities, exchange bureaus, rest rooms, souvenir shops, drug stores etc.

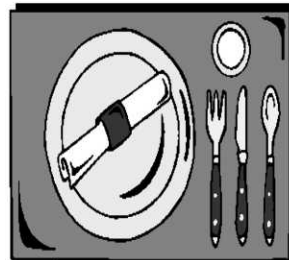
One can see how complex a tourism infrastructure is and what huge investments are required to make it happen. Tourism is the Major source of revenue in many countries and therefore these countries focus their resources to make tourism popular. Kenya, Dubai and Austria are some shining examples of tourism-specific destinations.

## Food Services

Food services are implicit to travel. Just as people need shelter, so do they need food. Tourism provides both state sponsored and private food facilities to meet any taste and budget. These facilities may be classified as below:

### Food Service

- Restaurants
- Bars
- Canteens
- Kiosks
- Cafés



### Restaurants

A student of front office management must be familiar with the types of restaurants to recommend them appropriately to guests.

**Food Bars** This is a collective name to cover informal Snack bars, roadside cafés, Milk bars, kiosks, frozen yoghurt stands etc. The service is quick and often self-service. Many Food bars may be specialty ones like the Subway that provide sub-sandwiches; Dunkin Donuts that serve an assortment of doughnuts; New York Fries that specialise in French fries with various toppings and dips; London Dairy that specialises in ice creams; Cinnabon that specialises on cinnamon spiced delicacies; or Starbucks that are innovative in coffees and appropriate snacks. Under this category are those eateries that reach the public when and where they need them most such as mobile food vans including the hotdog cart that serves meals at business centres, fairs and fetes; laundro-bars situated at Laundromats; or food counters at supermarkets.

**Fast Food Restaurants** Fast food restaurants have practically taken over the modern dining experience. Fast food restaurants give ready to serve foods at reasonable rates. The guest pays cash and carries the food instantly. The restaurant is informal with wooden or plastic tables and chairs. Such restaurants can operate in limited space and have small kitchens to finish food that is semi-prepared elsewhere in central kitchens. The essential features are standard preparations, standard portion sizes, standard décor, friendly waiters cum cashiers and brightly coloured décor. The name of the best fast food restaurants is limitless. It is the Americans who have made this into a fine art and franchised their expertise all over the world. Who hasn't heard of McDonalds, Hardees, Burger Kings, Kentucky Fried Chicken etc.? The concept of fast food has now caught on to an extent that each country have perfected their own specialty food like Indian *samosas*, *idli* and *wada*; Lebanese *shawarma* and *dona kabab*; Mexican tacos and burritos; Mangolian barbeque; Thai red or green curry and rice etc. In this category however, the hamburger is king.



**Casual Dining** This is a relatively new classification of restaurants where delectable meals are served in an informal atmosphere yet formal in presentation. The chairs and tables, lighting and artifacts are offbeat yet selective. People have found this a wonderful alternative to expensive restaurants in

hotels. Some examples are Chillies, Thank God It's Friday (TGIF), Hard Rock Café; Planet Hollywood, Pizza Inn, Rockefeller's, Kenny Rogers, Nandos etc. These restaurants have built their expertise to an extent that they are now in a position to franchise their operations and have done so with great success worldwide.

**Food Courts** This is a variant to fast food operations brought about by the emergence of mega shopping malls. Investors in food service found that malls attracted the local public in large numbers and that the "footfall" number was attractive enough to warrant setting up eating places. Mall management meant to give shoppers a total experience by setting up Cineplexes and children play centres in addition to shops. They found that food courts fitted in well in giving the public a total experience under one roof. The Food Court soon has become a centre point for people to meet and eat. The food court is a dedicated place for eating where several fast food franchisees can hire food booths and set up their operations to shoppers who now have a choice of cuisines under one roof. The seating is common for all the booths. The mall management ensures that there is a balanced variety of different cuisines offered. A customer reads a menu board outside the booth and pays for the choice to the cashier in the booth who announces the dish and supplies the food within fifteen minutes.



**Cafeterias** are a type found in institutional catering. Industrial, canteens, army messes, residential colleges etc. adopt this type of service for expediency and least fuss. Food is displayed at counters. Prices are displayed on large menu boards. Diners choose the items according to the budget. Trays and basic cutlery is placed at the beginning of the counter and the eaters ask the attendants behind the counter, who portion and place the requested items on the tray. For budget tourists cafeterias may be found at rail and bus terminals.

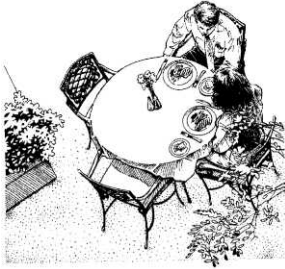
### **Food Service Innovations**

There is no limit to where and when food can be provided. There are no rules as to what is right and what is not. One has to study the lifestyle of the different segments of the market to determine where there is a food service opportunity. Such an innovation was the Drive-In restaurants when automobiles became common in the 1920s in America. A motorist just drives-in and parks, where a waitress takes the order and serves food in the car. The parking spots have levered tables beside the car window to place food. This concept extended to drive-in theatres. Today Fax Food is getting popular where a customer faxes his or her food order and it is delivered at the time required. Home Delivery service has become commonplace and some establishment's boast of delivering food within a specified time. Cyber cafes are a testimony of our times where food, juices, tea and coffee are served to those renting computer time to check and send e-mails. Who knows when the sms food will start?

**Bars** These are places where alcoholic and non-alcoholic beverages are served. In England they are called pubs where traditionally beer of all types is served from taps. Bars have always been the centre of socialization and continue to do so. Bars may provide entertainment from simple pianists, duos to sophisticated cabarets. Bars may extend themselves from the neighbourhood pubs to night clubs including discotheques.



**Canteens** It is a concept that has come from institutional catering where food is served to large bodies of people. Canteens were in industrial complexes, hospitals, etc. and now have extended themselves to other areas such as railway stations, bus terminals, hostels, ports, etc. The revenue and profits in canteens flow from volume sales made possible by low prices. Food is displayed on menu boards and bought against coupons.

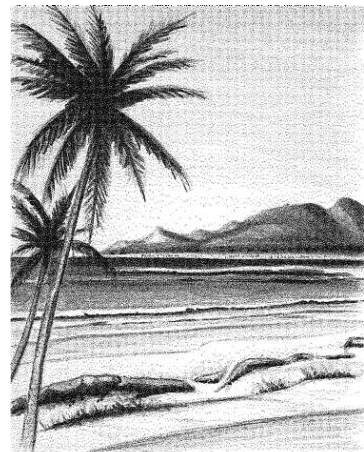


**Kiosks** These are viable private entrepreneurship. A vendor can have a fixed kiosk or a mobile transport to peddle his food wares. The advantage of kiosks is that they do not have large overheads and can serve food at low cost. Food is the take-away kind. Mobile vendors can move to where the need is and therefore have better flexibility. The value of these vendors is countless, as tourists find them so convenient for a quick and inexpensive bite when on their tour programs. Tourists have benefited from hot dog stalls, Chinese noodle caravans etc. These vendors are licensed and are required to maintain the necessary hygiene and sanitation standards of the local administration.

**Cafés** These are pavement eateries so popular in Europe. They serve simple snacks, wine, coffee and tea services. They are convenient for a casual stop for a bite to the traveller on the move.

## Natural Resources

A country is lucky if blessed with natural resources. They attract tourists in numbers and many countries capitalise on this. How many of us have visited Austria or Switzerland for its scenic beauty, or gone to hill stations when the summers rise to searing temperatures; gone to sunshine and beaches in countries cursed by rain and overcast skies; gone to Kenya to see wild life or the Kaziranga National Park to see the one-horned rhino? These natural resources must have the supporting infrastructure and facilities to make tourism possible. Natural Resources may be classified as follows:

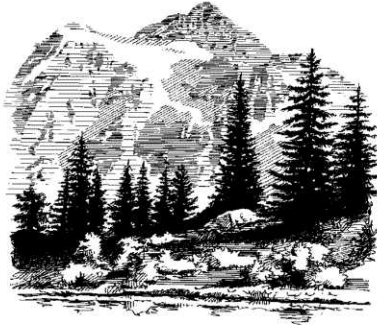


### Natural Resources

- Climate
- Potable Water
- Flora & Fauna
- Scenery
- Minerals
- Rivers, Lakes, & Waterfalls



The hill stations of India are a good example of where **climate** is an attraction for tourists in the searing summer months. Goa gives the tourists sunshine and golden beaches. The beaches of Florida, Spain etc have made tourism multimillion dollar tourism spots just as the ski slopes of St. Moritz has done for winter fun.



**Potable water** is a great gift to a nation's tourism effort. People in the US and Canada can drink water anywhere without getting infected, whereas water in many Asian countries is a major deterrent to the not so adventurous tourist. Gulf States in the Middle-East have a major problem as they do not have natural drinking water. They are required to desalinise sea water for bathing purposes but have to rely totally on bottled mineral water for safe drinking.

The **flora and fauna** of a nation is another great attraction. While flora refers to plant life, fauna refers to the animal and avian life. Some countries like Kenya and even India are abundant with good wild life, some of which are rare. Plant life, like in Thailand, has some unique species of plants and fruit that botanical enthusiasts go for. Scenery is another natural resource that a country capitalises on. From the mighty Himalayan ranges of India and Nepal to the placid beaches of the Pacific and Atlantic Oceans, from the hills and dales of Scotland to the steppes of Mongolia, natural scenery can give breathtaking views to nature enthusiasts.

**Minerals** are another resource that attracts business travel as well as health travel to mineral springs.

**Lakes, rivers and waterfalls** also give valuable opportunities for tourism. Lake Erie in Canada, the Nile in Egypt or the Niagara Falls are good examples of such natural resources converted into tourism wonderlands.



## Tourism Activities

What happens to those countries that do not have natural resources to fall back upon for their tourism? They create activities of excellence that promote destinations. Some of the activities are:

### Activities

- Recreational
- Festivals
- Cultural Events
- Sports
- Shopping





Some classic examples of recreational activities that promote tourism are Disneyland in Florida and Universal Studios in Hollywood, California. These are man made activities that give tourists unusual experiences be it a boat ride through Jurassic Park, or a train ride through a Wild West town. Festivals like the Mardi Gras in Brazil or the Oktoberfest of Bavaria are internationally known. They give the world a flavor of the costumes, dance, food and beverage that signifies the festival. Cultural events are promoted by most tourism departments to promote the folk arts of the nation. There would be theatre troupes and venues specifically for the purpose. Sports are a big reason for travel with the professionalising of most sports. Sports like soccer, tennis, cricket, rugby, etc. attract their fans to full stadiums. Shopping as we have seen is a must for any traveller. One of the biggest examples of shopping tourism is sponsored by Dubai or Singapore where a state involves the entire city to build a shopping festival to promote tourism.

To conclude, the top world tourism destinations are:

## Review Quiz

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### Multiple Choice Questions

1. Which is not a reason to travel?
  - (a) Leisure
  - (b) Education
  - (c) Shopping
  - (d) Freight
2. Which is not a reason for a reunion?
  - (a) Family
  - (b) Old boys
  - (c) Military Veterans
  - (d) Honeymoon
3. Which does not come under the tourism transportation sector?
  - (a) Hovercrafts
  - (b) Railways
  - (c) Cable cars
  - (d) Ocean liners
4. What is not a natural resource to attract tourism?
  - (a) Climate
  - (b) Waterfalls
  - (c) Mineral springs
  - (d) Canals
5. Which of the following food services not apply to tourism?
  - (a) Military messes
  - (b) Cafes
  - (c) Bars
  - (d) Kiosks

- 6. Which of the following does not fall under the category of Restaurant types?**
  - (a) Coffee Shop
  - (b) Casino
  - (c) Grill Room
  - (d) Dining Room
- 7. Which of the following does not apply to a rotisserie?**
  - (a) Glass window
  - (b) Fine China
  - (c) Wooden benches
  - (d) Grilled food
- 8. Which does not apply to a Coffee Shop?**
  - (a) 24-hour service
  - (b) Pre-plated service
  - (c) Formal atmosphere
  - (d) Lively music
- 9. Which of the following is not a man-made facility for tourism purposes?**
  - (a) Wild life Sanctuary
  - (b) Disney Land
  - (c) Palace on Wheels
  - (d) Hot Springs
- 10. Which is not a responsibility of an Archeological Department?**
  - (a) Building monuments
  - (b) Maintenance of Monuments
  - (c) Providing emporiums around a monument
  - (d) Discovering ancient monuments

### **True or False**

1. People travel for education.
2. Emigrants travel home for family re-unions.
3. The flora of a country is a natural resource.
4. Fauna refers to the plant life of a country.
5. Coffee shops can change their moods from formal to informal.
6. Fast-food restaurants believe in self service.
7. Some food bars specialise in a kind of food preparation.
8. Emporiums sell electronic goods.
9. Emigration is part of tourism infrastructure.
10. Left Luggage facilities can be found in hotels.



## 1.3 HOTELS AND THEIR CLASSIFICATION

### Introduction

British Law defines a “Hotel” or “Inn” as “a place where a bonafide traveller can receive food and shelter, provided s/he is in a position to pay for it and is in a fit condition to be received.” Therefore, a hotel must provide food (and beverages) and lodging to travellers, on payment and has, in turn, the right to refuse admission if the traveller is drunk, disorderly, unkempt or is not in a position to pay for the services.



By this definition, a hotel must provide rooms and meals. The provision of beverages is subject to local customs and practices. Therefore, in Europe and America bars are an important part of the hotel facilities while in Islamic countries bars may be considered a taboo on religious grounds. One thing is certain that the rights of admission are reserved and many hotels display that sign prominently at their doorways or reception. A hotel can refuse a guest accommodation if s/he is not in a fit and orderly state. With this tradition, hotels have always been a place where visitors and guests always dress to look at their best. The guest also has to show financial credibility. Earlier inns and hotels insisted on advance payment before guests were allocated the room. The credit card has made the issue of financial credibility easier. Surprisingly, hotels do not accept personal

cheques as a credible instrument of payment. Hotels worldwide also have credit limits as per house policy. Once those limits are achieved it is mandatory for the guest to clear the limit reached even if he or she continues to stay on. A hotel, in other words, has the full right to expel a guest for valid reasons of doubt.

### Hotel Categories

With the evolution of hotels and its proliferation around the world, it is impossible to categorise them under one term. This book removes this difficulty for the readers by classifying them in various categories as given below:

#### Categorisation of Hotels By

- Location
- Number of Rooms
- Ownership
- Pricing Plan
- Type of Clientele
- Length of Guest Stay
- Facilities offered



Let us examine each in detail:

### Location

#### Categorisation by Locations

- Downtown
- Suburban
- Resort
- Airport
- Motel
- Camps



**Downtown hotels** are located at the centre of the city in busy commercial and shopping districts. Everyone likes to stay downtown within easy reach of government and private offices, shopping malls and entertainment centres. However, since the price of land is expensive, the rates of rooms in these hotels are high to enable the investor to get a good return on his investment. Investors therefore, believe in constructing quality hotels to cater to a moneyed clientele, usually the business and corporate community. Up-market groups may also find downtown hotels affordable. Usually downtown hotels will cater to guests on short visits of a maximum of one week stay. Downtown hotels in Asia get their prestige from foreign guests as the exchange rate between the west and the east makes even seemingly expensive prices locally, quite affordable to the foreign guest. Premium brands of hotel chains and independent



hotels of a very high quality are found in downtown locations. Naturally these hotels will also boast of leading restaurants, bars and night clubs. Downtown hotels in districts that have day and night shopping centres, eateries and entertainment, may prune their costs by having only bars and an all-purpose coffee shop, off the lobby. Guests can avail of a plethora of dining restaurants at a walking distance from the hotel. Nowadays, downtown hotels have built purpose-based shopping malls with food courts and Cineplexes along with their hotel for the benefit of their guests. Many have also added residential apartments and commercial office buildings to create a captive community within their precincts. Because of the paucity of space, downtown hotels will be tower blocks and skyscrapers, building upwards to create space and business opportunities.

**Suburban hotels** are located on the outskirts of a city where land is cheaper than downtown locations. Suburban hotels are sprawling constructions with ample parking spaces. They attract clientele that are cost-conscious, though not necessarily budget travellers. Such hotels have promoted their facilities for

training programmes, conferences and seminars. Participants like to get away from the hustle and bustle of the city and find the environment peaceful for learning opportunities. Suburban hotels have become quite lucrative to its investors as cities are growing outwards making them self-contained mini-cities. A suburban hotel soon finds themselves at the centre of townships that grown to the outskirts of the city. Quick and efficient local transportation has made travel to the city centre and back, easy and convenient. With outward growth, many residential townships have developed to make these hotels the centre of activity. Encouraged with these developments, investors have been able to create communities with shopping malls, cineplexes, residential apartments and office blocks. Travel agents have found suburban hotels, offer better room rates and facilities for groups. Suburban hotels, therefore become ideal group hotels handling volume traffic. We all know that airports are mostly located out of the city for safety reasons. Many suburban hotels close to the airport also gain from the airline crew, passenger layover and transit stay.



**Resort properties** are located at natural and manmade sites. Resort hotels will be found at hill stations, seaside resorts, ski resorts, canyons, waterfalls etc. Niagara falls, St. Moritz ski resort, Miami beach resort, Safari parks and the Grand Canyon are some good examples of resorts around natural resources. Disney Land, Lego Land, Universal Studios in Hollywood and dam reservoirs are good examples of manmade marvels. Historical monuments like the Taj Mahal in India, Pyramids of Egypt etc. are other sites for resorts. A resort hotel will, therefore, cater specifically to the visitors of those sites. Many of these resorts are highly seasonal depending upon climates and holidays to get their clientele. Resort properties have to make most

of those times and charge as per the season. They would give heavy off-season discounts to the budget conscious. Such properties would be geared towards families and couples. They would have possibly one all-purpose dining room and have meals that depend on local seasonal vegetables.

**Airport Hotels**, as the name suggests, are located in the precincts of an airport. They cater mostly to transient airline passengers who may be catching another flight to complete their journey. Such guests need only a room to sleep before the next flight. They cater to those passengers with cancelled flights or delayed flights. Rather than letting the passengers wait at the airport, the airlines provide hotel facilities to them. Transient airline crews too find the airport hotel convenient between flights. The airport hotels have a 24-hour coffee shop for quick meals. It is unlikely that these hotels will have gourmet restaurants

and entertainment. They would however have large coffee shops to accommodate a full flight of transient passengers and crew. Airport hotels may provide an all-purpose drug store and a few emporiums with local arts and crafts for passengers who really do not have time for city shopping. Airport hotels must have sound wake-up call services and perhaps, a cybercafé. Airport hotels will be linked to airport air traffic schedules for passengers to check the arrival and departure timings of their flights. A shuttle coach service is essential to the airport and left luggage facilities should be provided for those who have a little more time to visit the city. Airport hotels are simple in structure, possibly two floors high and have the least frills.



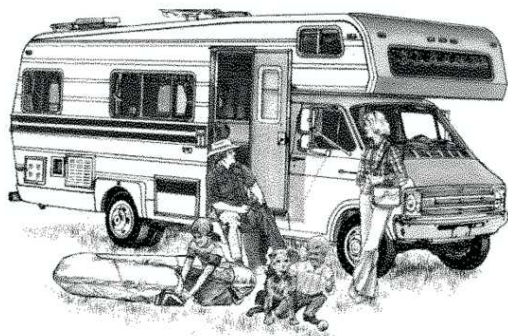
**Motels** are located, in principle, by the highways and road junctions. It is a lodging facility with 15-20 rooms for the automobile traveller. Motels have independent entrance to their rooms which guests have access to after they have registered themselves at the reception. Motels are low

buildings maybe a story or two at the most. With ample parking spaces, guests can park their cars in front of their rooms. They do not have the tedium of unloading and reloading their transport with this facility. The rooms are equipped with tea/coffee kettles, tea/coffee satchels, creamers and sugar to make their own hot beverages. The room also has a microwave oven for the guests to heat their own food. The motel may or may not have a diner and a bar at the most. They may supplement eating facilities with food and beverage dispensers at convenient spots on the floor. Earlier motels provided garage facilities for servicing and handling breakdowns of cars. This is not always possible these days. Rooms are simple and clean with hot and cold shower or bath facilities. Guests have an overnight stay at the most.



**Camps** are located on trekking routes. Automobile travel has revolutionised the way people trek. Families hire caravans, which are mobile homes and move from camp to camp, equipped to handle such travel. At

each camp, the trekkers could take interior routes by foot. The camps have large parking lots where caravans are parked. Each lot has a water hydrant connection and electricity plug-in point for the caravans to be serviced. The camp will have common toilet and bath facilities with hot and cold water and an all-purpose diner. Guests would sleep in their own caravans. The earlier camps had lots to pitch tents with common toilet and bath facilities. Food was cooked around a campfire and people trekked on foot. Other variations are the forest lodges in remote locations that are fully equipped for self cooking, bed linen and water supply, though not necessarily hot water!



Payment for the use of the lodge is done at the nearest village office. Some lodges may have a caretaker from the local village to meet the needs of the guests.

## Number of Rooms

### Categorisation by Number of Rooms

- 25 and less      small
- 26–100          medium
- 101–300        large
- 300–1000      very large
- Above 1000    mega



The size of property depends on the financial strength of the investor. Most motels, lodges, bed and breakfast establishments etc. come under the small category where individual families and entrepreneurs supplement the tourism effort of the country. More ambitious individual entrepreneurs may establish medium-sized properties as a regular business which must give the investor a return on investment. These properties would still be closely held by families to keep a total control on operations and expenditures. The large properties enter a different league where large investments are provided by finances not only by the entrepreneurs, own contribution but also by banks, financial institutions and joint ventures. Mega properties have to be financed by public limited companies to raise finance of large proportions.

## Ownership

To understand the financial options of investors, the reader is being taken through slides presented by the author in a forum, that briefly explains the nature of each:

### Types of Business Organisations

- Sole Proprietor
- Partnerships
- Public Limited Companies (plc)
- Private Limited Companies (Ltd)

**The Sole Proprietor** is an individual business who uses his or her own resources to set-up the business. S/he will only limit the size of operations to the extent of his or her financial limits. Funds come from personal wealth in terms of cash and fixed assets, like land, building and jewellery, against which the proprietor gets additional loans from the banks. The funds must cover the cost of land, building, interiors, facilities and operational costs. Naturally, the sole proprietor will have small-to-medium sized properties to be able to personally manage. The sole proprietor is the main architect and promoter of the business based on his or her knowledge and skill. Upon his death, the business ceases to exist unless there is a



family heir competent enough to take over the reigns. There are some advantages and disadvantages to sole proprietorship:

### Sole Proprietors

#### Advantages

- Established with minimum formalities
- Owner has independence and control
- Business can easily respond to market changes
- Business can easily respond to market changes
- Any profit goes to the owner
- Personal supervision of owner ensures good customer service and staff motivation

#### Disadvantages

- Finance is limited
- Responsible for all debts
- Expansion or not
- Owner completely dedicated to business
- Business closes with owner's death
- Business dependent on the owner's skills

How do small hotels survive?

- Limited technical requirements
- Market is limited
- Personalised service
- Respond quickly to changes in the market
- Believe in niche marketing which caters to a specific clientele.
- Have individual skills (craftsmanship) that promote their distinctiveness.
- Have better control with the personal involvement of the proprietor.

**Partnerships** are another method of raising funds. Partnerships help in aspiring for medium to large hotels. "A partnership is the relation that subsists between persons carrying on a business in common, with a view of profit"—(1890 Partnership Act of UK). Partners are limited to 20 persons only. Partnerships can be Limited Companies or Unlimited Companies. In Limited Companies the shareholders are liable for debts only to the extent of their investment. In Unlimited Companies the shareholders are liable for all debts of the company.

The partnership is cemented by a Partnership Deed that has the following features:

### Partnership Deed



- States the amount of capital put in by each partner
- How the profits or losses will be shared
- Duties & responsibilities of each partner
- Salaries of partners
- Procedures for dissolving the partnership
- Fixed period or unlimited period of partnership
- Date of commencement of partnership and end
- What will happen when a partner retires or dies

### **Key Features of Partnerships**

- Unlimited Liability
- A partner can bind a partnership with a third party
- Partners share profits according to arranged agreements
- The name of each partner must show in each document and the business address

### **Advantages of Partnerships**

- Small enough to be flexible as partners are close to the actual operations
- Legal and financial procedures are relatively simple
- Divisions of duties of partners is based on trust
- Partnerships are not bureaucratic bringing flexibility to operations
- Partners can substitute each other if required in their responsibilities
- They share the cost of common premises
- Can raise additional funds by having more partners

### **Disadvantages of Partnerships**

- Unlimited Liability
- The withdrawal or death of a partner will dissolve the firm
- Any partner can enter into an external agreement that binds the others
- Decision making is slow as the partners have to reach a consensus
- Shared control means that partners have to agree on everything

Some points in the slides above require further explanation.

### **Limited vs. Unlimited Liability**

Limited liability is when the promoters are responsible for the debts to the extent of their investments in the event of the business being liquidated. Unlimited liability applies to promoters who are responsible for all debts due by the company, in the event of the business folding up.

### **Third Party**

A third party can be a supplier, another partner or any stakeholder in the business. A partner can enter into financial arrangements with them provided it benefits the business.



**Public Limited Companies (Plc)** are those companies that finance mega hotels of 1000 rooms and above. Las Vegas is an example of mega projects where the number of rooms goes as high as 5000. Obviously, no entrepreneur can finance such a project singlehandedly and he will have to raise funds by having several shareholders interested in the project. Let us understand the features of Public Limited Companies.

### Public Limited Companies

- Shares are offered to the general public and often traded at stock exchanges
- Must have at least seven shareholders
- Created to raise substantial Capital



Obviously, such mega finances would require strong legal instruments to give shareholders the confidence in the way the company will be run. There are three important documents instituted by Company Law: (1) **The Memorandum of Association** which sets out the objectives of the organisation, specifies its capital structure and borrowing powers, and the name of the company; (2) **Articles of Association** which covers the powers of the directors, rules for issuing and transferring shares, rules for company meetings and other internal affairs; (3) **Prospectus** which is a brochure that gives the history of the company and the terms on which it is offering its shares.

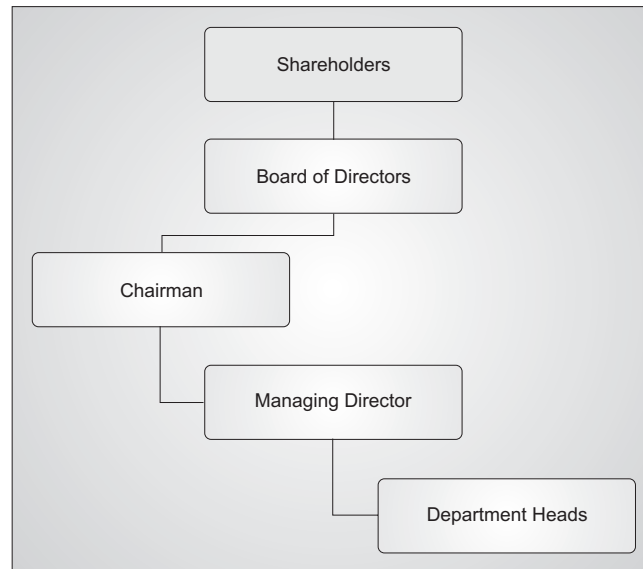
At this stage, it is important to know that a shareholder becomes the owner of the firm by virtue of buying even one share of the company and has a voting right at the **Annual General Body Meetings** which are annual meetings of all the shareholders where the Chairman and Directors of the company give the shareholders a feedback on the performance of the company in the last financial year; explain the future plans and projects; and announce the dividend which is the percentage of profit which the company shares with the shareholders. At the meeting, several decisions are taken by the shareholders who agree or disagree based on the voting rights that they have. Shareholders become owners by purchasing shares which are documents of financial ownership and can be traded at the stock exchange. The company announces a share issue when shareholders can apply for ownership. There are different types of shares as given below:

### Types of Shares

- **Ordinary Shares**—those that receive a dividend. Entitles the shareholders to vote
- **Preferential Shares**—priority shares at a fixed rate of dividend
- **Deferred Shares**—fixed rate shares of founders given from remaining profit after paying the ordinary shares and priority shares
- **Debentures**—loans taken by the company from shareholders against a fixed interest rate. They do not constitute the stock of the company



The **organisation structure** of a Public Limited Company is as follows:



### Advantages of Plcs

- Company has status of own irrespective of founding members
- Company has continuity
- Shareholders cannot be sued on any legal matters
- Shareholders have a limited liability to the extent of their investment only
- Company run by professional managers and not the shareholders
- Large amount of funds can be raised
- Shares can be transferred. Shareholders can recover their money at any time
- Control of the company is got by having 51%

### Disadvantages of Plcs

- Start up procedures are costly
- Detailed accounts have to be maintained which is published and privy to competitors
- Shareholders have little control in practice
- New companies may have difficulty to get loans till they prove themselves
- Managers are not as motivated as sole proprietors
- Managers may put their own interests and careers above the company
- Large companies can become bureaucratic
- Vulnerable for take-over bids

**Acquisition:** One of the disadvantages of a public limited company is its vulnerability to take-over bids, which is the acquisition of the company by another company. Independent hotels have the fear of being acquired by a large chain operation. This process can be an advantage too, when the company acquires other companies to expand its chain. Let us understand some of the acquisition strategies:

**Merger** is where two firms amalgamate their capital and their operations. They form a new company, often through a holding company.

**Take-over** is when one firm buys the controlling share (51% or more) in another, preferably by cash.

**Conglomerates** – are holding companies with subsidiaries in a wide range of unrelated industries. They seek out underperforming enterprises and with superior management turn them into profitable companies.

**De-mergers** are the shedding of unprofitable enterprises within a group and concentrate on successful ones

**Management Buyout** is when the management and the staff buy their own firm.

**Management Buy-in** occurs when managers buy control of a company they have not previously worked for.

## Pricing Plans

Is another way to classify hotels. The slide below gives the various pricing plans discussed in detail in Chapter 4, “Reservations”.

Pricing Plan	
▪ European Plan	Room charges only
▪ American	Room + all meals
▪ Modified American	Room + Breakfast + Lunch or dinner
▪ Continental Plan	Room + Continental Breakfast
▪ Bed & Breakfast	Room + English BF

It may be pertinent to mention that Downtown hotels may prefer offering the European Plan as guests come on short stays and want the flexibility of meals. We had said that downtown hotels are close to business, shopping and entertainment districts, which offer ample dining options to guests. The American Plan is often found at resorts where vacationers prefer to have all meal options so that they can concentrate on holidaying and relaxing. We may have this plan at suburban hotels that gear themselves for training programs, seminars and conferences. Participants may prefer to concentrate on their study than be worried about where to get the next meal. The Modified American Plan is found in hotels that cater to tour groups who like to start the day with a hearty breakfast before proceeding on their sightseeing tours only to return in the evening for a warm dinner. The Continental Plan is found in Europe mostly or European travellers visiting other countries, who are used to continental breakfasts. Bed and Breakfast meal option is offered by sole proprietors running small lodging places or city hotels where guests prefer the flexibility of eating out with friends and office colleagues.

## Type of Clientele

Type of clientele is another way to classify hotels. This classification enables the hotel to specialise on a type of clientele only as against those that are geared for multi-guest profiles.

### Type of Clientele

- Business Hotel
- Group Hotel
- Family Hotel
- Convention Hotel
- Youth Hostels



**Business Hotels** will specialise in providing facilities and amenities to the business and corporate traveller. Facilities include business centres that provide meeting rooms, secretarial services and modern telecommunication facilities including the internet. The business centres are equipped with modern office automation. A business lounge allows executives to have private food and beverages and will have the latest newspapers and perhaps a library. The rooms of business hotels will be equipped with high-speed internet facilities, direct dial telecommunication link-up globally, ergonomic writing desks and chairs, a mini-bar, safety lockers, multi-channel television etc. Services could include limousine service to and from the airport, concierge service, same day laundry service, health club, access to golf courses, etc.



**Group Hotels** are geared for volume traffic at any given time. Their lobbies are large to welcome groups; they have separate registration counters; they also have a lobby staff equipped to handle volume baggage; they have separate baggage elevators; rooms that are all twin-bedded; large dining halls to seat several groups at a time; and briefing rooms for tour groups. They may not have all the frills that are therein the rooms of a business hotel because such additional facilities could be misused. The hotel will have facilities for the handicapped, medical services for the aged and infant care.



**Family Hotels** are found mostly at resorts geared specifically for families. Rooms will be interconnected with perhaps a kitchenette and basic cooking facilities. There would be entertainment lounges equipped with television, indoor games and children's play area. Many would have outdoor children parks, jogging paths and independent barbeque areas.

**Convention Hotels** would firstly have plenary halls, smaller meeting rooms, administration offices, large registration areas and large dining halls to feed up to 2000 people. The rooms would be mostly twin-bedded with modern telecommunication systems, mini-bars, safety lockers etc. The hotels will have shuttle coach services from the hotel to the airport and the city centre to transport delegates.

**Youth Hostels** cater to travelling youth. The hostels will have dormitory style accommodation and maybe some single rooms for those who want to have a room all for themselves. Hostels will have common toilets and shower areas, large dining halls with simple food, gymnasium, games courts and fields. They may be equipped with an assembly hall with a stage for youth gatherings and entertainment. The Y.M.C.A. hostels are the best example of this type.



### ***Length of Stay***

Length of stay is another classification where hotels specially gear themselves according to short-term and long-term stay of guests.

#### **Length of Stay**

- **Transient Hotel**
- **Residential Hotel**
- **Semi-residential**



**Transient Hotels** are those where guests stay for a short duration which could be at the maximum of a week. Downtown hotels, Motels and Airport hotels are good examples of transient hotels. Guests need a comfortable room with possibly in-room tea/coffee facilities.

**Residential Hotels** are those that are equipped for a longer stay of the guests. Hotel Apartments are a good example of this and are found in many community hotel complexes. The rooms will be suites consisting of two rooms—one a living area and the other a bedroom. The suites are fitted with kitchenettes for personal cooking. The rooms are cleaned by an outsourced housekeeping service. The complex will have security service with pass—keys to enter the building at night. Guests may lease this accommodation



for any length of time upto a year. These hotels are convenient for long tenure business executives who do not want the hassle of running a home. These are ideal in university campus locations for mature students who have families.

**Suite Hotels** are similar to residential hotels with shorter stay of perhaps six months or less. It is ideal for families who need a temporary accommodation before moving into their permanent abode. Professionals find it convenient to set up travelling offices in their living area without intruding into the bedroom. They would have all the facilities and amenities of the residential hotel except that they may have a coffee shop, bar and perhaps, one more specialty restaurant. Most lodging investors nowadays are opting for Suite Hotels.

**Furnished Apartments** are another variation of extended stay properties. The rooms are studio with open, fully-equipped kitchens. Such hotels will have reception counters, lobbies for meeting visitors, outsourced housekeeping services and a swimming pool and gymnasium. They may have Laundromats in the basement. They will not have eating facilities except for some vending machines. Furnished apartments would have close-circuit television for security. A receptionist acts as a caretaker, security guard, cleaner of public areas and guest relations person who rooms guests. The apartments would have a plumber and an electrician in a full-time role. Between them they operate all the utility services including water supplies, central air conditioning, central heating, and swimming pool maintenance. These apartments are ideal for single professionals who do not want the hassle of running a home.





## Facilities Offered

Facilities offered by hotels are another way to classify them.

### Facilities Offered

- Star rating
- Deluxe Hotels
- Palace Hotels
- Convention Hotels
- Conference Hotels
- Casino Hotels
- Business Hotels
- Sport Hostels
- Budget Hotels
- Suite Hotels
- Bed & Breakfast
- Time-share
- Condominiums



**Star Rating** (see Appendix III for details) is one of the most definitive standards which guide travellers as to what to expect. The star ratings are organised by the State Tourism Department who puts together a team of representatives from the government, hospitality educationists, travel agents, airlines and the hotel industry. They are guided by a checklist of minimum requirements to achieve a certain star. The owner of the property will inform the tourism department of the star rating they aspire for and will set a date for the inspection. Star Ratings range from one to five-star though there are even six and seven stars which are outside the purview of this chapter as these properties are rare. A five-star rating, for instance, will specify that rooms are of certain minimum dimensions with attached bathrooms supplying hot and cold water. The bathrooms must have bathtubs. A five-star hotel will have a shopping arcade with a bank, post office, travel agency etc. They must have a coffee shop and other dining options. It is necessary for them to have a swimming pool, room service etc. From those high standards of investment the hotel rating reduces as hotels provide lesser facilities. Hotels are required to display their star rating at the main portal of the hotel so that the guest can know what standard to expect.



**Deluxe Hotels** would normally have a minimum five-star rating. These hotels are rated as deluxe as they would have décor and appointments of luxury. They would have every conceivable comfort built into the guest experience. Take Burj-al-Arab in Dubai where accommodations are suites that overlook the Persian Gulf. The rooms are fitted with remote control window shades, gold plated taps, etc. Guests are transported to the hotel from the airport by the hotel helicopter that lands on a helipad on the hotel rooftop. It has a restaurant under the sea as well as one at the roof top that gives breathtaking aerial views. Deluxe hotels ooze opulence and are available only to those moneyed



people who can afford the stay. Some deluxe business hotels provide individual butlers and specialised cuisines. Many older stand alone hotels like the Grosvenor House, The Claridges, etc set standards of luxury. Many palaces, mansions and villas of the royalty of yore have been converted from the lodgings into hotels which really cannot be given a star rating for their uniqueness but may certainly be classified as deluxe.

**Palace Hotels** are really an Indian concept where ancient Indian maharajas converted their palaces into hotels after they were stripped off their princely privileges. The palaces transport guests into old heritage, architecture and priceless appointments. The Umaid Bhavan Palace in Jodhpur for example boasts of a crystal fountain in the lobby and an array of vintage cars in the private garage complex. The beds in which the guests sleep are those where actual royalty once slept. Of course, these palaces have been equipped with modern conveniences such as television, mini-fridges, air-conditioning and telephone connections though these things intrude into the original uniqueness of the property. Guests are exposed to rare art and artifacts that are not found anywhere else in the world. A similar concept may be found in Europe where manor houses of the royalty have been converted into luxury accommodation.



**Convention Hotels** are specially designed for such purposes. They would have a plenary hall to seat 2000 people, breakout meeting rooms for smaller groups, administrative offices providing all the secretarial, office automation facilities, ample registration lobbies and large dining halls. The plenary hall and meeting rooms have state-of-the-art projection and public communications systems required for conventions. Most of the rooms will be twin-bedded to be used as single and twin rooms for delegates.

**Conference Hotels** would have similar facilities as convention hotels but scaled down in size. Many hotels may have conference centres attached to their main hotel to have the flexibility for business, tourist and conference business. The conference annexes will have independent entrances and large parking lots. Some conference hotels may also include auditoriums that are leased out for public shows.

**Casino Hotels** serve only one purpose – to serve guests who want to gamble. Las Vegas in Nevada, USA is the best example of the location of casino hotels each more dramatic than the other. The essential features of casino hotels are gaming halls sometimes the size of a football field with all possible gambling games including banks of slot machines, Blackjack tables, roulette tables etc.

Each hotel outdoes each other in terms of features and entertainment. Hotel New York boasts of a lobby that represents a New York street with street cafes, steam from sewers, street lamps leading to the gambling floor; MGM boasts of a sunken bar on the style of the Brazilian rain forest; Treasure Island has a sound and light show of a pirate ship being sunk while Bellagios has dancing fountains that are a unique sight; Caesar's Palace has all its staff dressed in Roman Togas and boasts of amphitheatres where famous modern day stars perform; The bar is a roman galleon built in the lobby itself. With such funds casino hotels are truly deluxe with the best facilities to meet practically every guest's need. Most rooms are large and fitted with twin-queen-sized beds with bathrooms with separate bathing, shower and toilet areas. A bathroom would perhaps be the size of a guest room in a smaller property!



**Business Hotels** are specifically built in structure and facilities to cater to the business and corporate clients. This type of hotels has been explained in detail earlier in the chapter.

**Sports Hostels and Hotels** may go back to the time of the Olympic Games in 776 B.C. when the Greek empire was at its height. The games started in Olympia about 18 kilometres from Pirgos, Greece. While Olympia was covered by earthquakes and floods, later excavations showed that the complex had a wrestling and boxing school, gymnasium and dormitories for athletes to stay. Olympic Games were held every four years. In recent times, these games have been split into Winter Olympics (in 1994) and Summer Olympics. The holding of the Olympics is the responsibility of a state which funds complex games villages that carefully segregates national teams and provides them with independent gymnasiums, practice fields and large dining halls to cater to different cuisines. The games villages have special security, medical rooms, dope-testing facilities including a number of administrative features. Rooms are dormitories with common bathrooms for athletes and individual rooms for officials. Nowadays, sport has become an industry that earns mega bucks from television rights, sponsorships and large gate-money. Games like soccer, basketball, cricket, rugby, tennis, football etc. have become multi-million dollar industries pulling huge crowds. Events like World Cups and championships have made investment into these games a lucrative proposition. Purpose-built sports hostels and hotels are built at popular stadiums to accommodate athletes and spectators of the sport. Essential features of these accommodations are gymnasiums, health clubs, swimming pools, large dining halls, facilities such as doctors specialised in sports medicine, special security to protect rampaging fans reaching their sports idols, dieticians for special diets for sportsmen and sportswomen, trainers etc.

**Budget Hotels** are relatively a new concept that makes travel inexpensive in a world that is getting more and more costly. Budget hotels strip rooms and services to the bare minimum and use automation to fulfill many guest needs. A room would have bunker beds with perhaps a sink in the room for washing purposes. There would be common toilets. A mini-television will be mounted on the wall to save space. Budget hotels will have dispensers for hot and cold foods, ice, alcoholic and non-alcoholic beverages, toiletries etc. located at common areas on the floors or lobbies. Many motels have built these facilities into their way of operations.

**Suite Hotels** cater to those who need more room. Such facilities are found in deluxe properties or family resort hotels. They would have all the other facilities of a modern hotel. Suite hotels have been discussed in detail earlier in the chapter.

**Bed and Breakfast Establishments** are usually small family businesses. A family may have an extra set of rooms in their home that they let out to tourists. This is a typical concept from Europe which perhaps earlier did not have well-developed hotel facilities. Ireland and Scotland, for example, supplement hotel accommodation in the huge tourist season with bed and breakfast properties. The family of the establishment takes the responsibility of providing comfortable rooms much in the home style with their dining rooms serving as the breakfast venue. Breakfast would be sumptuous English breakfasts with a full array of cereals, meats, breads and tea and coffee. These breakfasts are legendary and many travellers could sustain a full day till the evening on this meal.



**Time-Share Hotels** are a relatively new concept of ownership of holiday rooms or suites. Each room or suite is owned by several people who will schedule their visit well in advance with the management office to ensure that the room or suite is available. Time-Share properties are located at dream sites normally at beaches, ski slopes, hill resorts, waterfalls, spas etc. People book time for a week to a fortnight. Should they not be free to avail the room for any reason, they can rent their time slot to another person. Sometimes the management company can help in this process. One great advantage of time share process is that time-share owners can become members of international time-share properties and exchange their time with another time-share owner at another location. Time-share properties have fully-furnished rooms with kitchenettes. They may have a dining hall with a bar. They outsource recreation expertise such as guides, boatmen, ski instructors, Para-gliding specialists etc.

**Condominiums** (or Condos) are another type of accommodation. Here the owner of a unit, which is a room or apartment in a complex of several such accommodations, furnishes it to his/her taste and informs the management of the times when s/he will occupy the apartment. S/he permits the management to rent out the apartment at other times and the rent goes to the owner. Condos have restricted entry. Owners

have their own password to enter the premises. These passwords are given to lessees of their property. Owners pay a monthly or annual maintenance fee that covers cleaning of common areas; central air-conditioning/heating maintenance; landscaping and gardening; water supply; security and garbage disposal. Condo management which is appointed by the owner's association may lease space to a grocery store in the basement to provide the basic needs of the residents of condos.

### Other Lodging Innovations

**Caravans** are mobile homes that families take across the country. Caravans are fitted with sleeping, dining, lounge and bathroom facilities. They have tanks with fresh water and septic tanks for refuse. Some caravans have kitchenettes with basic heating facilities. As discussed before, caravans are moored at camping sites constructed just for this purpose.

**Rotels** are double-decker buses where passengers sit on ergo-planned seats on the ground deck and sleep on the upper deck. Such buses are used for long cross-country tours covering fifteen days or more. The second floor has tiered berths fitted with bed-side lamps, toilet shelf and privacy curtains. Buses are fitted with bathrooms much like that found in an aeroplane and kitchens have a chef to cook the food. The buses are fitted with heating and/or airconditioning facility. Buses stop at vantage points enroute for meals and accommodation in a hotel for a hot bath. The greatest benefit of such a travel is that guests do not have the hassle of packing and unpacking. They are provided with cupboards on board. Rotels were introduced by Conti Hotel Bus Company of Germany.

**Matels** are fully-automated hotels which require minimum human contact. A guest books on-line and gets an immediate confirmation. On arrival, he punches in his reservation number and name in a machine which initiates a dialogue with a virtual receptionist who registers the guest through a close-circuit TV and issues a key to the room through a slot machine. Outsourced cleaning crews come during the day to clean the room and make it fresh and impeccably clean. This concept was started in Japan and is likely to be the future of hotels.

**Sanatoria** are found at spas and other health resorts. The rooms are specifically equipped for therapy including sauna, Turkish bath and Jacuzzi. Meals are personalised diet regimes for each guest. These hotels have proper dieticians, doctors and medical arrangements. This is ideal for those recouping from surgeries and illnesses. It is also a place for attaining physical fitness.

**Palace on Wheels** is a unique railway journey recreating the journeys of the Maharajas of India. It is a tour from New Delhi, India to the historic sights in Rajasthan including forts, palaces and cultural attractions. The guests are fed traditional Indian food of royalty and served by liveried waiting staff.



**Government Houses** are a composite name for *Dak* Bungalows, Circuit Houses, PWD Houses and Forest Lodges which are the legacy of the British Raj in India. These were primarily built for government officials during the administrative tours. *Dak* Bungalows were meant for the postal couriers to rest while circuit houses were for the higher ranked officials. Forest Lodges were built for those involved in Forestry and building the winter capitals of the Raj. The PWD Houses were for those officials involved in road building and laying electricity power lines. These establishments have caretakers drawn from local villages who are multi-skilled to cook, clean and provide security to the establishment. They are trained to give the standards required by the officials and are very capable. These establishments are still available to government personnel and authorised public.

**Floating Hotels** are those found on passenger ships. Some are permanently docked at a port while others are cruise liners taking passengers on a week long trip around famed locations connected with water. The ships are five star hotels with every conceivable luxury including several restaurants with multi-cuisine, suites, ball rooms, shopping arcades etc. Guests are served by well-trained and talented personnel. A wonderful variation of this concept is the houseboat of Kashmir. Houseboats are moored on the banks of the lakes and fitted with telephone connections, modern sanitation in bathrooms and the most luxurious appointments and décor. The roof acts as the sun deck while the boat within has a living room, a dining room and several bedrooms. The houseboat is staffed by the owner and his family, who cook, clean and does small errands. *Shikaras* are smaller boats that sidle along the boat for transportation around the lake. Hawkers come alongside the houseboats in their *shikaras*, to sell their wares. Houseboats are fitted to suit all budgets from the economical to the ultra luxurious.

**Hospices** have been traditional lodgings in Europe for the Christian pilgrims to Jerusalem. Each religion have their own religious support groups running on charity. For example, the Hokke Club of Japan built specially designed and serviced facilities for the Buddhist pilgrims. They provide meditation centres and monks for prayers. Followers of Islam provide *madrassas* while Hindus have their *Dharmshalas* for the pilgrims of their faith.

## Segmentation

A relatively new concept employed by big chains is that they segment their properties into several sub-categories. For example, Marriot Hotels and Resorts have several brands of properties: J.W. Marriot, Marriott Marquis, Marriot Hotels, Marriot Inns, Courtyard by Marriott and Fairfield Inn by Marriot. Even the residential apartments have been further sub-branded as Residence Inn by Marriott, Towne-Place Suites by Marriott and Spring Hill Suites by Marriott. Marriott also owns the Ritz-Carlton and Renaissance brands. Each brand is directed to a specific market segment.

Such a strategy serves the following purposes:

1. To serve several distinct market segments
2. To enter world locations that may or may not support superior hotels.
3. To capture properties worldwide based on emerging opportunities and fund flows.
4. To have price ranges to suit various guest budgets
5. To have varying amenities and facilities without compromising on basic standards and image of the chain.
6. Have all brands benefit from the central reservation system of the hotel chain.



## Review Quiz

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### Multiple Choice Questions

1. **A European Plan is best suited to which of the following type of hotel?**
  - (a) Family Hotel
  - (b) Business Hotel
  - (c) Group Hotel
2. **A shuttle service to the airport is a typical feature of which type of hotel?**
  - (a) Airport Hotel
  - (b) Resort Hotel
  - (c) Casino Hotel
3. **A Modified American Plan is best suited for?**
  - (a) Resort Hotel
  - (b) Business Hotel
  - (c) Group Hotel
4. **Where will you best find brunch service?**
  - (a) Airport Hotel
  - (b) Convention Hotel
  - (c) Resort Hotel
5. **What are properties that are owned for a specified period called?**
  - (a) Youth Hostels
  - (b) Time-Share
  - (c) Condominiums
6. **What is a typical feature of a business hotel?:**
  - (a) Business Centre
  - (b) Indoor entertainment lounge
  - (c) Coffee Shop
7. **Where will you find a plenary hall?**
  - (a) Motels
  - (b) Youth Centre
  - (c) Convention Hotel
8. **A hotel with minimal services is called?**
  - (a) Motel
  - (b) Budget Hotel
  - (c) Time-share
9. **Which would be considered as mobile lodging?**
  - (a) Rotels
  - (b) Caravans
  - (c) Cruise Liners
  - (d) All the above
10. **Where will a business hotel be found?**
  - (a) Suburbs
  - (b) Spa
  - (c) Downtown

**Fill in the Blanks**

1. A business lounge will be found in a \_\_\_\_\_ hotel.
2. A property that has self-sufficient units with kitchenettes is called \_\_\_\_\_ .
3. A property which provides full ownership of units is called a \_\_\_\_\_ .
4. Lodging facilities attached to sports arenas is called \_\_\_\_\_ .
5. We can find unique artifacts and accommodations in \_\_\_\_\_ hotels.
6. Lodgings where one finds a Laundromat is called \_\_\_\_\_ .
7. A property equipped with the state-of-art audio-visual aids will be found in \_\_\_\_\_ .
8. A strategy that serves different markets is called \_\_\_\_\_ .
9. A facility that has arrangements for caravans is called a \_\_\_\_\_ .
10. On-line flight schedules may be found in \_\_\_\_\_ hotels.

**Write short notes on the following:**

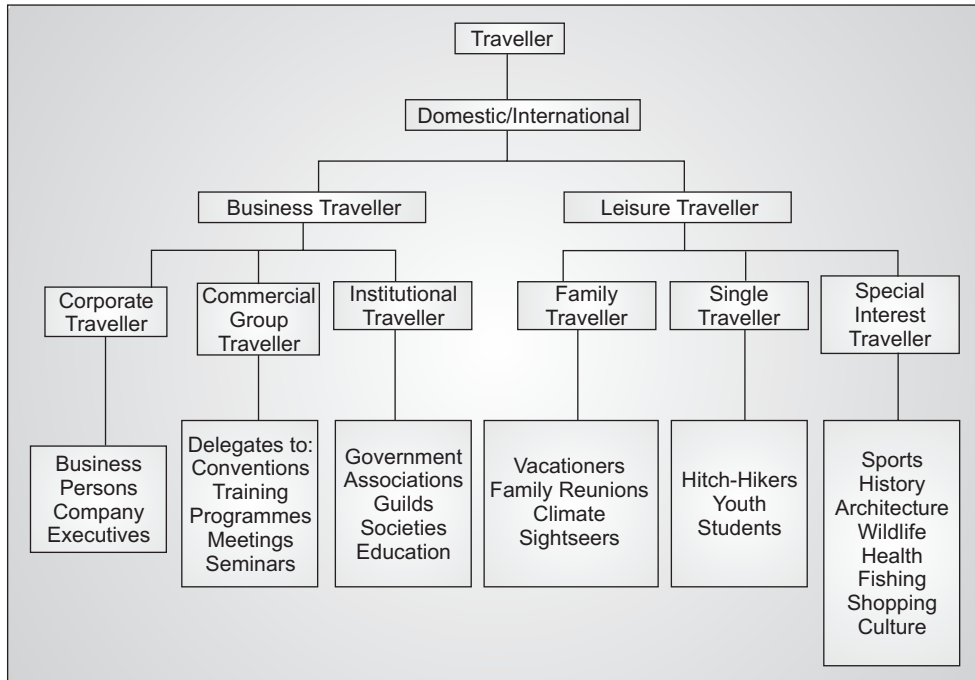
1. What are the different types of business organisations?
2. What are the advantages and disadvantages of sole proprietorship?
3. How do small hotels survive?
4. What is included in a Partnership Deed?
5. What are the different types of shares in a Public Limited Company? Explain each.



## I.4 CLASSIFICATION OF GUESTS

### Introduction

Guests may be classified by their purpose of travel. The diagram below helps in visualising the categories guests fall into.



### ***Domestic/International Traveller***

It starts with the classification between the domestic and international traveller. A reader may well ask whether there should be distinction between the two as regards to the hotel services. There are certain differences between domestic and international traveller that are unavoidable. For example, international travellers require the following additional services in addition to those provided to the domestic traveller:

- Multi-lingual staff at the hotel
- Translation facilities
- International communication
- International cuisine
- Foreign brands of liquor in the bars
- Mineral water
- Rooms and bathrooms of international standard
- Hotel names that are familiar
- Foreign currency exchange facility
- International channels on television

- All published communications in different languages
- Foreign newspapers
- Left luggage facility

Hotels that cater to the foreign traveller will have to provide these facilities to attract them.

The next type of classification is between business travellers and leisure travellers.

**Business Travellers** Business travellers would include:

- **Corporate Travellers** – business persons and corporate executives who travel for business reasons specifically.
- **Commercial Group Travellers** – those who travel in groups for business reasons. They would be delegates attending conventions, conferences, training programmes and seminars.
- **Institutional Travellers** – are those that represent institutions on official work. They may be government travel, association work, etc.

Do they need special facilities? The answer is “Yes”. The facilities provided by hotels that are specific to the business traveller are:

### ***Corporate Traveller***

- Business centre
- Secretarial facilities
- Meeting rooms
- Office automation
- Fax facility in the rooms
- Internet facility in rooms
- Business lounge
- International financial newspapers
- Range of restaurants and bars for entertainment
- International telecommunications
- Party halls
- Limousine service
- Mini-bars in rooms
- Personalised butler service
- Executive rooms that provide a desk
- Pre-registration
- Safety lockers
- Business and news channels on television
- Bloomberg channel to keep in touch with stock market performances.
- Quick laundry services
- Efficient room service
- Tea/Coffee facility in rooms
- Wake-up Call service



- Mobile charging facilities

### **Commercial Group/Institutional Traveller**

While many of the needs given above would apply to this category of guests, there are some, special to them:

- Plenary hall with breakout meeting rooms – for conventions
- Meeting halls equipped with sound and projection equipment
- Foyers for mid-morning and mid-afternoon tea/coffee breaks
- Podiums or stages
- Lecterns
- Registration desk
- Photocopying facilities
- Buffet meals
- Group dining facilities
- Evening entertainment programmes

One can see that the moment a hotel caters to the business traveller there is a limitless range of services required, which keep getting sophisticated as technology improves.

**Leisure Travellers** Leisure Travellers fall under the following categories:

**Family Traveller** A family consists of a husband, wife and upto two children under the age of 12 years in hotel parlance.

**Single Travellers** These are adults who travel singly. More and more adults are opting against marriage at least in the early stages of their lives when they are pursuing a career. They constitute a rich segment of travellers. We must not forget the woman traveller who is showing her independence by travelling alone. Youth and students have always been adventurous and travel for the education, experience and to learn cultures and languages.

**Special interest groups** These are those who are focused on one aspect of travel based on their personal interest. It could be adventure sport, fishing, architecture or even bird-watching.

Each of these categories has special needs. Let us look at each.

**Families** Families travel with children and book those special periods in the year when schools get closed for vacations and a working husband and wife team is able to coordinate their holidays. This makes this period very special to unwind and re-build their attention for each other. Moreover, they want to get away from the hassles of daily chores. Hotels have to meet those special needs. Most families would go to holiday resorts to unwind. Their special needs are:

- Spacious rooms for their family
- Extra beds and bedding
- Brunches rather than breakfasts as they would wake late in the mornings



- Outdoor entertainment for children – parks, beaches, treks etc.
- Safety features for children like concealed plug sockets, furniture with rounded edges, etc.
- Late evening lounges for children equipped with television, indoor games and animated family shows.
- Baby-sitting services
- Crèche facilities within the property
- Rules permitting casual wear.
- Telecommunications to their homes.
- Photoshop to develop their camera reels.

**Single Adults** The biggest segments of single adult travellers are women and youth. Let us look at the needs for each:

### Women

- Room safety features – double lock, safety door chains, peep holes.
- Hairdryers in bathrooms
- Clothes pressing facilities
- Beauty salon in the premises
- Health club
- Good room service menu as they prefer to eat in the room
- Diet foods in all menus
- Efficient security
- Preferably women service staff
- Television channels that screen popular soap operas
- Local drug store
- Safety lockers
- Full length mirror in the room



### Youth

- Budget prices – willing to compromise on quality and space
- Left luggage facilities – to trek in the country
- Outdoor sports facilities – tennis, swimming, basketball, etc.
- Indoor sports facilities – pool, squash, badminton
- Gymnasium
- Plentiful food portions
- Discotheques and social lounges
- Fast food options
- Courtesy bus service to city centre
- Courtesy airport pick-up and drop bus services
- Do-it-yourself facilities – vending machines, cafeteria food service



**Special Interest Groups** Special interest groups are focused on their interest to the extent that they are willing to sacrifice some normal luxuries. For example, anglers wouldn't mind camping at fishing spots overnight, with barbeque cooking, and minimal toilet luxuries. Wildlife enthusiasts or mountain climbers wouldn't mind living in forest lodges, with basic facilities. Others could be pursuing spiritual upliftment through yoga. They would require yoga instructors and secluded environs to do their meditation. On the other hand gamblers going to Las Vegas may want the most luxurious facilities because they are moneyed and want to enjoy when not at the casino. It is difficult to

classify the needs of each special interest group in a generic manner. However, here is a bold attempt to list some common features:

- Guides
- Special maps leading them to their special interest
- Brochures and pamphlets of their area of interest
- Evening entertainment, be it singing around a bonfire or special film shows of their interest.
- Left luggage facilities when they go up-country in pursuit of their interest.
- Camping stores to procure essential equipment.
- Efficient laundry
- Group meal facilities like buffets and dining halls.
- Photoshoot to develop their camera reels.



### Summary

A hotel will like to choose a market segments/s to develop their products and services. The market segment is often dictated by its location. A resort would cater to families, honeymooners and vacationers. A downtown hotel will cater to the business clientele while forest lodges will serve those interested in nature and wild life. It is impossible for a hotel to provide facilities for all the segments as the investment would not justify the returns. Hotels can also classify guest by their budgets. It is for this reason we have youth hostels, budget hotels, motels, medium and deluxe hotels. The classification of guests becomes more fine-tuned as market segments develop. There will be ample opportunities for hotels for all interests and budgets.

### Review Quiz

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#### Write short notes on the following:

What are the physical and service requirements of the following?

1. International travellers
2. Corporate Travellers
3. Families
4. Single Adults
5. Special interest groups

#### True or False

1. Hotels do not make a distinction between international and domestic travellers.
2. Domestic travellers require translation services.
3. Institutional travellers fall in the category of business travellers.
4. Business travellers require quick laundry services.
5. Women travellers want an efficient room service.
6. Travelling youth are comfortable with vending machines.
7. Buffet service is essential in managing group travellers.
8. Special interest groups need maps and guides.
9. A way of classification of guests is by their budget.
10. Some special interest groups are comfortable with limited facilities.

## I.5 UNDERSTANDING GUEST SERVICE

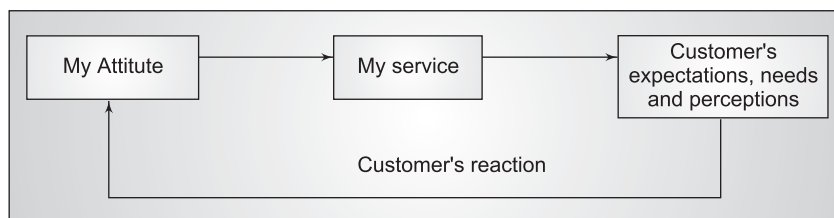
### Introduction

Readers must understand that the front office in a hotel is the first point of contact. The front desk staff is in direct contact with the guest and can enhance or mar the first impressions on a guest of the property. They must, therefore, have excellent customer skills. What does this mean? This means that people



working in a hotel bring the difference in creating a positive guest experience. Most hotels of the same category are physically comparable to their competitors. Rooms, lobbies, coffee shops etc. look almost alike. But the people who work in them make guest experiences different. In this chapter we shall focus on the front office agent and the customer. It is better understood when one looks at the front office agent as the *host* and the customer as the *guest*. This throws the perspectives and attitudes at a totally different level. At home we go that extra distance to welcome guests, give them unrivalled hospitality with food and drink, keep them safe and anticipate and attend to their every need. Providing a guest experience is a cycle of

events that starts with the front office agent acting as the host with her attitudes and service mindset making sure that they meet the guest's expectations, needs and perceptions resulting in a response as schematically shown below:



### Components of a Good Service

Let us take each component and understand it carefully:

#### My Attitude

What is an attitude? An attitude is the way one communicates mood to others, who respond accordingly. A happy host will get a happy response just as a sour person gets a negative response.

The question arises: "Is my attitude positive or negative?" Let us look at some symptoms of each:

#### Positive Attitudes

- Being optimistic
- Feeling good about oneself
- Feeling good about others

- Feeling good about life
- Seeing the best in others
- Expecting good things to happen
- Seeing the bright side of all situations
- Being enthusiastic
- Being creative and open
- Anticipating successful encounters
- Each customer is an exciting challenge



### **Negative Attitudes**

- I am bored
- I do not have time
- It won't work
- I cannot get organised
- I'm too busy
- I don't know what to say
- I am nervous
- I cannot do it
- I don't stand a chance
- I don't have energy
- Nobody likes me
- I am not good enough
- Others are better than me
- I cannot win
- It's not my day
- I am scared of customers



Obviously positive attitudes have a greater range of benefits. Let's look at some of these:

### **Benefits of Positive Attitudes**

- Creates enthusiasm
- Enhances creativity
- Magnifies positivity
- People like you
- Boss likes to work with you
- You become helpful
- Makes others positive
- Wins cooperation
- Become popular



The next question that arises is, "How do we develop a positive behaviour?"

Here are some tips.

**Habits** Our brain has been registering every experience since the pre-natal stage till today. We have been growing with instructions, information and experiences from our parents, teachers



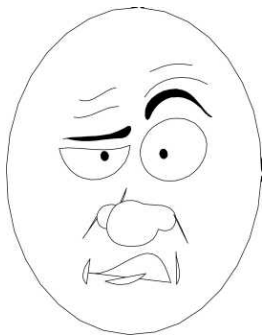
and society. The brain has recorded it all. Unfortunately what we remember is only 25% of all that we learn. Our awareness stems from our conscious brain. The remaining part of our experiences lie in our subconscious, which constitutes 75% of our brain capacity. The conscious and the subconscious drive our behaviour and we are sometimes aware but mostly unaware of those triggers that do so. If we behave negatively it is because of negative influences in our growing years that have come to stay in our subconscious. This means that we use only one-fourth of our brain capacity to correct ourselves and define new ways of behaviour when three-fourths lies undetected and therefore, uncorrected.

There are scientific ways to reach our subconscious through sensitivity training, hypnosis and regression analysis. These are outside the purview of this book. The best way, therefore, to overcome those negative influences that drive our behaviour is to develop conscious habits. What is a habit? A habit is a constant, often unconscious, inclination to perform some act acquired through its frequent repetition. This then influences our behaviour.

**An action repeated becomes a *habit*.**

**A habit repeated becomes a *behaviour*.**

The approach then is to change habits by constant conscious repetition. It takes thirty days to change a habit. It starts with a belief.



**Beliefs** What is a belief? It is accepting a thought as true. There are so many beliefs we carry about ourselves and about others. When these beliefs are negative and clash, we have negative behaviour often resulting in violence. We need to change our beliefs about ourselves and others. How do we get to know our belief system and how it affects others? It is achieved simply by asking others of how they perceive your beliefs. Such feedback should be received openly, without any defense. Introspection of these beliefs is necessary to find out areas of improvement. The next step is to define a schedule of improvement by defining actions to be taken and the time period by which such behaviours are to be rectified. One of the proven methods for correction is auto-suggestion. What is autosuggestion?

Autosuggestion is voluntary talking to oneself to change an attitude, action, habit or feeling. A person interested in developing positive attitudes must develop a programme for oneself of repeating frequently positive behaviours over a period of thirty days. It would be useful to remember the following:

**Programming creates Beliefs**

**Beliefs create Attitudes**

**Attitudes create Feelings**

**Feelings determine Action**

**Action creates Results**

**Tools for Success** (to develop a positive attitude)

- Silent self talk
- Self-talk out loud
- Self conversation
- Visual reminders – pin-up ideas and actions to be taken during the day at places you frequent most.
- Ignore negative people



- Self-education – reading books on the subject
- Physical exercise – on the belief that a healthy body generates a healthy mind
- Food for the soul – meditation and yoga

## Secret of Success

**Persistence** – don't give up

**Repetition** – do it over and over again

**Determination** – say you will win no matter what

## My Service

What is a service? It is the total experience that a customer gets through people, when satisfying a need. Service touches all the senses of a discerning customer. Let us examine each component:

**Sense of sight** Customers like to see a well-groomed person. Grooming has been touched upon extensively in chapter 3(3.2), “*Competencies of a Front Office Professional*”). The way the front desk is kept neat and orderly creates the service experience just as the décor of the lobby and the artifacts that adorn it.

**Sense of smell** A guest is influenced by how fresh a lobby smells. It gives him or her confidence of the hygiene standards of the establishment. The aroma of food in the dining industry is well-known. Appetising smells trigger hunger and want. The chef builds this into the total food preparation and presentation. We have known coffee shops to crush coffee beans to give that fresh coffee aroma to passers-by to attract them to the restaurant. Similarly, a guest evaluates you on how you smell. A light perfume or cologne conjures up images of hygiene and freshness.

**Sense of hearing** There are things that should not be heard by the customer and things that should. A customer does not like to hear front desk staff fighting among themselves, back office discussions, rude language, slang, technical jargon, etc. What they like to hear is the courtesy shown by the front office agents, the use of their name, suggestions in case of doubt, low tones and words of etiquette like “Thank you”, “Please”, “May I help you?” etc.

**Sense of taste** This is the one most applicable to the food industry. Taste defines the customer's ultimate experience. Chefs have gone to extents to provide the experience with innovative use of spices, cooking methods and beverages. It is common to find wine enhancing the flavours of sauces and extracts of herbs to marinate meats. The taste of meat cooked in earthen ovens is different from those cooked on charcoal spits. Tastes are the distinctive signature to a cuisine offered by an establishment. The chef's skill provides the experience. Taste can be interpreted in another way as far as front desk staff is concerned – the taste of quality service! The investor has already built in taste in the aesthetics shown in the interior design and décor. Guests immediately recognise the quality of the property by the appointments, furnishings, carpeting etc. used in the physical product.

**Sense of touch** The temperature levels in the lobby and in the guest room, the softness of bed and bathroom linen, the fluffiness of the pillow are some examples that create the touch experience. Front Office staff can enhance the sense of touch by providing clean registration cards, clean room keys, baggage tags etc.

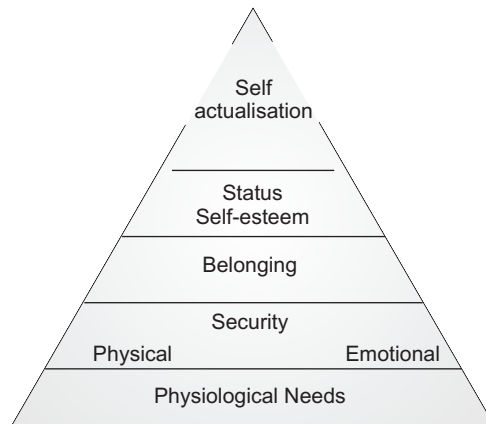
## Understanding Customer Needs and Wants

We must first understand the difference between needs and wants. **Needs** are essential to human well-being. These could include those that are essential to human survival such as food, water, clothing and shelter at the basic level, to those that are essential for social survival. **Wants** are the cultural manifestation of those needs. An American needs food just as much as an Indian. While an American may interpret this need by wanting hamburgers and fries, an Indian will demand rice and curry. An American interprets clothing in terms of a demand for jeans while the Indian the sari.

Abraham Maslow, a social scientist, brought the concept of needs most dramatically by proclaiming that:

- (1) All humans have needs.
- (2) These needs can be collated into five broad categories.
- (3) The categories have an ascending hierarchical order.
- (4) That one must be satisfied to move to the other. (Later scientists proved that all needs can co-exist together in varying levels of importance to every individual).

This has been very clearly illustrated through the famous **Maslow's Need Hierarchy** as shown below.

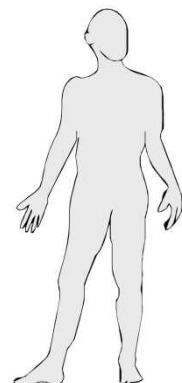


**Maslow's Need Hierarchy**

The needs start from the bottom and we shall examine how they reflect in providing the perfect guest experience.

**Physiological Needs** These are the basic needs for survival such as food, water, clothing, shelter, air and sex (for procreation of the human species). The hotel and restaurant industry recognises basic needs and meets the need for food through by offering a spread of cuisines, and shelter by providing a “home away from home” through its choice of rooms. Restaurants provide guests with food, potable water and proper air circulation. To the employees the industry provides, free duty meals, uniforms, house rent allowance or staff accommodation and proper working conditions. The kitchens and laundry which are very humid and hot especially in hot climates are provided with proper exhausts and fresh air supply.

**Security Needs** As seen in the diagram above, the security need is both physical and emotional. The guests want to be sure that the property they are visiting is physically safe from anything that may endanger the body. They want to make sure that their



rooms are safe to sleep in. Hotels provide locks, fire warning systems, sprinklers, fire-fighting equipment, latch chains, peep-holes etc. to satisfy this need of physical safety. Guests want to be warned of wet floors and the name of callers before responding to a telephone. The same is true of staff to announce themselves when they knock on a door or ring the door bell. A well trained security staff protects the safety of guests and employees.

Guests need for emotional security comes in many ways. First is the need to be welcomed and recognised in an establishment. Guests want to make sure that they people who serve them welcome them with warmth and sincerity. Staff must be hygienically clean and free from diseases. This they notice by the way the staff groom themselves. Guests want to make sure that the raw materials used in food preparation are fresh and that the cooking utensils are clean and sanitised. They also value their privacy as also being treated with courtesy and respect. The

hospitality industry is concerned about this aspect for its employees too. They provide safe working conditions and give safety training, especially in the use of equipment and carrying heavy loads. Emotional security is provided to the employees through orientation programmes so that they feel secure quickly in a new organisation. Providing job descriptions and training helps the employee realise what is expected of them and hope that they can perform to the best of standards. Grievance procedures, suggestion systems, performance evaluation are all organisational processes meant to give the employees emotional security.



**Belonging** Human beings are social animals. They prosper and grow when interacting with others. This behaviour was noticed right from the early caveman who lived together to form tribes. Hotels and restaurants are great social spots to meet this need. They have made this a fine art where people meet and socialise. The popularity of the pubs and taverns called 'locals' since the early days in Europe till today was to serve this precise purpose. Local people met at these pubs to learn about new developments in their community and the world. This has continued to date where people can meet for business or pleasure. Business entertainment has

become part of the relationship building between business stakeholders. The hotels and restaurants have responded well. Employees are empowered with this need for belonging by giving them identity

cards to identify them with the organisation. Establishments provide social clubs where employees can meet for sport or social meetings.



**Status and Self-Esteem** While status is the way others perceive us, self-esteem is the way we perceive ourselves. Hotels and restaurants provide the perfect platform to satisfy varying status needs. This shows in the rating system from one to five-star. Each is distinguished by the pricing, level of service and food offer based on the customers need and want. Self-Esteem is a bit tricky. Some people are diffident when they do not understand a menu. A server's intervention to explain the

dishes helps in removing the discomfort. Customers do not want to feel embarrassed in such public places and strive to be on their best behaviour. The server can help them in accomplishing that by praising their selection of food and wine or being discreet when presenting the bill. Employees within the industry are given ranks, perquisites and uniforms to distinguish them within and without the organisation. Self-esteem is given by giving authority and empowering employees to act with authority. Suggestion Schemes also permit employees to participate in the progress of the organisation by acting on their views and ideas.

**Self Actualisation** This is a state when human beings reach their potential and are able to control and contribute to the environment. The hotel industry has recognised this and has come with innovative methods to meet this need. Some restaurants permit guests to choose their raw materials and method of cooking. The chef responds to the need. In this case the customer is in total control of the selection and preparation process. Hotels and restaurants also involve guests to help the establishment to respond to their needs. They invite guests to give their impressions of the total experience by filling guest comment forms. Guests now feel that they can contribute to the establishment's prosperity.

### Summary

We gather through this chapter that it is people who make the difference between the good and bad guest experience. A good guest experience starts with the self. The front office professional must develop a positive attitude first before s/he can expect to create a positive impression on a guest. It is possible to develop positive attitudes by identifying areas of improvement and working on them to change negative attitudes to positive ones and making them habits. It is also necessary for a front office professional to be sensitive to guest needs. Guest needs range through five stages of physiological, security, belonging, status and self-actualisation. These need to be identified and provided at each guest interact.

### Key Terms

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<b>Attitude</b>	the way one communicates mood to others
<b>Behaviour</b>	a repeated habit
<b>Beliefs</b>	accepting a thought as true
<b>Belonging need</b>	being part of a group
<b>Habit</b>	a repeated action
<b>Physiological needs</b>	basic needs for survival
<b>Needs</b>	those that are essential one's well being
<b>Security needs</b>	needs for physical and emotional well being
<b>Status needs</b>	needs to satisfy the ego
<b>Self-esteem needs</b>	needs for self respect
<b>Self actualisation</b>	a position of being in control of ones personal environment and the desire to contribute to it
<b>Wants</b>	cultural interpretations of needs

## Review Quiz

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### Write short notes on the following:

1. What are the benefits of a positive attitude?
2. What is the difference between needs and wants?
3. Give the difference with examples between physical security and emotional security.
4. Give the difference between status and self-esteem.
5. How does self-actualisation apply in the hotel industry to guests and employees?

### Fill in the Blanks

1. A constant often unconscious inclination to perform some act is called \_\_\_\_\_ .
2. A voluntary talking to oneself to change an attitude, action, habit or feeling is called \_\_\_\_\_ .
3. The way we perceive ourselves is called \_\_\_\_\_ .
4. The way others perceive us is called \_\_\_\_\_ .
5. A state when human beings reach their potential and are able to control and contribute to their environments is called \_\_\_\_\_ .



## CHAPTER 2

# Hotel Management and Organisation

### 2.1 MANAGEMENT

#### Introduction

This chapter has been introduced in this book because the future front office agent will be required to execute some basic management functions as mentioned in the section of the introduction entitled “*The New Front Desk Professional*”. Traditional hierarchies will fall and workforces will shrink, empowering the guest contact personnel with enriched jobs. S/he will be required perhaps to perform tasks that were done by the supervisor before. It is important, therefore, that front office professionals know the fundamentals of management. This chapter is also useful to existing supervisors and managers of front office operations as a review against their understanding of management.

#### What is Management?

Management is the effective utilisation of given resources to achieve the enterprise’s objectives. The two keys terms are *enterprise’s objectives* and *resources*. All enterprises, whether commercial or not, have objectives. The basic objective of all hotels is to provide comfortable lodging services of international standards.

#### Objectives

Objectives are goals (on a long-term basis) or targets (on a short-term basis) to aspire for and achieve within given time frames. There are some generic objectives that all enterprises would generally like to strive for:

**Profitability** This is different from profit. Profit is the getting of money at all costs even if it has to harm the reputation of the establishment or short-changing the customer. Profitability believes that the customer deserves his or her basic due, having paid for the lodging



and services. Profitability is a good objective to have for any investor in hotel business otherwise he should not be in business at all. It encourages customers to come back.

**Growth** The next valuable objective of a commercial enterprise is growth. Hotels would like to see growth in the number of services, growth in customers, growth in revenue, growth in rooms and the growth of employees. Growth is essential to be healthy and prosperous. Stagnation will lead to the demise of the properties.

**Survival** This is an important objective. Any enterprise is subject to competition, which is trying to woo the customers and employees away from it. Today the customer has so many choices and tastes to try out something new. An employee today does not feel as loyal to an organisation as before. He will offer his services to the highest bidder. The survival against competition is an important objective. Enterprises have to survive government laws and conditions of business. For example, if a state brings in new taxes, the revenue targets would be severely hit. The decision then would be whether to increase the rates of room or bear the impact of taxes giving the guest the benefit in order to survive the new law.

**Image** The reputation of the establishment is very important for it to survive. Image in the service industry is very fragile and can be broken with one bad incident. Hotels are influenced by the word of mouth and bad publicity diminishes the confidence of guests in the property. Hotels are a popular topic of conversation in social gatherings because they are the social spots of a city and very personal to guests. It is here that guests sleep and eat when away from home. They trust the establishment to give them safe and healthy environments and products and will talk about it to others.

**Innovation** This has become the buzzword of all modern enterprises. Customers today are always looking for something new. Very few products and services remain the same. The mobile telephone industry and the camera industry, for instance, are innovating every six months. The hotel industry is not far behind. The turnaround time for service is reducing with technology and guests get instant service. People get experience fatigue too and want something new to challenge their experiences. Hotels offer speciality restaurants offering unique cuisines.



Hotels must try to bring innovation through food and beverage offering entertainment, promotions and décor. Traditional hotels have given way to floating hotels, rotels, matels, etc. each coming forward with innovations to meet guest requirements as well as give them new experiences. In this industry, the saying goes, "Innovate or die!"

Innovation also has made giant strides in the information technology industry. New software is able to process any possible information speedily and accurately. Some innovations in software are accounting packages, guest history, reservations, F&B controls etc.

Another expression of innovation is continuous improvement. Employees are now required to give suggestion constantly to improve products and services.

**Customer Service** The customer is the king. Unless an establishment places the customer as its central focus of business, it is going to die in the present global competition. Hotels must meet the changing needs and wants of the changing customer. Organisations have gone to great lengths to provide

customer service. They have created standardised greetings on the telephone; standardised smiles like Disney World who paint a smile on the staff mirror for them to copy. Restaurants have set delivery times like five minutes for beverage orders and twenty minutes for food orders. They have found ways to address guests by name as seen in hotel room-service order-taking software.

**Teamwork** Organisations have given emphasis to teamwork. Not only have they empowered frontline staff but have held teams accountable for performance. They recognise that a hitch in the service chain can affect the ultimate guest satisfaction.

While these are some generic objectives of organisations, each have their own set of objectives based on their current circumstances.

## Resources

The next key word in the definition of management is “resource”. Every manager has several resources, some of which are traditional and some new because of the changing times. Let’s take a look at what Peter Drucker, the management guru, called the “Ms”.

**Men** It is an archaic term for human resources. Women have come in a big way into the regular workforce, especially in the hospitality industry, and have justified this resource to be titled as “the human resource”. The modern world has brought into the working community other resources like those with different sexual orientation or handicapped people. The human resource is the key to food service operations and provides the cutting edge to it. The difference between physical products and facilities, have narrowed down. One hotel is just as good as the other in décor, space, entertainment etc. The distinguishing feature is the service experience provided by the employees of the hotel. As a critical resource, hotel managers are challenged to get the right employees with the right skills and competencies. Some countries have an acute shortage of skilled hotel work forces and have to resort to non-traditional sources of housewives; senior citizens; college students; etc. to man their services. Training to bring them upto international standards becomes a huge task. Then there is the challenge of fair wages. While most countries stipulate minimum wages, these may not be enough to attract the best talent.

**Materials** These are the capital and operational supplies that are essential to running a hotel. Capital supplies in the hotel industry include linen, cutlery, crockery, glassware, etc. Operational supplies would include stationery, commodities, perishable goods, guest amenities, cleaning supplies, etc. The software in computerised operations would come under this category. These items incur a cost and managers have to work under strict budgets.

**Machines** These are the equipment required to fulfil the objectives of the business. The engineering equipment, fire equipment, hot ranges, refrigerators, delivery counters, dishwashing machines, furniture etc. come under this category. These are expensive and come under capital items that require big budgets. The front office would have computers, printers, fax machines, photocopiers to fulfil their needs.

**Money** Refers to the capital budgets and operational cash flows required to fulfil the basic purpose of business i.e. to make money. The promoter of the establishment puts in the equity to start the operation in order that it may earn him a return on investment. Money also covers the operating funds to run the business on a day-to-day basis. It ensures funds flow for the purchase of supplies to do business.

While the above have been the traditional ‘M’-factors of the industrial age, new concerns have risen with the service age. These new concerns, also represented in ‘M’-factors, are:

**Metres** Refers to physical space to carry out the operation. We all know that land and building space are prohibitively expensive these days. It becomes a critical component of a balance sheet. Decisions whether to purchase or lease is critical. Space in the downtown is more expensive than in suburbs. Important decisions have to be made as to where to locate the operation and the probability of recovering the investment in space. In future, hotels are going to lease space to branded restaurants and other facilities. Leases are going to become a way of life for outlets. The challenge for all the managers is the effective utilisation of space. Shrinking space has done away with elaborate office cabins and the introduction of work stations. Downtown hotels have managed space by building upwards into skyscrapers. Shortage of space for parking has made hoteliers build downwards into basement parking. The fast food industry has been ingenious in the use of space to provide cooking and service facilities in confined spaces.



**Minutes** This underlines the significance of the time. Time has become an important factor for both businesses and guests. Wonderful windows of opportunities of investment and ideas are opening up and if the timing of response of the business to those opportunities is apt then that business will profit and be successful. Guests too have become time conscious and want products and services to be delivered on time. We have seen the success of fast-food operations and food courts for just this reason. They recognised that the modern consumer is on the fast lane and needs immediate service. Hotels have built in-room tea service to eliminate morning tea service rush of the room service. Guests also want instant reservations and quick check-in time.



**Minds** Peter Drucker had said that the only true thing that matters is knowledge. Harnessing the minds of the existing staff and attracting good talent is a big challenge. Organisations have given impetus to learning, and encourage their staff to give new ideas. Recruitment firms are challenged to get the right minds. We may think that there is a surfeit of unemployed people available. However, now establishments do not want just “warm bodies” as before, but those who have the right knowledge and skills. If innovation is the key to survival, then having a pool of creative minds is essential. This is the information age and knowledge has a premium attached to it.

**Methods** This is how things are done. Some of the key criteria in determining methods to deliver results are: timing, standardisation, quality, customer service and consistency. Another aspect of methodology is to remove bureaucracy in decision-making. It is for this reason that organisations have adopted flatter structures. The systems and procedures must be so designed as to respond to business environments quickly. Adaptation to changing scenarios is a challenge and can be achieved by flexible

systems. Establishments have employed computers to fulfil a lot of information and process requirements. Fast food chains have mastered standardisation of products and services.

**Measurement** There is a new challenge to measure quality and performance. Guests have become used to quality due to the technological revolution and expect the same from services. Just as the consumer expects a faultless car, television or washing machine, they expect a faultless service. How can service establishments ensure this? They adopt those processes which are encouraged by the International Standards Organisation (ISO) based in Switzerland. The ISO movement ensures to the customers a basic standard of service performance. Other establishments have adopted Total Quality Management enveloping everyone in the organisation towards quality. The earlier concepts of quality control or quality assurance is a *passé*. The measurement of performance, whether it is human performance, financial performance or equipment performance, ensures achievement of objectives on a consistent basis. Organisations now adopt methods such as the Management by Objectives, Balance Score Card or 360 degrees evaluation (see chapter 14, entitled “*Managing Front Office Human Resources*” for details) to bring about better people performance. Performance of finance against the opportunity costs of investment pose another challenge. Finance must bring good returns to the investor who can close shop and use the money in other lucrative avenues such as real estate or money markets. Equipment too has to show results in terms of low maintenance costs, longevity and consistent performance.



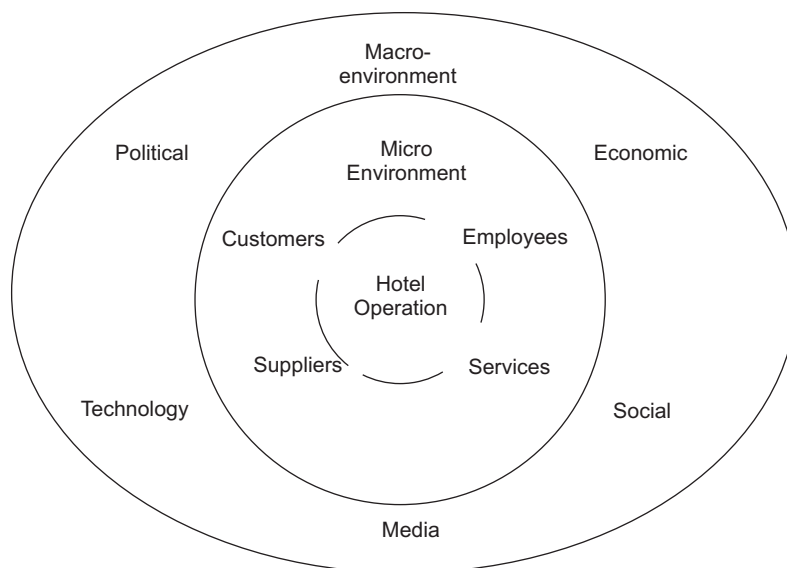
## Summary

Management then is the effective utilisation of resources to meet given objectives. The challenge here is that resources are never available in plenty. The workers' role is to manage with shortages and use creative ways to fill the gaps. For example, a bar short of appropriate glasses offered cocktails in coconut shells. Expensive crockery can be replaced with banana leaves when serving Indian food. Shortage of seats in restaurants can extend service to patios or cars parked outside. Creativity is limitless. The mind is the only barrier.

## Management Challenges in Hotel Operations

Any Hotel operation, whether independent or part of a larger chain, is influenced by internal and external factors. The diagram below gives an overview of such:

The external factors that comprise the **macro-environment** have to be respected to survive in the community it serves. Let us look at each:



**Political Environment** The local and federal government passes laws that affect hotel operations. There are laws that govern:

- Labour that includes minimum wages, grievance handling, working hours, annual leaves etc.
- Health and Hygiene that concern aspects of food poisoning such as food preparation conditions, storage conditions, hygiene of cooks and servers, etc.
- Safety that refer to fire hazards, cooking hazards that affect the cooking staff, safe eating facilities for customers, proper air circulation etc.
- Environment that refer to issues of pollution such as garbage disposal, drainage systems, etc.
- The recycling of materials including food, paper, bottles, cartons etc.
- Tax that help the government provide infrastructure.



**Economic Environment** This aspect certainly influences the success of business. The economic conditions of a region influence the buying power of the customers and also the cost of running the operation. Some issues that govern the economic state are:

- Rate of inflation and rising costs of raw materials, labour, fuel, insurance etc.
- Distribution of economic wealth
- Actions that stimulate growth and employment
- Disposable income in the hands of the public
- Regional development
- Sales instability including the peaks and troughs of business.





- Expansion or retraction of credit facilities.
- Interest rates on borrowed capital.

**Social Environment** This has a great impact on how the F&B operation runs to find acceptability and patronage of the target market. The social environment is influenced by:

- Changes in demographics e.g. emerging women workforce
- Business and ethics
- Who makes the decisions at home
- Convenience shopping like home delivery, take-away foods, fast foods,
- Growth in ethnic minorities demanding varied foods.
- Food habits.
- Religious restrictions like no beef for Indians or no pork for Muslims.
- Concern for healthy eating.

**Technological Environment** Technology is changing the way people work and has revolutionised work practices. The hotel industry has had its fair share of the impact of this revolution that has benefited both workers and customers. Some of the technological factors are:

- Mechanisation of work methods has greatly influenced operations. The photocopier has shortened time by removing the arduous task of having carbon copies of documents. In food operations, the microwave ovens and convection ovens have speeded preparation times.
- Information technology has influenced how information is processed. Front office software has eliminated maintaining Whitney Racks and the time to keep them updated. The telephone operator and room service order taker knows instantly of a new guest arrival as computers are all networked for information. Reports that earlier took several hours for a receptionist or night auditor are now churned out in minutes.
- Food technology has helped develop organic vegetables, increased shelf life of the food, introduced frozen foods and brought in meat and dairy alternatives.
- Future technology can bring in vast strides through virtual reality that permit guests to take virtual tours of the property including the rooms they will stay in and the restaurants that they will visit, in the comfort of their homes while visiting the property's website.



**Media** Media includes the press, travel writers, gourmet writers, television and radio etc. The image of a hotel is important to the success of the business. However, it's so fragile that one wrong news item can cause irreparable damage to the reputation of a hotel. A hotel stay is very personal to the people because every thing in a hotel has a direct impact on their personal well-being, be it the bed sheets they sleep on or the food they eat. The media can make or break an establishment because a negative news item moves around fast by the word of mouth. Some of the ways to get good publicity are:

- Special promotions
- Participation in environmental issues
- Set leadership in good community conduct by having ethical ways of doing business.

- Provide employment
- Adopting correct practices and procedures in the preparation of food.
- Concern for hygiene and sanitation and following local laws on the subject.
- Having a system of receiving guest comments and acting upon them.

The **micro-environment** which includes the immediate influences that impact daily work is a reality that all hotels have to take into account. The main factors of the micro-environment are:

**Customers** They are the reason for doing business. The customer is the king and unless the establishment responds to their changing wants and habits, it is doomed for failure. Some of the concerns for customers are:

- Their needs and wants.
- The amount they are willing to pay.
- Life style and habits
- Their health and safety
- Doing business ethically.
- Giving them value for money.
- Giving recognition and participation in the dining experience.

**Employees** Employees are the ones who fulfil the objectives of the organisation and create the customer experience. The food service industry has the following concerns for and commitments towards the employees:

- Availability of skilled workers.
- Fulfilling the requirements of unions and labour laws.
- Training of staff especially casual workers who are coming into this industry in large numbers.
- Motivation of staff to give the customer the perfect guest experience.
- Managing grievances.
- Providing career advancement.
- Turnover of staff due to competitive opportunities.
- Hiring multi-lingual staff to serve varied customers.

**Suppliers** They are a critical component of the business to deliver the raw materials of the right quality, quantity and price on a consistent basis to do business. Some concerns in this area include:

- Availability of reliable suppliers locally.
- Availability of raw materials round the year.
- Cost of imports of items not available locally.
- Unanticipated changes in cost.
- Freshness of perishable items.
- Increasing transportation costs.



**Services** The first are the *local government agencies* that represent the federal and local governments. They play an important role in any hotel operation. They are the ones who give permission to operate the business. Some of their influences are:

- Providing the license to do the business.
- Giving the license to operate restaurants and bars.
- Municipal authorities who provide power, fuel and water connections, building permits, sewage disposal and garbage removal services.
- Internal revenue that governs sales tax and income tax.
- Fire Department that control the fire prevention measures.
- Local police that approve parking, traffic flows and unethical behaviour. They also register company vehicles.
- Local authority that governs hours of operation.
- Health department that ensures proper health and hygiene standards in food preparation.
- Pension authorities for depositing the company's contribution to employee pension funds.



Other service providers are the *insurance agencies* that insure the premises against loss. They provide medical insurance, injury insurance to the staff and if the policy of the establishment permits, even life insurance. Outlets may even insure their important assets like lifts, air-conditioning plant, generators, company vehicles etc. *Banks* provide credit facilities, short-term and long-term loans, funds transfers, payroll administration (in some cases) and overdraft facilities. *Consultants* provide advice on gourmet, set-up, facility planning, interior design and décor, investment etc.

## Functions of Management

Management is a composite activity of different functions as given below:

**The Finance and Accounting function** Finance deals with the raising and deployment of funds. The role is to make the owner's funds productive and to invest it in such a manner that it multiplies so as to generate wealth. This wealth is then deployed in the improvement of the existing business or the creation of other businesses. Accounting is the process of recording the deployment of funds on a daily basis.

**The Human Resources (HR) function** The HR function is to recruit the right talent into the organisation and get the maximum productivity out of them through motivation and leadership. Motivation is achieved through fair wages, proper working conditions and by addressing their personal handicaps.

**The Marketing function** The marketing team provides professional expertise in understanding the market and the consumer segments. They identify the target segment/s and develop plans and actions to reach them, attract them and ensure they continue to return to do business. They also project the establishment as a responsible citizen of the society they operate in.

**The Information Technology (IT) function** IT is expected to introduce the transformation of processes from manual to computerised systems. IT department maintains those systems and help users to effectively utilise those systems for their own benefit as well as the benefit of the organisation.

**The Operations function** Operations is a joint term for the actual execution of what the business offers. Factory production of goods can be considered as operations while the organising and delivery of services in the service industry is considered operations.

**The Maintenance function** A team of professional engineers keep the entire physical premises in working condition to do business. This is through various services which include carpentry, mechanical, civil, electrical, plumbing and water. They also ensure that essential utility services like energy and water is available to do business.

**The Research and Development function** It is understood by now that an establishment has to always innovate to get a cutting edge over competitors. While manufacturing sector has well-defined research facilities, the service sector can have dedicated food technology research centres, or make continuous improvement as a way of life.

While all functions are important I have highlighted the marketing function as it is special to way business is conducted and revenue successfully achieved.

## Hotel Marketing

Many organisations have come up with the slogan that “Marketing is Business and Business is Marketing”. While this may be debatable, it certainly emphasises the importance of the marketing function in the success of business. It is with this intent that this topic is brought into this book. Everyone in an organisation must think like a marketing person. Everyone is a salesperson.



It is important to understand in the first place the difference between **marketing** and **sales**. Both have been used rather loosely, but are distinct in their objectives. Many definitions have been given to marketing, but for the purpose of this book, the one given in the British Institute of Marketing adequately surmises what it is all about.

“Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements”.

Another plausible definition brought out by the American Marketing Association is:

“Marketing is the process that facilitates an exchange of goods for money to the mutual satisfaction of both the producer and the consumer”.

The Chartered Institute of UK defines marketing as:

“The management process that defines, anticipates and supplies customer’s requirements efficiently and profitably”.

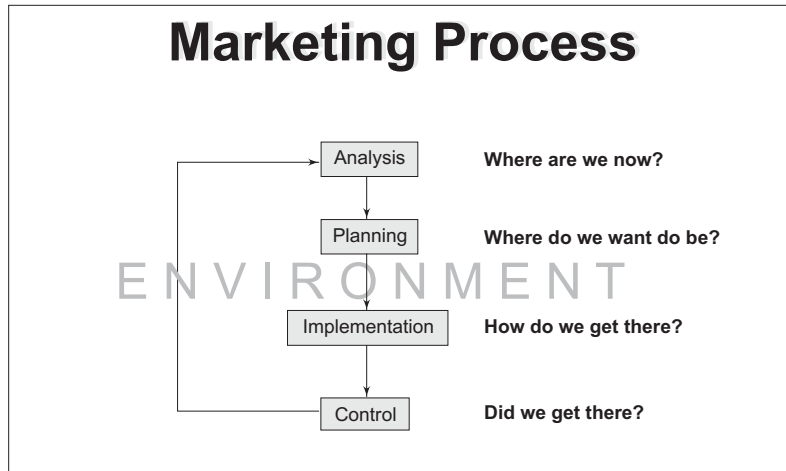
To put it simply, marketing involves all those activities that ensures a sale which is the final objective of marketing.

Then what is a sale?

A Sale is an exchange of goods for money. It is the end point of the marketing effort.

The Marketing philosophy places the customer and his or her needs at the centre of all business considerations. Marketing has come a long way since the product orientation, where the focus was on the hotel product only. The market lapped up products and facilities due to its uniqueness and shortage of supply. In product orientation, the emphasis was on design, ideal location, quality standards, lowering costs and pricing in a manner affordable to the public. Innovative tangible products introduced to the public like rooms with attached baths, hot and cold plumbing etc. in the early part of the century all went through a cycle of product orientation till such products became commonplace and made available by many hotel producers. This approach was alright as long as there was minimal competition and demand far exceeded supply. When competition set in, companies adopted the sales approach where products were aggressively pushed into the market by trained sales men and women. Hotels established sales departments with sales persons who visited market segments and pushed their properties and services. In the global world of present times when competition can come from any part of the world, it becomes essential to take a marketing approach where the customer is treated as a king. A customer today has many hotels to choose from. Similarly, the holidaymaker has an opportunity to go to any part of globe for a holiday due to reduced airline fares, quicker transportation and innovative packaged tours. A customer has attractive packaged tours to Cyprus, Singapore, and Egypt etc.

Against this backdrop of marketing, let us examine the wonderful challenges that it encompasses. Marketing responds to customer needs that have been detailed in Chapter 1, “*Understanding Guest Service*”. Human needs are essential requirements for human survival and well-being, while wants are the cultural expression of those needs. The marketing process is illustrated below:



We see that the marketing process asks four basic questions in the life of a product and service. This is a dynamic process that changes as the environment changes.

**Where are we?** This question is answered by market research.

**Where do we want to be?** This is answered by long range business plans.

**How do we get there?** This is accomplished by market plans that dovetail marketing efforts into long range business plans.

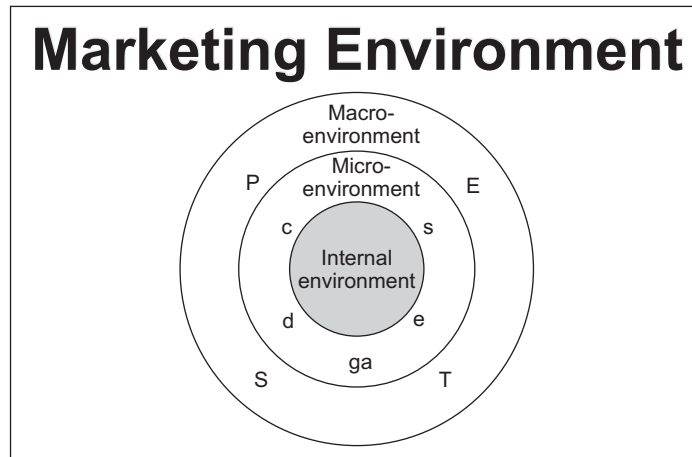
**Did we get there?** This is answered from business evaluation and customer feedback.

## Marketing Environment

Any marketing effort exists within an environment, a part of which is controllable but most of it is uncontrollable. What is the marketing environment?

Marketing environment comprises the internal and external forces to the marketing effort that impinge on the efforts of the establishment to develop and maintain successful transactions with its customers.

The diagram below graphically illustrates the concept of the marketing environment.



In the diagram, above we observe that an organisation is influenced by three environments.



**The internal environment** defines the mission, philosophy and objectives of the business within the capital it has. It also determines the skills available of the existing staff, capacities of equipment available and facilities that support the enterprise such as power, water and garbage disposable.

**The micro-environment** consists of the customers (c), suppliers (s), distributors (d), employees (e), and government agencies (g a). We have seen that customers are treated as a king in a marketing approach. It is they who decide the success or failure of a business. Customer needs and wants keep changing with the times and the enterprise is dependent on whether the suppliers and distributors can meet those changes or whether the employee's skills, attitudes and competencies are ready to meet new challenges. Big influences on any business are the government agencies that give licenses and support to the business. The health department is concerned with the hygiene and safety factors; municipality for garbage disposal, the provision of power and water; fire department



approves fire safety rules; environmental agencies are concerned with pollution and recycling; police department monitors ethical business practices etc. The approval of something as crucial as the building design is also done by the government bodies.

**The macro-environment** consists of the political parties (P), Economic factors (E), social factors (S) and technological factors (T). The macro environment is largely uncontrollable. For example, a state may announce new taxes that can impact on revenues. Prohibition of liquor can impact on food and beverage sales considerably. Economic status of a region can define whether hotels are looked upon as luxuries or essential facilities. Social factors can define whether we can serve beef or pork based on the religious beliefs of the society it serves. Technology has defined the speed of service through more efficient equipment and information processing. Technology is expensive. The customer will determine whether this cost is essential or not for the survival of the business.

### **Market Research**

The first step in any marketing effort is market research. It is a systematic collection, storage and analysis of information about the market. An owner of a property must understand the segment of the market s/he wishes to serve and thereafter, should try to understand its needs. The market (which is the collection of all customers) has several, segments, broken down in any conceivable way. **Market segmentation**, therefore, is the identification of subsets of buyers within a market who share similar needs and who have similar buying processes. Let us see some market segments. Geographic segmentation covers regions, cities and climate. Demographics, which is the study and statistics of population, throw open several possibilities. Take age, for instance. The market can be broken in school going children, teenagers, college students, young working adults, mature adults and pensioners. Within this, range can come the distinction of gender – male or female. There is a very important aspect of income levels and occupation that influence purchasing power. Then there is the psychographics of each segment, which comprises the attitudes and lifestyle they follow. Market segmentation by behaviour examines such issues as loyalty, attitudes towards products, benefits they seek etc. These are just some of the aspects of market segmentation. The marketer is required to narrow down the field from the greater market and come to a profile of the customer that he wishes to serve. The marketer gets a mix of customer attributes that is complex yet focused. For example, a downtown hotel located in a busy commercial district may consider its market as the business and corporate community, within a certain range of income, who want quick access to business offices. The hotel investor creates the hotel to satisfy just that customer profile. He will provide a business centre within the hotel, have restaurants worthy of lucrative business entertainment, provide quick telecommunication facilities in rooms etc. There is a greater degree of success with this approach than opening the hotel to all segments when nobody is really satisfied. The common belief among marketers is that good marketing does away with having to sell aggressively. If the customer profile is well-defined, the customers will come to the establishment. This fine-tuning of customer focus is brought about by market research.



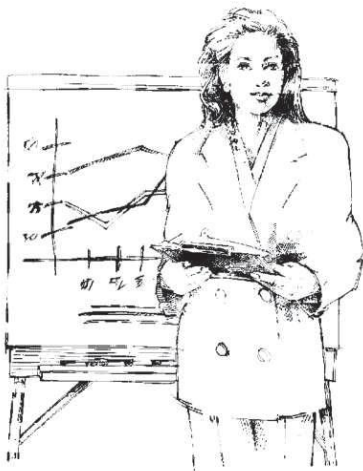
In market research, there are two ways to collect information – primary sources and secondary sources. **Primary sources** are those that are got from the market through door-to-door interviews of guests. Such interviews are first hand and most reliable. The **secondary sources** are those where information is got from published material such as newspapers, government publications, professional trade magazines, web, educational establishments and libraries and existing research papers, reports and publications.

While understanding the subject of market research, we should not forget the importance of market intelligence. Market intelligence is the informal information got from competitors, employees, customers, suppliers etc. about the market. Such information generates intuitive responses to various market conditions.

From the information gathered from market research and market intelligence, come the analysis and marketing plans.

## Marketing Plans

Philip Kotler, the famed management guru defined marketing plans as: “The managerial process of developing a viable fit between an organisation’s objectives, skills and resources and its changing opportunities, to shape and re-shape the company’s business and products so that they yield target profits and growth”. There are different types of marketing plans:



- **Strategic Plans** that that cover periods over five years.
- **Long-term plans** that cover periods between three to five years.
- **Short-term plans** that extend up to three years.
- **Annual Plan** that defines actions for a year.
- **Tactical plans** that respond to immediate changes in the environment.

All plans would set the objectives, strategies and tactics of powerful marketing tools called **the marketing mix**.

**Marketing Mix** All marketers have a great tool called the marketing mix. Marketing mix constantly engages in fashioning creatively a mix of marketing procedures and policies in an effort to generate a profitable enterprise. They are expressed as the five ‘Ps’ given below:

**Product**

**Price**

**Promotion**

**Place**

**Packaging**

With the growth of the service industry in its entire dimension, marketing pundits have created another three ‘Ps’ that improves the marketing effort:

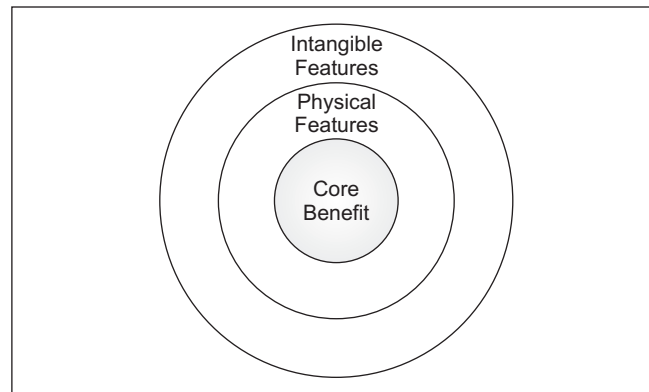
**Process****Physical Evidence****People**

Let us look at each in detail.

**Product**

Any product has several layers well-demonstrated by the diagram below:

**Levels of a Product**



We see from the diagram above that a product has several facets that a customer consciously and unconsciously evaluates. There is the core product and the benefit it gives, the physical features that convert the core product into a desirable product and finally, the intangible dimension that is often not expressed by the customer but is, nevertheless, important to the total experience.



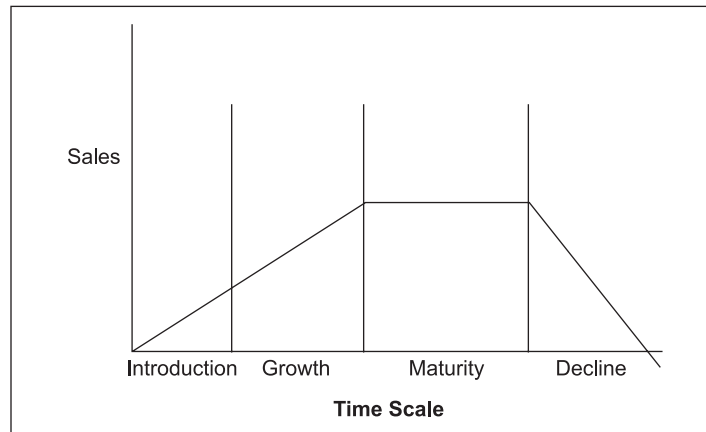
**Core Benefit** is the basic need of a customer that a product satisfies. Let us take a guest room for example. The core benefit of a room is to satisfy a basic physiological need of a shelter. The shelter must have a bed, bathroom and locked doors for privacy. This core benefit is translated into the physical features based on wants, which is the

cultural interpretation of the need. So Europeans may want a bathroom with bath tub while an Asian may get satisfied with showers.

The **Physical Features** of the need translates into the type of room, its décor, and the facilities in the room.

The **Intangible Features** of the room could be cleanliness, safety, privacy and sanitation standards.

**Product Life Cycle** Another aspect of the product is the product life cycle. Any product, whether it is a hotel or a guest room or service style has a definite end. From the time a product is introduced to the market to the time it dies in the market, it goes through four stages of introduction, growth, maturity and decline. The illustration below depicts this concept:



At the **introduction stage**, sales are low and therefore, profits are low. This is because customers are not aware about the product. A lot of budget is spent in creating this awareness through advertisement and promotion. Some hotels may offer special room discounts as introductory offer to get customers to try their property. Customers resist change and would need some strong reasons to change from established practices. This is the stage when the product with its core tangible and intangible elements must appeal to customers to convince them to change. Competitors may either watch and wait for the progress of the new enterprise or counter vigorously to retain their customers.

The **growth stage** sees improvement in sales and profitability. This is because there are early adopters who influence others to join. The establishment gets repeat customers. The discounted prices may remain or marginally increase by offering added value to services initially leading to price increases to offset the high costs of promotion in the introductory stage. The promotion costs need to be marginal or sometimes high to sustain growth. The total product experience has to be at high quality standards fulfilling the core tangible and intangible needs of the customers consistently. The owner may think of diversifying into new segments by offering variations to the menu offer. This is the time that competitors wake up and counter the success of the establishment with their own innovations and strategies.

The **stage of maturity** stays longer when revenues plateau. This means that sales do not see any growth. The establishment would then make alterations in their segment strategy or change the product offer to give a new life to sales. It is possible that competition has become very fierce and survival is based on innovative strategies. One of the strategies could be in discounts and special promotions or a complete renovation of the property.

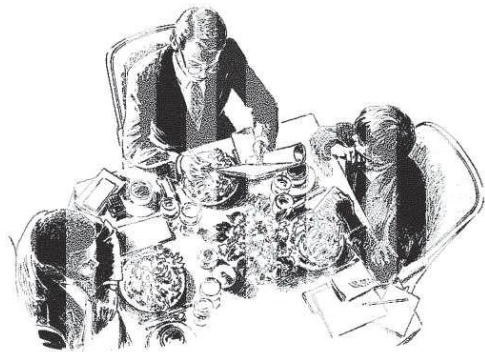
At the **decline stage**, sales dip and costs of operations become high. The owner may employ cost cutting methods or sale of the property unless he converts the property into a brand new product altogether. The owner may have the option of selling the property to another investor to recover money from real estate appreciation.

**Product Positioning** Product positioning is used by a company to distinguish its products from those of its competitors in order to give it a competitive advantage within a market. A hotel can be positioned as up-market, medium priced or budget. The criteria for positioning would include:

- Benefits or needs of the customer that is satisfied.
- Specific features of the products and services.
- Customer usage occasions, whether for business, transit stay, long-term stay etc.
- Customer categories to include demographic factors.
- Positioning in relation to other competitors.

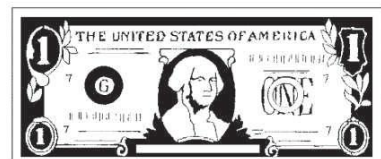
Product positioning is achieved through product differentiation from other competitors. Strategies for differentiation are:

- **Branding** is the process of giving a name to a product and protecting it against intellectual property rights. The product has to be unique in its features, facilities and service. This strategy is possible if the property has achieved universal appeal. The challenge lies in ensuring consistent standards of the product and service. Another way is to seek a franchise with established chains like Intercontinental Hotels, Sheraton, Ramada, Holiday Inns etc. These chains will transport their standards into the hotel features and service. Many investors have opted to this route as these chains have achieved universal acceptability and possess vast budgets and reservation systems to promote the property world wide.
- **Quality** has to be consistent with the range it has been priced at. People want value for money, meaning that they expect more than the value of the product, in their perception.
- **Pricing** immediately sets apart the customers in terms of their income level and purchasing power.
- **Defining customer needs.** Some hotels can define their operations to the specific customer that they wish to cater to. A hotel can claim to serve the business segment, conference segment, family holiday segment etc. There is no ambiguity then in such a case as to who the hotel caters.
- **Identity** is created by extraordinary factors that are associated with the hotel. The Taj Group got their identity with the association with the Taj Mahal while Welcomgroups chain got their identity with Indian dynasties such as the Maurya, Chola and Mughal. The Oberois created their identity as pioneers in hotel-keeping in India.



## Pricing

Pricing is a crucial component of hotel marketing as it directly relates to profits and profitability. Pricing is supposed to fulfil one fundamental objective. It should cover direct costs, contribute to



overheads and leave a reasonable profit margin to the investor. If this is not satisfied, then one might as well stay out of business. Price has a direct relation to quality. Higher quality products attract higher prices while lower quality products can afford to have cheap prices. The challenge then is what quality to pitch at. The answer lies in market research that tells the market segment one wishes to serve. The quality and pricing strategy then should be able to reach that market segment. The diagram below gives a quality/price matrix, which is a good guide to pricing strategies.

		Pricing Strategies			
		High	PRICE Medium	Low	
QUALITY		PREMIUM STRATEGY	PENETRATION STRATEGY	SUPERB-VALUE STRATEGY	High
		OVERCHARGING STRATEGY	AVERAGE STRATEGY	GOOD-VALUE STRATEGY	Medium

An owner may set his pricing strategy according to the type of hotel, its location and market segment he wishes to serve. For example, a downtown hotel located in a busy commercial district where price of property is high may adopt a premium strategy where the physical property and services meet the rich business segment. It would define its customers as corporate business people who wish to have access to the business district easily. A motel located on the highway may adopt a good value strategy of pricing that is accessible to the budget traveller's pocket. If one had to look at the product life cycle discussed earlier, an owner may adopt a superb-value strategy at the introduction and growth stage, followed by the penetration strategy at the mature stage. At the decline stage, he would gradually reduce quality and product range adopting a cheap-value strategy till such time he comes up with a new product offer again.

## Promotion

Promotion is a mix of communication concerned with informing the market about the establishment's products and services and persuading them to buy them. The tools available to a marketer to promote products and services are:

- Advertising
- Merchandising
- Personal selling
- Sales promotion
- Publicity
- Public Relations

While personal selling and sales promotion has been covered in detail in subsequent chapters, we need to understand how we advertise, gain publicity and how to effectively do public relations.

**Advertising** has been defined by the American Marketing Association as any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.

The objectives of advertising are many:

1. To create awareness of a product or service. If a hotel introduces a new family package, it needs to make people aware of this new innovation, which they can do through advertising.



2. To create a desire for the product. Customers must be motivated to try the product through trial offers which include special discounted pricing or free services like a city tour or free breakfast along with the room price.



3. To persuade customers to buy the products and services by instilling confidence in their choice of purchase.
4. To influence the attitudes of customers towards the product. An establishment would like to perhaps focus on cleanliness, safety or convenience and safety etc. the aim is to get the customer to come back over and again.
5. To create a brand loyalty much like what the famous chains of the world have done. Such brands are so strong that they are synonymous with consistent quality standards.
6. To convince a customer to prefer the products and services over competitors. This is by re-enforcing the added benefits that one has over competition.
7. To remind customers of products and services. Customers are exposed to many choices everyday and the memory can be short. Repeated reminders help them stay focused on ones products and services.
8. To provide information about a product such as new researched findings like nutrition, safety or the like. This is a method of reassuring the customers about the product and services.
9. To show the establishment as being good citizens of society. This they do by being ethical in their dealings with public or by participating in some social concerns like environment, recycling, community service etc.

**Methods of Advertising** There are many techniques employed by establishments to advertise. The most common technique used is advertising in *newspapers*. The advantage of this media is that it covers everybody. The disadvantages are that this media is expensive; it is not selective to the targeted segment; the advertisement gets lost among the host of other advertisements and competes with the news for attention. A better method in the use of media is to advertise in *magazines*, especially those that reach the target segment. So, if women are the targeted readership, the women's magazines would be most appropriate to advertise ones products and services. The advantage of this media is that it targets the market and visuals can have a nice glossy presentation. It is a very expensive method however, as publishers recover there expenses through advertisements in their magazines. **Direct mail** is the best as it targets the market specifically. The challenge of course is to get the addresses of those target market members. A considerable amount of advertisement budget is spent in buying mailing lists. However, the direct mail can be done with attractive leaflets and personalised letters. Advertising in *trade magazines* reach those in the trade like suppliers, tour operators and travel agents. **Radio and television** are very expensive methods. Radio has a limited radius of audience but makes an impact with



music and personal messages. Independent operators will reach their target markets if they are serving local populations mainly. The greatest advantage of television is its visual impact. Television is used by chain hotels and restaurants that can distribute the high costs of television advertising throughout the chain. It is impractical for independent operators. **Cinema** advertising through slides is very useful as those going to see movies are the ones who are captive to the visual. **External hoardings** are another method useful to hotels hoping to capture the travelling public. Hoardings on highways are very useful to inform and attract motorists to the next motel. Hoardings can be missed too when motorists are driving. The best positions would be at traffic signals or petrol stations where motorists pause a while. **Posters** are another external way of advertising. These can be put at strategic places like theatres, malls, elevators, lobbies etc. They are less expensive, can be visually attractive and are welcome by the selected property owners as they add colour to the surroundings.



**Merchandising** is another form of promotion specially positioned at the point of sale. Unlike advertising, it is not a paid form of promotion. Merchandising in the food service business may come in the lobbies of hotels that lead to the restaurants of the hotel or within the restaurant. It is a way of stimulating captive customers to try some of the products and services. There are many ways to merchandise. Attractive **transparencies** in lobbies with lighting behind the transparencies greatly improve the visual impact. The transparencies can be shot in attractive angles and colours to stimulate the senses. Transparencies and **posters** may be displayed at foyers to elevators and the elevator walls themselves. Fast food restaurants have successfully used transparencies to attractively display dish presentations positioned above the cashiers counter. **Floor stands** are positioned in strategic places in lobbies and foyers to

announce forthcoming events. A popular use of floor stands is outside the restaurant door itself. Some display their menu while others may promote a food event. Within the restaurant, the **menu** is a wonderful piece of merchandising. Menu presentations have been adequately presented in Chapter 4, “Reservations”. **Clip-ons** are additional cards clipped onto a menu card to announce the *dish-du-jour* or house specials. They have the benefit of being changed everyday. **Tent Cards** placed in the room dresser can advertise restaurants and bars of the property. One placed on the TV can promote TV meals through room service. Tent cards placed in the bathrooms can promote the health Club, beauty salon or barber



shop as people face the mirror and are most critical of themselves. **Physical displays** of food like the buffet, wine displays in restaurant or pastry and hors d'oeuvre trolleys are excellent and effective methods to promote food and beverage within the restaurant. The guéridon trolley is a dramatic food promotion when food is prepared beside the table with fanfare to stimulate others to try it. Grill rooms have **open kitchens** where food preparation can be seen by guests thereby greatly enhancing the promotion of food.

**Public Relation** is the communication process both informal and formal, with the purpose of advancing the establishment's image with the relevant public. PR may be done internally with guests and is known as **guest relations**; and with employees known as **employee relations**. External public relation is with the media, government and community at large. PR has basically three main functions:

- To solve problems and troubleshoot negative image. There are times in the life of any commercial enterprise when negative publicity arises due to customer complaints, community objections or in falling short of government controls. It is the responsibility of the person in-charge of public relations to negate and correct such negative image.
- To consistently promote a positive image so as to foster confidence of the concerned public in the establishment. This is aimed mostly at the media and the community.
- To facilitate the smooth processing of procedures with the government to get necessary approvals for running the business.

Public Relations may be done in many ways:

- **Personally** by developing contacts with influential people in the media, government and community. An establishment may employ a public relations person. Owners of independent operators may take on this role personally as one of their main objectives. There are also public relations agencies that specialise in such activity against a fee.
- **Media management** by constantly informing the press, publishers of travel and hospitality magazines, radio and television, through press releases or promotional videos, of special events and features of the establishment.
- **Local community** by participating in events that are of concern to them. For example, the establishment may participate in a "Cleaning the Beaches" exercise to show their concern for the environment. They may give free talks to school and college students on matters of health, hygiene and nutrition to promote healthy living. The establishment may contribute money to events organised by the community.

**Publicity** is any free news coverage received from the media. Establishments achieve this by inviting the media to special events sponsored by the establishment; sending press releases and promotional material with the hope of getting press coverage; participating in community events that the news like to cover; creating news-worthy events like inviting a celebrity or government official; and inviting travel writers to try the products and services of the establishment so that they may write about them.

**Place** "Location, location, location!" has been the chant of the hotel and restaurant industry for decades. The belief was that business would automatically take



place if the establishment was positioned close to the segment it served. Business hotels, therefore, located themselves at downtown commercial districts, while airport hotels located themselves within the precincts of the airport. Similarly, motels located themselves on highways and resort properties at natural and manmade resorts. Hoteliers located coffee shops off the lobby while night clubs on the roof top with its spectacular views. Chain hotels physically distribute their properties in locations that promise good business in the form of either leisure or business purposes. Chain hotels like the Intercontinental, Sheraton, and Hyatt etc. have been successful with such a strategy worldwide to give a service to the frequent traveller to coax him to be loyal to their chain. Loyalty is assured through assured standards of physical facilities and service.

### **Packaging**

Packaging as a marketing tool has played a great role in traditional consumer goods and industrial products. While the desire to buy is also influenced by the attractive packaging they come in like perfumes, and DVDs, industrial packaging have gone to great lengths to keep their products free from damage while in transit. Expensive machinery would need such packaging that would keep them safe from rough handling, heat, humidity, rain etc. This concept is carried to the hotel industry as well. Wines and spirits are packaged in attractive cartons ensuring in the internal packing that they are safe from breakages in transit. Canned and bottled foods are also dependent on packaging to ensure that the items have long shelf lives. In a broader sense, the décor of a hotel or restaurant, the uniforms the staff wear and the way food is presented on a plate or dish are extension of the packaging concept. Packaging has expressed itself in tour packages by tour operators; pricing plans that package room and meal options; Resort packages that include stay, meals, tours etc. Basically the packaging must attract the customer to try the products and services.



With the growth of the service industry, marketing pundits have brought in three more 'Ps'—Processes, Physical Evidence and People. Let us understand each of them.

### **Processes**

Processes are those procedures, mechanisms and flow of activity that ensure consistent standards. We must understand that service is provided by people and that the service experience, therefore, is dependent on the server's skills, motivations and attitudes. Since each human being is different, the service industry is challenged as to how to bring about common service standards that customers can expect consistently without fear or apprehension. The hotel and restaurant industry has developed procedural manuals for practically every process. These procedural manuals are the backbone of operations. Take fast food operations, for example, which display transparent pictures of each dish they serve. This is a promise and the customer expects to see that promise when they receive their platter. This promise is possible only through standardised processes. Restaurants have fine tuned their procedures of receiving a guest, seating him, presenting the menu, service of food etc. Since service is so variable, the industry is trying to avoid fall in standards by introducing automation. So coffee machines give guests a consistent supply of coffee or peg measures an equal measure of drinks each time. The procedure for taking a reservation ensures that the reservation agent asks those consistent questions that convert a reservation request into a confirmed

reservation. Procedures include checking the room availability and informing guests if they are waitlisted. How they will settle their bills is also built into procedures.

### **Physical Evidence**

Service is an intangible thing. It is an experience. People want proof of such intangibles as they are comfortable with things that they can relate with their senses like sight, smell, hearing, touch and taste. Let us take an intangible concept like hygiene. A claim of the establishment is not good enough that they have high standards of hygiene and sanitation. Claims are just empty words. Customers want to see the physical evidence of this. A front office agent who is well groomed and wears a clean uniform is something that the customer can see. A clean front desk area or a stainless registration form is another proof. A drinking goblet that is stainless in a guest room is a proof of hygiene. Freshness is another intangible. A customer can experience freshness by the freshness in the air of the establishment, the freshness of the food they eat in the restaurant or the freshness of bed and bath linen are all examples of physical evidence. How often have we been attracted to the smell of freshly brewed coffee or hot breads? Sanitation signs across toilet seats or on water goblets in rooms are examples of giving physical evidence. Menu Cards are a very strong medium to give evidence about the products, services and their promise. Physical evidence in services is, therefore, the process of making tangible the intangible. Some of the intangibles that need to be made tangible are suggested in the table below:

Intangibles	Strategies to Make Tangible
Comfort	<ul style="list-style-type: none"> <li>• Ergonomics in room beds</li> <li>• Ambient room temperatures</li> <li>• Service staff speaking in low tones</li> <li>• Sound absorption of environment</li> <li>• Elimination of noise from the corridors</li> </ul>
Emotional security	<ul style="list-style-type: none"> <li>• Being received at the entrance</li> <li>• Being called by name</li> <li>• Being explained the hotel policies</li> <li>• Being alert to customer's needs</li> <li>• Presenting the check in a folder</li> <li>• Not hanging around for tips</li> </ul>
Hygiene & Sanitation	<ul style="list-style-type: none"> <li>• Personal hygiene of staff</li> <li>• Spotless glassware &amp; linen in rooms</li> <li>• Polished furniture</li> <li>• Handling glasses and cutlery by the base</li> <li>• Clean merchandising in rooms</li> <li>• Clean guest toilets and the smell of detergent</li> </ul>
Safety	<ul style="list-style-type: none"> <li>• Well-maintained furniture</li> <li>• Sprinkler systems in rooms</li> </ul>



	<ul style="list-style-type: none"> <li>• Fire exit doors on floors</li> <li>• Double locking doors</li> <li>• Voltage signs in guest rooms for hairdryers and electric shavers</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>• Response on telephone when making reservations</li> <li>• Being prompt to every guest need</li> <li>• Knowledge of hotel policies</li> <li>• Timeliness of service</li> <li>• Response to mishaps (guest needing medical attention in a room)</li> <li>• Response to guest objections</li> <li>• Energy of all staff</li> </ul>

These are just some intangibles. There are many more important ones like quality, care, friendliness etc. Each need to be identified and made tangible through the products and service.

## People

The people who work in the service industry are the back bone of the service. It is they who give the service, especially the personal touch that automation cannot. The hotel and restaurant trade, like other service-based industry, is skill based where people convert their skills into their livelihoods. Some make those skills into an art form like the bartender and his art of mixing cocktails; the housekeeper who prepares the perfect room; the flambé expert who makes meals beside the table with fanfare; and certainly the cooks who spearhead the dining experience with their art of cooking. The hotel industry has recognised the importance of the people who work in it and have given a lot of importance to recruitment, training and career development.



**Note:** In recognition of the importance of people, the author had written a paper for the Caterer Magazine entitled “*People as a Marketing Proposition*”. This has been reproduced as it is relevant to any student of hospitality marketing.

## Summary

We have seen that management is a process of utilising resources to meet business objectives. Resources are always in shortage and therein lies the challenge of managing. Each resource presents sets of dynamics that have to be professionally dealt with. Every organisation must know the direction they are going, to be in business. This is actualised through objectives. Objectives are set at different future periods and plans are devised to set out actions to achieve those goals. Marketing is a critical function of management. To understand it is the way to do business.



## People as a Marketing Proposition

It has been extolled that people are a critical factor in the service industry. With the prediction of the futurist Alvin Toffler in his book *The Third Wave*, that society is moving into the service age, we need to look at 'people' who are fundamental to services such as those offered by hotels. So far, a lot of original good work has been done in the hotel industry to develop such human resource systems whereby people are motivated and developed for higher potential. However such efforts have always been confined within each hotel or hotel chain. Today's hotels tend to market their physical product, facilities and services promoting their features to the consumer. The purpose of this article is to stimulate some thought on looking at people as the marketing proposition to the customer.

The traditional marketing mix have been the four 'Ps' i.e. Product, Pricing, Promotion and Place, in which packaging and selling are also included. Marketing pundits have brought out three additional 'Ps' exclusive to the service industry. Which are People, Processes and Physical Evidence? This paper is attempting to highlight the People and seeing their significance in the traditional marketing mix. The proposition is as follows:

### 1. People Product

We know that tangible products have tangible and intangible attributes to a customer, at the time of purchase. Therefore, while Avon lipsticks are marketing a fashionable product, the intangible that is marketed is "Hope". Similarly, the Lux soap while marketing a well designed scented and packaged cleaner, the intangible that is purchased is "Beauty". What we are seeing is that the tangible aspect of a product highlights features, while the intangible highlights benefits. Transporting this idea to people as a product there are tangible and intangibles we need to consider. The tangibles are the physical attributes and features that appeal to the senses, such as grooming, personal hygiene, skills etc. The intangibles and therefore the benefits that are offered are efficiency, security etc. My recommendation is that progressive hotels could consider promoting the people intangibles. Advertising slogans could read, "Come to our hotel, our staff will take care of your needs", or "our business staff are most efficient".



We all know that in marketing one must take care of customer's needs and wants. These are amply researched in terms of the physical product. Have we ever researched into the customer needs and wants regarding the tangible and intangible aspects of hotel staff? To achieve a customer orientation one needs training and development approach from pure mechanistic skill orientation to human sensitivity. For example, a lady executive once arrived by a late flight and checked into the hotel and had an important meeting next morning. She needed a hair dryer. The answer she got from the receptionist was, "I am sorry madam, and the beauty parlor has closed at 6 p.m." The receptionist response was not wrong from a mechanistic trained response. If the receptionist was trained in a human sensitivity point of view, she would have been sensitive to the guest's need and found ways to provide her with a dryer. Futuristic training should also include creative training for front line staff to generate several alternatives to solve a guest problem. On spot customer research through feedback could give cues into the psyche of customers so that we can provide them the intangibles they are looking for.

## 2. People Pricing

The pricing of goods is broadly done by totalling the raw material costs, conversion costs into finished product and a profit to arrive at a selling price. In people pricing too there is an input cost of recruitment, a conversion cost of training, plus their value to the organisation. The organisation must build this cost in their pricing of menus and room rates. The customer must be willing to pay for the perceived value of services offered by people.

## 3. People Promotion

When we see advertisements and promotions of hotels, what comes upfront to the customer are special cuisines, golfing facilities, renovated rooms, business centres etc. Most hotels offer similar services and the quality of such services are marginally different. What could be a deciding factor to a customer is the kind of people that are bringing such facilities alive. The customer does not find the answer about the people that serve him. He learns through trial and error which can have a long lasting effect on his future decisions. What he would like is some evidence of the quality of human resources that will serve him before he actually experiences them. Here is the opportunity for hotel and restaurants to promote their people.



The New York Sheraton permitted its Executive housekeeper to send letters on her own personal letterhead to all the regular clients inviting them to try out the newly renovated rooms and expressed her desire to personally welcome them. The hotel had put her upfront with the customers giving them the impression that the hotel had full confidence in their staff and did not mind a personal rapport of the 'non-marketing' employees to interact with the customer. Similarly some hotels promote their Chef as a marketing proposition rather than the food. Hotels earlier displayed their best employees of the month on the staff notice board at the back of the house. Today many hotels have brought their staff achievers photographs into their lobbies for all guests to see. This gives the guest the confidence in the people that are serving them.

Packaging is an independent field of study and often considered the fifth 'P' in marketing. A lot of money has been spent on packaging of traditional goods and customers are barraged with attractive packages on shelves of supermarkets and shops. Employees too can be packaged in a manner that makes them the unique proposition for the hotel. While uniforms, grooming and personal hygiene are physical elements of people packaging there are other intangibles that can be packaged into physical evidence of intent. The Sheraton Management Corporation had developed a multi-million dollar personalisation programme which highlighted three attributes:

1. All employees must wear a smile.
2. All employees must greet the customer whether meeting them formally or casually.
3. All employees must take responsibility for any query of a guest and convert it into action. Therefore, a maintenance engineer working on a bulb in the corridor would respond to a customer query about bar timings and if he did not know, would find out the timings or lead the guest to someone who would know the timings.

The employees in the Sheraton experience were all packaged to respond consistently on the belief that this would be their cutting edge proposition in service.

#### 4. People Place

The positioning of employees in a hotel is done by the management. Have we ever asked the guest where they would like some hotel employees positioned? For example, we often enter a restaurant and have to wait a few minutes in discomfort before being attended to. The guest would like to have someone at the door to receive him. The restaurant management would then have ensured that a hostess was always available at the door. Perhaps reservationists can be positioned at source markets or airports? Or Security Guards on each guest floor?

In a world of growing service orientation, it is time that hotels make their people the unique marketing proposition.

#### Key Terms

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<b>Advertising</b>	any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.
<b>Branding</b>	giving a product or service an identity
<b>Macro-environment</b>	external forces that influence a business
<b>Market</b>	place where consumers of goods and service are situated
<b>Marketing</b>	the management process responsible for identifying, anticipating and satisfying customer requirements
<b>Marketing Environment</b>	the source from which business is obtained
<b>Marketing Mix</b>	tools of marketing
<b>Marketing Plan</b>	a blueprint of marketing action
<b>Marketing Process</b>	methods used to execute a marketing plan
<b>Market Research</b>	a study of markets
<b>Merchandising</b>	point of sale advertising
<b>Micro-environment</b>	internal forces that influence business
<b>Objectives</b>	aspirations for achievement in the long and short-term
<b>Packaging</b>	physical presentation of a product or service
<b>People</b>	the human resource
<b>Physical Evidence</b>	proof of claims
<b>Place</b>	location
<b>Processes</b>	methodology
<b>Product</b>	tangible good
<b>Product Positioning</b>	the placing of a product in the customer's mind
<b>Product Life Cycle</b>	the introduction, growth, maturity and decline of a product
<b>Pricing</b>	the process of setting a price of a good or service

<b>Publicity</b>	unpaid form of promotion
<b>Public Relations</b>	deliberate effort of influencing the public, media and the government
<b>Resources</b>	tools available for doing business
<b>Sale</b>	an exchange of goods and services for money

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## Review Quiz

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### Write short notes on the following:

1. What is management?
2. What are objectives? What are the common objectives the an enterprises sets?
3. What are the resources available to a manager? Give a short commentary on each.
4. Explain how physical space has challenged business.
5. What are the challenges in the measurement of performance?
6. What is the difference between marketing and sales?
7. What is the marketing process? Explain.
8. Explain the various pricing strategies.
9. What are the different methods of advertising?
10. Why do we do public relations?
11. Write brief notes of Processes, Physical Evidence and People

## 2.2 PRINCIPLES OF MANAGEMENT

### Introduction

Principles are fundamental statements providing a guide for action. They are not prescriptive but predictive, based on past experience and good practice. The functions of management have incorporated such principles, which are suggested and can be interpreted in any way by a manager as dictated by his or her circumstances.

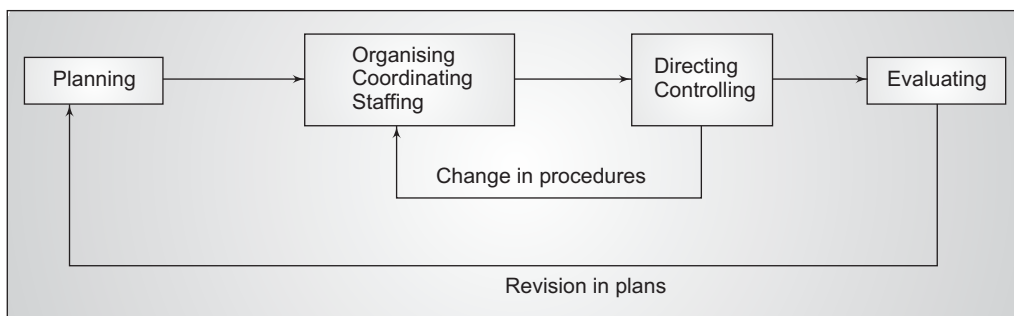
### Basic Management Functions

The basic management functions are:

- Planning
- Organising
- Coordinating
- Staffing
- Directing
- Controlling
- Evaluating



These functions unfold in a sequence that improves upon itself as shown in the figure below:



Let's look at each function in detail:

### Planning

Planning is the management task of preparing objectives, strategies and programmes of action. Plans involve being aware of present environmental changes, internal resources, strengths and weaknesses, plans of action and forecasts of performance.

Planning involves **four phases**:

**Phase 1:** Gathering relevant information from external and internal sources.

**Phase 2:** Evaluating and matching resources to external demands including guest expectations.

**Planning Ahead**

**Phase 3:** Developing a blueprint of action.

**Phase 4:** Setting goals and committing resources.

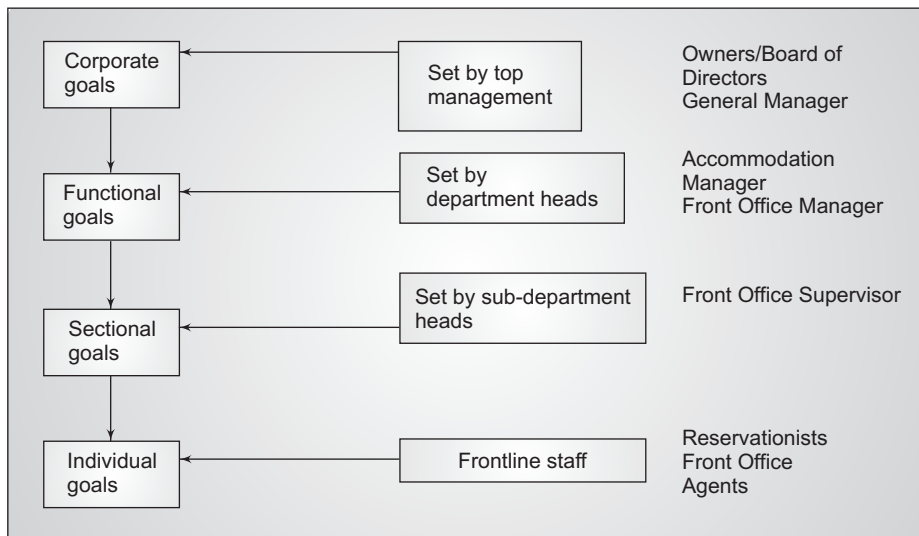
- There are four different **types of plans**:

<b>Perspective Plans</b>	10 years
<b>Long-term Plans</b>	5 years
<b>Short-term Plans</b>	3 years
<b>Annual Plans</b>	1 year

Most organisations are comfortable with short-term and annual plans. These plans set detailed objectives and strategies within the generic objectives as detailed in the previous chapter. The planning for a particular year is normally finalised by the end of the previous year. Plans coincide with the financial year. Some organisations have their financial year 1<sup>st</sup> January to 31<sup>st</sup> December, while others follow 1<sup>st</sup> April to 31<sup>st</sup> March of the next year. Plans must coincide with the financial year as most plans relate to the return to the investor.



- Plans set **objectives** and goals. There are corporate goals, functional goals, sectional goals and individual goals. This is thematically described below.
- Planning involves **gathering information** for decision-making. Information must be preferably numerate performance data like occupancy, average room rate, sales achieved, seasonal sales, percentage of guest comments, new innovations compared to last year, competitive analysis, market analysis etc.



- Plans are most effective with **employee contributions**. Guest contact and floor personnel know exactly what goes on at the operational level.



- There is no such thing as the perfect plan. The market environment is dynamic and keeps changing. Plans must be **flexible** to take these changes into account.
- Plans are not academic exercises that stay on paper or in bottom drawers. They must be **implemented**. Progressive organisations review plans periodically. Some do them quarterly, bi-annually or annually. The more the periodic review the better are the chances of plans being successful.

## Organising

Organising means the arranging of the resources, allotting duties and installing systems and procedures to meet objectives.

- The first task is to **take stock** of available resources, negotiate for more with higher management and allocate them to the team going to deliver the results.
- One important issue in organising is the **delegation** of authority. Authority is the freedom to act without having to seek prior approval from superiors. These must be clearly defined at each level. Therefore, top management has greater authority than front-line staff. Modern structures are now giving frontline staff more authority to satisfy guest's needs.



- Each employee must have only one superior to report to and receive direction. Multi bosses only result in chaos and confusion. This concept is called the **unity of command**.
- There should be a **unity of activity**. Similar tasks are grouped together under a department. For example, all matters of the kitchen are brought under the chef and cooks. Similarly, the service supervisor deals with all service matters. This may seem simple but huge problems have arisen due to the crossover of responsibilities due to ignorance.
- An integral part of organising is the **organisation structure**, which defines the reporting relationships. Organisation structures can change with business needs based on changing market conditions.
- **Span of control** is another important organising function. No team leader must have more than seven persons reporting to him or her.

## Coordinating

It is the act of harmonising activity and efforts to meet objectives.

- The **communication system** within the enterprise is vital for success. There must be communication between top management and the rest; between departments; between supervisors and the frontline staff; with frontline staff and the guests; with suppliers; and with the public. Communications are encouraged through meetings, briefings, systems and procedures, reports, media, advertisements, guest relations, printed merchandise etc.



- **Cooperation** is necessary for getting two distinct groups of activity together. Cooperation is achieved by inbuilt systems and procedures and mostly through teamwork. For instance, the receptionist must respond accurately to a promise made by the reservation agent to the guest.

## Staffing

This is discussed in detail in Chapter 14, “*Managing Front Office Human Resources*”. But for the time being, it is important to know the basic issues involved:

The following documents and processes need to be in place:

- Job Description – document that profiles a job.
- Job Specification – document that profiles a person to do a job.
- Sources of Human Resource supply
- Job Application forms
- Interviews and tests
- Orientation, training and performance evaluation
- Transfers and promotion.

## Directing

Directing is the art of getting work done by other people. Instructing, guiding, supervising, teaching and reviewing do this.

- The first task is to determine the **number of staff** required to successfully fulfill the objectives of the operation. Too many people will add to the payroll costs while too few will impact on guest satisfaction. The optimum number is a science achieved through years of experience.
- Employees must know what is **expected of them**. While *Job Descriptions* express these expectations, the team leader has to define expectations on a day-to-day basis. Expectations can be clarified on company policies, performance standards, guest feedback, new changes in operations etc.
- Human beings are motivated when their **individual aspirations and goals** are meshed in with the organisational goals. For instance, if a server aims to be a team leader in two years, the organisation would train and develop the server to fulfill that aspiration, subject to the server delivering the requirements for the higher position. At another level, an employee may want his or her annual vacation in a particular month to attend a friends wedding. This can be factored in when planning staff annual vacations.



- **Delegation** is the process of giving subordinates higher responsibilities while still retaining the accountability. This is an important tool for developing people who want to grow. It also frees the superior to attend to more important tasks.
- **Motivation** is a primary concern for management. If frontline staff is not motivated, they will not be able to deliver good guest experiences. Several studies have been done on motivation, but what is relevant today is the ability of management to let the frontline staff to have a say and control on their work environment. The frontline worker wants meaningful challenge each day. They loath being bogged down with routine chores. Recognition for a good job done and an opportunity to grow are other powerful motivators. We must understand that motivation comes from within and not from outside.
- **Discipline** is an integral part of the service industry. There is the physical and mental discipline. While physical discipline concerns issues like grooming, hygiene, technical delivery etc. mental discipline is expressed through attitude. Punctuality, honesty, respect are attitudinal issues that come from within. Discipline can only be measured if there are fair rules and regulations that have been clearly communicated.
- **Leadership** is key for direction. Every team would have a leader who will bring cohesion towards the group objectives. Today leaders are not appointed for positional power, but for expertise (knowledge) power. For example, a twenty-year-old computer expert can lead a mature group based on his or her expertise on computers. A leader basically should be aware for individual talents within a group and be able to harness them at the appropriate time. The leader coordinates with external agencies and departments, to make available resources needed for the performance of duties. Interestingly enough, position titles like supervisor or manager are being dispensed with in favour of titles like Team Leader, Coordinator or Facilitator. A leader today's is in the thick of the activities and is an operating member of the team.

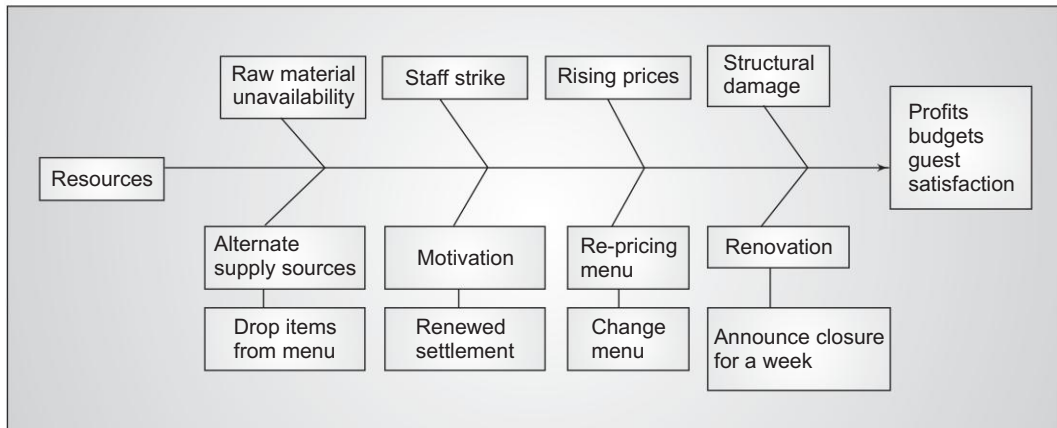


- People like to be **treated fairly and honestly**. In the present scenario, the knowledge worker is aware of his or her rights and demands respect for his or her expertise. The old master-slave relationship is no longer valid. People want self-respect.
- A part of directing is the ability to get **new ideas** and feedback from various kevels in the organisation. Information is power and a progressive organisation will factor in a system of getting ideas and feedback. We have seen how innovation is a prized quality. If knowledge workers are employed, it would be stupid not to exploit their ideas.
- People want **recognition** or an appreciation for a good job done. Enlightened employees of today seek self-satisfaction as their reward. However if organisations can reinforce it through recognition

programs then employees are encouraged. Many food service organisations have recognition programs like the “Best employee of the Month” or “Best Idea of the month” or the “Guests Favorite” etc.

## Controlling

Controlling is the function of ensuring that plans and objectives keep to schedule and those targets and budgets will in fact be achieved. This becomes critical as internal and external conditions keep changing requiring controlling strategies, as illustrated in the diagram below:

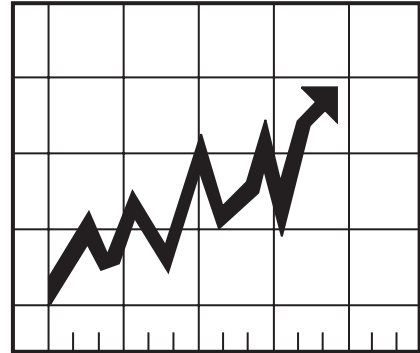


- We cannot control until there are set **standards** to measure against. Gaps in performance can be ascertained only between actual performance and desired performance (the standard). Staff needs to be informed and trained into these standards.
- **Operating budgets** are another tool for control. Income and expenditure can be compared to budgets to determine whether operations are performing on track.
- Then there are **preventive controls** that prevent mistakes. For example guest cannot be assigned a room till s/he has filled the registration form. The bell boy cannot move luggage to the room till a guest has be assigned a room.
- Good controls set daily, weekly and monthly **goals** to evaluate themselves. Setting higher goals than expected is a way to give more to the management and guests.
- Controls also require **corrective action**, especially when guests have complaints. For examples, a dish that is not prepared according to the guest’s orders should be exchanged immediately. Such decisions require empowering the server with such authority to replace dishes. Offering complimentary dishes for poor service is another corrective action. Training, reviewing rules, coaching and advice can correct staff mistakes.
- **Problem solving** is a valued competency required by new servers. Previously supervisors solved problems resulting in delays and undue bureaucracies. Front-line staff is empowered to creatively solve problems immediately as guests are intolerant to delays.

## Evaluating

Evaluation is the process of comparing actual performance with desired performance.

- Evaluation is an important function of management. Evaluation helps in **improvements in performance** and taking corrective action. It helps to set new objectives, refines plans and helps in the assignment of organisational resources. Performance Management systems have become necessary on a continuous basis.
- **Evaluation systems** must be built into everything an organisation does. There are individual performance appraisals, guest feedback, systems checks, audits etc. that gives valuable feedback for improving performance. A new technique for evaluation is the “mystery shopper” who is an objective organisation or person that secretly audits services and gives management unbiased feedback.



## Key Terms

<b>Planning</b>	the management task of preparing objectives, strategies and programmes of action
<b>Organising</b>	the arranging of the resources, allotting duties and installing systems and procedures to meet objectives
<b>Controlling</b>	the function of ensuring that plans and objectives keep to schedule and those targets and budgets will in fact be achieved
<b>Directing</b>	the art of getting work done by other people
<b>Coordinating</b>	the act of harmonising activity and efforts to meet objectives
<b>Staffing</b>	the process of recruiting human resources
<b>Evaluating</b>	the process of comparing actual performance with desired performance
<b>Delegation</b>	the process of giving subordinates higher responsibilities while still retaining the accountability
<b>Unity of Command</b>	the concept of having one boss only
<b>Unity of Activity</b>	the concept of clubbing similar jobs together
<b>Span of Control</b>	the concept of controlling a maximum of seven people only

## Review Quiz

---

**Write short notes on the following:**

1. Basic management principles
2. Operating budgets
3. Good Leadership
4. Corrective Action
5. Basic processes for Staffing

## Fill in the Blanks

1. Fundamental statements providing a guide for action are called \_\_\_\_\_.
2. Ten year plans are called \_\_\_\_\_.
3. The type of objectives filled by front office managers are called \_\_\_\_\_.
4. Arranging of the resources, allotting duties and installing systems and procedures to meet objectives is called \_\_\_\_\_.
5. The document that profiles a job is called \_\_\_\_\_.
6. The act of harmonising activity and efforts to meet objectives is called \_\_\_\_\_.
7. The process of giving subordinates higher responsibilities while still retaining the accountability is called \_\_\_\_\_.
8. The action to avoid mistakes from occurring is called \_\_\_\_\_.
9. An objective organisation or person that secretly audits services and gives management unbiased feedback is called \_\_\_\_\_.
10. The competency most valued of servers is nowadays is \_\_\_\_\_.

## True or False

1. The first phase of planning is to gather external and internal information.
2. Plans must coincide with the financial year.
3. Authority is the freedom to act after seeking permission of the superior.
4. Organisation structure is the architecture of the building.
5. Human beings are motivated when their individual aspirations and goals are independent of organisational goals.
6. Discipline is an integral part of the service industry.
7. Today leaders are appointed expertise (knowledge) power.
8. People want self-respect.
9. People want recognition or an appreciation for a good job done
10. Evaluation helps in taking corrective action.



## 2.3 HOTEL ORGANISATION

### Mission

Every organisation has a reason for being in business. All its managers and staff must be coordinated to fulfil that purpose. The purpose is enunciated by the owners of the business in the form of a mission statement. A mission statement is a generalised statement of the overriding purpose of the business. This leads to the strategic intent, which is the desired future state or aspiration of the organisation. All stakeholders need to be clear about what they are seeking to achieve and in broad terms, how this is expected to be achieved. The mission statement expresses the philosophy of the property. Take this as an example of a mission statement of a business hotel:

*“Our mission is to provide safe and comfortable board and lodging to our business clients. We shall provide all that is necessary to make a business person fulfill his or her needs during business travel through research and participation. We emphasise high quality in products and services. We shall give a fair return to our shareholders through innovation, training and a motivated workforce.”*

### Objectives & Goals

From the mission statement flows the specific objectives and goals to achieve the mission. While objectives are long-term goals, targets are short-term aspirations. Good goals follow SMART which is an acronym for:

**S** – Specific

**M** – Measurable

**A** – Accountability

**R** – Reasonable

**T** – Time bound

Objectives are of two types: **Strategic Objectives**, which are long-term aspirations; and **Tactical Goals**, which are short-term goals. Objectives and goals are reflected in formal plans; how they are to be achieved (action plan); when they are to be achieved; and who is accountable to achieve it. We have seen in the earlier Chapter 2(2.2), “*Principles of Management*” that goals or objectives are set at the planning stage. There are Perspective Plans, Long-Term Plans, Short-Term Plans and Annual Plans and Budgets.

While the corporate management is concerned with perspective and long-term plans, the Front Office Manager is concerned with short-term and Annual Plans. Typical goals for the front office would be:

- To increase room revenue by 10% over the previous year.
- To achieve an average room rate of \$ 200 by the end of the current financial year.
- To ensure that the front office agent will reduce the check-in time by three minutes in 2006.
- To reduce the number of guest complaints by 20% from last year.

### Organisation Structures

The success of a hotel operation depends on the way it is organised to achieve its goals. Organisation starts with a structure. A structure is a framework, which assigns responsibilities and channels of communication to drive decision-making and operational accountabilities. This is represented in an

organisation chart. An organisation chart is the schematic depiction of relationships between various job positions in an organisation. Most establishments follow a traditional hierarchical organisational structure that has evolved over the ages. We have management at the top, supervisors in the middle and operational staff at the bottom.



**Traditional Hierarchical Organisational Structure**

Managers are responsible for the effective utilisation of the traditional resources of men (human resources), materials (operating supplies), money (budgets and finances) and machines (equipment) etc. to achieve organisational goals. (Please see Chapter 2(2.1), “*Management*” for greater details on resources) Managers are categorised as:

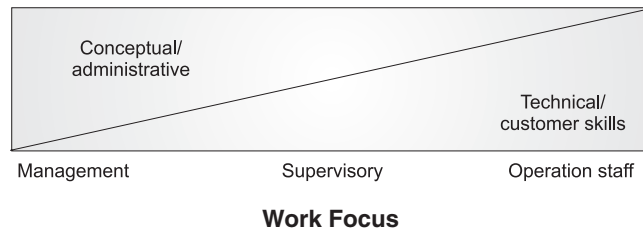
**Top Management** They are responsible for the long-term and perspective plans (5-10 years), funding and strategic objectives of the organisation. They would typically be the Owner, Board of Directors of a public limited company, Functional Directors and the General Manager.

**Middle Management** They lead specific functions in an operation like, the Food and Beverage Manager, Front-Office Manager, Chef, Executive Housekeeper etc. They make the short-term and annual plans (1-3 years) for their respective departments.

**Junior Management** lead the day-to-day operations of the operations relying on their management and technical skills. They ensure that the policies and practices translate themselves at the operational level. They would be the Lobby Manager, Telecommunications Manager, Guest Relations Executive, etc.

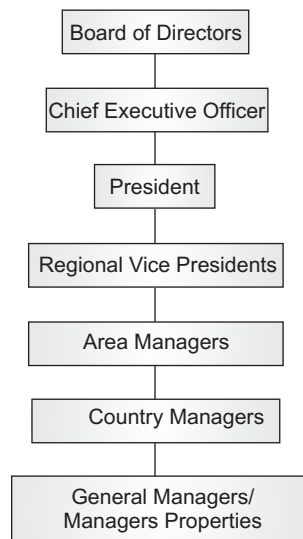
**Supervisors** are the link between the management and the operation staff at the floor level, to ensure that the resources allocated are effectively utilised. They are the face of management to the guest who recognises him/her as the team leader. They are the Front Office Shift Supervisor, Bell Captain, Concierge, etc.

**Operations Personnel** are the frontline and back office performers of operations and rely heavily on technical and customer service skills. They would typically be the front office agents, telephone operators, bell boys, etc. (The proportion of skills required at each level is illustrated below).



### Corporate Chain Structures

Large corporate chain operations like the Sheraton, Holiday Inns, Intercontinental, Ramada etc. have elaborate structures as shown below. The structure begins with a Board of Directors who represent the shareholders. Their responsibility is to give strategic financial and policy decisions that act as guidelines for action on a long-term basis. They appoint a Chief Executive Officer (CEO) who is the intermediary between the Board of Directors and the Operational structure below. The President is the head of all operations of the chain. He appoints Regional Vice Presidents who cover geographic regions of the chain operation. International chains would have Regional Vice Presidents for North America, South America, Europe, Middle East, South Asia, Far East and the Pacific. Regions may be clubbed based on the number of units in the region. Each Regional Vice President would have Area Directors/Managers to oversee operations within a group of countries or states within a larger continent. They would directly control Country Managers if a country has multiple units to warrant one or General Managers/Managers of independent units.



**Corporate Structure of a Chain Operation**

## Other Structures of Corporate Chains

There are other ways of looking at structures of corporate chain operations as illustrated below:

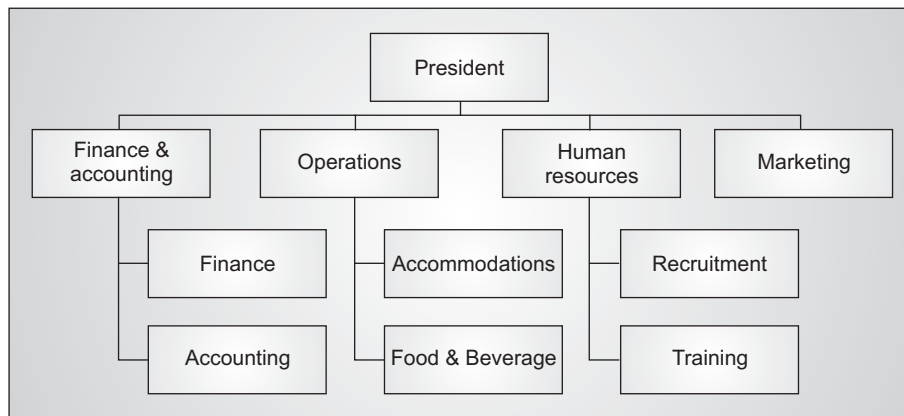
### Superstructure–Grouping by Divisions

#### Divisions

- Grouping by Function—would mean that each department would operate as an independent function such as Marketing, Operations, Human Resources, etc. This has been the usual structure of present day operations of a corporate chain.
- Grouping by Product – is done when a corporate business has more than one product. A chain may be in the business of premium hotels, mid-size hotels and budget hotels. Each product could have its own structure and chain of command. Grouping can also be done by business hotels, resorts and group hotels.
- Grouping by Process – involves segregating the whole operation by the process. For example, business set-up, operations, business promotion.

The groupings above is analysed below:

### Grouping by Function



### Analysis of Grouping by Function

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Each function can concentrate on their speciality</li> <li>• People like to work with their own kind</li> <li>• Work is not duplicated</li> <li>• Has a systematic approach</li> </ul>	<ul style="list-style-type: none"> <li>• Communications between functions are slow</li> <li>• Departments become their own kingdoms</li> <li>• Departments blame each other</li> <li>• Departments become isolated, stopping free exchange of ideas</li> </ul>

### Grouping by Product

Premium Hotels	Mid-size Hotels	Budget Hotels
<ul style="list-style-type: none"> <li>• Director Operations</li> <li>• Director Marketing</li> <li>• Corporate Chef</li> <li>• Financial Controller</li> <li>• Director-Accommodations</li> <li>• Director Human Resources</li> <li>• Corporate Trainer</li> </ul>	<ul style="list-style-type: none"> <li>• Area General Manager</li> <li>• Sales &amp; Marketing Manager</li> <li>• Executive Housekeeper</li> <li>• Front-Office Manager</li> <li>• Human Resources Manager</li> </ul>	<ul style="list-style-type: none"> <li>• General Manager</li> <li>• Team Leaders</li> </ul>

### Analysis of Grouping by Product

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Labour &amp; Management can become specialists of that product.</li> <li>• Divisions can compete with each other</li> <li>• Accountable for own performance</li> </ul>	<ul style="list-style-type: none"> <li>• Divisions can act against each other</li> <li>• Duplication of staff resources</li> </ul>

### Grouping by Process

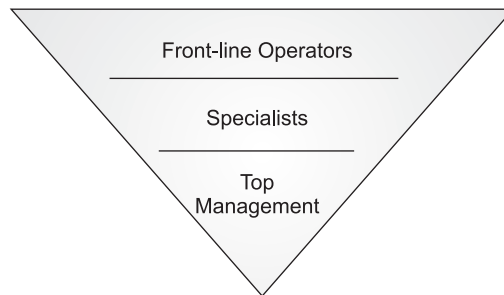
Business Set-up	Operations	Business Promotion
<ul style="list-style-type: none"> <li>• Funds Managers</li> <li>• Architects and Builders</li> <li>• Facility Planners</li> <li>• Engineers</li> <li>• Food Technologists</li> </ul>	<ul style="list-style-type: none"> <li>• Vice-President Operations</li> <li>• Menu Planners</li> <li>• Quality Assurance</li> <li>• Recruiters</li> <li>• Trainers</li> <li>• Maintenance Engineers</li> <li>• Corporate Chef</li> <li>• Information Technologists</li> </ul>	<ul style="list-style-type: none"> <li>• Media Planners</li> <li>• Merchandising</li> <li>• Food Promotion Planners</li> <li>• Market Researchers</li> </ul>

### Grouping by Process – Analysis

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Enables specialisation</li> <li>• Can isolate a problem area of a total product</li> <li>• Can control the introduction of new technology</li> </ul>	<ul style="list-style-type: none"> <li>• One process can slow down the whole product completion</li> <li>• Specialists of one area may have difficulty relating to another area</li> <li>• Strikes in one area can hold up the whole production</li> </ul>

## Flat Structures

The modern *mantra* in organisation structures is to keep it lean and flat. They have made this possible by removing several layers like middle management and junior management who did the processing work of information. Computers today have taken this role and are generating valuable reports for decision-making, instantly and accurately. A typical flat structure would look like:



**Flat Organisational Structure**

The flat structure may seem very disconcerting to the traditionalist. However, all organisations are moving to this direction. What we see is an inverted pyramid which implies that the front-line staff headed by team leaders is king and supported by the specialists and top management. The main objective of flat structures is to be less bureaucratic and push decision-making at the customer contact end. It recognises that it is the front-line people like front office agents, restaurant servers and counters sales persons in a delicatessen or bake shop, who make the revenues and control costs and therefore need to be put in their right perspective. The section of the introduction entitled “*The New Front Office Professional*” tells us that the front-line staff has been empowered with authority and decision-making powers enjoyed by their supervisors and junior management before. For example, front-line staff can now make decisions such as upgrading a regular customer or offering a superior room to a confirmed guest when the class of rooms reserved is not available, if they believe that action will improve sales and create repeat customers. Naturally the front-line staff will have to be more qualified and trained to hold such responsibilities. They become knowledge workers who serve the customer with superior knowledge of products and services.

The specialist’s sole purpose is to enhance the performance of front-line staff by providing specialist support and advisory services. They receive first hand feedback from the front-line staff and convert it into better performance. Specialists are IT professionals, trainers, quality inspectors, corporate housekeepers, corporate chef, corporate human resource director etc.

The top management will not interfere in operations and will concentrate on strategic directions. Typical roles will include strategic planning, raising finance, mergers and acquisitions, influencing government regulation, monitoring financial and human performance and setting such policies that fulfill the objectives of flat structures.

## Job Titles

Job titles have changed to rightly represent knowledge workers. The erstwhile receptionist has grown into a front office agent, the telephone operator re-titled as telecommunication processor, waiters as



hosts, information assistants as the concierge. Hotels are battling to redefine titles to properly represent the expanded roles of frontline staff. The frontline staff needs to be recognised and respected by guests who must perceive the job enriched roles the people who serve them have, to provide that perfect guest experience.

### Line versus Staff functions

Line functions are those that execute the work in an organisation. They can either have direct contacts with guests like guest relations managers, bell desk supervisors and staff, or those that provide back-house support like the telecommunications personnel, room attendants etc. Both front and back offices have significant impacts on direct revenues of the unit.

Staff functions are those specialists in their fields. They are support personnel to ensure the operations run smoothly as per standards set. Some staff functions are:

**Human Resources Specialists** who specialise in recruitment, orientation, salary administration, staff welfare and career guidance.

**Financial Controllers** who help interpret financial statements and guide-line managers in better decision making. They cost food and beverages operations and budgets.

**Accountants** take stock of revenues and expenditures on a daily basis and work towards providing important statements like the profit and loss statement and the balance sheet. Incidentally, restaurant cashiers who come under this department may be considered as line staff as they are right there in the middle of operations.

**Lawyers** give legal advice on operations especially when laws are different in many countries. For example, in the Middle-East there are strict rules against the service of alcoholic beverages, while Europe may have strict laws on smoking and environment. Labour laws are vastly different countries especially those which employ expatriate staff due to non-availability of skills locally.

**Interior Designers** who help in designing attractive lobbies, rooms, function rooms, etc.

**Facility Planners** help design hotel physical facilities restaurants, kitchens and laundries to local and international standards.

**Trainers** who help employees reach the property standards of service as also keep them updated on new developments.

**Safety Experts** have joined the ranks of modern operations to safeguard the property and guests from all safety hazards, including fire safety, food, safety, etc.

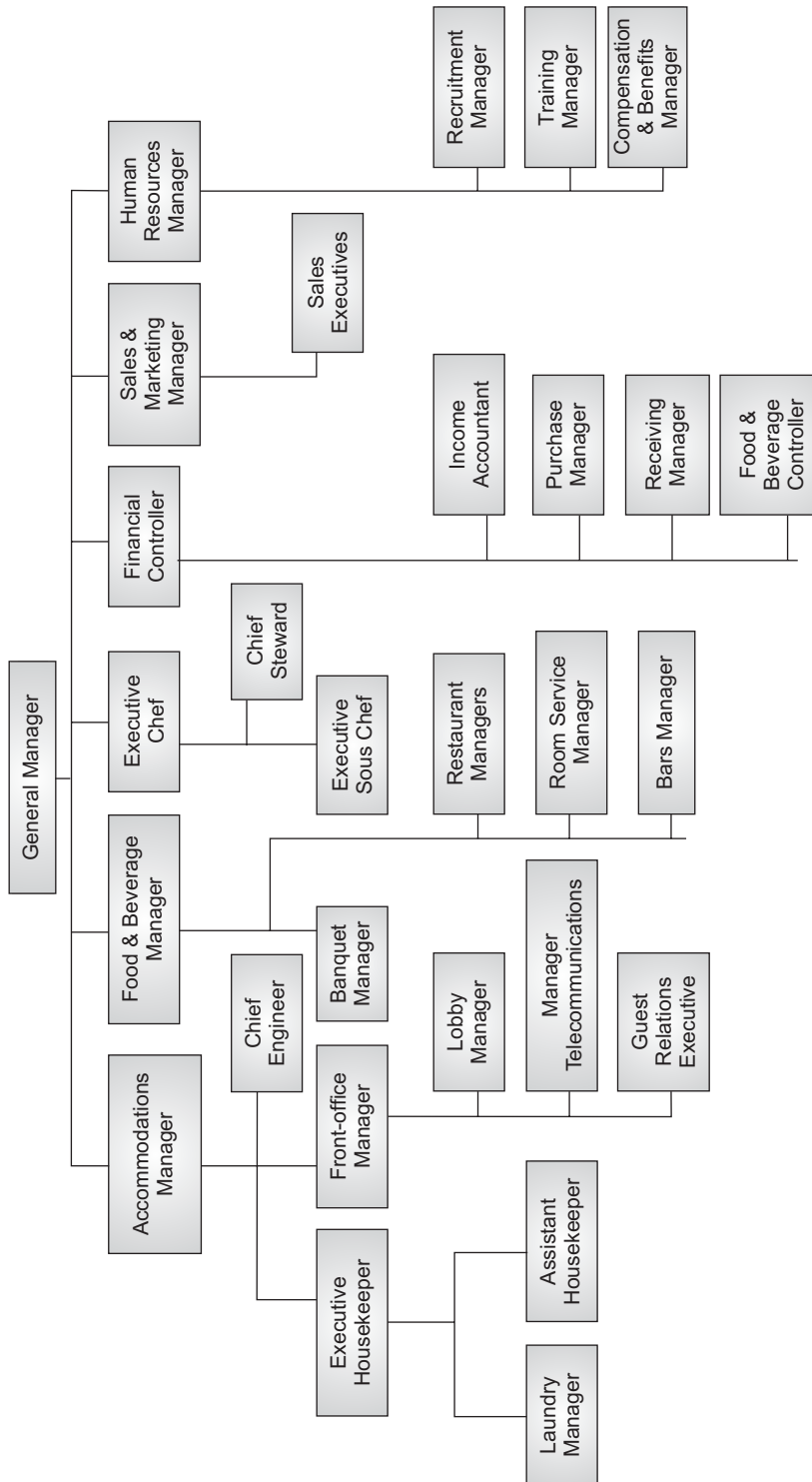
**Information Technology** experts are the new specialists that have pervaded every modern operation that depends on computer based technology.

**Food Technologists** are a new breed of employees who pursue research and development to produce new food products and better ways to preserve food. They keep the establishment ahead of competition.

### Large Independent Hotel Structure

Large hotel operations require more people to operate it compared to smaller ones. The amount of specialisations also increases and therefore, large hotels require an elaborate structure. The structure below is a representative one and can be modified according to the policies of the enterprise.

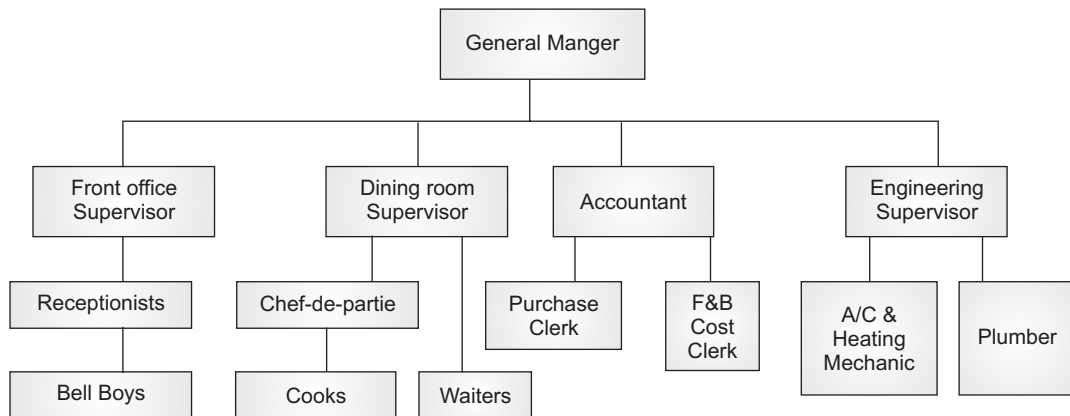
Management Organisation Structure of a Large Hotel



## Small Hotel Structure

Smaller hotels would have many functions above done by fewer people requiring multiple skills. The organisation structure shows how a structure is pruned to fit limited payroll budgets.

**Organisation Structure of a Small Hotel**



In small hotels, the General Manager takes on the roles of human resources manager and sales manager in addition to the operations responsibilities. The Front Office Supervisor oversees the front desk operations as well as lobby activities. The Dining Room Supervisor oversees the kitchen and dining room operations. The receptionist does the reservation, reception, information, telephone and cashier functions. It is significant that small operations would have limited restaurant options, possibly only a dining room that serves all meal times. The Accountant takes over the income and payable responsibilities in addition to producing the statutory requirements such as Profit and Loss statements and Balance Sheets. He is assisted by the Purchase Clerk who doubles the receiving and store function. Though this is strictly not ideal in terms of food and beverage control, the operations is small enough for direct supervision and control of the General Manager. The Food and Beverage Cost Clerk will do all the costing functions. It is possible that the dining room has a dispensing bar to provide drinks eliminating the need for a formal bar. The engineering supervisor is multi-skilled to trouble shoot engineering problems. However any operation requires specialists like air-conditioning and heating mechanics and plumbers. Most other services would be outsourced, such as laundry, horticulture, civil works etc.

## Major Revenue Producing Departments

A hotel has two major revenue producing departments – (1) Accommodations, which is responsible for the sale of rooms and the support departments such as housekeeping, laundry, telecommunications etc. required to make them saleable, and (2) Food and Beverage, which is responsible for the sale of food and beverage and the service departments such as kitchens, stewarding, restaurants, room service and banquets responsible for their sale. In addition there are staff departments like Finance, Human Resources, Sales and Marketing, and Information Technology. Let's look at each in detail:

## Accommodations

### Front Office

The front office is the central point, which makes room reservations, registers guests into the hotel, provides information to them during their stay and maintains their master bills. It is the most frequented and visible department than any other in the hotel and therefore sets the lead in the guest experience. Their prime responsibility is to sell rooms, register guests, process room reservations, coordinate guest services, provide information and ensure room revenues are met as per budget. The front office is supported by the Lobby services which include the concierge, bell desk, guest relations and transportation. The Front Office structure is discussed in detail in the next chapter but for immediate reference given below are thumbnail descriptions of the role of each person in the front office operation.

**Front Office Manager** Responsible for managing the front office, lobby and transport activities. She translates company policies and procedures into the department.

**Front Office Supervisor** Responsible for a shift as the front office operates for twenty-four hours.

**Information Assistant** Is the one who provides information to in-house guests and visitors; handles guest and hotel mail; controls the guest room keys; and provides the messaging services.

**Registration Assistant** Is the person who registers guests into the hotel and allots rooms to them.

**Reservation Assistants** Makes room reservations and controls the supply of rooms for sale.

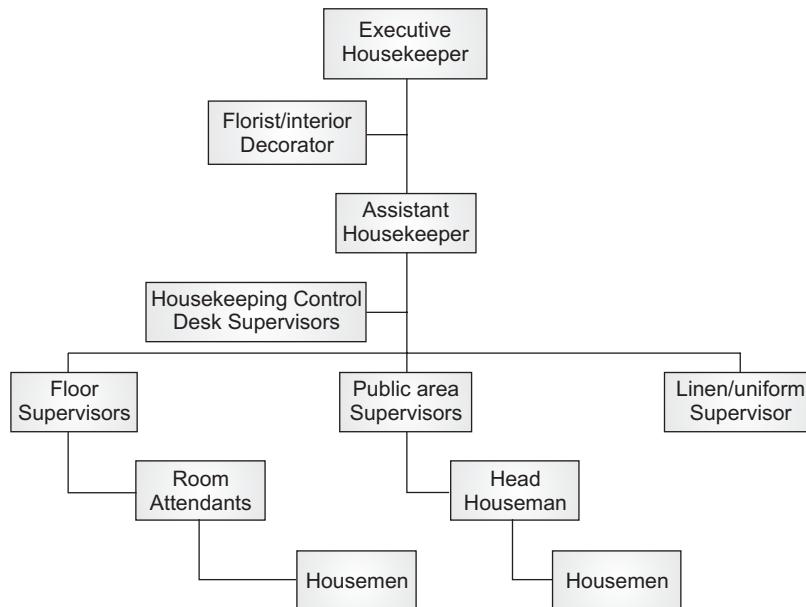
**Front Office Cashier** Maintains the guest folios (bills) and receives payment when guest check out.

**Future Perspectives** The entire front office activity will be computerised from reservations to checkout. Guests will be able to make direct reservations and get confirmations through the web. The erstwhile information assistant will man a separate Concierge desk while the Front Office Agent will be multi-skilled to manage reservations, registration, billing and checkout.

### Housekeeping



This department is responsible for the cleanliness, maintenance and the aesthetic standard of the hotel. Housekeeping provides laundered staff uniforms, room and restaurant linen and fresh and dried flower arrangements. The different sections of housekeeping are: the **housekeeping control desk** which passes information to housekeeping staff working at various parts of the hotel; a **linen and uniform room** that coordinates with the laundry for the supply of clean linen and uniforms; the **flower room** where flowers are procured and prepared for decoration in rooms, lobbies or buffet tables; the **lost and found section** to deposit misplaced guest belongings; and the **public area** brigade who are responsible for the cleaning of the front office, lobby, restaurants and other areas.



### Organisation Chart of Housekeeping

**Executive Housekeeper** Is the head of housekeeping and is responsible for translating hotel policies, procedures and standards into housekeeping operations. It is normally a woman's role and part of the middle-management team.

**Assistant Housekeepers** Heads a shift as the housekeeping provides twenty-four hour service. They supervise floor supervisors who are given a set of floors with guest rooms to manage with a team of room attendants.

**Floor Supervisors** Directs the cleaning of guest rooms on allotted floors.

**Room Attendant** Also called chambermaid, are responsible for the cleaning of allotted guest rooms.

**Housemen** They are male cleaning personnel allotted to rooms and public areas to manage heavy cleaning duties.

**Linen Room Supervisor** Coordinates the exchange of soiled linen for fresh ones with a team of linen attendants. She works closely with the Laundry for the supply of clean linen.

**Uniform Room Supervisor** Responsible for keeping uniforms in safe storage conditions. Issues laundered uniforms to hotel staff against soiled ones, with a team of Uniform Room attendants and tailors. She too coordinates closely with Laundry.

**Public Area Supervisors** Ensures the cleanliness, maintenance and aesthetic upkeep of all public areas like lobbies, restaurants, banquets space etc. with a team of housemen.

**Horticulturist/Interior Decorator** Is responsible for the upkeep of all gardens and floral arrangements.

**Future Perspectives** Future hotels are likely to outsource the housekeeping function to professional housekeeping companies who would have certified themselves with a high quality of service. The hotel may keep a skeleton staff for linen and uniform room activity, emergency checkouts and check-ins and lost & found activity. Hotels have already begun to outsource public area cleaning and horticultural activities.

## **Food and Beverage Service**

### **Restaurants**

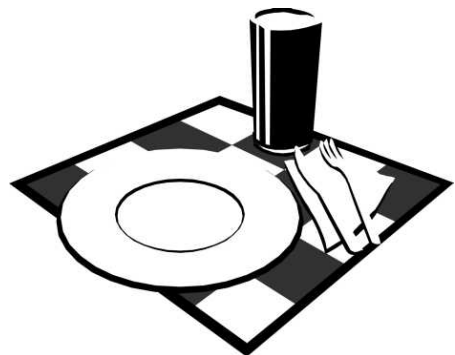
A restaurant is a commercial establishment committed to the sale of food and beverage. A restaurant may be a licensed part of a hotel operation, whereby the sales of the restaurant contributes to the sales performance of the hotel, or a franchised operation within the restaurant premises whereby the hotel gets the lease rent for the space and no share in the profits of the restaurant operations. Basically, restaurants provide tables and chairs for customers to eat from an attached kitchen. They are equipped with crockery, cutlery, linen and décor which may vary in quality and concept in keeping with the objectives of that establishment. In addition to the basic purpose, restaurants may provide the following facilities:

- Bar
- Entertainment
- Children party facilities
- Home delivery services
- Take-away services
- Outdoor catering

Restaurants come in various types. A front office professional must understand their difference to advise guests at the front desk. The types of restaurants are:

### **Coffee Shop**

A concept borrowed from the United States, distinguished by its quick service. Food is pre-plated from the kitchen. The chefs prepare complete and balanced meals and arrange them in a plate. Coffee shop menus are quite light and simple. The portion sizes are fixed but adequate to the average guest. The atmosphere in a Coffee Shop is informal which means that guests can come in casual wear. The restaurant will have lively piped music. The tables will have table mats and paper napkins. Coffee Shops have replaced the erstwhile dining rooms of old hotels and serve many purposes. For one most coffee shops in hotels are run 24 hours and are the only restaurants that serve food at any time of the day when other restaurants in the hotel are closed. Coffee Shops act as multi-purpose dining opportunities. The linen, food and music can change with lunch and dinner in keeping with the mood of the day. Coffee Shops of hotels are usually found off the lobby in most cases, or beside the swimming pool.





### *Speciality Restaurant*

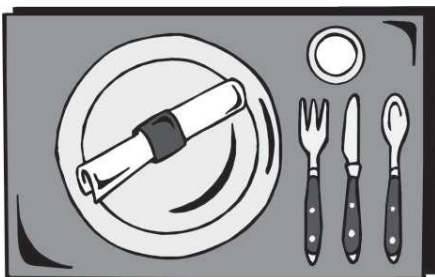
In such restaurants, the entire atmosphere and décor is geared to a particular theme normally related to a regional cuisine. Chinese, Indian, Polynesian, Japanese, French restaurants are all geared to the specialty food they offer. An Indian restaurant, for example, would have Indian motifs on the walls, Indian artifacts, and costumes of the serving staff, piped Indian music, crockery, cutlery and glassware that give a total Indian experience. While the above mentioned cuisines have been popular and common, the world today has introduced new options of specialty restaurants including Russian, Vietnamese, Burmese, Thai, etc. Another variant to specialty restaurants are those that concentrate on a particular food item like the Fish Bazaar which specializes in seafood and their preparation of all types; or the Beef Bistro which may limit itself to different cuts and preparations of beef. Specialty restaurants can range from very up-market and exclusive places to very casual ones like the neighbourhood Chinese or Thai restaurant.



### *Grill Room or Rôtisserie*

This is a restaurant that specialises itself in grills of different meats, fish and poultry. The distinguishing feature of this type of restaurant is a glass partition that separates the kitchen from the seating area so that guests can see the grill preparation of their choice. Grill rooms are casual and may have log tables and benches and the décor would be distinctly American. The crockery may be coarse with hardy cutlery, paper napkins or checked cloth ones. Some of them may be as casual as to have pool tables and indoor sports. Grill rooms can be sophisticated casual too with finer crockery and linen.

### *Dining Rooms*



Dining Rooms are found in smaller hotels, motels, resorts, inns, clubs or heritage hotels. Smaller hotels may find it uneconomical to have more than one eating place. The dining room is usually meant for the residents of the hotel or members of a club who may bring their guests along. Dining rooms can change their atmosphere from the casual in the morning breakfast to formal for lunch and dinner. Rarely would they have an a' la carte menu in a dining room. They specialise in a good buffet spread. At the most, dining rooms will offer a choice of two table d' hôte menus.

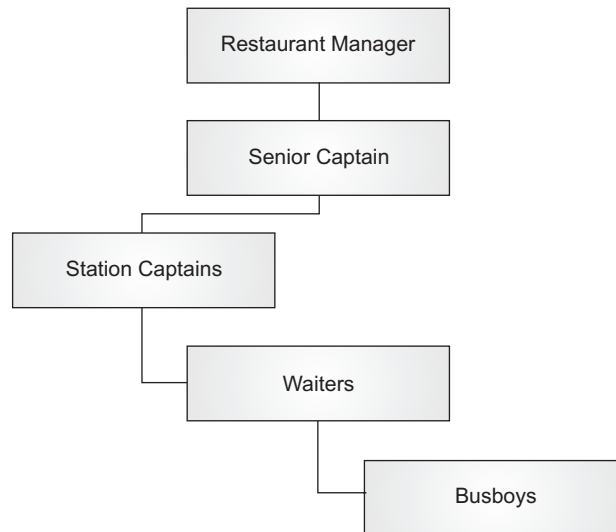
### *Discotheque*

It is a restaurant which is principally meant for dancing to recorded music. The music is driven by a qualified and experienced disc jockey (DJ) who creates or responds to the moods of the guests. Special lighting and a dance floor are essential to the discotheque. The main feature of the discotheque is a bar which also offers light meals and finger picking snacks. Discotheques in hotels permit only formal

casual clothing, while independent ones allow casuals. Security is the main concern for a discotheque where both girls and boys mix and drink. Just as the bartender and the disc jockey are essential employees of a discotheque, so is the bouncer who guards the entry of the discotheque and ensures proper behaviour. Discotheques do have an entry charge to ensure that the right crowds enter. Others may permit only couples to ensure the right balance of men and women. Some discotheques are strictly on membership basis.

### ***Night Clubs***

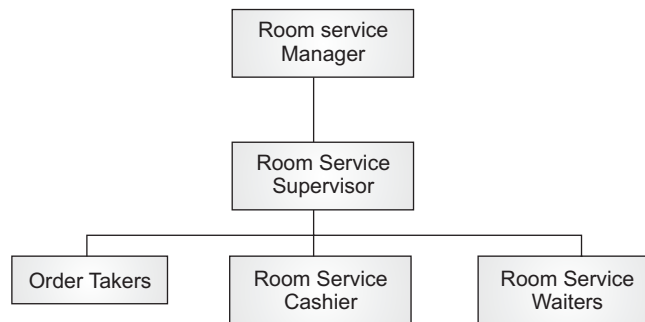
It is principally open at night for dinner, dance and live entertainment. The décor is lavish while service is elaborate with fine linen and silver crockery. Night Clubs permit formal wear only and some go to the extent of insisting black tie only. An essential feature is live performances or cabarets which may range from famous singers and dancers, vaudeville shows, Can Can dances made famous by such leading French Night Clubs as the Lido or the Moulin Rouge, to strip tease performances. A live band with a dance floor is a must. A variant to entertainment is the supper theatre where guests experience a play before or after dinner. A night club will have bar with bartenders who are entertainers themselves.



**Organisation Structure of a Restaurant**

### ***Room Service***

Room Service is a food service operation. It provides food and beverage to guest rooms. The room service is located in the kitchen and has an order-taker's desk. Guests may order their food and beverage orders directly from their rooms to the rooms service order-taker who will pass on the order to the service team. The service team coordinates with the kitchen or bar for the preparation of the item.



**Organisation Chart of Room Service**

**Room Service Manager** Responsible for translating management policies, procedures and standards to the department. He/She is accountable for all room service operations.

**Room Service Supervisor** Responsible for a shift in a twenty-four hour room service operation of a busy hotel. S/he would direct the waiters and order takers in the shift to provide efficient service.

**Order-Takers** Responsible for receiving guest food & beverage orders on the phone and raising the required bill. S/he will also coordinate breakfast door knobs which are pre-ordered breakfast requests made the previous night.

**Room Service Waiters** They have the privilege to serve guests in the privacy of their rooms. They are also responsible for clearance of trays and trolleys from rooms once the guest is finished with the meal.

**Room Service Cashier** He or she is responsible for accounting for all food and beverage service transactions so as to recover the charges from the guests either in cash or billing the master guest folio at the front office.

**Future Perspectives** Only exclusive hotels will provide room service. Most medium and small hotels will provide vending machines providing hot and cold snacks, ice cubes and liquor. Tea and Coffee kettles will be available in the rooms as self-help features.

## **Kitchen**

A kitchen is the place where food is prepared. While large kitchens have independent sections to deal with various aspects of food preparation due to the sheer volume of activity, smaller kitchens would club sections or have multi-skilled cooks to carry out several roles. Restaurant personnel coordinate closely with kitchens for the supply of guest food orders.

**Butchery** In this section, raw meats are cut from wholesale cuts and carcasses into smaller portions of given weight, ready for cooking. This section is also responsible for curing meats like bacon, sausages and hams by having curing chambers. In modern hotels, the butchery function is outsourced to external butchers who supply pre-cut portions as per the specifications of the hotel.

**Garde Manger** It is the section where cold dishes such as hors d'oeuvres, cold meat cuts, salads, galantines and *pates* are made. This section would be



kept cool to deal with perishable items as also ice carving for buffets. This section supplies items for public sale to the in-house delicatessen of the hotel.

**Pantry** It is the source for sandwiches, fruit platters, juices and shakes. Some pantries undertake light hot snacks like burgers, club sandwiches, grilled sandwiches etc.

**Bakery and Confectionery** This section prepares various breads, bread rolls, croissants, brioches, cakes, pastries, muffins, cookies, flans, tarts, and ice creams. While the temperature in a bakery is hot with industrial ovens, the confectionary is kept cool, as most pastry items have to be kept fresh. Modern hotels have found it convenient and economical to outsource this activity as well. A hotel with a captive bakery and confectionery shop may receive from this section supplies for public sale.

**Hot Range** It is the main cooking range where hot foods are made. They have a wide variety of equipment from ranges, which are coal, gas and electric fired and griddles, deep fat fryers and steamers. An essential part of the hot range is a counter with hot cases to keep prepared food warm. It becomes the nodal point for controlling all guest food orders. The hot range is where sauces are prepared for various continental dishes.

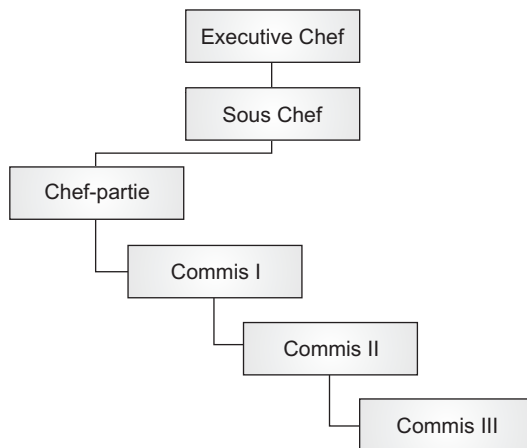
**Grill** Provides grilled items like kebabs, sizzlers, tandooris and other grilled meats and vegetables.

**Vegetable Preparation** Processes raw vegetables into smaller cuts for cooking. There are modern automatic machines for peeling, slicing and cutting.

**Still Room** Tea and Coffee are brewed here. A still is a chamber in which water continuously boils. For tea or coffee service, a waiter may insert the teapot with tea leaves or tea bags, according to the portions required, and fill the teapot with boiling water from the still. In operations where there are quick turnovers of tea or coffee, the stills can actually keep brewing tea or coffee at low temperatures. In coffee stills, ground coffee is brewed and supplied instantly.

**Soups Section** Huge stock kettles prepare quantity stock used as the base for various soups.

**Satellite Kitchens** These kitchens are located away from the main kitchen to supply food to scattered restaurants in a hotel. Often these kitchens are attached to specialty restaurants with their specialised cuisine preparation methods, equipment and service.



**Organisation Chart of a Kitchen**

**Chef-de-Cuisine** is the head of the kitchen responsible for planning, organising and controlling the kitchen operations. It is a management position.

**Sous Chef** is the deputy chef who shares some of the *Chef-de-cuisine's* responsibilities. He directs the kitchen operation in his absence.

**Chef-de-parties** are supervisors responsible for a section of the kitchen. He/She translates the policies and procedures of the management into action in the section. A *chef-de-partie* is skilled enough to head a small kitchen operation.

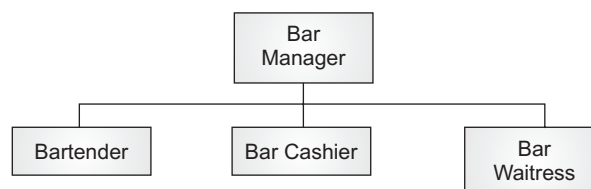
Specialist *Chef-de-parties* are those who have developed skills in a specific field of a kitchen. The *Chef Tournant* is a reliever chef who can replace any of the regular *chef-de-parties* in their absence. Therefore this specialist has to have a wide variety of cooking skills. The *Chef Saucier* is a specialist in sauces. He becomes a key person in continental cuisine, which relies heavily on sauces. The *Chef Pâtissier* is specialised in confectionary items especially cakes and pastries. The *Chef Rotisseur* is skilled in roasts and grills and is assisted by the *Grillardin* the grill cook and the *Savourier* the savoury cook.. The *Aboyeur* is the announcer of dishes for preparation to various sections, once orders come in from the restaurant. He is also known as a 'barker' who coordinates the restaurant orders with the kitchen. *Chef Garde Manger* is responsible for the cold kitchen preparations. *Chef Bouchier* is the expert in butchery and meat cuts. Another variation to the butcher is the *Chef Charcutier* who is the expert on pork based items like sausages, ham etc. *Chef Poissonier* specialises in fish preparations. *Chef Potager* is responsible for the Soups section. He becomes another key person in continental cuisine. *Chef Communar* is responsible for staff cafeteria meals. Other specialists not found on the chart but are in large food production operations are the *Chef Entremetier* who prepares vegetables while the *Chef Volailleur* is the poultryman specialised in chicken items and game birds. The Breakfast Cook, *Chef de Banquets Chef* and *Chef de Nuit* (the night cook) are all specialists in their own way.

**Commis** are general cooks who make the food items. They may be given titles of Commis I, Commis II and Commis III based on their experience and skill level.

**Future Perspectives** Hotels of the future will prefer to lease out restaurant and kitchen space to branded restaurants than be involved in running them. The leasers will be responsible for running their own kitchens and food service. Hotels may maintain an all-purpose coffee shop, room service and banqueting. The volume of kitchen activity would be certainly curtailed by outsourcing the butchery, vegetable preparation, bakery, confectionary and cold kitchens. Many hotel kitchen and service professionals will find meaningful careers in franchised and outsourced operations in addition to hotels.

## Bars

The bar dispenses wines, liquor, spirits, juices, aerated waters, cigars and cigarettes. Restaurant food service professionals will coordinate with the bar for guest beverage orders.



**Organisation Chart of a Bar**

**Bar Manager** Translates hotel policies, procedures and standards into the bar operation. He directs the bar operations ensuring efficient guest service.

**Bartender** Mans the bar counter and supplies drinks directly to guests seated at the counter and to the waitresses serving tables elsewhere. He is known for his customer relations, showmanship and unique cocktails.

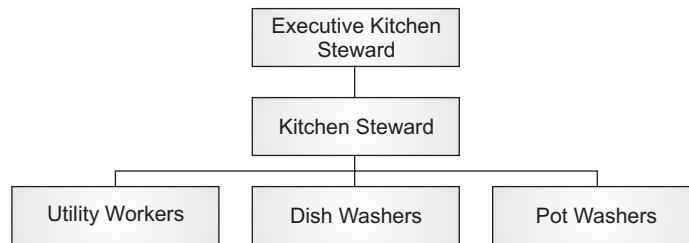
**Bar Waitresses** Also known as barmaids or cocktail waitresses, they serve beverage orders at tables. Waitresses bring in a lot of showmanship and charm to bar operations.

**Future Perspectives** Bars will continue to be a captive revenue generating activity of future hotels.

### ***Kitchen Stewarding***



The department is primarily concerned with the storage, maintenance, cleanliness and issue of cutlery, crockery, holloware, chinaware and glassware to the restaurants and kitchens. It is responsible for the cleanliness of kitchens and the washing of pots and pans. It procures, installs and services gas connections and coal supply for cooking. The department would ideally have a large store for kitchen and service equipment, dishwashers and pot washing section. Many hotels may give the responsibility of the staff cafeteria to the kitchen stewarding. In such cases, the stewarding would have their own brigade of cooks to prepare staff meals. Kitchen Stewarding is also responsible for pest control activity of a kitchen. The kitchen stewarding will remain an integral part of food service operations.



#### **Organisation Chart of Kitchen Stewarding**

**Executive Kitchen Steward** Is responsible for planning, organising, directing and controlling the stewarding activity. He would control the kitchen stewarding stores and ensure that the kitchens and restaurants get their needs smoothly.

**Kitchen Steward** This is a supervisory level responsible for a shift. Stewarding activity is a twenty-four hour activity in a busy hotel.

**Utility Workers** These are the cleaning brigades, who clean kitchens and equipment and do other heavy work.

**Dishwashers** They operate the dishwashing machine that cleans all service ware.

**Pot Washers (plongeurs)** They clean large pots and cooking utensils of the kitchen, using jet water sprays.

**Kitchen Porter** is the title given by small independent hotels to utility workers who do multi-tasks.

**Future Perspectives** Kitchen stewarding is an important function to maintain the ever strict municipal and health authorities laws about sanitation and hygiene standards in food preparation areas. At the most, this activity can be contracted to cleaning companies though equipment like the dish-washing machine will be owned by the property.

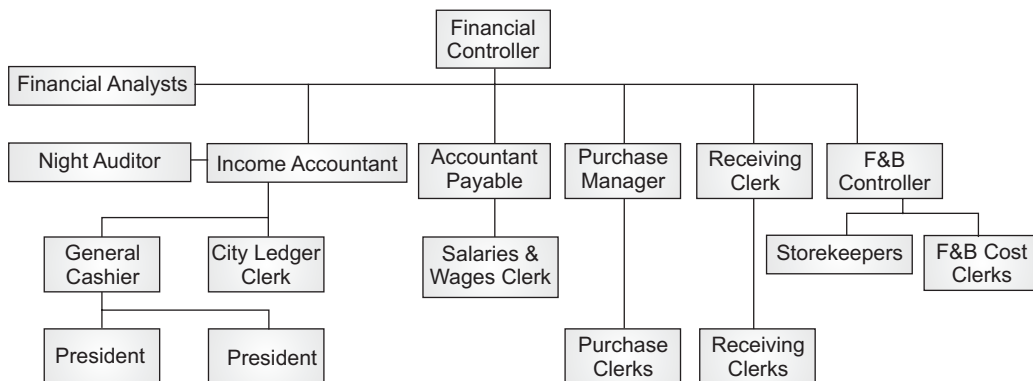


## Staff Functions

### Finance and Accounts

The Finance and Accounts department is responsible for two major activities: (1) The finance section is responsible for raising funds and multiplying profits through innovative investments and funding so as to ensure that the hotel meets its capital and operational funds. It is because of this function that the traditional accountant is re-titled as the Financial Controller. He is ably assisted by Financial Analysts who are educated and trained in funds management. (2) The accounts section monitors the revenues and expenditures of the hotel. They ensure that cash flows are available for daily operations by controlling the bank accounts and making cash available through the General Cashier. The accounts section will prepare the statutory balance sheets and profit and loss statements for the investors of the hotel.

The accounts section has important professionals like the income accountant who monitors all the cash and credit receivables from guests for services rendered. He is assisted by a city ledger clerk who monitors all credit receivables. The accounts payable clerk pays all creditors including contractors and suppliers. The salaries and wages clerk computes salaries and staff deductions on a monthly basis to ensure that employees get their salaries on time. The Food & Beverage Controller costs all food and beverages consumed in restaurants, bars, rooms, service, banquets, and outside catering. He is responsible for the inventory maintained in all stores and gives independent reports of goods received and issued. The Financial Controller supervises the Purchase and Receiving which are parts of the control chain.

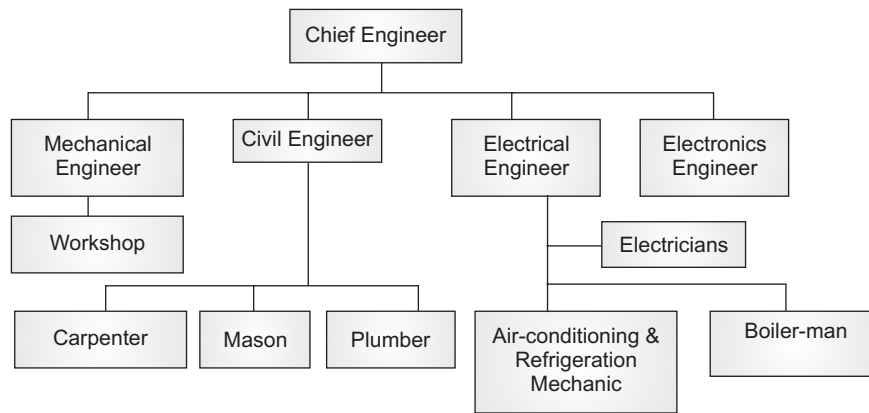


**Organisation Chart of Accounts Department**



**Future Perspectives** Routine accounting like payroll, collections, revenue accounts is likely to be given to Back Office Processing (BOPs) units leaving the department to concentrate on financial management. The Finance function will try to leverage earned capital into investments that will raise further capital for future operations and growth. Accounting software are available that integrate accounting information from various revenue generating centres into financial statements for decision making. Guests will be able to keep a tab on their bills through the room television screens.

**Engineering** This department is responsible for the supply of air-conditioning (or heating), lighting, mechanical, electrical, carpentry, electronic and civil works of the hotel. The restaurant depends on them for climate control, mechanical equipment and maintenance of furniture.



**Organisation Chart of Engineering**

**Chief Engineer** A man qualified and experienced to lead a team of engineers.

**Mechanical Engineer** Responsible for all mechanical works like elevators, escalators, mechanical equipment etc. He has a workshop where mechanics repair and maintain things.

**Civil Engineer** Responsible for all building and allied services. In addition to carpentry, masonry and plumbing he would also be responsible for all water treatment and sewage systems.

**Electrical Engineer** Responsible for all electrical systems like power and lighting fed by sub-stations to the building. He has the responsibility for the air-conditioning and refrigeration. The task gets larger when hotels become mega-complexes.

**Electronics Engineer** Responsible for all electronic equipment including networked personal computers, electronic engineering control panels, security systems, fire alarm systems, audio-visual systems etc.

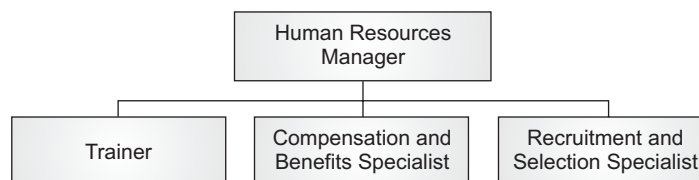
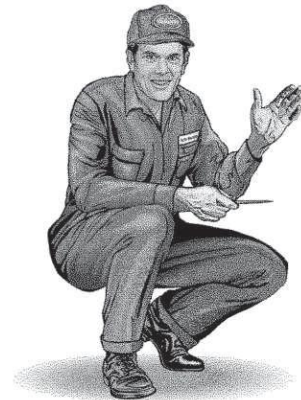


**Future Perspectives** Engineering will have bigger challenges in the future, as buildings get more sophisticated and technical. Electronics will play a bigger part as air-conditioning and heating systems, water systems, fire alarm systems, elevators and escalators and engineering information systems will all be controlled from a single panel. We would have multi-skilled staff to manage day-to-day problems while the suppliers of sophisticated engineering systems will maintain the systems on maintenance contracts. the department may have specialists in nanotechnology, bio-technology, solar energy etc.

### Human Resources

The Human Resources department is key to any hotel operation as they are concerned with the very important resource – people. The department is responsible for the hiring, maintenance and exit of staff. They are concerned with such vital activities such as:

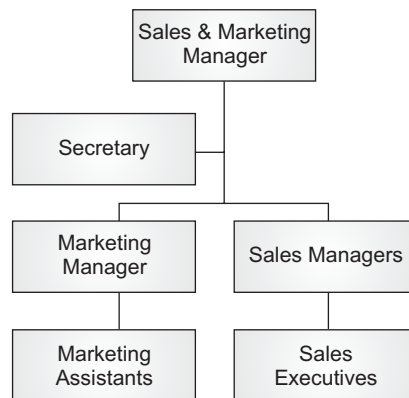
- **Recruitment** to fill permanent and temporary vacancies. This becomes critical especially when additional staff is required during peak periods in a day, week or season. The HR department is good at contacting sources of manpower supply. Their challenge is to feed the hotel operations with qualified people to meet the objectives of the establishment.
- **Orientation and Socialisation** is provided to newcomers to help them settle into the organisation and job at the shortest possible time.
- **Training** makes a very important contribution to any hotel operation to keep its employees meet high international standards and keep up to date with new developments in knowledge and skills. The HR department will have trained trainers to develop skills and careers to the standards set by the organisation.
- **Compensation and Benefits** is an important function to ensure that salaries and wages are kept competitive and also coordinates the performance appraisal process to ensure that performers are rewarded.
- **Exit** formalities are important to ensure that all the dues to an exiting employee are honoured as per labour laws.



**Organisation Chart of the Human Resources Department**

## Sales and Marketing

The Marketing Department creates the groundwork to get customers to want to select the property for their stay and converts that decision into a sale by actually booking a room for the guest. The marketing activity involves advertising in various media such as television, television, newspapers, trade magazines etc. The department also organises promotions to attract guests in different seasons and festivities. Their team of sales personnel go out into the market and sell the property to corporate houses, travel agents, tour operators and airlines for volume business.



**Organisation Chart of Sales and Marketing**

**Sales and Marketing Manager** is responsible to translate hotel policies and budgets into departmental action plans. S/he is the main person to feed the management with information from the external environment. This is achieved through market research and market intelligence of changing government policies and laws, customer preferences and behaviour, competition and general changing business trends. S/he converts this into marketing plans that meet the revenue targets of the hotel. S/he then distributes these responsibilities to the sales and marketing team.

**Marketing Manager** takes the load of marketing activity and distributes his or her responsibilities to the marketing assistants. The Marketing Manager will be responsible for coordinating with advertising agencies to prepare and schedule advertisement campaigns; prepare brochures and sales kits; merchandising material for all revenue departments of the hotel; and special promotional campaigns. He or she will commission market research agencies to conduct guest surveys and competition analysis.

**Sales Manager** conducts personal sales calls with his team of sales executives. The responsibilities of the sales executives may be distributed in two ways: (1) by geographical regions or (2) by specialised clients such as travel agencies, airlines, corporate houses, diplomatic missions and government.

## Summary

The hotel organisation is a complex set of relationships for its successful operation. Hotels employ corporate and unit relationships; management and staff relationships; line and staff relationships; and functional relationships. Each hotel adopts the structure best suited to their specific objectives and circumstances.

## Key Terms

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<b>Organisation Structures</b>	a framework which assigns responsibilities and channels of communication to drive decision making and operational accountabilities.
<b>Organisation Chart</b>	A schematic depiction of relationships between various job positions in an organisation
<b>Line Functions</b>	those functions for a good guest experience
<b>Staff Functions</b>	those functions in a supportive role

## Review Quiz

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**Write short notes on the following:**

1. Explain briefly the roles of top management, middle management and junior management.
2. Describe the structure of large corporate chain operations.
3. Give the difference between line and staff functions.
4. Prepare the job description of a Restaurant Captain.
5. How does the legal environment impact the business?
6. What are the local government agencies that influence food operations and how do they do so?
7. Give the advantages and disadvantages of grouping structures by product.
8. Give the benefits of flat structures.

## Fill in the Blanks

1. A generalised statement of the overriding purpose of the business is called \_\_\_\_\_.
2. Long term aspirations are called \_\_\_\_\_.
3. A schematic description of relationships between various job positions in an organisation is called an \_\_\_\_\_.
4. New flatter structures have top management, front-line staff and \_\_\_\_\_.
5. A restaurant that operates for 24-hours in a hotel and offers informal style service is called a \_\_\_\_\_.

**Multiple Choice Questions**

- 1. Where will you find a Lost & Found section in a hotel?**
  - (a) Front Office
  - (b) Food and Beverage
  - (c) Housekeeping
  - (d) Concierge
- 2. Which section in the kitchen supplies tea or coffee?**
  - (a) Still Room
  - (b) Hot range
  - (c) Cold room
  - (d) Confectionary
- 3. What type of restaurant has a glass partition that displays cooking in the kitchen?**
  - (a) Speciality restaurant
  - (b) Coffee Shop
  - (c) Grill Room
  - (d) Dining Hall
- 4. What type of plans is a Front Office Manager involved in?**
  - (a) Perspective Plan
  - (b) Long-term Plan
  - (c) Annual Plan
  - (d) All of the above
- 5. Which person takes room service guest orders in a hotel?**
  - (a) Telephone operation
  - (b) Concierge
  - (c) Order-taker
  - (d) Restaurant hostess.

## 2.4 HOTEL AUTOMATED SYSTEMS

### Introduction

Hotel owners have traditionally been very practical in the approach to running hotels. They believed that people make guest experience and their efficiency and effectiveness makes the difference in these times of fierce competition. Many medium and small properties still cling onto manual systems of operation for several reasons:

1. Cost of technology is prohibitive. Revenues do not justify their inclusion.
2. Labour costs are cheaper than technology costs in their country and location.
3. Non-availability of knowledge workers in their locale.
4. Owners prefer to keep information confidential. They believe that they have the privilege to information to maintain their authority on operations. This philosophy goes against the worldwide movement towards transparency.
5. Owners fear that competition will gain access to hotel information.
6. Belief that people and not technology makes the difference.

Guests visiting smaller hotels may also not expect certain standards of technology because of the low rates of rooms offered. Resort properties in forests, remote beaches and deltas may also be excused from technology because guests come far and in between. However, other hotels have been caught in the whirl wind of technology advancement that makes them more competitive. Let us look at some of the reasons why hotel owners opt for technology:

1. Market segments that they cater to, expect it.
2. Revenues justify technology costs.
3. Revenues can be increased by having better technological facilities.
4. Technology replaces several layers of supervision.
5. Technology reduces human error.
6. Competition already has it.
7. Improves efficiency.
8. Speeds up transactions.
9. Guests are in control of their stay by accessing information.
10. Introducing transparency in operations as a way of life.
11. Older equipments are obsolete and unavailable.

### Hotel Management System

When we talk of modern technology as applicable to hotels we mean computerisation and softwares. Technology requires hardware that includes computer terminals, servers, cabling and accessories. Software on the other hand refers to the language that interprets data for operational use. Software may be got for as little as \$1000 to a price as high as \$250,000 depending on the sophistication required. The whole network of technology is called the Hotel Management System (HMS). HMS may be bought off the

shelf but many hotels prefer to develop custom-made software according to their special needs. Softwares are developed by software programmers who can be working for the specialist companies which might be developing the software for the hotels, or are enrolled on regular payroll based on the frequency of such development. Programmers, network specialists and maintenance staff come under a new department in hotel terminology as the Information Technology Department (IT Dept.). The chart below shows how HMS serves each department in a hotel:

DEPARTMENT	SOFTWARE APPLICATION
<b>Reservations</b>	<ul style="list-style-type: none"> <li>• Registration Forms</li> <li>• Reservation Charts</li> <li>• Revenue Forecasts</li> <li>• Occupancy statistics</li> <li>• Cancellation and Amendments</li> </ul>
<b>Reception</b>	<ul style="list-style-type: none"> <li>• Guest List</li> <li>• Rooming List</li> <li>• Registration Form</li> <li>• Expected Arrivals</li> <li>• Expected Departures</li> <li>• Guest History</li> <li>• VIPs in house</li> <li>• Groups in house</li> <li>• Crews in House</li> </ul>
<b>Concierge</b>	<ul style="list-style-type: none"> <li>• Guest List</li> <li>• Expected arrivals</li> <li>• Expected departures</li> <li>• City information</li> <li>• Hotel information</li> <li>• Function List</li> </ul>
<b>Telecommunications</b>	<ul style="list-style-type: none"> <li>• Guest Lists</li> <li>• Rooming Lists</li> <li>• Direct dialling local calls facility</li> <li>• Direct dialling domestic long distance calls facility</li> <li>• Direct dialling of International calls facility</li> <li>• Direct dial internal extensions facility</li> <li>• Call waiting facility</li> <li>• Speed dialling</li> <li>• Hold buttons</li> <li>• Hands free speakers</li> <li>• Voice messaging service</li> </ul>

(Contd.)



DEPARTMENT	SOFTWARE APPLICATION
	<ul style="list-style-type: none"> <li>• Message waiting alert</li> <li>• Do-not-disturb service</li> <li>• Conference calling</li> <li>• Calling land-line to land-line</li> <li>• Calling land-line to mobile phones</li> <li>• Caller identification</li> <li>• Call block service</li> <li>• Personalised ring tone bank</li> <li>• Call Accounting Systems</li> <li>• Wake-up call facility</li> <li>• Fire Alarm System</li> <li>• Hot lines</li> <li>• VIPs in house</li> <li>• Groups in house</li> <li>• Crews in House</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• Company transport inventory</li> <li>• Maintenance Schedules</li> <li>• Courtesy Coach Schedules</li> <li>• Driver Duty Schedules</li> <li>• Insurance payment schedules</li> </ul>
<b>Accounting</b>	<ul style="list-style-type: none"> <li>• Hotel Budget and monitoring</li> <li>• Hotel Accounting</li> <li>• Guest Accounting</li> <li>• City Ledger Accounting</li> <li>• Accounts Payable Accounting</li> <li>• Cash Flow Statements</li> <li>• Bank Statements</li> <li>• Payroll</li> <li>• Income Accounting</li> <li>• Loans and installment payments</li> <li>• Restaurant Cashiering</li> <li>• Other Revenue Department Accounting</li> <li>• Balance sheets</li> <li>• Profit and Loss Statements</li> <li>• Trial Balance</li> <li>• Value of Inventories</li> </ul>

(Contd.)

DEPARTMENT	SOFTWARE APPLICATION
<b>Housekeeping</b>	<ul style="list-style-type: none"> <li>• Rooming List</li> <li>• Maintenance Schedules</li> <li>• Guest Amenities Inventory and Consumption</li> <li>• Guest Supplies Inventory and Consumption</li> <li>• Staffing Schedules</li> <li>• Pest Control Schedules</li> <li>• Linen and Uniform Room Inventories</li> <li>• Housekeeping Stores Inventory</li> <li>• Requisition Control</li> </ul>
<b>Engineering</b>	<ul style="list-style-type: none"> <li>• Water Management System</li> <li>• Fire Alarm System</li> <li>• Energy Management Systems</li> <li>• Preventive Maintenance schedules</li> <li>• Water Boiler Control</li> <li>• Engineering Store Inventory</li> <li>• Room Maintenance History</li> <li>• Electronic Locking Systems</li> </ul>
<b>Food and Beverages (including Kitchens)</b>	<ul style="list-style-type: none"> <li>• Restaurant Cash and Credit Control</li> <li>• Hygiene and Sanitation Schedules</li> <li>• Perishable Inventories</li> <li>• Standard Recipes</li> <li>• Staff Schedules</li> <li>• Inventory of serviceware</li> <li>• Requisition Control</li> <li>• Rooming List ( for order takers)</li> <li>• Function Guest History</li> <li>• Banquet Revenues</li> <li>• Outdoor Catering revenues</li> <li>• Banquet Function Prospectus</li> </ul>
<b>Food and Beverage Controls</b>	<ul style="list-style-type: none"> <li>• Pricing Lists</li> <li>• Suppliers List</li> <li>• Standards and Specifications of products</li> <li>• Dry Stores Inventory</li> <li>• Beverage Stores Inventory</li> <li>• Food Cost Control</li> <li>• Beverage Cost Control</li> </ul>

(Contd.)

DEPARTMENT	SOFTWARE APPLICATION
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>• Payroll</li> <li>• HR Budget</li> <li>• Staff Files</li> <li>• Recruitment Agencies</li> <li>• Employee Loans</li> <li>• Compensation and Benefits Surveys</li> <li>• HR Policy Manual</li> <li>• Training Schedules</li> <li>• Orientation and Socialisation Schedules</li> <li>• Employee Attendance</li> <li>• Employee Leave Records</li> <li>• Company Perquisites and deployment</li> <li>• Company Accommodation Inventories</li> </ul>
<b>Sales and Marketing</b>	<ul style="list-style-type: none"> <li>• Marketing Plan and Monitoring</li> <li>• Marketing Budget</li> <li>• List of Clients</li> <li>• Client History</li> <li>• Sales Plans</li> <li>• Sales Visits and Outcomes</li> </ul>

The above is in no way an exhaustive list. There can be many more applications as desired by the hotel. The above list gives an indication to the number of possible uses an HMS can serve. The HMS is a composite of various other systems either independent or networked. These sub-systems include:

1. Front Office System
2. Accounting System
3. Guest Accounting System
4. Telecommunications System
5. Property Management System
6. Engineering System
7. Human Resources System
8. Guest History System
9. General Management System
10. Project Planning and Implementation System
11. Security System
12. Central Reservations System

## Front Office Systems

For the purpose of this book we shall concern ourselves with the Front Office System (FOS). This system serves the front office operations exclusively and can be networked with other users for common information. The FOS is a package of four related activities:

1. Reservations
2. Rooms Management
3. Guest Accounting
4. Management Reporting

### Reservations

This software processes all aspects of reservations including:

- **Making room reservations** – the reservation agent can feed the reservation request directly into the central server. Each guest will have a file where a pre-designed format prompts the questions that should be asked to complete a room reservation. Information sought will include name, address, arrival and departure dates, type of room, room rate, billing instructions, source of booking and person making the booking.
- **Giving room confirmations** – the reservation agent is able to give instant confirmation to guests either by print-outs or e-mail.
- **Displaying room availability** – is the function of the status board. The reservation agent can just type out the dates requested and a display will emerge with a composite status of days. The status can conform to the terminology of Free Sale, On Request and Sold Out.
- **Filling Reservation Charts** – as rooms are booked the system will automatically update the reservation chart that then convert the information into room status.
- **Room revenue status** – as the reservation agent completes each reservation, the software will convert the room rate into revenue generated by day, week and month. The system can have the previous years revenue figures, by the day, week, month and year to compare performance with.
- **Room occupancy status** – as reservations are made the software will update the occupancy percentage. This is a dynamic process updating from moment to moment. A reservation agent can know at any moment the occupancy of the hotel and also compare it with last year on the same day.
- **Forecasting** – the system helps the reservation agent and management know what to expect in the future in terms of occupancy and revenue. Tactics can be adopted to improve situations in the future.
- **Travel agent's history** – Hotel chains are linked to Global Distribution Systems (GDS). GDS systems like Sabre, Galileo International, Amadeus and Worldspan, capture, process and forward reservation information generated by travel agents and airline companies. The reservation agent can know the performance of a travel agent in the past. Reliable travel agents can be given instant confirmations while others which are doubtful will have to come up with guarantees and deposits. This is especially important in the case of block bookings. The software will also automatically calculate the commissions to be paid to the respective agents registered into the GDS.

- **Central reservation** – most chain operations are linked to the central reservation systems CRS. CRS agents are given certain rooms to sell on a free sale basis. There are periods in a year that they have to check with the hotel whether to confirm a booking. In free sale periods, the CRS agent will book rooms that electronically enter the hotel reservations module. A code will indicate the CRS code to confirm the source of the booking. This will automatically calculate the commissions due to the CRS in a continuous updated report.
- **Websites** – most hotels have their own websites through which guest can make reservations. The reservation from this source are also fed into the FOS.

### **Rooms Management**

The rooms management package gives all information on rooms, their rates and the status of occupancy. This helps in reserving, assigning and billing. While there are many software available, the Fidelio System is king. The system has perfected its software to be suitable for most hotel operations.

**Arrival List** As the reservations software books guests into the hotel, it interfaces with the rooms software to produce the expected arrivals of the day in an alphabetical order. The receptionist will call up the list and click on any name to display the guest's reservation form and details. This same form can be printed out to act as a registration form since most details are already documented.

**Guest List** The software will also display the resident guests of the house and updates itself as soon as a guest is registered into the hotel. This list acts as the erstwhile guest rack and will now give the name of resident guests in an alphabetical order. The addition is now the room number assigned to the guest. This document exists in the central server and is accessible to the telephone operators, concierge and the room service order-taker.

**Rooming List** The software also converts the information into serially progressive room numbers of the house. It displays rooms that are occupied, in clearance by housekeeping, out-of-order and those under renovation. The list replicates the erstwhile room rack and gives the receptionist a guide as to which rooms can be assigned at the time of registration of a guest. She blocks that room by typing in the guest's name to update the list. This list is interfaced with housekeeping software that can now see the occupancy status of rooms. This has eliminated the cumbersome process of receptionists having to inform the housekeeping each time a departure takes place and receiving information about clearance from housekeeping. The housekeeping has access to the rooming list and clears rooms for sale when they are done with it. Another feature for the receptionist is to call up rooms according to specifications requested by the guest such as:

- Single, double, twin rooms and suites
- Room numbers of a certain colour combination
- Rooms facing the golf course or swimming pool
- Executive rooms
- Rooms with additional features like mini-bar, safety deposit box, internet provision etc.
- Smoking and non-smoking rooms
- Rooms with baths or showers.
- Rooms with Jacuzzi

- Interconnecting rooms
- Adjacent rooms

The receptionist can assess the availability of such rooms in the various categories as requested. The rooming list also segregates the rooms by room rates. The receptionist can enter into the computer the type of room and rate preferred by the guest. The software is excellent for up-selling by displaying rooms with higher rates that need filling.

**Expected Departures** The reservation software had been already included the departure date when filling the original reservation form. The departure information is translated and sorted into a daily departure list. This list can be displayed in the receptionist terminal to give her an updated idea of departures for the day. The information also has updated the room number at the time the guest was registered. Receptionists can use this information to forecast the availability of rooms on a given day to re-assign.

**Guest History** This is perhaps one of the greatest innovations to give personalised guest services. The guest history is accessible to the front-desk employees, guest relations executive, reservations agent, concierge, room service order-taker and the restaurants. All transactions with guests at these points are updated into the guest history that gives a complete history of stay of a guest. Information includes the type of room s/he stayed, personal preferences of food and beverage, habits and tendencies, length of stay etc. Based on the history, all the concerned staff can give a personalised service. Wouldn't a guest be amazed when the receptionist tells him on his arrival, "Mr. Jones would you like the same non-smoking room overlooking the golf course?"

**VIPs in house** While the reservation agent and the receptionist already highlight a VIP in the guest list and rooming list, a separate folder with the VIPs in the house is maintained for access to all departments especially the housekeeping, room service, telephones and the front desk personnel. Each can provide the special services to them as per the policies of the hotel.

**Groups/Crews in house** A separate folder lists the groups and crews expected and those in the house. By clicking a group name, the individual rooming list is displayed. Each guest in the rooming list has his/her own folder which when clicked displays the guest's details.

**Guest Accounting** A great benefit of the rooms management software is the accounting system. For one, the software generates the guest folio the moment a guest has been registered. All the relevant details of the guest along with the billing instructions, gets automatically transferred, into the folio. Once the folio is activated, it links up to all micros (remote point-of-sale terminals) in the revenue outlets and telecommunications that posts charges directly into the guest folio. The front office cashier does not have to fill each transaction. At the time of a guest departure, the front office cashier will just have to press the print button to churn out the guest bill.

The software interfaces with back-office accounting systems for bills that have to be transferred to the city ledger where bill amounts are recovered later. Such cases are those guests on company accounts.

The guest accounting system also monitors the credit limits set by the house and produces a statement of those guests that have exceeded the limits.

### **Management Systems**

One of the greatest advantages of a computerised system is its potential to generate reports for monitoring performance and decision-making. While general management may have their own independent softwares for specific purposes like accounting, human resources, financial reporting and inventory control, parts are interfaced with revenue centres of the hotel to generate financial status and statistics. Some of the reports that management systems produce are:

- Daily Profit and Loss
- Balance Sheet
- Daily Trial Balance
- Night Audit Report
- Accounts Receivable
- Cash Flow Statements
- Occupancy Status
- Average Room Rate
- Yield Management Realisation Report
- Room Revenues
- Food and Beverage Revenues
- Inventory Costs
- Daily Purchasing Report
- Guest History
- Travel Agent/Tour Operator Realisation Report
- Energy Cost Report
- Project Planning Report
- Financial Reporting
- Tax Management

Softwares update the information as transactions occur. Management is empowered to make strategic and tactical decisions depending on situations.

### **Other Applications**

Softwares have no limits. They can serve users to the extent they want to exceed guest conveniences and expectations. Applications that have successfully been used are for:

- **Mini-bars** – are mini fridges installed in rooms. The moment a guest takes out any stocked item in the fridge, it activates an electro-mechanical device that prompts electronically the charge for the item into the guest folio.
- **In-house Entertainment** – the television has revolutionised entertainment. Not only are entertainment and news channels provided via satellite, but also in-house information. Guests can take virtual tours of the hotel through innovative softwares. Guests can access their billing folio to take stock of their expenditures and balances. In entertainment, guests can choose their movies from an electronic library with all the features of language selection, sub-titles, chapter selection etc.



- **Electronic Locking System** – the room key is slowly being replaced by electronic cards. Each card can be programmed to give access to a guest to his or her room. The same card can be placed in a slot behind the door to activate the floor lights, which, gets automatically switched off when the guest removes the card from the slot at the time of leaving the room.

## Key Terms

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<b>Hotel Management Systems</b>	the hardware and software used to computerise operations
<b>Hardware</b>	the physical components of a computerised system like computers, printers, cabling and servers.
<b>Software</b>	The language used to interpret information
<b>Front Office Systems</b>	the computerised applications used to serve the front office
<b>Guest Accounting Systems</b>	the computerised applications concerning guest billing
<b>Management Systems</b>	the reports generated for decision-making

## Review Quiz

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**Write short notes on the following:**

1. Why do some owners prefer to employ a manual system of operations?
2. Why do owners prefer to employ computerisation?
3. What broad functions does a front office system provide?
4. What reports are generated in a Management System?
5. What are the other applications of automated systems?

## 2.5 THE GUEST CYCLE

### Stages of Guest Stay

A front office professional needs to know the stages through which a guest goes during his/her stay. Broadly speaking, a guest interacts with the hotel and its departments over four broad stages known as the guest cycle:

1. Pre-arrival
2. Arrival
3. Occupancy
4. Departure

The guest interacts with certain external agencies to make the cycle complete. These external players include the agencies that make bookings, like the travel agent, tour operator, etc.; the surface transporters such as taxis, coaches, trains, etc. that bring the guest to the hotel; and the entertainment centres who give the guest pleasure in terms of sightseeing, shopping, restaurants, bars etc. A hotel has to work closely with the external players to give that value-added experience to the guest.



#### **Pre-arrival**

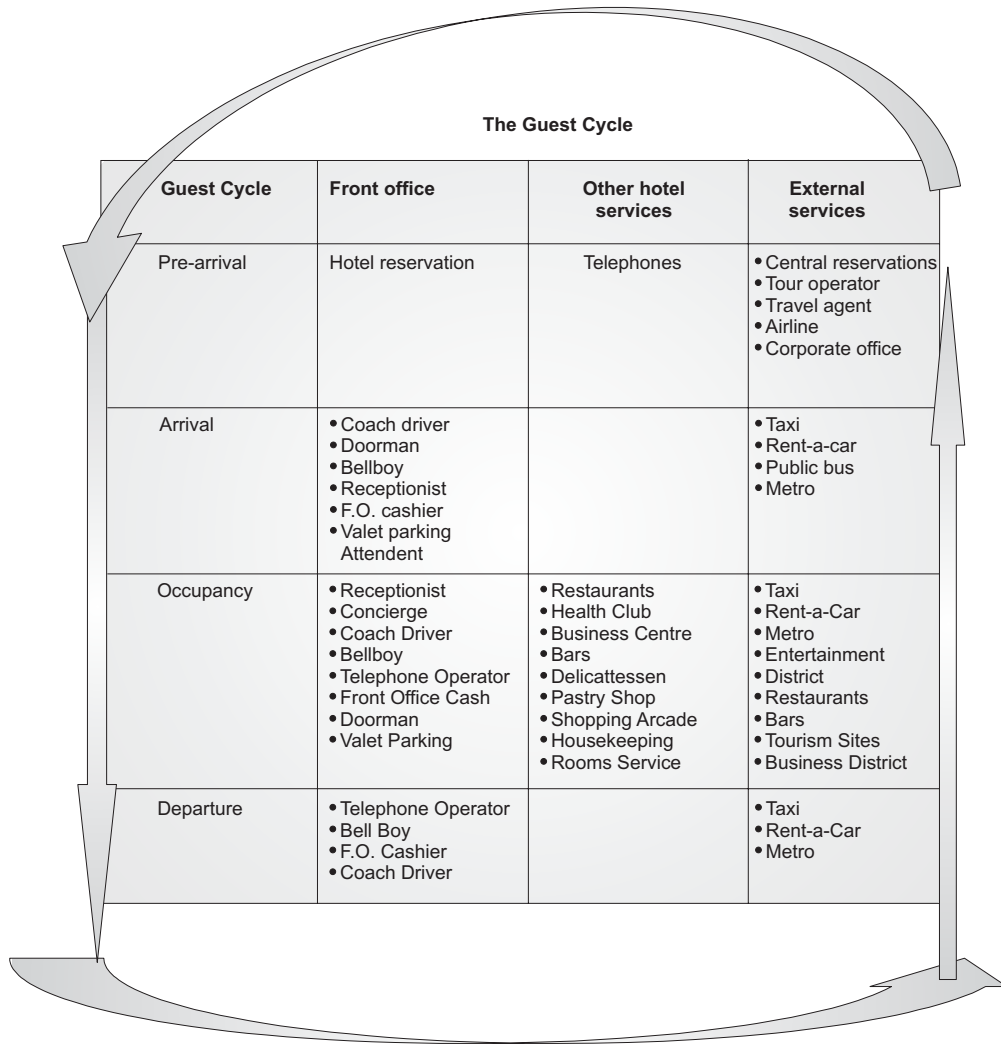


This is the stage when a guest makes contact with the hotel before s/he even sees the property. The choice of hotel may be through word of mouth, previous experience with it or through intermediaries like the travel agents, tour operators, central reservations, airlines and corporate offices who vouch for the quality of the hotel based on their own research and experience. External agencies may even procure a favoured room rate because of the volume business they assure the hotel. The guest may choose to contact the hotel directly by phone, fax, or the web. They get in touch with the hotel reservations department who is able to confirm or not, a room

availability. Some guests may arrive at the airport without any prior reservations with the hotel. Hotels have slide displays of rooms and facilities to promote the property at the airport. They have direct hot line connections from the airport to the hotel. The guest calls enquires about room rates and gets instant reservations with the property before s/he leaves the airport. At this stage, most hotels may have courtesy coaches or limousines to transport guests from the airport to the hotel.

#### **Arrival**

When the guest reaches the portals of the property, his/her next point of contact is the doorman, who opens his/her transport door and welcomes the guest to the hotel. He alerts the bell boy to be at the porch to unload the baggage and escorts the guest to the registration desk (this task is not included for many doormen whose duty finishes at the porch itself). The Guest Relations Executive welcomes the guest and escorts him/her to the front desk where the guest will register himself/herself into the hotel. The front desk agent completes the registration formalities and allots a room with its room key. She permits the bell boy to escort the guest to the room and deposit the baggage in the room. The bellboy explains the basic features of the room before leaving the guest.



## Occupancy

During this stage, the guest interacts with a host of other departments and facilities as per his/her convenience. The guest visits bars to refresh himself/herself; the restaurants to eat; the health club for exercise and fitness (including the swimming pool); the telephones for wake-up calls; the concierge for messages, information and facilitations; room service for his/her morning tea and meals in the room; the doorman for hailing a taxi; the shopping arcade for shopping; the housekeeping for services to the room; engineering for electrical, civil, mechanical and plumbing services in the room; and the cashier for money exchange and billing information. The list goes on based on other services provided as per the policy of the hotel.



## Departure

The guest contacts the bell desk for the removal of his/her baggage. He interacts with the front office cashier to settle his bills and the doorman to arrange his transportation to the airport.

## External Agencies

We cannot undermine the contribution of external agencies in the ultimate guest experience. It may start with the travel agent who books the room with the hotel or the central reservations of a hotel chain and also include surface transports that bring guests to the hotel from the airport such as taxis, buses, and city rail service.



During a guest's occupancy at a hotel, s/he avails many services including city transport, shopping malls, business centres, public

restaurant and bars. The guest could be coordinating with tourism offices for sightseeing tours and guides. At the time of departure, the guest may need a taxi or rent a car to reach his/her destination.



All these different sectors of services need to coordinate closely to give a guest a positive experience. A hotel within must ensure that all departments coordinate to provide that perfect experience. The difference between hotels is not the physical dimensions which are all almost similar but the staff efficiency and their courtesy. Readers will realise that a guest experience is not a singular water-tight effort but a coordinated effort. Teamwork in the service industry is one of the foremost competencies required.

## Review Quiz

### True or False

1. The guest experience starts before s/he arrives at the hotel.
2. External agencies play a part in influencing guests to stay at a hotel.
3. Hotels can influence stay decisions at the airport.
4. The first person in contact with a guest upon arrival at the hotel is the bell boy.
5. The first contact in contact with a guest in the Lobby is the Guest Relations Executive.
6. The city transport has an influence on the ultimate guest experience.
7. Guest contact personnel are more important the back-house staff.
8. The Engineering department of a hotel is important to a guest experience.
9. One of the critical competencies required by all hotel personnel is teamwork.
10. The last hotel staff member in contact with a guest is the front office cashier.



# CHAPTER 3

## Front Office Management

### 3.1 FRONT OFFICE ORGANISATION AND JOB DESCRIPTIONS

#### Introduction

Hotel business is very lucrative as it satisfies two basic physiological needs of all human beings—shelter and food. However basic or elaborate the operation is, hoteliering as a business is a safe investment, because people will travel, eat and drink. The Front Office in a hotel is the department responsible for the sale of hotel rooms through systematic methods of reservation, followed by registration and assigning rooms to customers. It is the centrepiece of a hotel operation as it fulfills the core activity of the hotels, which is to sell rooms. The front office, as the name suggests, is the first and last point of contact for a guest. It, therefore, has a visible role in creating the image of the property. Revenues from the sale of rooms contribute to fifty percent or more of a hotel with a large food and beverage operation. In many cases such as motels and airport hotels, it is the main source of revenue as the main focus is the hire of room for transitory stay. The profit contribution from room sales is high because after the initial investment of constructing and decorating them, it is the space available for years to come. The only costs are the guest supplies and amenities that are consumable.

The term “sale” may appear misleading to those unfamiliar with the industry. “Sale” in the hotel industry means the lease of a room for stay for a duration (at least one night) at a price. A room is considered sold when the room space is leased by a guest for a specific time period. A room tariff is a rate charged per room computed for a revenue day, which begins at noon and ends at noon the next day. Of course, a room may be sold for half a day as well for which the charge is a day rate.

Front office is part of a larger division called Accommodations or Rooms Division headed by a director. Accommodations Division has many other services that support a guest’s stay, such as bell desk, concierge, telecommunications, cashiering, housekeeping, engineering, information technology, laundry and business centre; these services require coordination at a senior management level. Small hotels may call the front office as simply “Hotel Reception” reporting directly to the General Manager.

#### Basic Functions of the Front Office

The basic function of the front office includes the following:

- To sell rooms.
- To reserve rooms for guests before their arrival.

- To register guests into the hotel.
- To assign rooms.
- To coordinate with other services.
- To provide in-house and external information to guests.
- To maintain accurate room status information.
- To maintain accounts of the guests and settle their bills.

To fulfil these basic responsibilities, the front office is divided into different sections each with distinct roles. These sections are:

## **Front Office**

### **Reservation**

The principal role of reservations is to book rooms in advance. This section is the hub of the department as it must maximise the sale of rooms. Room space is “perishable” as it is linked with time. A time period not sold is lost forever. The challenge is to ensure that these time slots are fully sold. Requests for reservation of rooms come from various sources and the information is processed, properly documented, stored and retrieved at the appropriate time to ensure a guest gets the room at the time of arrival. Most hotel bookings are made through reservations because travellers come from outstation. Very few would be “walk-ins”, a term used for those without reservations. Large chains may have their own centralised reservation systems while independent ones may be linked to an international reservation system. The purpose of this strategy is to increase the reach of independent hotels to a larger travelling public. The reservation agent is an important person who can contribute to the room revenues of the property by adept management of rooms and up selling. She is no longer a clerk recording reservations but a person who actually sells rooms and procures that extra dollar. In fact, many sales executives started their career as reservation agents. Because of the importance of the reservations function, the reservation agent reports directly to the front office manager who can work closely with the agent to maximise the sale of rooms. The reservations section must work closely with the sales and marketing division to ensure that room sales are maximised. Many reservation databases are networked with the sales division to ensure total coordination in room availability. Over booking is a fine art to maximise room sales. It counters cancellation of bookings. This art is developed with experience of the hotel reservation history. Many small hotels will have manual systems to make reservations including the well-used Whitney Rack system. The development of technology has helped reservation agent to keep an accurate account of rooms through specialised software.

### **Reception**

The reception registers guests and assigns rooms to them. The staff receives and welcomes the guests on behalf of the hotel. The main activity is to complete registration formalities, especially the billing information, for the cashier to process during a guests stay and upon him or her leaving the hotel. The reception controls all room keys meticulously and issues them and receives them back after a guest stay. Key control is a vital activity because a room key lost would mean changing the lock. Smaller hotels use the reception as the constant source of guest information, mail and messaging. The front office agent multi-tasks the receptionist, telephone operator, information assistant and cashier duties.

## **Telecommunications**

Is responsible for all communications within the hotel and external to the hotel. They have a vital role of keeping the channels of communication open. The telephone department has traditionally had the PBX exchange board where incoming and outgoing calls had to be connected manually. This has changed dramatically in modern hotels which have installed latest telecommunication systems. These systems permit guests to call locally and internationally directly from their rooms. The call charges are automatically posted directly onto on-line guest folio accounts. The guest room phones have message indicators, voice mail services, caller ID, Do-not-Disturb and other features. This has allowed the hotel to manage a huge exchange with perhaps one operator in a shift. The system is networked into wake-call systems, fire alarm systems, automated door systems etc. There is no limit to the progress of telecommunication systems which has already revolutionised the way hotel operations are run. It is worthy to mention that the telephone operator plays an important role in the case of fire and keeps the hotel connected within and outside the hotel in case of emergencies.

## **Guest Relations Desk**

The guest relations executive ensures that all guests, especially the VIPs, are kept comfortable during their stay. The Guest Relations Executive will provide internal PR to enhance the perception of the hotel in the guest's eyes. Normally a well groomed and personable woman, the GRE maintains guest history cards either manually or electronically and is able to respond to the guest needs and behaviour to a high level of personalisation. She coordinates well with the concierge in procuring such services as tickets and confirmation and other city services.

## **Front Office Cashier**

Though a member of the Accounts Department is a crucial team member of the front office. The cashier maintains the guest's accounts during his or her stay, monitors credit limits and settles bills as per instructions. Being the only cash point in the area of the hotel, it keeps a cash bank for hotel expenses and is licensed to receive and exchange foreign currency.

## **Uniformed Services**

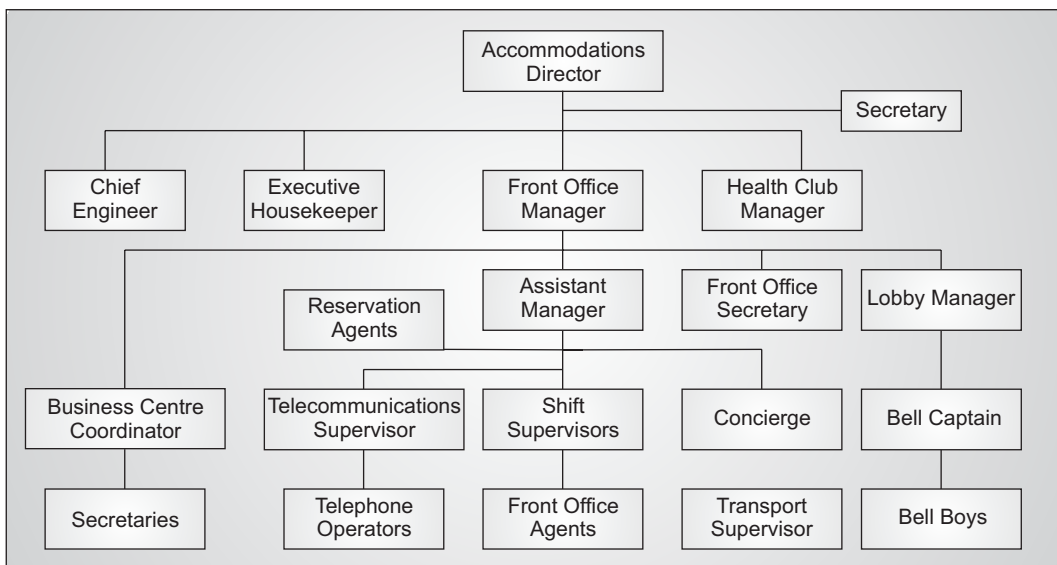
**Lobby Desk:** The lobby manager coordinates all guest services from a central point. He is the representative of the General Manager at all times during the day and night. He interprets and safeguards house policies with guests and can evict undesirable guests from the premises.

**Concierge** Provides information to guests in large hotels, during their stay and offers mail and messaging services. Traditionally, the concierge was a castle doorkeeper who was responsible to ensure that all guests were properly roomed for the night. The concierge accompanied the travelling royalty and provided them with security, lodging arrangements and entertainment sites. With modernisation, the concept concierge was adopted by hotels in Europe as the person who provided personalised services such as providing box office tickets at nearby theatres, coach tickets for sight seeing, or table reservations at city restaurants etc. He was the person who knew everything about the city, its sites and events. Today,

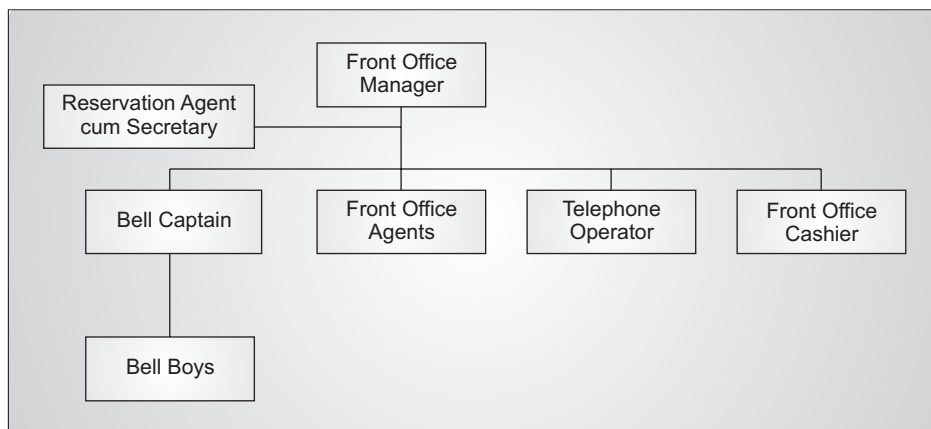


hotels have extended his role to providing information services of the hotel facilities as well as the city. In properties that do not have a lobby manager, he assumes responsibility of all uniformed services including bell services, valet parking, transportation and doormen.

**Bell Desk** The desk coordinates the movement of guest baggage. This is a real challenge as the volume of baggage during a single day is very large for a busy hotel. They also carry out errands for the guest and management within the hotel precincts. The bell desk is also responsible for the distribution of daily newspapers to occupied guest rooms, executive offices, business centre and coffee shop. They sell postage stamps if the hotel does not have a captive post office in its shopping arcade. The bell desk keeps the first aid kit and some essential medicines under the direction of the house doctor in case of emergencies. They are responsible for the left luggage procedures.



**Organisation Chart of a Large Hotel Accommodations Department**



**Organisation Chart of a Small Hotel Front Office**

**Transport Section** It is common nowadays to see hotel courtesy transport waiting at airports for guests with reservations at the property. This is a free service of limousines for VIPs to mini-vans for others and airline crew members and larger coaches for groups. These transports may be owned by the hotel, leased or contracted out to transport companies. The drivers then become the first physical point of contact with the property. The drivers, therefore, have to be licensed, knowledgeable about the property, helpful to guests in loading and unloading baggage and possessing etiquettes and manners. The drivers must drive safely and observe all the traffic rules. They are responsible to keep the transport clean and well-maintained. Superior hotels provide the drivers with mobile telephones to inform the bell desk and doorman of their arrival at the porch. This is critical when bringing in groups. The bell desk can then keep their staff ready for volume baggage handling. The front office agent can also have the registration and room keys ready for their arrival.

**Doorman** The doorman is important because he is the first and last hotel employee who is in contact with the guest upon his or her arrival and departure at the hotel premises. In recognition of this, the doorman is given a resplendent uniform and is smart and personable. His main duties is to welcome the guest to the hotel, assist in unloading the guest baggage from the transport, open the hotel doors and perhaps escort the guest to the registration desk. His main challenge is to control the traffic at the entrance and on busy days is the person to avoid congestion of traffic at the entrance. Superior hotels may have independent valet parking attendants, but many smaller properties may require him to do that function. Ideally, he should speak many languages but fluency in the English language is a must. He is the doorkeeper of the property and therefore, assumes certain security functions as well. The doorman is the principle person to call for taxis.

**Valet Parking Attendant** Valet parking is a service provided by superior hotels as a value added facility. The attendants take over private automobiles of guests and park them in reserved safe areas in the parking lot. Their challenge is to keep control of car keys and ensure that they are handed to the rightful owner. This is done by issuing numbered tickets. The guest has to produce his ticket to claim the car. Some hotels may charge for this service while others give it as a free facility. In any case the valet attendants make side money from tips given by guests. Valet parking attendants are licensed drivers with skills in driving a variety of cars both manual and automatic. Cars handed to valet parking attendants become the responsibility of the hotel as against those that are personally parked by guests. Most hotels keep signs posted at car parks informing that the guests park cars at their own risk, thereby absolving the hotel from any damaged or stolen vehicles. However, cars parked by valet attendants are kept in safe areas under security surveillance.

## Job Descriptions of Front Office Personnel

A job description is a formal document that stipulates the duties and responsibilities of a job holder and those attributes to make the job successful. This attributes include reporting relationships, limits of authority and coordination aspects. Each establishment may have their own policies as to what they want to include in the job description to make the job holder clear as to what is expected of him or her. They could include items like working hours, equipment handled, workplace limits and even the salary grade the position has in the compensation hierarchy.

It is, therefore, a realistic guide to any employee recruited for a particular job. Having Job Descriptions is essential to all organisations. They offer the following benefits:

- A new recruit knows exactly what the job entails and this is the basis of expectations from the individual by the organisation.
- It acts as a vital part of orientation programmes.
- It acts as the basic foundation to set standards of performance against which the performance appraisal is done.
- The job description brings a parity in perception of the job between the superior and the job holder.
- It is a legal document for any disputes arising out of a lack of role clarification.
- It protects an employee from an unreasonable superior who may like to over-burden an employee and exploit his presence on the job.

To enable readers to know the full scope of responsibilities of the front-office, the following job descriptions of lobby positions, guest relations, telecommunications and the cashier and the night auditor (though these positions come strictly under the Finance and Accounts department have been given). While these positions are distinct in their deliverables, the move in the modern world is multi-skilled positions. Front offices of small hotels would certainly have one person doing several functions as the human resources budget is limited.

<b>Job Title</b>	<b>Front Office Manager</b>
<b>Reports to</b>	<ol style="list-style-type: none"> <li>1. Accommodations Manager</li> <li>2. General Manager</li> </ol>
<b>Job Summary</b>	To recommend and meet budgets and goals by leading a front office team that ensures quality service standards with personalised guest attention
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>1. Recommend and monitor a front office budget and plan for the year.</li> <li>2. Lead, train and motivate a front Office team.</li> <li>3. Conduct daily department meetings to ensure two-way communication, training and policy information.</li> <li>4. Check the arrivals of the day and inform VIP arrivals to management.</li> <li>5. Approve expenses of the front office department.</li> <li>6. Conduct sales calls to corporate houses, embassies, government etc. and develop innovative ways to up-sell rooms.</li> <li>7. Meet and greet guests and develop a personal guest database to ensure continued patronage.</li> <li>8. Schedule staff rotations and duties and organise extra hands when required.</li> <li>9. Ensure the safety and hygiene of the front office and its staff.</li> <li>10. Maintain discipline and conduct staff appraisals.</li> </ol>

(Contd.)

	<ol style="list-style-type: none"> <li>11. Coordinate with housekeeping and engineering to ensure smooth functioning.</li> <li>12. Monitor the reservation system.</li> <li>13. Monitor proper billing and cash recovery by the cashier.</li> <li>14. Resolve guest and staff complaints and grievances.</li> <li>15. Represent the department in coordination meetings.</li> <li>16. Conduct periodic competition analysis.</li> <li>17. To exercise revenue and yield management to maximise room income.</li> </ol>
<b>Supervises</b>	Assistant Manager Front Office, Front Office Supervisors, Lobby Managers, Concierge Services, Reservation Agents
<b>Limits of Authority</b>	<ol style="list-style-type: none"> <li>1. Evaluates performance of staff</li> <li>2. Discipline of staff</li> <li>3. Can provide complimentary rooms</li> </ol>
<b>Coordinates with</b>	<ol style="list-style-type: none"> <li>1. <b>Housekeeping</b> – for cleanliness of rooms and making them available for sale.</li> <li>2. <b>Accounts</b> – for budgets and depositing daily sales.</li> <li>3. <b>Engineering</b> – on matters of maintenance and safety.</li> <li>4. <b>Security</b> – on matters of security and safety.</li> <li>5. <b>Marketing</b> – on matters of room sales and promotions.</li> <li>6. <b>Accommodations Director</b> – for policy directions and evaluation of department performance.</li> </ol>
<b>Minimum Educational Qualifications</b>	Diploma in Hotel Management
<b>Experience</b>	Minimum 10 years after hotel management.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Thorough knowledge of front office systems and procedures.</li> <li>• Proficiency in the English language. Another foreign language preferred.</li> <li>• Training skills.</li> <li>• Guest handling skills.</li> <li>• Etiquettes and Manners</li> <li>• Leadership and motivation skills</li> <li>• Personable and well groomed</li> </ul>

<b>Job Title</b>	<b>Assistant Manager – Front Office</b>
<b>Reports to</b>	<ol style="list-style-type: none"> <li>1. Front Office Manager</li> <li>2. Accommodations Manager</li> </ol>
<b>Job Summary</b>	To organise, supervise and train all front office personnel with a view to maximising room revenue by providing quick and personalised guest service.
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>1. Deputise in the absence of the Front Office Manager and ensure the smooth functioning of the front office.</li> <li>2. Schedule weekly/fortnightly staff duty shifts with the approval of the Front Office Manager ensuring that work exigencies are met and the staff are rotated fairly.</li> <li>3. Allot daily duties to subordinate staff to meet work exigencies ensuring equity of work.</li> <li>4. Conduct daily briefing using it as a vehicle for two-way communication, training and corrective action.</li> <li>5. Attend to guest complaints and ensure guest satisfaction through immediate action.</li> <li>6. Check the daily arrivals and departures and tally with the room position.</li> <li>7. Ensure the maintenance and aesthetic upkeep of the front desk in close coordination with engineering and housekeeping.</li> <li>8. Organise the training of staff for meeting the standards of service.</li> <li>9. Develop room sales through up selling, guest contacts and ensuring good service.</li> <li>10. Ensure that the front office is free from work hazards.</li> <li>11. Supervise front desk operations with a view to ensure speed, quality of service and personalisation.</li> <li>12. Appraise staff performance and recommend rewards to the front office manager.</li> <li>13. Control costs of supplies.</li> <li>14. Motivate staff through fair leadership.</li> <li>15. Ensure proper coordination with other departments.</li> </ol>
<b>Supervises</b>	Front office supervisors, front office agents, reservation agents and concierge.
<b>Limits of Authority</b>	Recommending authority but initiates the performance appraisals of staff for the final approval of the manager.

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<b>Coordinates with</b>	<p><b>Housekeeping</b> - for the preparation of rooms for sale.</p> <p><b>Engineering</b> - for the maintenance of front office.</p> <p><b>Lobby Bell Desk</b> - for the movement of guest baggage and transport facilities.</p> <p><b>Accounts</b> - for depositing room sales.</p> <p><b>Telecommunications</b> – for services to the department and guest rooms.</p> <p><b>Information Technology</b> – on all front office hardware, software, cabling and database matters.</p>
<b>Minimum Educational Qualifications</b>	Diploma in Hotel Management
<b>Experience</b>	Three years after hotel management.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Thorough knowledge of front office systems and procedures.</li> <li>• Socially confident.</li> <li>• Proficiency in the English language.</li> </ul> <p>Knowledge of a foreign language is preferable.</p> <p>Leadership and motivation skills</p>

<b>Job Title</b>	<b>Front Office Supervisor</b>
<b>Reports to</b>	<ol style="list-style-type: none"> <li>1. Assistant Manager – Front Office</li> <li>2. Front Office Manager</li> </ol>
<b>Job Summary</b>	To organise and supervise a shift with a view to providing fast and efficient front desk service.
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>1. Ensure that all staff report on time in proper uniform and well groomed as per hotel standards.</li> <li>2. Take over from the previous shift and check the log book for follow-up actions.</li> <li>3. Assign duties ensuring equity of work during a shift.</li> <li>4. Brief staff to ensure two-way communication.</li> <li>5. Check for VIPs in the house and expected and give them the courtesies as per policy of the house.</li> <li>6. Check arrivals and departures and tally the room position.</li> <li>7. Check the room key position and report any missing keys.</li> <li>8. Meet and greet all arrivals and ensure accurate and speedy rooming.</li> <li>9. Train and supervise front office agents to give high standards of service in terms of time, quality and personalisation.</li> </ol>

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	<ol style="list-style-type: none"> <li>10. Check all equipment for serviceability.</li> <li>11. Check guest mail and packages and arrange their distribution. Keep those handy for new arrivals.</li> <li>12. Check statistical data such as: <ul style="list-style-type: none"> <li>• Daily room revenue</li> <li>• Occupancy</li> <li>• Housecount</li> <li>• VIP List</li> <li>• Room Report</li> <li>• Pre-registered Registration Cards</li> <li>• Guest Folios</li> </ul> </li> <li>13. Prepare monthly statistics with regard to complimentary rooms, room nights and statutory data for Ministry of Tourism.</li> <li>14. Assist in registering guests during busy periods.</li> <li>15. Ensure that staff meet hygiene and discipline standards.</li> </ol>
<b>Supervises</b>	Front office agents.
<b>Limits of Authority</b>	Only advisory to the Assistant Manager. Supervises a shift.
<b>Coordinates with</b>	<ol style="list-style-type: none"> <li>1. <b>Housekeeping</b> - for the preparation of rooms for sale.</li> <li>2. <b>Stores</b> - for the requisition of supplies.</li> <li>3. <b>Engineering</b> - for the maintenance of front desk fittings and equipment.</li> <li>4. <b>Bell Desk</b> – for the movement of guest baggage.</li> <li>5. <b>IT</b> – for all matters of hardware and software.</li> <li>6. <b>Telephones</b> – for room updates and problems.</li> <li>7. <b>F&amp;B</b> – Group arrivals, guests on American and MAP plans.</li> </ol>
<b>Minimum Educational Qualifications Experience</b>	Diploma in Hotel Management Direct recruit from a Hotel Management School with 6 month orientation or 3 years as a Front Office Agent.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Thorough knowledge of front office systems and procedures.</li> <li>• Guest complaint handling skills.</li> <li>• Customer service skills.</li> <li>• Socially confident.</li> <li>• Proficiency in English. Knowledge of a foreign language is preferable.</li> <li>• Supervisory skills.</li> <li>• Trained trainer.</li> </ul>



<b>Job Title</b>	<b>Front Office Agent (Receptionist)</b>
<b>Reports to</b>	<ol style="list-style-type: none"> <li>1. Front Office Supervisor</li> <li>2. Assistant Manager</li> </ol>
<b>Job Summary</b>	To reserve, register and assign rooms to guests and be a continuous source of information during their stay in the hotel.
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>1. Attend briefings prior to the shift opening and take over from previous shift. Attend to log book for any special instructions.</li> <li>2. Check the arrivals for the day and room status including departures for the day.</li> <li>3. Check the expected VIPs for the day and issue VIP amenities vouchers for fruits, flowers, beverages etc. as per policy.</li> <li>4. Prepare records and pre-registrations for VIPs, handicapped people and old people.</li> <li>5. Handle Group/Crew registration as per laid down procedures.</li> <li>6. Ensure that all stationery supplies and forms are available for a full shift and requisition them from stores if necessary.</li> <li>7. Register and room all arrivals during the shift.</li> <li>8. Constantly update room rack/front office database.</li> <li>9. Open guest folios immediately of new arrivals and send to front office cashier.</li> <li>10. Maintain room rates absolutely current and up to-date.</li> <li>11. Maintain room rates absolutely current and be informed of the days rack rate.</li> <li>12. Prepare the room discrepancy report and double check by physical verification by a bell boy.</li> <li>13. Work closely with the concierge and provide relevant information to him.</li> <li>14. Give departure rooms to housekeeping promptly.</li> <li>15. Assist in making room and occupancy reports.</li> <li>16. Up sell rooms to get higher revenues.</li> <li>17. Handle guests with scanty baggage diligently.</li> <li>18. Update guest history periodically to have an accurate database.</li> </ol>
<b>Supervises</b>	Trainees assigned.
<b>Limits of Authority</b>	May assign rooms.
<b>Coordinates with</b>	<ol style="list-style-type: none"> <li>1. <b>Housekeeping</b> - for the cleanliness of rooms for sale. Also supply of fresh linen and flowers.</li> </ol>

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	<ol style="list-style-type: none"> <li><b>Engineering</b> - for the maintenance of service equipment and furniture.</li> <li><b>Lobby</b> - for the movement of guest baggage at the time of arrival and departure.</li> <li><b>F&amp;B</b> – for meal plans.</li> <li><b>Concierge</b> - for messages, mail and relevant information update.</li> </ol>
<b>Minimum Educational Qualifications</b>	Graduate with preferably a Craft Course certificate in front office reception.
<b>Experience</b>	One month departmental training.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Thorough knowledge of front office systems and procedures.</li> <li>• Socially confident.</li> <li>• Personable and well-groomed.</li> <li>• Physically sturdy to stay on ones feet for a shift.</li> <li>• Proficiency in the English language and knowledge of the local dialect. A foreign language is preferable.</li> <li>• A team person.</li> <li>• Etiquettes and manners.</li> <li>• Proficiency in the front office software.</li> <li>• Ability to take stress.</li> <li>• Customer Service skills.</li> <li>• Tact and diplomacy.</li> </ul>

<b>Job Title</b>	<b>Reservation Agent</b>
<b>Reports to</b>	<ol style="list-style-type: none"> <li>Assistant Manager</li> <li>Front Office Manager</li> </ol>
<b>Job Summary</b>	To receive and record accurately room reservations requests as per the procedures laid down by management.
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>Handle courteously and promptly all reservation requests from various media and sources as per standard procedures.</li> <li>Update the reservation register to have a current room inventory position.</li> <li>Type out advance reservation slips and maintain reservation racks (in the manual system) and correspondence.</li> <li>Attend briefings at the beginning of the shift.</li> <li>Carry out amendments and cancellations of reservations accurately.</li> </ol>

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	<ol style="list-style-type: none"> <li>6. Keep room status board (in manual system) and database (in computerised system) updated at all times.</li> <li>7. Check for reservation stationery and requisition supplies from stores where necessary.</li> <li>8. Up sell rooms to generate revenue.</li> <li>9. Maintain guest history sheets.</li> </ol>
<b>Supervises</b>	Trainees assigned.
<b>Limits of Authority</b>	Can take reservations and confirm bookings as per procedure.
<b>Coordinates with</b>	<ol style="list-style-type: none"> <li>1. <b>Travel Agents, Airlines, Corporate Houses, etc.</b> – for room bookings.</li> <li>2. <b>Housekeeping</b> - for cleaning the reservation area.</li> <li>3. <b>Stores</b> - for the requisition of supplies.</li> </ol>
<b>Minimum Educational Qualifications</b>	Graduate with preferably a Craft Course Certificate in Reception.
<b>Experience</b>	1 week department training adequate
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Energetic.</li> <li>• Sound telephone skills.</li> <li>• Socially confident and pleasant.</li> <li>• Has salesmanship.</li> <li>• Proficiency in the English language. Knowledge of a foreign language preferable.</li> <li>• Thorough knowledge of front office procedures.</li> <li>• Has etiquettes and manners.</li> <li>• Is methodical and has eye for detail.</li> </ul>

<b>Job Title</b>	<b>Lobby Manager</b>
<b>Reports to</b>	<ol style="list-style-type: none"> <li>1. Front Office Manager</li> <li>2. Accommodations Director</li> </ol>
<b>Job Summary</b>	To represent the hotel management in the lobby and organise, supervise and control all uniformed services in a shift.
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>1. Take over shift from previous Lobby Manager and note any special instructions for the shift.</li> <li>2. Brief staff of uniformed services and ensure that the lobby is clean and tidy.</li> <li>3. Manage all guest complaints and take action appropriately.</li> <li>4. Manage scanty baggage procedures.</li> </ol>

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	<ol style="list-style-type: none"> <li>5. Monitor airline crew movements and coordinate with the respective airline control rooms for wake calls and schedules.</li> <li>6. Manage the discipline of the uniformed services.</li> <li>7. Oversee the left-luggage procedures and the safety of the left luggage room.</li> <li>8. Attend to any disputes over guest billings.</li> <li>9. Update on operational policies and procedures and inform the uniformed services.</li> <li>10. Train staff of the Uniformed Services.</li> <li>11. Appraise the performance of the uniformed staff and recommend rewards and recognition.</li> <li>12. Coordinate all guest requests with all departments of the hotel.</li> <li>13. Assist the security in lobby surveillance.</li> <li>14. Ensure that group and crew arrivals and baggage movement is conducted efficiently.</li> <li>15. Oversee the concierge, bell desk services, valet parking and doorman services and transportation.</li> <li>16. Acts on behalf of the front office management at night.</li> <li>17. Custodian of the master key and the keys to all stores (at night).</li> </ol>
<b>Supervises</b>	All personnel of the Uniformed Services
<b>Limits of Authority</b>	<p>May have a dialogue with guests directly for proper coordination between the hotel and them.</p> <p>Custodian of the house master key and the store keys (at night)</p> <p>May enter and authorise the entry into any guest room.</p> <p>Can make policy decisions on behalf of the management as regards guest within certain guidelines.</p> <p>May debar a guest from entry into the hotel.</p>
<b>Coordinates with</b>	<ol style="list-style-type: none"> <li>1. <b>Front Office</b> - lends support on all arrivals and departures, especially in the night.</li> <li>2. <b>All departments</b> - for better coordination between guest requests and the hotel.</li> <li>3. <b>Cashier</b> – on matters of guest billings and paid-outs on behalf of the hotel.</li> </ol>
<b>Minimum Educational Qualifications</b>	Diploma in Hotel Management.

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<p><b>Experience</b></p> <p><b>Skills &amp; Competencies</b></p>	<p>A minimum two years as management trainee or Senior Captain.</p> <ul style="list-style-type: none"> <li>• Thorough knowledge of front office system and procedures.</li> <li>• Socially confident.</li> <li>• Proficiency in the English language. Knowledge of foreign languages is preferable.</li> <li>• Etiquettes and manners.</li> <li>• Personable and well groomed.</li> <li>• Having flair and showmanship.</li> <li>• Tact and diplomacy.</li> <li>• Assertive in protecting the interests of the hotel.</li> </ul>
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### Uniformed Services

Job Title	Senior Bell Captain
Reports to	<ol style="list-style-type: none"> <li>1. Lobby Manager</li> <li>2. Front Office Manager</li> </ol>
Job Summary	To organise, supervise and control all uniformed services in the lobby according to the standards set by management and guest satisfaction.
Duties and Responsibilities	<ol style="list-style-type: none"> <li>1. Supervise the bell boys and monitor their movements on the Lobby Control Sheet.</li> <li>2. Take attendance and prepare staff schedules to meet the exigencies of work of the lobby staff.</li> <li>3. Conduct daily briefings of bell desk staff with a view to establish two-way communications.</li> <li>4. Attend to guest complaints and take prompt corrective action.</li> <li>5. Receive telephone calls at the bell desk and respond to guest requests within policy.</li> <li>6. Supervise the Left Luggage formalities and the baggage room.</li> <li>7. Train the Bell Captains and the Bell Boys for maximum departmental efficiency.</li> <li>8. Organise and supervise all baggage movements during check-ins and check-outs, especially of groups and airline crews.</li> </ol>

(Contd.)

	<ol style="list-style-type: none"> <li>6. Control the sale of postage stamps to guests.</li> <li>7. Be alert and report guests with scanty baggage and maintain the “Scanty Baggage Register”.</li> <li>8. Assist the security in lobby surveillance.</li> <li>9. Appraise lobby staff and recommend to the Lobby manager their rewards and recognition.</li> <li>10. Coordinate and control the distribution of morning newspapers to the guest rooms and the executive offices.</li> <li>11. Supervise the storage and dispensation of basic medicines as prescribed by the house doctor.</li> <li>12. Ensure that the lobby premises are kept clean at all times.</li> <li>13. Ensure that the guest baggage is kept at their designated places and secure.</li> <li>14. Coordinate errands of bell boys on behalf of guests and executive offices.</li> <li>15. Assist lobby manager in the coordination of wake calls for airline crews and groups.</li> </ol>
<b>Supervises</b>	<ol style="list-style-type: none"> <li>1. Bell Captains</li> <li>2. Bell Boys</li> <li>3. Doormen</li> <li>4. Parking attendants</li> <li>5. Transport in-charge</li> </ol>
<b>Limits of Authority</b>	<p>May have a dialogue with guests for the purpose of uniformed services.</p> <p>Maintains discipline and recommends any deviations in behaviour.</p> <p>Mans the lobby desk in the absence of the lobby manager.</p> <p>Recommends rewards and recognition of uniformed services staff.</p>
<b>Coordinates with</b>	<ol style="list-style-type: none"> <li>1. <b>Front- Office</b> - for the movement of guest baggage at the time of arrival or departure and transport coordination.</li> <li>2. <b>Lobby Manager</b> - for management instructions, policies and procedures.</li> <li>3. <b>Cashier</b> - for confirmation of the settlement of bills.</li> <li>4. <b>Housekeeping</b> - for the cleanliness of lobby premises.</li> </ol>

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	<ol style="list-style-type: none"> <li>5. <b>Telecommunications</b> – for wake-up calls of airline crews and groups.</li> <li>6. <b>Security</b> – to help protect hotel property and lobby image.</li> </ol>
<b>Minimum Education Qualifications</b>	High school with preferably a Craft Course in Front Office
<b>Experience</b>	Three years as a bell boy and one year as a Bell Captain.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Thorough knowledge of lobby procedures.</li> <li>• Proficiency in the English language and the local dialect. Knowledge of a foreign language is preferred.</li> <li>• Well-groomed.</li> <li>• Socially confident.</li> <li>• Physically sturdiness and stamina to stand for long hours and lift heavy baggage.</li> <li>• Willingness to be of help to guests at all times.</li> <li>• Supervisory skills</li> </ul>

<b>Job Title</b>	<b>Bell Captain</b>
<b>Reports to</b>	<ol style="list-style-type: none"> <li>1. Senior Bell Captain</li> <li>2. Lobby Manager</li> </ol>
<b>Job Summary</b>	To organise, supervise and control all uniformed services in a shift as per standards of the property and according to guest satisfaction.
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>1. Supervise the movement of bell boys in a shift and record in the Lobby Control Sheet.</li> <li>2. Take attendance and prepare staff schedules to meet work exigencies.</li> <li>3. Attend to guest complaints and initiate prompt action.</li> <li>4. Receive telephone calls at the bell desk and respond to requests and instructions.</li> <li>5. Handle left luggage formalities and maintain the baggage room.</li> <li>6. Train bell boys to maximize departmental efficiency.</li> <li>7. Organise and supervise all baggage movement at the time of arrivals and departures, especially of airline crews and groups.</li> </ol>

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	<ol style="list-style-type: none"> <li>8. Control the sale of postage stamps and the stationery to guests.</li> <li>9. Be alert and report guests with scanty baggage and maintain the “Scanty Baggage Register”.</li> <li>10. Assist the security in lobby surveillance</li> <li>11. Conduct daily briefings of bell boys in a shift.</li> <li>12. Coordinate and control the distribution of daily newspapers to guest rooms and executive offices.</li> <li>13. Keep baggage neatly in their designated places.</li> <li>14. Ensure that the lobby is clean at all times during the shift.</li> <li>15. Supervise the paging services during the shift.</li> </ol>
<b>Supervises</b>	Bell Boys
<b>Limits of Authority</b>	Authority to have a dialogue with guest directly on matters of baggage movement, sale of postage etc.
<b>Coordinates with</b>	<ol style="list-style-type: none"> <li>1. <b>Front Office</b> – for the movement of guest baggage.</li> <li>2. <b>Telecommunications</b> – for the wake-up calls of airline crews and groups.</li> <li>3. <b>Cashier</b> – for authorisation to move guest baggage at the time of departure.</li> <li>4. <b>Housekeeping</b> – for the cleanliness of the lobby.</li> </ol>
<b>Minimum Educational Qualifications</b>	High School
<b>Experience</b>	Three years as a bell boy.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Thorough knowledge of lobby systems and procedures.</li> <li>• Proficiency in the English language and local dialect, with preferably a foreign language.</li> <li>• Physical sturdiness and stamina to stand for long hours and lift heavy luggage.</li> <li>• Socially confident.</li> <li>• Personable and well-groomed because of constant guest contact.</li> <li>• Supervisory skills.</li> </ul>

<b>Job Title</b>	<b>Bell Boy</b>
<b>Reports to</b>	<ol style="list-style-type: none"> <li>1. Bell Captain</li> <li>2. Senior Bell Captain</li> </ol>
<b>Job Summary</b>	To execute baggage movement of guests and other errands of guests and management.
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>1. Handle guest arrivals: <ul style="list-style-type: none"> <li>• Receive baggage from the porch.</li> <li>• Escort guest to the room with baggage after clearance from front office agent that registration is completed.</li> <li>• Place baggage in room rack and explain facilities of the room to guest.</li> </ul> </li> <li>2. Handle guest departures: <ul style="list-style-type: none"> <li>• Upon instructions from the Bell to Captain to bring down guest baggage from the room.</li> <li>• Check room for guest belongings, damaged hotel property and missing articles.</li> <li>• Await cashier's authorisation for removal of baggage to the porch and guest transport.</li> </ul> </li> <li>3. Handle and store lobby trolleys, wheel chairs etc. carefully and appropriately.</li> <li>4. Report guests with scanty baggage to the Bell Captain.</li> <li>5. Account for postage stamps sold to guests during the shift.</li> <li>6. Execute errands within and outside the hotels as directed by the Bell Captain.</li> <li>7. Complete left luggage formalities as per procedures laid down by management.</li> <li>8. Distribute daily newspapers to guest rooms as directed.</li> <li>9. Assist handicapped, invalid and old people to elevators and other parts of the hotel.</li> <li>10. Assist in the transfer of guest baggage in the event of a change of rooms.</li> </ol>
<b>Supervises</b>	None
<b>Limits of Authority</b>	<p>Authority to enter guest rooms when directed.</p> <p>Authority to have a dialogue with guests on matters of guests baggage movement.</p>

(Contd.)

<b>Coordinates with</b>	<ol style="list-style-type: none"> <li>1. <b>Front Office Agent</b> – for authorisation to room a guest.</li> <li>2. <b>Cashier</b> – for authorisation to remove guest baggage from the property at the time of departure.</li> <li>3. <b>Concierge</b> – for the passing of messages to guest rooms.</li> <li>4. <b>Housekeeping</b> – for the exchange of personal uniforms.</li> </ol>
<b>Minimum Educational Qualifications</b>	High School
<b>Experience</b>	None. One month on-job training adequate.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Proficiency in the English language.</li> <li>• Personable and well-groomed.</li> <li>• Physical sturdiness to do active physical duties including lifting heavy baggage.</li> <li>• Willingness to be of assistance to guests and staff.</li> <li>• Team player</li> </ul>

<b>Job Title</b>	<b>Doorman</b>
<b>Reports to</b>	<ol style="list-style-type: none"> <li>1. Bell Captain</li> <li>2. Senior Bell Captain</li> </ol>
<b>Job Summary</b>	To provide welcome and arrival and departure services at the front entrance with courtesy.
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>1. Welcome guests at their arrival at the porch.</li> <li>2. Alert the bell desk.</li> <li>3. Assist guests to unload baggage.</li> <li>4. Open doors for guests and escort them to the registration desk if necessary.</li> <li>5. Control traffic at the porch to avoid congestion.</li> <li>6. Provide valet parking services if necessary as per policy.</li> <li>7. Assist the security in providing front porch surveillance.</li> <li>8. Hail taxis for guests.</li> <li>9. Be a source of information on hotel facilities and city landmarks.</li> </ol>
<b>Supervises</b>	None
<b>Limits of Authority</b>	<p>May direct traffic at the hotel porch.</p> <p>May keep guest car keys if given valet parking duties.</p>

(Contd.)

<b>Coordinates with</b>	<ol style="list-style-type: none"> <li><b>Bell Desk</b> – to inform about guest arrivals.</li> <li><b>Transport</b> – to organise traffic flow at the porch.</li> <li><b>Valet parking</b> – for guest car parking needs.</li> <li><b>Security</b> – for porch surveillance.</li> </ol>
<b>Minimum Educational Qualifications</b>	High School
<b>Experience</b>	One week doorman training
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>Tall and physically well-built to carry heavy baggage.</li> <li>Etiquettes and manners.</li> <li>Cool under stress.</li> <li>Driving license if valet parking duties are included.</li> <li>Basic English language proficiency</li> <li>Knowledge of hotel facilities and city features.</li> </ul>

<b>Job Title</b>	<b>Valet Parking Attendant</b>
<b>Reports to</b>	<ol style="list-style-type: none"> <li>Bell Captain</li> <li>Senior Bell Captain</li> </ol>
<b>Job Summary</b>	To provide valet parking services to guests in a courteous manner ensuring car safety.
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>To be knowledgeable about various cars and their driving features.</li> <li>Prepare car parking tickets for guests who wish the service.</li> <li>Park the cars in the designated areas.</li> <li>Keep car keys in safe custody.</li> <li>Bring cars back to the porch when guests wish to depart..</li> <li>Hand over keys against valid tickets only.</li> <li>Assist doorman in traffic control if required.</li> </ol>
<b>Supervises</b>	None
<b>Limits of Authority</b>	<p>May take possession of guest car keys for safekeeping.</p> <p>Drive guest cars.</p> <p>Return car keys only against valid tickets.</p>
<b>Coordinates with</b>	<b>Doorman</b> – for guest's car-parking requests.
<b>Minimum Educational Qualifications</b>	High School and possessing a valid driving license.

(Contd.)

<b>Experience Skills and Competencies</b>	<p>One year of driving experience.</p> <ul style="list-style-type: none"> <li>• Skilled in driving various manual and automatic cars.</li> <li>• Etiquettes and manners</li> <li>• Polite and courteous</li> </ul>
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### Front Office Accounting

<b>Job Title</b>	<b>Front Office Cashier</b>
<b>Reports to</b>	<ol style="list-style-type: none"> <li>1. General Cashier</li> <li>2. Income Accountant</li> </ol>
<b>Job Summary</b>	To post guest charges into guest folios accurately and promptly from various revenue outlets; settle guests accounts, either by cash or credit, upon their departure; disburse cash as per rules; and maintain safety boxes.
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>1. Take over shift and note special instructions for the shift.</li> <li>2. Check the cash bank at the beginning of each shift and requisition petty cash from General Cashier if necessary.</li> <li>3. Open guest folios accurately for new arrivals and post charges as soon as they arrive.</li> <li>4. Issue safety deposit lockers to guests according to procedures.</li> <li>5. Disburse petty cash and authorised paid outs.</li> <li>6. Pass allowances as directed for wrong charges posted in folios.</li> <li>7. Cash foreign currency as per central bank regulations and prepare the necessary documentation.</li> <li>8. Settle guest bills ensuring accurate cash is received or credit formalities as applicable.</li> <li>9. Handle credit card payments through proper procedures.</li> <li>10. Accept personal checks after ensuring proper authorised.</li> <li>11. Prepare the Front Office Cashier's report and other reports.</li> <li>12. Ensure that telephone meter readings are accurately taken to raise appropriate charges.</li> </ol>

(Contd.)

	<ol style="list-style-type: none"> <li>13. Coordinate closely with the night auditor for the day's audit.</li> <li>14. Receive the cash sales of all revenue outlets at the end of each shift and keep in safe custody.</li> <li>15. Submit the petty cash balance with the necessary documents for issue of cash to the General Cashier at the end of the shift.</li> </ol>
<b>Supervises</b>	None
<b>Limits of Authority</b>	<ol style="list-style-type: none"> <li>1. Can refuse to accept credit cards or foreign exchange not accepted by the hotel.</li> <li>2. Can refuse any disbursement of cash unless convinced on the authenticity of documents.</li> <li>3. Give final clearance to bell boys to remove guests baggage for departure guests.</li> <li>4. Can post charges to the guest folios against proper documentation.</li> <li>5. Is the custodian of safety deposit lockers</li> </ol>
<b>Coordinates with</b>	<ol style="list-style-type: none"> <li><b>1. Lobby</b> – for clearance to remove guest baggage from the premises.</li> <li><b>2. Front Office Agent</b> – for guest arrivals to open guest folios.</li> <li><b>3. F&amp;B outlets</b> – to receive cash and credit sales</li> </ol>
<b>Minimum Educational Qualifications</b>	Bachelor of Commerce
<b>Experience</b>	Six month departmental training
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Good at accounting</li> <li>• Socially confident</li> <li>• Well groomed</li> <li>• Etiquettes and manners</li> <li>• Proficiency in the English language. Another foreign language is preferred.</li> </ul>

<b>Job Title</b>	<b>Night Auditor</b>
<b>Reports to</b>	<ol style="list-style-type: none"> <li>1. Income Accountant</li> <li>2. Financial Controller</li> </ol>
<b>Job Summary</b>	To audit daily income from hotel operations and prepare reports for review and decision-making.
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>1. Tally all sales summaries of revenue outlets with bills.</li> </ol>

(Contd.)

	<ol style="list-style-type: none"> <li>2. Verify and validate front office cashiers vouchers and forms.</li> <li>3. Check guest folios with charge vouchers.</li> <li>4. Verify front office cashiers report.</li> <li>5. Prepare statement of accounts above permissible limits.</li> <li>6. Prepare the daily transcript.</li> <li>7. Audit the night receptionist's room report.</li> <li>8. Account for city ledger credit amounts due.</li> </ol>
<b>Supervises</b>	None
<b>Limits of Authority</b>	May clarify with revenue outlet cashiers any discrepancies and ensure they are tallied.
<b>Coordinates with</b>	<ol style="list-style-type: none"> <li>1. <b>Front Office Cashier</b> – for all transactions at the front office cash desk.</li> <li>2. <b>Revenue Outlet Cashiers</b> – for all financial transactions during their watch.</li> </ol>
<b>Minimum Educational Qualifications</b>	Bachelor of Commerce
<b>Experience</b>	Five years in front office cash and audit.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Good at accounting</li> <li>• Eye for detail</li> <li>• Tact and Diplomacy</li> <li>• Willing to work on night shift only</li> <li>• Proficiency in the English language</li> <li>• Persevering and assertive</li> <li>• Thorough knowledge of accounting hotel accounting processes.</li> </ul>

## Key Terms

<b>Job Description</b>	a formal document that profiles the job
<b>Overbooking</b>	reserving rooms beyond the hotel room capacity
<b>Room tariff</b>	room rate
<b>Room revenue day</b>	12 noon to 12 noon of the next day
<b>Sale</b>	lease of room for a period
<b>Walk-ins</b>	guests without prior reservations



## Review Quiz

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### True or False

1. Front office creates the image of the hotel.
2. The revenue day for a room starts at 12 noon and ends at 12 midnight.
3. Housekeeping is part of the Accommodations division.
4. A function of the front office is to maintain accurate room status information.
5. Key control is a vital activity of the front office.
6. A lobby manager represents the front office manager throughout the day and night.
7. The front office manager informs management of expected VIPs of the day.
8. The assistant front office manager ensures that arrivals and departures tally with room position.
9. The Front Office Supervisor assigns duties ensuring equity of work.
10. The Front Office Agent briefs staff at the beginning of each shift.

### Match the following:

- |                         |                               |
|-------------------------|-------------------------------|
| 1. Reservation Agent    | (a) box office tickets        |
| 2. Front Office Agent   | (b) traffic control           |
| 3. Concierge            | (c) wake-up calls             |
| 4. Bell Desk            | (d) guest folio               |
| 5. Doorman              | (e) parking                   |
| 6. Valet parking        | (f) management representative |
| 7. Lobby Manager        | (g) guest history             |
| 8. Guest Relations      | (h) overbooking               |
| 9. Front Office Cashier | (i) room position             |
| 10. Telecommunications  | (k) left luggage              |

### Write short notes on the following:

1. Purpose of job descriptions.
2. Role of a front office agent.
3. Give the job description of a bell-boy.
4. Role of guest relations.
5. Role of lobby manager.

## 3.2 COMPETENCIES OF A FRONT OFFICE PROFESSIONAL

### Competencies

Competencies are a set of behavioural traits and technical abilities that are suitable for a job. While new technical abilities are covered extensively in the section of the Introduction entitled “*The New Front Desk Professional*” (readers are urged to read it along with this chapter) we shall look at behavioural sets required. We have seen in preceding chapters that the role of the front office professional has changed dramatically. They are empowered with more responsibilities. While front office personnel require a set of knowledge and skills, they also require a set of behaviours that complete the professional profile. We have seen in *Chapter 1(1.5)*, “*Understanding Guest Service*”, that attitude create beliefs, that breed habits and consequently behaviours. The front office professional is obliged to develop certain attitudes that are a must for the role. These attitudes translate into behaviours called competencies. Recruiters give importance to competencies while hiring for the front office. Here are some competencies that are age old and some that are new in keeping with the times.

### Smile!

Many of us may have forgotten how we look when we smile. Many have even forgotten to smile. Yet it is the most enduring competency required of a front office professional. As simple as it may seem, it is the most effective way of dealing with guests. A smile gets a smile in response. It immediately breaks down several barriers of a guest including fatigue, low spirits, doubt, anxiety, etc. Recruitment personnel see it as the first sign of front office professionalism at the time of interview. It is recommended that professionals smile in front of the mirror and assess their competency in it. Smiling while speaking on the telephone, is a powerful way to convey tone and intention to customer, who judges the caller by the voice.

### Grooming and Hygiene

Grooming is one of the most important features of a front office professional. The front office agent is the first point of physical contact for a guest with the hotel. He, therefore, reflects the image of the property. A well-groomed front office agent represents qualities of hygiene, professionalism, management style, reliability, etc.

Here are some tips for a male front office professional:

1. Hair should be cut close.
2. The uniform should be spotless and well ironed. A tight or oversized uniform gives a sloppy appearance.
3. Nails should be well manicured and hands absolutely clean. This is important especially since the agent hands over the registration card and perhaps explains features by pointing the finger.
4. Guard against body odors or cheap perfumes. The market has some wonderful anti-perspirants.
5. Shoes should always be polished, and of a conservative style.
6. A close shave is necessary before entering the front desk. Stubbles of a beard or moustache could look uncomely. If they are one part of your style then ensure they are trimmed.
7. Bad breath could be nauseating to a guest since the agent speaks to the guest at close proximity.
8. Uniforms must be crisply ironed and clean.

Some tips for a female front office professional:

1. The elastic hair band should always be clean.
2. High heels could be physically strenuous to the agent as she has to be on her feet for a complete shift. Flat shoes with sturdy heels are advisable.
3. Stockings should be clean.
4. It is preferred to have a light make-up to project a professional working image.
5. Excessive jewelry should be avoided.
6. A very strong perfume could nauseate a guest. Fresh light cologne would be preferable.
7. Uniforms must be crisply ironed and clean.

### **Basic Etiquettes**

The hotel business is an alchemy of showmanship, diplomacy and sociability. All front-line personnel are required to have the ability to communicate effectively with certain manners and etiquette associated with being a good host.

The basic etiquettes that a front office agent should exhibit are to:

1. Smile and attend to guests as soon as they approach the front desk. If busy, acknowledge their presence and assure them that they will be attended to shortly.
2. Recognise guests. Recognition is a powerful tool to use for regular guests. The use of their name gives them importance and a feeling of belonging.
3. Wish guests the time of the day and welcome them to the property.
4. Be polite to guests by frequently using terms such as “Thank you”, “Please”, “May I help you?”, “Excuse me”, “Pardon me”, etc.
5. Avoid mannerisms such as touching the hair, scratching oneself or picking the nose, etc.
6. Stand erect at all times.
7. Remember a guest’s special needs such as choice of room, smoking non-smoking preferences etc.
8. Assist guests in filling the registration form or by providing them information as requested.
9. Talk softly.
10. Avoid arguing with service staff and guests at the desk.
11. Carry pencils in the trouser pockets and not behind ears or clipped in front of the jacket.
12. Desist from chewing gum or beetle nut.
13. Present the bill to the host discreetly in order to avoid embarrassing him. Give him or her time to check his or her bill.
14. Enter and leave the restaurant through the service door only.

### **Orderliness**

Guests evaluate a property by how they keep the front desk and lobby since they are the first areas of contact with the property. They observe whether the areas are clean and free from litter and items kept in an orderly fashion.

1. Keep all forms and formats arranged. Some properties keep separate drawers for storing forms in constant use.

2. Pencils and pens must be in holders. It helps to access them easily since many guest may need them to fill registration forms, message slips etc. Ensure that pens are working and pencils sharpened.
3. Keep counter tops free of any articles. Keep only those approved by management such as brochures and merchandised material.
4. Computers must be kept clean, especially keyboards. Soiled keyboards give an uncomely appearance.
5. Ensure that flower displays on counters are fresh and properly arranged. Contact housekeeping if needed.
6. Keep the access door to the back-office closed at all times. Most properties install a swing door with a peep window.
7. Counter tops must be kept clean at all times. A handy duster is helpful to keep the counter clean and polished.
8. Registration cards and other forms must be crisp and clean.
9. Dustbins are essential features of a front desk to throw litter.

### **Teamwork**

Teams have become the cornerstones of service operations. A poor team performance can severely damage the reputation of the establishment, while superior team performance directly enhances it. Teamwork is one of the essential competencies at the time of recruitment. Results are the responsibility of the entire team and not the team leader alone. Team dynamics have changes over the years. Let us understand the anatomy of teamwork.

**What is a team?** A team is a small interdependent group of people with complementary skills who are committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable.

The key words are interdependence, complementary skills and accountability. No one person can deliver any goals. It takes a team to deliver results with complementary specialisations with the desire to accomplish objectives and hold themselves responsible for a success or failure.

**Why should we have teams?** Teams can meet significant performance challenges. They have a common purpose and are able to assist when a team member is slow. They harness the complimentary skills of other team members and have trust in their competency. They can be an influence on each other to be ethical, disciplined and motivating.

**Who is the team in a front office operation?** The direct teams are the lobby staff, housekeeping, telephones and accounts. Each has distinct skills to make a guest's stay comfortable. The indirect teams are purchase, stores, IT, food and beverages, and engineering who respond to guest needs expressed to the front office as also keep the front desk functional.

**What is the team leader's role?** The team leader's role is to build commitment for the common purpose. He or she fills in gaps in competencies, delegates leadership, is a hands-on performer with the team, makes key decisions and manages external relationships including the management, guests, and the government.

**What are the team member's qualities?** They are all performers who find excitement in their performance. They take ownership of the task and objectives and hold themselves accountable for success or failure. They have a sense of urgency with youthful enthusiasm and energy. They are result oriented and respect each other.

### **Attitude**

Attitude is a buzzword in modern operations. We wear an attitude. In other words, attitudes are something that we own and are responsible for. It comes from within and can be positive or negative based on one's experiences. Let us take an inventory of key attitudes required in front office operations:

1. The joy of serving people. The benefits of service are many. People are giving business to those who have better service. A good service gets better paychecks and tips. It ensures repeat customers. Service is the cutting edge.
2. A cheerful attitude is an asset. It is infectious and spreads cheer and goodwill to others. It fosters a pleasant and tension-free workplace.
3. Cooperation is vital in team performances. Unless one does not cooperate with others they will not cooperate with you.
4. Pride in ones work brings excellence. There is a difference between doing routine work and doing work with an aim to make a difference. Service can be done with showmanship, sincerity and enthusiasm.
5. Initiative is a valued competency in today's world. The only way to beat competition is to innovate and bring in new ideas. Each front office professional must always look for new ideas and introduce them. Some may have the benefit of directly introducing new ideas, while others will need to seek the approval of superiors. Continuous improvement or "Kaizen" is a science brought in by the Japanese, which has made them an economic giant.
6. Salesmanship is a vital job requirement to motivate the guest to spend that extra dollar.
7. Honesty is a precious attribute. There are many temptations in a service operation. There are opportunities for theft of property and guest belongings; misleading guests with information; giving secrets to competition etc. Organisations value and reward employees who are upright and truthful.

### **Self-Discipline**

Discipline is the hallmark of a good front office professional. This is because the temptations in a hotel are many. Discipline is of two types—*physical*, where grooming and physical conduct play a role, and *mental*, which demands sincerity, honesty and perseverance. Here are some tips to prevent indiscipline.

1. Update oneself continuously with the house rules and regulations.
2. Make disciplined behaviour bring reputation, recognition, better rewards.
3. Act professionally at work by being businesslike in actions and conversation.
4. Amend mistakes immediately.
5. Always air grievances in privacy.
6. Be an example to others.
7. Improve skills by training to avoid mistakes that may be viewed as indiscipline.

Given below, on the left are the common reasons for indiscipline, while on the right side are the suggested positive ways to look at them.

- |  |  |
|--|--|
| (a) Unavoidable circumstances            | Sometimes there is a crucial element like sickness or pressing domestic demands—this is normally excused provided this is not too regular. Remember your team needs you. |
| (b) Adventurism                          | The desire to be different can be converted into innovation.   |
| (c) System of control absent/inefficient | Self-regulation is one of the empowerment tools given to modern professionals.   |
| (d) Ignorance of rules                   | It is important to update oneself constantly with the current rules and regulations. Clarify rules during briefing. Ignorance of rules is a crime.                       |
| (e) To attract attention                 | Get attention by excellent performance.  |
| (f) Does not accept the system           | Clarify problems and doubts openly with the superiors or move out.   |
| (g) Rebel                                | Rebels are those who bring about change. Change can be instituted through dialogue and cooperation and not rebellion.  |
| (h) Affiliation with negative groups     | Negative groups are counter-productive to good performance. Associate with winners.  |
| (i) Bad habits                           | Cultivate good habits.   |
| (j) Taking shortcuts                     | Distinguish between innovation and taking short cuts. Innovations do not harm the organisation, while short cuts do.   |

### **Courtesy**

1. It is the hallmark of a good front office professional to be courteous on all occasions not only towards guests, but also towards colleagues and other people working in the same unit.
2. Courtesy should be inherent in one's nature and a sign of one's desire to please those with whom one comes into contact with. One manner should not be just a part of the "technique" of the property but be spontaneous and genuine.
3. The advantage and necessity of being courteous should be emphasised as it not only smoothen operations, but also ensures better relationships.

Examples of courtesy are given below:

- (a) Each guest approaching the front desk must be attended to with a smile and a cheery greeting. Many properties provide a welcome drink.
- (b) If the front desk agent knows the guest's name it is advisable to address him or her by the name as this gives the guest recognition. Do not mispronounce names or call them by somebody else's name!
- (c) If rooms are not ready of guest's with confirmed reservation, apologise and direct them to the lounge for a welcome drink. Check the hotel's policy on such matters. The agent should remember to contact the waiting guest as soon as the room is ready.
- (d) Small talk at the time of arrival keeps the guest busy while completing registration formalities. Enquiring about the flight, purpose of visit to the city, special events in the city are all non-controversial issues to chat about. It is also the opportunity to sell services to the guest

such as the health club, bars and restaurants and informing him or her about special events in the property.

- (e) When a guest approaches the desk, use the word 'assist', e.g. "May I assist you" or "May I be of assistance".
- (f) Do not hustle the guest. People need time and possibly help to fill forms.
- (g) When listening to guests requests or complaints show empathy and tell them what you will do to meet that need or resolve the complaint. Then do it. A guest must not need to remind the agent about the issue again
- (h) In case an agent is busy attending to another guest, inform the guest that he or she will be attended to. Remember the guest is also seeing you busy and understand. They expect you to be attended to immediately once you have finished with the other guest. A guest may become impatient if he or she cannot catch the agent's eye.
- (i) One way to close a service is to say, "Is there anything I can do for you?"
- (j) After completing the transaction say, "Thank you, have a pleasant day". It should be said with utmost sincerity.
- (k) At the end of the guest's stay the cashier should say something like, "It's been a pleasure serving you. We look forward to serve you again."

### ***Intrapreneurship***

Intrapreneurship is a new term for internal entrepreneurship. Front office professionals are required to think like businessmen. They should constantly evaluate the front office performance and finds ways to meet emergency situations. Yield management is a skill that gives the tools to improve the benefit from rooms. It may be used in the process of business development. The front office agents, for example, will listen for clues and lead from existing clients to expand business. The front office people think dollars and how to give the owner his or her return on investment. The new front office professional will prefer to work on part salaries and part commissions because of the confidence in their Intrapreneurship.

### ***Continuous Education***

Front office professionals will be required to upgrade themselves constantly. They should not wait for the organisation to improve their knowledge and skills but take initiative for self-development. This can be done by subscribing to relevant trade magazines, learning through websites, attending seminars, joining professional bodies that advance knowledge, or going back to hotel school to learn. Organisations expect the true professional to convert new ideas into business opportunities for the hotel and are willing to reward such an enterprise. A follow-up on learning is certification. Professionals can call themselves as such only when they show some physical proof of their learning. The cry of the future professional must be to get more technical qualifications.

### ***Customer Orientation***

We have learnt by now that the customer is the king (or queen). Unless a hotel or its people do not put the customer as their main focus the business is likely to decline. Customer focus means putting all thoughts and actions towards creating positive customer experiences. To be able to do this is to show empathy, which is proverbially defined as "putting yourself in the guest's shoes". It requires sensitivity to guest's needs and responding to them in a timely manner. If a lady guest requires a hairdryer at the middle of the night, she must have it! Excuses for inaction are many but going that extra mile to provide the needs of the guests makes the difference between one hotel and another.



### **Physical Fitness**

The television has rightly or wrongly exposed the public to dream figures and presentation. A front office professional must be physically fit to manage rigorous hours on his/her feet. There is a saying that “a healthy body makes a healthy mind”. It is very true. If a person is physically fit it translates into energy, enthusiasm, ability to cope, lightness, youth and joy. Front office professionals must bring in physical fitness regimes into their personal lives. It may be done by just an hour’s walk in one’s neighbourhood or a workout in a gymnasium.

### **Summary**

A front office professional is a package of behaviours called competencies. They need to be cultivated just as much as we do knowledge and skills. Competencies go hand in hand with any certification one may have.

### **Key Terms**

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<b>Competencies</b>	a set of behavioural traits and technical abilities that is suitable for a job
<b>Team</b>	a small interdependent group of people with complementary skills who are committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable
<b>Discipline</b>	self control
<b>Intrapreneurship</b>	internal entrepreneurship
<b>Continuous Education</b>	upgrading oneself periodically
<b>Customer Orientation</b>	making the customer the central focus

### **Review Quiz**

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#### **True or False**

1. Competencies are technical skills to do a job.
2. Front Office professionals are obliged to develop certain attitudes of the job.
3. A smile gets a doubt in return.
4. A smile when speaking on the phone conveys tone and intent.
5. A well groomed person conveys reliability.
6. Recognition of a guest is an etiquette.
7. Front desk staff must keep a handy duster.
8. A team has a common purpose.
9. Teams comprise of people with similar skills.
10. A team leader is a hands-on performer.

### 3.3 ESTABLISHING ROOM RATES

#### Introduction

One of the challenges for a Front Office Manager is to establish room rates. Room rate must satisfy the following purposes:

- It must be competitive with competition
- It must contribute to the revenues of the property to keep business healthy
- It must give the owner a return on investment

Earlier hotels had one rack rate and guests could accept or reject it. This was possible when there was no competition in the region. In fact, some remote resort properties ask for room rates that are sometimes prohibitively exorbitant because of their unique location. Take for instance, the Tiger Top hotel in Nepal, which is located at the base of Mount Everest. Guests get a close view of the highest peak. The Corbett National Park hotel can claim a unique price for guests to see the famed Kumaon tiger. The unique seven-star hotel, the Burj Al-Arab in Dubai has exclusive pricing for the kind of facilities that are not found anywhere else in the world. However, for hotels in busy towns where competition is fierce, room rates have to be adjusted to local market conditions. Naturally, hotels will position themselves with hotels of the same quality and services. Most hotels in Las Vegas, for instance, are very unique in their architecture and presentation. The MGM Hotel, Caesar's Palace, Bellagios or New York, New York are so unique, but have to adopt competitive prices because others do so too, to fill their mega-roomed hotels.

#### Types of Rates

Hotels start by establishing a range of rates such as **minimum-moderate-maximum** rates. This gives the front office agent the flexibility to quote rates based on the occupancy situation. In season she will quote maximum rates while off-season she can quote the minimum rate. The management sets a daily **rack rate** based on the situation. In normal circumstances, it would be the moderate rate. In addition to quoted rack rates, the hotel negotiates **incentive rates** with various agencies that give business to the hotel on a regular volume basis. Hotels also claim **extra rates** for special additional facilities provided by the hotel to its guests. These facilities would include charges for cribs, day-use, extra beds, etc. The following are the type of rates found other than the rack rate:

<b>Airline Contract Rate:</b>	A special negotiated rate for airline crews.
<b>Corporate Rate:</b>	A rate for business houses that guarantee a minimum number of room nights per year.
<b>Crib Rate:</b>	A cradle or basinet provided in a room for infants.
<b>Day Rate:</b>	A rate for guests who are not staying overnight.
<b>Diplomatic Rate:</b>	A negotiated discounted rate to attract diplomatic business.
<b>Extra Bed:</b>	A wheeled foldable bed that is added to a room on the guest's request.
<b>Family Rate:</b>	A rate found in resorts for families on holiday.
<b>Frequent Traveller Rate:</b>	A rate that gains discounts for frequent use of the property under a Frequent Traveller programme.
<b>Group Rate:</b>	A discounted rate for groups in view of volume business.

<b>Government Rate:</b>	A negotiated discounted rate with government bodies for their travelling officials and foreign visitors.
<b>Hotel Federation Rate:</b>	A courtesy rate to all members of the hotel federation.
<b>Maximum-Moderate-Minimum Rate:</b>	A price range to maximise revenue according to the circumstances.
<b>Package Rate:</b>	A rate quoted when there are events in the city and includes the price of access to the events.
<b>Rack Rate:</b>	The official rate of the hotel on a given day.
<b>Trade Rate:</b>	A negotiated discounted rate with trade organisations that guarantee a minimum number of room nights.
<b>Travel Agents Rate:</b>	A negotiated rate for volume business.
<b>Travel Writers:</b>	A discounted rate to encourage them to write about the hotel and facilities.
<b>U.N. Rate:</b>	A negotiated rate for all local United Nations representatives for U.N. staff provided they guarantee a minimum number of room nights.

### Room Rate Methodologies

There three ways a room rates are arrived at:

- Benchmarking with competition
- Profit Contribution
- Hubart Formula

#### ***Benchmarking with Competition***

This is a **going-rate** led by market dynamics. Locations where there is a fierce competition, hotels influence each other in setting room rates. Each hotel benchmarks itself with a hotel or hotels of the same quality and service. They become the competition benchmarks in all aspects including common market segments, range of services and facilities offered. A five star hotel cannot consider a three star property as its opponent in competition. This selection of who constitutes the circle of competition is vital for benchmarking. Competitive rates are public and even found on websites. Information is also found in the local tourism office. Many front office managers share their information such as average room rate, occupancy statistics and rack rates, in the pursuit of measuring their performance. A hotel does not set the competitive rate automatically, but after a studied analysis of competition. This activity must have been done at the initial stage of opening the hotel. They would have conducted a Competition Analysis as an input towards the Hotel Business Plan. A business plan is a comprehensive set of objectives and strategies to achieve stated business goals. Competition analysis is also conducted while developing the marketing plan of the hotel. The marketing plan is a comprehensive set of objectives and strategies to get a marketing edge. The marketing plan has to be a component of the business plan. Both plans would have identified their market segments and market position. They would have identified their competition and arrived at a marketing mix strategy including the pricing plan. One is the product life-cycle strategy:

### ***Product Life Cycle Strategy***

**Introduction Stage** During the introductory stage the hotel would have set rates below competition. This was necessary for survival against an established competition. The objective was to woo the customers from competition to at least try the new hotel.

**Growth Stage** The hotel over time starts establishing its repeat clientele and is able to bring the room rates on par with competition. They are competing on an even field and the better hotel wins!

**Mature Stage:** It is when the room revenues have evened out over time and the hotel thinks of improving the product to inject freshness and a potential of increased revenue. Many hotels adopt serious renovation of rooms, add additional room blocks or bring in modern features into the room. Rates are maintained at old levels and even discounts re offered to maintain room revenues.

**Decline stage:** It is when hotels have become outmoded. It survives on loyal customers. New clientele will have to be given discounts to give them value for money. The hotel may change the name of the property, bring down the old structure and construct a new one or their franchise to create a new image. Decline in business is forced by competition and new guest profiles and wants.

### ***Market Leadership Strategy***

Some hotels believe that market share is the overriding consideration in business health. By capturing the major share of the market they are assured of contributions to their revenue. This is achieved by having flexible room rates to get the market segment at all costs. Sometimes hotels set a percentage target gain over a specific period. They may want to achieve for example 15% increase from a market segment in a given year. Their pricing strategy will reflect that objective over the stated period.

### ***Price Leadership Strategy***

Some hotels may want to be the leaders in prices in the market. This strategy is to position the property in the mind of the travelling public as a superior property. This is a risky strategy but works well with a property which is in its growth stage and has products, services and facilities to command that perception.

### ***Product Quality Leadership Strategy***

The hotel sets its leadership through exceptional products, services and facilities. In this strategy there are several special features. Rooms are made ultra luxurious with bigger rooms, queen-sized beds instead of single beds, Jacuzzis in the bathrooms, and special appointments in the room. Such hotels will have adopted a quality program and flaunts its excellence in service.

### ***Current Profit Maximisation Strategy***

Many hotels set a price that will maximise current profits. They estimate demand and costs associated with satisfying that demand. They arrive at various prices and choose the price that will maximise revenues. The objective of such a strategy is to get quick profits, plenty of cash flows and return on investments. Owners who take properties on lease adopt this strategy to make the quick profit and exit by selling the property at a premium. This is a short-term strategy and does not sustain on the long run.

### ***Perceived Value Strategy***

This strategy is based on guest's perceived value of the hotel and the room. This value is obtained through customer research. It places the customer as the one who determines the rate. Hopefully this research should have been done in the feasibility study stage before the hotel was built. If a perceived value is less than the intended project cost then the hotel should have downsized its ambitions or not get into business at all. Sometimes the value of the property can be manipulated for a guest to be willing to pay more. A simple example is that of coffee. A cup of coffee can be for about \$1 but hotels charge \$20. This is because the perceived value of having the coffee in a five-star comfort justifies the cost. A psychological element comes into play where people may enhance their image by staying at a property even through the prices are prohibitive. This works well with the business segment that is always putting a price for image.

### ***Profit Contribution***

A hotel may decide that to stay in business is to determine the profit contribution required. They adopt the cost-plus pricing strategy.

### ***Cost-plus Pricing***

It is an elementary pricing method to add a standard mark-up to the cost of the room. For example, if a room costs \$50,000 the hotel may want to distribute the cost over say 10 years. The cost to the hotel comes to \$5000 a year. If this has to be recovered in over 365 days of the year the cost comes to approximately \$14 per day. The hotel adds \$2 as variable costs for guest amenities and cleaning supplies the cost becomes \$16 per day. At this stage, the owner will add his mark-up which is the contribution to profits. He may mark it up by \$54 arriving at a room rate of \$70. While this is a very simple explanation of cost-plus pricing works, there are several other variable that have to be factored into such as:

- Projected occupancy of the room in the year.
- Other revenue departments that will contribute to the profit.
- Guest's perception of the room and their interpretation of value for money.
- Competitive rates in the market segment.
- Flexibility to increase rates in full-season and rate discounts without effecting profits.
- Flexibility to increase the rates based on the current value of the room by factoring in inflation costs.
- The amount of fixed overheads that have to be covered like depreciation, interest on loans taken, payroll costs and energy and utility costs. The contribution margin to profits reduces if these overheads are distributed into the room costs.
- Cash flows required keeping operations running.
- Promised return on investment to shareholders.
- Investments required midway to upgrade rooms to meet changing needs of the clients.
- Demand fluctuations in different seasons of the year.
- Development of the city and future business potential.
- Fixed events in the city that guarantee business (e.g. French Open Tennis in Paris, cricket schedules at the MCG in Melbourne, conventions, etc.)

### Hubbert's Formula

The Hubbert's Formula is a revolutionary method in the hotel industry at fixing average room rates because it takes into account all the factors mentioned in the section above. It works backwards from the desired profit and building taxes, overheads, variable costs etc. Here is the step by step process:

1. Determine the desired profit by multiplying the desired percentage of return to the total investment of the owner.
2. Calculate the pre-tax profits by dividing desired profit by 1 minus the hotel's tax rate.
3. Calculate fixed charges such as depreciation, interest of loans, property taxes, insurance, amortization, building mortgage, land rent and management fees (for chain operations). Deduct it from the pre-tax profits.
4. Calculate fixed overheads that are distributed over revenue centres. Such overheads include costs for energy, utility, information technology, human resources cost, transportation, marketing, maintenance, landscaping, security, housekeeping and accounting. Deduct this amount from the figure arrived at in point 3.
5. Calculate the revenue (or loss) from other revenue centres such as food and beverage, telecommunications, health club, business centre, banquets etc. Add this to the figure arrived at in point 4.
6. The balance between Point 1 minus Point 5 is the income required from the rooms department. If this were to be divided by the number of available rooms into the expected percentage of occupancy in a year we arrive at the average room rate.

In hotels that have a well-developed food and beverage operation that offers a range of restaurants and bars, and an active banquet operation the ratio of room to food and beverage revenue is 50:50. However, this is not so always. We often see that the burden of room revenues fall on the rooms department.

### Key Terms

<b>Benchmarking</b>	setting a standard with a comparable competitor
<b>Business Plan</b>	a comprehensive statement of objectives and strategies to achieve business goals
<b>Competition Analysis</b>	a study of competition
<b>Current Profit Maximisation</b>	short-term profit strategy
<b>Cost-plus pricing</b>	pricing strategy that builds a mark-up on costs of a product
<b>Extra Rate</b>	rate for additional services in a room
<b>Going-rate</b>	prevalent rate quoted in the market
<b>Incentive Rate</b>	discounted rates to attract volume business from source providers
<b>Marketing Plan</b>	a comprehensive document of objectives and strategies to meet market leadership

<b>Market Leadership</b>	a pricing strategy that achieves dominant market share
<b>Minimum-Moderate-Maximum</b>	range of room rates
<b>Perceived Value</b>	a pricing strategy based on how guest value the property
<b>Price Leadership</b>	a pricing strategy that sets the highest price in the market
<b>Product Life Cycle</b>	a pricing strategy based on the life of a product in the market
<b>Product Quality Leadership</b>	a pricing strategy based on superior quality
<b>Rack Rate</b>	daily quoted rate

## Review Quiz

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### True or False

1. A comprehensive statement of objectives and strategies to achieve business goals is called a marketing plan.
2. Discounted rates to attract volume business from source providers is called going rate.
3. A pricing strategy that sets the highest price in the market is called market leadership strategy.
4. A pricing strategy based on superior quality is called perceived value.
5. A daily quoted rate is called going rate.
6. The process of setting a standard with a comparable competitor is called benchmarking
7. A special rate for business houses is a corporate rate.
8. In a product life cycle, the stage when revenues even out is called the mature stage.
9. The Hubbart Formula takes all factors into consideration when setting a room rate.
10. Depreciation is a variable charge.

### Fill in the Blanks

1. The range of rates offered maintained by a hotel is called \_\_\_\_\_.
2. The quoted rate for a day is called the \_\_\_\_\_.
3. Rates given to agencies that give regular volume business is called \_\_\_\_\_.
4. A rate guests not staying overnight is called a \_\_\_\_\_.
5. A rate led by market dynamics is called the \_\_\_\_\_.
6. The rate strategy that considers market share is called \_\_\_\_\_.
7. The rate strategy that prices room the highest in the market is called \_\_\_\_\_.
8. The rate strategy that places the guest as the one who determines room prices is called \_\_\_\_\_.
9. The profit contribution approach adopts the \_\_\_\_\_ strategy.
10. A rate strategy that works backwards from the investors desired return on investment is called \_\_\_\_\_.



### 3.4 FORECASTING ROOM AVAILABILITY

#### Introduction

A forecast is a studied prediction of the future. One of the skills for a front office professional is to forecast the availability of rooms for a target period. The forecasting period could range from three-days, one week, ten-days, a month or a year. Longer forecasts are for hotels who may have longer staying guests and groups where room availability is predictable over the period. Forecasts help in planning occupancy and the resultant room revenue. Naturally all front office professionals dream of the perfect 100% occupancy as a measure of their success. Though yield management has shown that full occupancy does not necessarily represent success, optimum realisation of room revenue towards revenue targets is the wise way to go about front office operations. Either way, the front office professional must know the number of rooms available to him or her to be successful. Forecasting serves the following purposes:

- It sets a standard for the reservation agent to aim at while booking rooms.
- It determines the role of the sales and marketing team to supplement gaps in desired occupancies.
- It protects the hotel from overbooking to a point of embarrassment.
- It helps housekeeping gear its workforce to meet room clearance demands.
- It gives an accurate idea of rooms not available for sale, especially those that are out-of-order.
- It helps all services to plan their employee leave schedules. Managers would not give leave during peak periods.
- It determines the pricing strategy in the short term whether to quote maximum rates or minimum rates.
- The chef will know how much of food to order to meet demand. Overstocking perishable items during low periods could lead to spoilage.

#### Influences on Forecasts

Forecasts have to factor in both internal and external influences on room occupancy. Let us look at some of these influences:

##### **Internal**

- Historical patterns of occupancy in a given period. A hotel may find that summer months have a good occupancy while week-ends are sluggish. Alternatively they may find that week days are active while weekend occupancies slump.
- Special promotions launched by the sales and marketing department to stimulate sales.
- Realisation of long-term bookings.
- Pattern of no-shows.
- Percentage of guaranteed bookings as against non-guaranteed bookings.
- Percentage of rooms already booked.
- Percentage of rooms committed to volume business such as groups and airline crews.
- Behaviour patterns of target market segments.
- Room revenue schedules.

### External

- Special events in the city.
- Special promotions by travel agents and tour operators.
- History of city occupancy patterns during a period.

### Forecast Data

To be able to forecast the following data is essential:

- Number of lettable rooms.
- Number of rooms booked.
- Number of room under repair.
- Number of departures expected as per existing reservations.
- Percentage of walk-ins based on past data. The percentage is obtained by dividing the number of walk-ins by the total number of arrivals for the period into hundred.
- Percentage of no-shows based on past data. The percentage is obtained by dividing the number of no-shows by the number of room reservations for the period into hundred.
- Percentage of overstays based on reception check. An 'overstay' is a guest staying beyond his scheduled departure date. The percentage is arrived at by the number of overstay rooms divided by the number of expected check-outs in a given period into hundred. Normally a receptionist contacts each guest expected to check-out that day and confirms his or her intentions.
- Percentage of understays based on past data. An 'understay' is a guest who checks-out before his departure date. The percentage is obtained by dividing the number of under stays by the number of expected check-outs for a given period into hundred.
- Number of stayovers. A 'stayover' is a guest who has checked in a night before his expected check-in date due to a flight schedule.

### Forecast Formula

Armed with the information above the front office professional can now execute a formula that gives her the number of rooms available for sale.

	Total number of guest rooms
Less	Number of rooms under repair
Less	Number of overstays
Less	Number of stayovers
Less	Number of reservations
Plus	Number of no-shows (room reservations x % of no shows)
Plus	<u>Number of understays</u>
	Number of rooms available for sale

Walk-ins are not included as they can be refused accommodation should the hotel be full.

## Summary

Forecasts are a prediction of the room position in any given period. It helps the front office agent in many ways but principally to anticipate the flow of rooms so as to generate tactics to meet low occupancy days and full house days. It is useful tool to ensure that guests with reservations get their rooms and those without are accommodated to bring them into the fold to make them regular clients.

## Key Terms

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<b>Forecast</b>	a studied prediction of the future
<b>No-show</b>	a guest with a guaranteed booking who does not check-in
<b>Overstay</b>	a guest who stays beyond his departure date
<b>Stayover</b>	a guest who checks-in a day before his scheduled arrival date
<b>Understay</b>	a guest who checks out before his scheduled departure date
<b>Yield Management</b>	a strategy of maximising revenue

## Review Quiz

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### Write short notes on the following:

1. What are the Influences on forecasts?
2. What is the data required to make forecasts?
3. What is the forecasting formula?
4. Why is forecasting important to front office professionals?

### 3.5 FRONT OFFICE BUDGETING

#### Introduction

A budget is a formal financial statement of a future period. It is a process of setting goals that are attainable and compared to the previous financial performance during the same period. The key to successful budgeting is the planning process where long-term and short-term objectives are in place supported by sound policies and procedures. A budget serves the following purposes:

- It locks in the desired rate of return required by the investors.
- It establishes the cash flows required to achieve the targeted figures.
- It gets people thinking of the future.
- It sets goals against which performance can be measured.
- It is a measure of success.
- It sets parameters of expenditure that is acceptable to the business.
- It enhances management control.

A budget is a management tool and not an accounting tool. However, it uses the accounting process established for a business. An understanding of accounting systems and reports is essential to prepare a budget. The person making the budget must know the components of a profit and loss statement and how it is presented for instance. It only differs from pure accounting by being noting predictions while accounting records actual facts. The front office budget must cover a period that is controllable. Most hotels prepare an annual budget as a reasonable period for control.

The question arises why do we budget? Budgeting is a management control function and improves the process of control. A budget works on the basis that business plans go according to schedule. Unfortunately this is not always so. Plans are influenced by unanticipated factors internally or externally. An employee strike can affect plans just as much as a new sales tax can affect plans and budgets. Plans must be able to take remedial steps. Budgets have to be altered accordingly. Sometimes plans have to be altered by deficiencies thrown up in the budgeting process. For example, a plan may set a certain percentage to achieve revenues but the budget can reveal that those occupancies do not meet profit aspirations of the investors. The occupancy targets would then have to be changed.

#### Preparing a Budget

When preparing a budget there are certain rules to be followed:

- The goals set by a budget must be attainable. Many investors have set unrealistic goals that demoralise the performing teams affected by it.
- There should be wide participation in the budgeting process. A front office manager who prepares a budget without involving the front office team can set goals that the team is unable to attain. Participation of the team gets their commitment to perform and achieve.
- All members of a team must be informed of the approved budget. Many front office managers believe that they are the only ones privileged to see the budget and try to steer the team towards it when the team itself is in the dark as to what they are expected to achieve.

- The budget must be completed before the performing period. Teams cannot be held accountable for time that has lapsed.
- We have seen that the budget is a measure of performance. Employees must know exactly what their role is in the attainment of the budget goals.
- Employees given targets must have authority and control over their work process. They must be able to influence the amount that they are accountable for.
- Budgets must be flexible to permit revisions for unanticipated changes.

### **Revenue Forecasts**

The first step in the budgeting process is determining the desired sales required. There are two possible ways at arriving at desired sales figures.

### **ROI Method**

An investor normally sets a target of net profit based on the desired rate of return on an investment. So if he has invested \$20 million in the hotel project he may say that he wants a 15% return on that investment each year. That figure translates into \$3 million a year. This contribution comes from all revenue departments. The return on investment was set in year one by the investor. This figure increases year by year to factor in the present value of the investment. Sometimes the investor is reasonable and takes the product life cycle into account. He may lower his return on investment in the introductory stage of the property but get more aggressive in the growth stage and then easing out at the mature and decline stage.

Working backwards the accountant will add the prevalent income tax percentage. He will then add fix charges like depreciation, insurance and interest of loans taken. We arrive at the gross operating profit (GOP). The gross profit reflects the efficiency of the operations in controlling expenditure. It represents the operating costs to run the business. We then arrive at the gross profit. Hotels consider a 30% gross profit as healthy. This may vary based on the hotel's unique circumstances. If we add the cost of goods derived from a historical percentage of direct costs we arrive at the desired sales figure. The rooms division sees its contribution to sales as a ratio to food and beverage sales. In large hotels a healthy ration of room sales to food and beverage sales is 50:50, and then the room contribution is 50% of the total sales desired.

Putting the formula in a simple manner the budget would look like this:

	Desired Net Profit (ROI)
Plus	Income tax @ 30% of income before tax
	Income before Tax
Plus	Fixed Charges (depreciation, interest, insurance, rent)
	Gross Operating Profit
Plus	Operating expenses @ 30%
	Gross Profit
Plus	Cost of goods @ 10% of sales
	Sales
	Room contribution @ 50%

### *Historical Method*

Another way to arrive at desired sales figures is through an analysis of past performance. Normally the front office manager increases the sales by a standard 10% from the previous year. This takes into account increases in operating costs and inflation. S/he knows the seasonal peaks and troughs and sets budgets month by month for the year. Obviously s/he is governed by two factors – occupancy and average room rate. S/he then applies a simple formula for each month represented as:

$$\text{Forecasted Room Revenues} = \text{Rooms available} \times \text{Occupancy percentage} \times \text{Average Room Rate}$$

The hotel will ensure that most rooms are available for sale during season and take the advantage of off season for renovations and repairs. This is also influenced by the fact that the occupancies will be high in season and will increase the average room rate to take advantage of the season. S/he knows that in the off-season the revenue targets will reduce as much as the occupancies and average room rates. S/he would like to exploit the seasonal business to the best.

### *Sources of Revenue*

Rooms Division generates revenue from various sources:

- **Rooms** are the biggest source of revenue. Rooms come in various types each with their own price range. The challenge is to maximise the yield from each room space.
- **Business Centre** is a facility that most hotels nowadays are including in the list of facilities. Most hotels recognise the potential of revenue from the business sector and cannot overlook it. The business centre can be basic with a secretary, office with computer and basic office automation. More sophisticated business centres can have meeting rooms, teleconferencing facilities, multi-offices and the latest office automation. There is a good potential for revenues from this facility.
- **Health Clubs** are put under the charge of the rooms division. With an increasing population of health conscious travellers this facility promises good revenue. Health Clubs can again be simple with a swimming pool change rooms and sauna facilities. Bigger health clubs would have in addition a gymnasium, Jacuzzis, yoga rooms, meditation centres, massage parlour and perhaps a range of water sports, trekking facilities etc.
- **Miscellaneous** Revenues can come from the sale of postage, safety deposit lockers, left luggage, additional services provided to the room like baby-sitting, extra beds, cribs etc.

### *Expense Forecasts*

Before we venture into forecasting expenses let us understand the broad expense categories. There are four different categories of expenses:

1. Fixed expenses
2. Variable expenses
3. Discretionary expenses
4. Semi-variable expenses

**Fixed expenses** do not change with changes in volume. Such expenses are depreciation, interest payments and insurance.

**Variable expenses** change proportionately with changes in volume of business. These are the cost of maintaining saleable rooms. Cleaning supplies, guest amenities are some of the direct expenses to a room sale. Other variable expenses are the operating expenses. To a rooms division manager operating expenses will include:

- **Salaries and wages:** Salaries are those given to full-time employees while wages are given to part-timers and temporary workers. Based on the company compensation package salaries are supported by perquisites like accommodation, transportation, medical insurance. Leave salary, leave tickets, pension contributions etc. All these have to be built in this expense head. The human resources department that administers payroll and related expenses can assist in giving accurate figures.
- **Advertising and promotion expenses:** While there are general advertising expenses for the entire hotel there are some exclusive to the sale of rooms. Corporate advertisement are apportioned to revenue centres while room centre advertisement reflect directly in the budget. Promotions can be from budgets for entertainment for the promotion of business with business sources or the hotel can launch a special promotion during lean months to stimulate rooms sales.
- **Stationery and supplies** are those required for daily operations. Under this head are the printing expenses for forms and formats. It would include computer accessories like CDs and printer ink.
- Transportation is an important expense head. Expenses are incurred on two counts: one for operating courtesy transport for guests and the other to pick employees from their homes to be on duty.
- **Energy costs** keep increasing year by year. The engineering department is able to apportion energy costs to rooms and the front office.
- **Repair and maintenance costs** are the usual costs for maintaining rooms. It does not include major renovation costs as they would be a separate capital investment. Maintenance would include consumables like bulbs, furniture and fixtures, office equipment etc.
- **Laundry expenses:** These include the washing of room linen and front office employee uniforms.
- **Duty meal expenses:** Though duty meals are prepared in bulk for all employees the kitchen is able to allocate consumption to departments based on the number of employees in that department.
- **VIP amenities** are those special items like bathrobes, bath slippers, vanity cases, full bar etc, that are provided to them They cost and have to be accounted for. They are reflected in the front office budget.

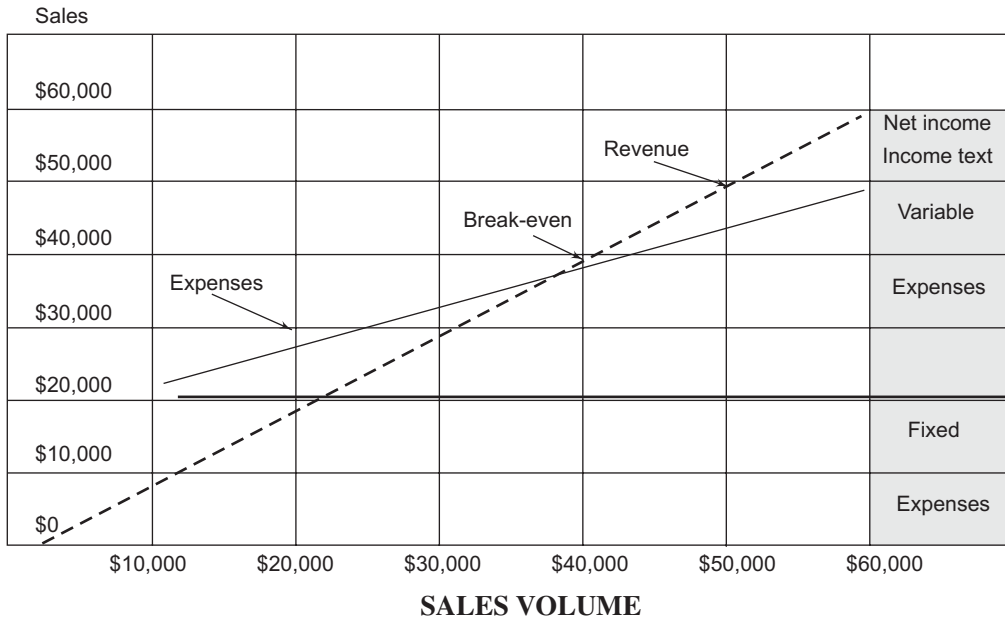
**Discretionary expenses** are short-term expenses to serve a specific purpose. Such expenses would include:

- Major repairs
- Complimentary meals for promotion
- Special unplanned promotion expenses
- Special VIP amenities



**Semi-variable expenses** are those that are partly fixed and partly variable. Incentive commissions to front desk staff are a good example. Front office agents may get a fixed monthly salary as well as a commission on each room sold. For the purpose of budgeting semi-variable expenses are clubbed with variable expenses.

The budget can be graphically represented as follows:



The rooms division manager will therefore plan his or her budget to include fixed expenses, variable expenses and sales. The front office budget will look like this:

### Budget Format

There is no sacrosanct format for a budget. The budget must reflect the information that the management desires and can understand. It must be complete so as to interpret it for any purposes of revenue and cost.

## Front Office Budget Format

[illegible]

Budget Head	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Budget
<b>Less: Direct Costs</b>													
Cleaning supplies													
Guest amenities													
<b>Gross Profit</b>													
<b>Operating Expenses</b>													
Salaries & Wages													
Advertising & Promotion													
Stationery & Supplies													
Transportation													
Energy													
Repair & Maintenance													
Laundry													
Duty Meals													
VIP amenities													
<b>Gross Operating Profit</b>													

## Key Terms

<b>Budget</b>	a formal financial statement of anticipated revenues and expenses for a future period
<b>Fixed Expenses</b>	expenses that do not change with sales volume
<b>Variable Expenses</b>	expenses that change with sales volume
<b>Discretionary Expenses</b>	unexpected short-term expenses to serve a specific purpose
<b>Semi-variable Expenses</b>	expenses that are partly fixed and partly variable

## Review Quiz

### True or False

1. The key to successful budgeting is the planning process.
2. A budget enhances management control.
3. A budget is an accounting tool.
4. A budget records actual facts.
5. A reasonable period of budgeting is 3 years.
6. Plans are influenced by unanticipated factors.
7. There should be wide participation in the budgeting process.
8. The first step in the budgeting process is to determine the desired sales required.
9. Desired sales figures may be got from past performances.
10. Fixed expenses change with the changes in volume.

## 3.6 FRONT OFFICE ADMINISTRATION

### Basic Tasks of Front Office Heads

There are some basic tasks for all heads of front office whether he or she is titled a Manager or Supervisor. These tasks are the very core of good front office supervision and deserve to be mentioned for readers to keep sight of.

#### 1. Taking Attendance

Attendance must be taken in every shift as it has an impact on the salaries and wages of the service staff as well as the budget. Some front office personnel are paid wages by the hour while others may be paid monthly salaries. The amount of salary is calculated from attendance sheets, which confirms the person's presence and therefore, needs to be remunerated. Attendance is also important to ascertain the human resources available to complete the task each day. The front office supervisor or manager may have to step in at the front desk, should there be a shortage of staff on a given day. Habitual absenteeism is also a case of indiscipline, which needs to be corrected.

A front office manager maintains two attendance registers:

- (a) One which has all the names of full-time front office personnel who are paid monthly. A column will also list overtime which attracts one and half to two times the normal wages as per the local labour laws.
- (b) One which lists part-timers and temporary personnel hired during peak seasons, who are paid on an hourly basis.

These registers are maintained as per labour laws and are carefully locked. They are used for a year and are legal documents as per law. They are presented to the human resources department at the end of each month to calculate the salaries and wages given at the end of each month. Some establishments give salaries and wages every fortnight to help their employees with cash flows to maintain themselves and their families. The front office manager must ensure some norms while maintaining the attendance of staff:

- Staff coming late must be marked late because late-coming is taboo in the service industry. Service is provided by “warm bodies” and late-coming can seriously jeopardise the quality of service. The Human resources department can incur penalties on the staff through wage deductions to emphasise the importance of punctuality.
- Managers must mark the attendance with a pen to prevent any malpractice. Any additions or deletions must be countersigned by the manager and employee in acknowledgement of amendments.
- Managers must counsel habitual late-comers and absentees before taking action. Late-coming and absenteeism are punishable offences and can even lead to dismissal of the employee.
- Managers must always emphasise the importance of attendance in all briefings.



This manual procedure has given way to efficient mechanical time-keeping in which employees are given time cards to punch into the time machine. The time-card are collected each month for salary calculation. More modern method includes a electronic time machines operated by personal codes or thumbprints. The time is directly clocked electronically into electronic time charts.

## **2. Briefings**

Briefings are perhaps the single most critical communication point between the management and staff. It is the opportunity for upward and downward communications.

At the briefing the front office manager checks the following:

- Grooming standards of the front office personnel.
- Uniforms are properly pressed and clean.
- Finger nails to see that they are manicured and clean.
- Shoes are well polished.
- Whether front office personnel have done equipment checks of front office equipment.
- Listens to staff grievances on operational matters(Personal grievances are discussed privately).
- Staff feedback on operations of the previous day.
- Staff suggestions for improving front office performance.
- Knowledge of the following:
  - (a) Expected occupancy of the day.
  - (b) Room position.
  - (c) VIPs in-house and those expected
  - (d) Groups and crews in-house and those expected.
  - (e) Number of departures in the shift
  - (f) Current average room rate and what is targeted for the day.
  - (g) Any special instructions from the previous shift that impact all personnel.
  - (h) Rack rate of the day

The Front Office Manager will also communicate the following:

- New policies of the management.
- Operational tactics for the day.
- Reservation status.
- VIPs expected.
- Service standards that need re-enforcing.
- Guest complaints and how they can be avoided.
- Training tips.
- Revenue performance of the front office.
- Recognition for jobs well done.

- Transfers, promotions, new staff and exits.
- Introduction of new staff joining the service team.
- Encouragement and motivation.
- Staff schedules and shift allotments.
- Cost control measures.
- New city information.
- Management observations and suggestions.



### 3. Managing Discipline

Discipline is the hallmark of a good hotelier. Discipline is required for many reasons: (a) Guests like to see professional personnel doing their duties with clockwork precision; (b) indiscipline reflects on the image of the property, which can be ruined through the word-of-mouth; (c) a lack of discipline severely affects the final quality of service; imagine a service which is delayed; (d) it reflects on the hygiene and sanitation standards of the property if the front office personnel are not well groomed and hygienically clean; (e) there should be discipline in the way the front office personnel communicate with guests—a lack of courtesy, etiquettes and manners can spoil the entire guest experience; (f) there should be discipline in following systems and procedures to avoid chaos during busy operations—shortcuts to service invariably affect standards; (g) discipline leads to coordination with other departments and fellow-members, which is necessary to get their cooperation; if the kitchen decides to slow down its service, the front office brigade will have to face with the wrath of the guests as they are in the front line; (h) discipline is necessary in the punctuality and attendance—if there are no “warm bodies”, the front office cannot give the desired standards of service.

Indiscipline happens for several reasons. The table below gives the reasons for indiscipline and how they can be addresses by the Front Office Manager:

Reasons for Indiscipline	Course of action
<b>Unavoidable circumstances</b>	Pressing domestic situations like family sickness, parent-teacher meetings etc cannot be avoided. This should be excused provided the server has excused himself or herself before the operation starts. Any proof like a medical certificate authenticates an absence. However the manager is guided by the track record of the server.
<b>Adventurism</b>	Young front office personnel are hot-blooded and like to beat the system. Don't kill adventurism because it can be converted to enthusiasm. Give such staff challenging tasks and additional responsibilities that will occupy their time and need for adventure.
<b>Lack of control systems</b>	Many acts may seem as indiscipline but actually they are caused by a lack of systems and procedures. A manager must seal loopholes in the system. A written code of conduct is also necessary to let employees know the rules. The manager can seek the assistance of the human resources department to draw-up a code of conduct.

(Contd.)

Reasons for Indiscipline	Course of action
<b>Ignorance of rules</b>	Ignorance of rules is a crime and therefore front office personnel can be penalised for this. However the manager must re-emphasise rules during briefings to keep such things on the top of the mind daily.
<b>To attract attention</b>	The industrial age has brought isolation and anonymity when huge work forces are employed. It is easy to be ignored and lonely. Many people deliberately cause indiscipline to attract the attention of the supervisors. A manager, in the first instance must know and dialogue with his team collectively and individually to get respect. It is a necessary ingredient of leadership.
<b>Does not accept the system</b>	The manager should counsel the server and make him realise the importance of the system and how it fits into the larger scheme of things.
<b>Is rebellious</b>	Rebellious people do so because of perceived injustice. The manager can sit with the “rebel” and understand the injustice meted out to him. Well defined grievance procedures have helped in avoiding rebellious situations. More important is that the manager must be fair and equitable in his or her dealings with the team.
<b>Affiliation with negative groups</b>	The manager should identify these negative groups and their leader. He should try to understand the reasons behind negative behaviour. Win over the group leader by giving him importance and a say in proceedings.
<b>Bad habits</b>	Re-enforce good habits during training sessions and briefings.
<b>Short cuts</b>	Penalise the staff after giving two warnings.
<b>Wilful motives</b>	People with wilful motives are dangerous. If counselling has failed then dismiss the person from the team.

While the above are some reasons for indiscipline and how to deal with them, the following are some general guidelines to maintain a disciplined team:

1. Ensure that there are written house rules and code of conduct. These must be distributed to each employee and re-enforced at briefings.
2. Motivate staff to follow rules and maintain discipline and how it can benefit them in terms of advancement, better tips and cooperation from team members. It is often built into the performance appraisal.
3. A fault committed must be checked at once.
4. Always discipline in private.
5. Set an example by being self-disciplined. Staff must see their manager or supervisor as the role model.
6. Check the Labour laws regarding disciplinary proceedings. Normally two warnings are given in writing before formal charges can be made. Take the help of the human resources department who are trained and qualified to handle disciplinary proceedings within the law.

#### 4. Cost-Reducing Methods

A measure of increasing the profits of a front office operation is by reducing costs. While this is the responsibility of the entire brigade, the accountability for cost control lies with the Manager or Supervisor. Here are some tips to reduce costs:

1. Check that the staff follows correct procedures. Shortcuts to procedures can cause wastage and damage to operations.
2. Handle front office equipments with care. Switch of equipments like computers, printers, fax machines etc. when not in use.
3. Front office stationery is expensive as each form and format is printed with the hotel logos. Printing costs are high. See that there is no misuse of stationery.
4. Front office personnel must be trained in the correct ways of completing procedures.
5. Send timely maintenance orders to the maintenance staff. Items fixed on time will avoid higher costs and bigger breakdowns in service.
6. Re-use stationery for rough pads.
7. Ensure that all guests that are checked in, have a guest folio raised.
8. Keep complimentary rooms to a minimum.
9. Keep promotional entertainment to a minimum.
10. Ensure back-office lights are reduced at night, when not in use.
11. The manager must be hawk-eyed for pilferage by staff.
12. Ensure the daily cleaning of the premises to keep assets fresh.
13. Ensure that the staff strength is optimum to meet business demands. Excess staff is a cost.

#### 5. Staff Scheduling



The scheduling of staff ensures that the demands during the business hours are met. The schedule must ensure a human face at the front desk as much as taking into consideration employees' special requests for leave. Staff must be rotated equitably through shifts and holidays. Front office operation is a 7-day business and not all staff can get leave on the same day. While guests enjoy, the front office staff are on duty to give the guests service. The off-days have to be distributed fairly on a round-robin basis as given in the schedule below. The schedule must be made at least three or four days before it becomes effective to enable staff to plan their personal commitments. Every schedule is personally authorised by the Front Office Manager who is responsible for the human resources and their deployment. The schedule must ensure optimal deployment to ensure that peak hours are fully serviced with competent staff. Busy front office times before

12 noon, which are the check-in and check out timings must be manned adequately as much as other periods in the day, week and month.



	MON	TUE	WED	THUR	FRI	SAT	SUN
<b>Judy</b>	Morning Shift	Morning Shift	Morning Shift	Afternoon Shift	Afternoon Shift	Afternoon Shift	<b>off</b>
<b>Jane</b>	Afternoon Shift	Afternoon Shift	Afternoon Shift	Morning Shift	Morning Shift	<b>off</b>	Morning Shift
<b>Robert</b>	Morning Shift	Morning Shift	Morning Shift	Afternoon Shift	<b>off</b>	Afternoon Shift	Afternoon Shift
<b>Singh</b>	Night Shift	Night Shift	Night Shift	<b>off</b>	Night Shift	Night Shift	Night Shift
<b>Antonio</b>	Afternoon Shift	Afternoon Shift	<b>off</b>	Afternoon Shift	Morning Shift	Morning Shift	Morning Shift
<b>Jamal</b>	Morning Shift	<b>off</b>	Morning Shift	Morning Shift	Afternoon Shift	Afternoon Shift	Afternoon Shift
<b>Victoria</b>	<b>off</b>	Afternoon Shift	Afternoon Shift	Afternoon Shift	Morning Shift	Morning Shift	Morning Shift

## 6. Assignment of Duties

The assignment of duties must be fair and equitable. No server must be over burdened to an extent that his or her productivity is affected. It is also important for the front office personnel to be free from monotony. The common tasks for all front office personnel are to serve guests. However, there are tasks that can be rotated among the front office staff. These tasks are:



1. Reservations
2. Relieving the night shift
3. Requisitioning stationery
4. Relieving telephone operators
5. Relieving the concierge

These tasks must be distributed equitably among the staff as they are routine and sometimes tedious. The front office manager also must ensure the following:

- Rotation of staff for different tasks
- Rotation of shifts

## 7. Evaluating Staff

The purpose of performance appraisal is to ascertain an individual's present and future value to the organisation. His/her present value is assessed by his/her past performance while his/her future value is determined by his/her present potential. A good



appraisal would bring to light these two aspects. The main fear of all assessors is the element of subjectivity. In order to avoid subjectivity the best approach would be to evaluate performance and not personality. The Management by Objectives (MBO) has been a successful method to counter subjectivity. MBO involves setting objectives and targets mutually at the beginning of the performance period of a year and assessing whether they have been achieved at the end of the year. Setting standards of performance is implicit in the objective setting to ensure quality of performance. The challenge in this system is measurement. Some management's have used the Trait Method in which certain behavioural characteristics are evaluated like punctuality, attendance, teamwork, grooming, ability to follow instructions etc. While some can be measured others cannot and opens the doors to subjectivity. The front office agent of the future is acquiring the responsibilities of his/her supervisor which means that MBO can be used as a credible alternative. Some objectives that can be set for them can be:

- Average Room Rate personally realised
- New guests generated
- Repeat customers
- New ideas introduced
- Guest comment forms and feedback
- Cost-control measures employed
- Feedback of colleagues (360 degrees feedback)

The benefit of MBO is that deficiencies are not looked as areas for punishment but areas for training and development. The front office manager is able to identify training skills needed. The system is future oriented and gives a correct picture as to what potential an individual shows in terms of performance. It also binds the superior and subordinate to act as a team to achieve targets. The actual appraisal becomes transparent and both look upon performance as something that is mutually beneficial. The front office manager does the following to enliven the MBO approach:

1. Set standards of performance.
2. Set objectives and targets with the subordinate at the beginning of a year. Objectives must be realistic and measurable.
3. Review performance mid-year and perhaps altering objectives if situations change.
4. Approach the system as a developmental tool.
5. Conduct the appraisal interview in a relaxed atmosphere and with an open exchange of ideas.
6. Strictly concentrate on the individual's performance and not the personality unless it is essential to service such as grooming and hygiene.
7. Give the subordinate an opportunity to explain himself or herself.
8. Help the subordinate to identify deficiencies and chalk out action plans for improvement.
9. Show the subordinate the path for future growth.

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## Key Terms

<b>Attendance</b>	a formal record of presence at the job
<b>Briefing</b>	a two-way communication between management and staff at the beginning of an operation
<b>Cost-control</b>	a process of keeping costs to a minimum
<b>Discipline</b>	the process of exercising self-control
<b>Management-by-Objectives</b>	an evaluation process that sets targets and evaluates the achievement of it at the end of the desired period.
<b>Performance Appraisal</b>	evaluation of performance
<b>Staff Scheduling</b>	allocating time periods of duty

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## Review Quiz

### Write short notes on the following:

1. What are the various aspects covered by a front office manager in a briefing?
2. How does a manager exercise cost control in the front office?
3. Explain what MBO is and how managers execute the system.
4. How can we ensure fairness and equity in staff scheduling?
5. Why does front office staff need discipline?

### True or False

1. Attendance impacts on salaries and wages.
2. It is permissible in front office operations to come reasonably late.
3. Discipline is required in the manner a front office agent communicates with a guest.
4. Indiscipline can occur because of a lack of control systems.
5. Always discipline in public to set an example to others.
6. One way of controlling costs is to ensure that staff follows the correct procedures.
7. The MBO method of evaluation is used as a development tool.
8. Front office staff must be given similar tasks always.
9. Briefing is a two-way communication opportunity.
10. Briefing includes training.

# CHAPTER 4

## Reservations

### Introduction



Reservation is the process of booking rooms before the arrival of the guests in order to ensure their availability at the time the guests check in. Reservation involves matching a guest's precise request for a room at a price with room availability, recording such requests and confirming the reservation. Earlier the reservation agent acted as a booking clerk who ascertained whether rooms were available and confirmed the reservation. Soon hotel managements realised that the reservations department could play a vital role in maximising room revenue by better information systems that told the features and locations of room to take advantage of their views and facilities in quoting prices. Room sales were the responsibility of the Sales and Marketing Department before.

With better realisation of the role of the reservation agent, the sales activity moved to the Reservations Department making the Sales and Marketing Department respond in a supportive role to the reservation agent's demands and cues. The reservation agent could advise the Sales Department when room occupancies were likely to be low during a week, month or year. They know the pattern of guest flow and play a more proactive role than just as booking clerks. Hotel managements also realised that the reservation agent went a long way in promoting the image of the property and supported their efforts in being efficient with better automation. Reservation also initiates the records that will later be used by other front desk colleagues and other departments. The reservation form acts as the guest profile folder for everyone and doubles as a registration form as well. The information also upgrades various information lists and reports in the system. The reservations department is therefore, the nerve centre for room revenues and profitability. Before we can go into the reservation systems and procedures, it is important to be familiar with some reservation terminology which will be used in this and later chapters.

### Reservation Terminology

The reservations terminology pervades the entire front office operations and the rest of the hotel services that support room sales and otherwise. It is important for front office professionals to learn these terms to fulfil their tasks.

<b>Allowances:</b>	Daily fixed cash paid-outs to airline crews as negotiated with the airlines and recovered from them at a later date.
<b>Amendments:</b>	Changes made of records concerning his stay.
<b>Cancellation:</b>	A confirmed booking that has been withdrawn by the guest.
<b>Confirmation:</b>	A room reservation that has been confirmed in writing by a guest.
<b>Double Occupancy:</b>	Two guests staying in a room.
<b>Group:</b>	Any body of guest above 15 persons who travel together.
<b>Guaranteed Booking:</b>	A room booking that is confirmed in writing by a guest.
<b>Guest:</b>	A client of the hotel.
<b>Forecast:</b>	A studied anticipation of room business.
<b>Free Sale:</b>	Rooms that is available for booking.
<b>FIT:</b>	Stands for “Free Individual Traveller” who is an independent guest who does not use the services of middlemen for booking his or her room.
<b>GIT:</b>	Group Inclusive Traveller.
<b>Lay-over:</b>	Airline passengers checked in by the airlines who are catching a connecting flight sometime later.
<b>On-request:</b>	A status when guests are kept waiting for a room booking confirmation.
<b>Overbooking:</b>	Booking rooms that are beyond the hotel room capacity.
<b>Pax:</b>	Person
<b>Revision:</b>	Change in booking instructions.
<b>Room Availability:</b>	The room position when rooms are available for sale.
<b>Room Blocking:</b>	Blocking a room in the Reservation Chart.
<b>Room Night:</b>	A charge for a one night occupation, spanning two days from noon to noon.
<b>Sale:</b>	A room space sold.
<b>Sold Out:</b>	A status in which all the rooms in the hotel are sold.
<b>Single Occupancy:</b>	One guest staying in a room.
<b>Waitlist:</b>	A guest awaiting a confirmation of the room booking.

## Types of Rooms

Apart from knowing the reservation terminology, a reservation agent must have knowledge of the rooms of the hotel, available for sale. Each hotel has a variety of rooms to meet the needs of guests. A single guest would like to stay in a single room to be cost effective, while a couple will find a double room more convenient. A family may choose a suite to have more leg room for children to move around. A business executive may want a special suite to entertain privately or show off his financial status to his or her clients. Similarly, budget groups may be willing to share twin rooms while up-market groups may prefer single rooms. Guest needs are endless and their motives for booking a type of room may be varied. A typical hotel while have the following types of rooms:



<b>Adjacent Room:</b>	Two rooms beside each other across the corridor
<b>Adjoining Room:</b>	Two rooms beside each other
<b>Cabana:</b>	A room with a sofa cum bed ideally situated beside swimming pools or beaches
<b>Connecting Room:</b>	Two rooms with an interconnecting door, ideal for a family
<b>Double Room:</b>	A room with one King size double bed
<b>Executive Room:</b>	A room with additional features like internet connections, computer points, mini bars etc. specially designed for the business executive
<b>Single Room:</b>	A room with a single bed
<b>Studio:</b>	A room with a sofa-cum-bed
<b>Triplet:</b>	A double room with one extra rollaway cot
<b>Twin Room:</b>	A room with two single beds
<b>Quad:</b>	A room for four people fitted with twin beds and two roll-away beds
<b>Queen</b>	
<b>Suites:</b>	A room with a queen-sized bed for single or double occupancy Suites
<b>Junior Suite:</b>	A room with a seating parlour and a bed
<b>Double Suite:</b>	Two rooms, one serving as a living cum dining area and the other with a double bed
<b>Duplex Suite:</b>	Two suites on two floors with an interconnecting staircase
<b>Executive Suite:</b>	Suite specially fitted for business executives
<b>Single Suite:</b>	Two rooms, one serving as a living cum dining area and another with a single bed
<b>Tourist Huts:</b>	An independent suite detached from the main hotel. They will be found in resorts for greater privacy and exclusivity. Some suites have independent mini-kitchens.

Suites may be given names as the Presidential Suite, Diplomatic Suite, Governors Suite etc. for the reservation to identify them. Suites are similar to all other suites distinguished by more lavish décor and appointments. Some suites are named after the theme of the hotel Like the Maurya Sheraton that has named suites in the Mauryan dynasty like Chandragupta Suite or Ashoka Suite.

## Types of Rates and Plans

A hotel normally develops a price range of rates between minimum-moderate-maximum. These rates are arrived at by evaluating the competition and determining the contribution required from room revenue to meet operational costs and investment. The moderate rate is often quoted as the **rack rate**. The rack rate can however change based on season to a maximum rate or minimum rate. In addition to the above, reservation agents book rooms by certain price plans. A plan is a package proposal of rooms and meals. Some guests have several alternatives for eating when on tour, including being entertained by friends and clients, eating at restaurants closer to the place of work or grabbing a bite from a hotdog stand when on the move. They may prefer to pay for the room without meal options. Tourists may like to start the day with a hearty breakfast before venturing out on sight-seeing tours and return to a warm dinner. In this they would like to skip the lunch option. Families on holidays do not want the chores of cooking and may opt for a plan that includes room charges and all meals. Again there are some whose daily schedule is uncertain and may opt for the room and a morning breakfast before setting out.

Hotels recognise these varied needs and offer plans to suit their client profile.

These plans are:

<b>European Plan (EP):</b>	Charges for the room only.
<b>American Plan (AP):</b>	Charges for room and all meals.
<b>Modified American Plan (MAP):</b>	Charges for room plus breakfast and lunch or dinner.
<b>Continental Plan:</b>	Charges for room and a Continental Breakfast
<b>Bed and Breakfast:</b>	Charges for room and English breakfast.

Business Executives prefer the European Plan as they are often “wined and dined” by business clients or have to do the same to their clients. Groups prefer the MAP that enables them to eat a breakfast before going for the purpose of their visit, be it sight-seeing or a convention or a training program etc. They prefer to return to a meal at the end of the day. An American Plan is chosen by holiday makers who want to enjoy and keep away from the chores of cooking. This plan is often found at resorts. The Continental Plan is found in Europe that is used to breakfasts of a continental style. The Bed and Breakfast is a British concept that includes rooms with hearty English breakfasts.

## Meal Menus Related to Plans

It is only but fair that the reservation agent is familiar with the way meals are priced as they would negotiate rates with the room plans given above. Some basic knowledge of the way meals are priced is given below:

**A la Carte Menu** This is a menu in which each food item is separately priced to give the guest choice to suit his or her taste and budget. Each course has a number of choices. The courses generally follow the sequence of the classical menu.



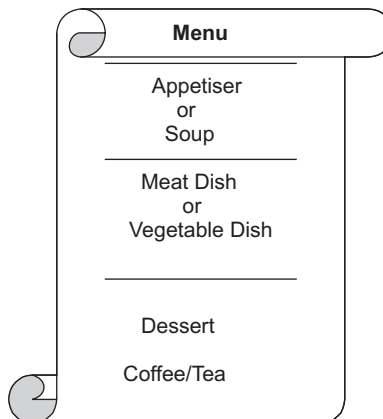
Menu	
Starters .....	Vegetables .....
Soups .....	
Seafood ..... .....	Breads ..... .....
Meats .....	Desserts .....
Poultry	Beverages

**A la Carte Menu**



Guests on a European Plan without meal options will select, meals from an a la carte menu in any restaurant of the hotel. Naturally the meals would cost more as these are commercial rates for the general public. The guests, however, have the advantage of choosing dishes of their choice.

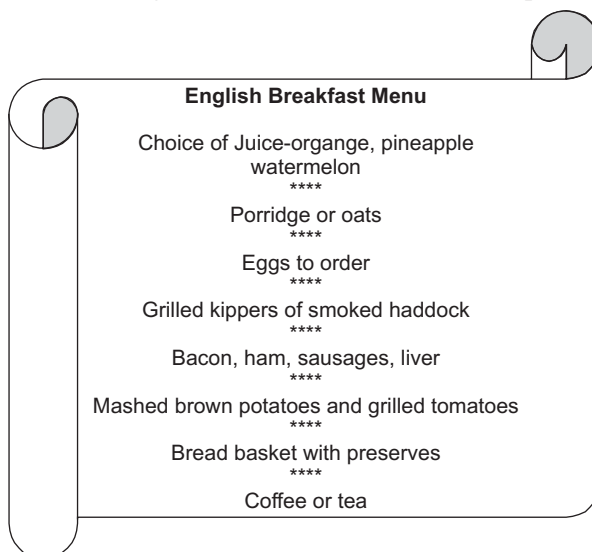
**Table d'hote Menu** This is a menu which prices the entire meal, irrespective of whether the guest avails of the entire meal or not. Sometimes there is a choice of two dishes under each course to accommodate those who are vegetarian or allergic to certain meats or prefer white meats to red meats for health reasons.



**Table d' hote Menu**

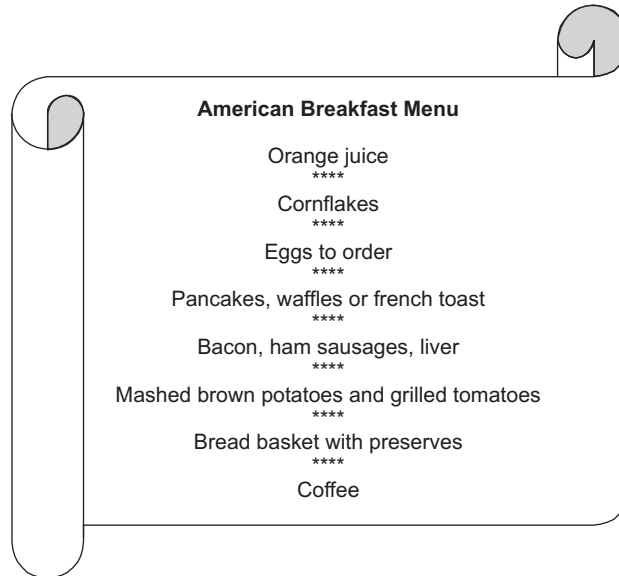
Resort properties with dining rooms may opt for this style of menu based on the availability of local raw materials. They build the menu around seasonal offerings. It is offered in American Plans and Modified American Plans. The table d' hote menu is economical from the hotel's point of view as they can choose raw materials that are least expensive.

**Breakfast Menus** There are three types of breakfast menus (1) the English breakfast; (2) the Continental breakfast; and (3) American breakfast. English breakfasts offer a choice of juices, cereals, eggs to order, breakfast meats like bacon, sausages or ham, toasts and breads and preserves like jam, marmalade



and honey followed by tea. Most bed and breakfast plans in the UK and Ireland will offer the English breakfast. Continental breakfasts consist of assorted rolls, preserves, tea or coffee. The Continental Plan offers this style of breakfast. It emanates from the eating habits in Europe especially France who lead in

gourmet innovations. American breakfast is an English breakfast with the addition of waffles or pancakes with maple syrup for the sweet toothed, followed by coffee. Traditionally, American Plans and Modified American Plans offer this kind of breakfast but as travel has spread worldwide, the breakfasts have been altered to local practices and tastes. In the south of India breakfasts would include *dosas*, *idli*, *wada with sambar*; in the north of India breakfasts would include *puri and aloo*.



**Lunch Menus** Lunch menus can vary from elaborate meals or light meals depending on the purpose and culture of the guest. Businesspersons prefer sandwiches, salads and soups due to limited time at lunch breaks or are weight watchers. Salad bars have become an important part of most luncheon restaurants to accommodate the health conscious. Buffets are popular at lunchtime to save time for those with limited lunch breaks.

**Dinner Menus** These menus are elaborate as guests have more time and leisure for eating. Dinner menus are an entertainment and people want more than just food. Alcoholic drinks are an essential part of dinner menus though guests have to pay for it separately and not part of the plans. Some European countries may include a glass of house wine within the meal plan.

### Buffet Service

It is a self-service where food is displayed on tables. The guest take plates stacked at the beginning of the table and proceed along the table requesting the buffet attendant to serve him or he serves himself. For sit-down buffets tables are laid with cutlery and glassware. Dishes on the



buffet table are attractively displayed and can have soup, salads, vegetarian spreads, meat spreads, breads or rice and a dessert. They may have a choice of each to accommodate varied tastes. Food cooked in bulk is cheaper for the establishment who has the option to recycle the food at the next buffet service. Hotels with group business prefer the buffet service as it is quick and requires minimum service staff to manage volume meals. The coffee shop is the preferred place for group eating as it is casual and easily accessible from the lobby. Most American Plans and Modified American Plans used by groups prefer the buffet style of service. Convention hotels, suburban hotels where training programmes take place, and group hotels use the buffet service for all meals.

### Other Rates

In addition to the plans, there are other rates that are mentioned on page 180.

### Sources of Reservations

A source is classified as any individual or body that actually pays a hotel for its services. A reservation agent has a large market from which s/he receives reservations. The principal sources of reservation are:

**Global Distribution System (GDS)** which is a network of providers that brings products and services geographically spread to the doorstep of consumers anywhere in the world. Noteable GDS are the Sabre computer system, Amadeus computer system, Galileo central Reservations Systems, Worldspan and the Scandinavian Multi Across Reservations for Travel Agents (SMART). Most hotels are linked to one or more of these systems. These are computerised networks that can be accessed by any traveller or other service prouder to book rooms anywhere in the world. For example, Sabre connects 30,000 travel agents and 3 million consumers with more than 400 airlines, 50 car-rental companies, 35,000 hotels and dozens of railways, tour companies, ferries and cruise liners. The GDS is a valuable source of reservations.

**Tour Operators** package tour programmes and sells them in bulk worldwide. They are wholesalers who coordinate with hotels, surface transporters, airlines, cruise ships, tourist offices, etc. to put together an all inclusive trip to a destination. We often read advertisements of “Three days and two nights in Kathmandu” or “A week pleasure cruise to Alaska”. These ambitious travel programs are compiled by tour operators who market them to travel agents. Hotels prefer to deal with tour operators as room business comes in bulk.



**Travel Agents** are retailers located in convenient places in cities and up country. They take a commission from the tour operators to sell their travel packages. Ordinary citizens would find attractive posters and brochures displaying these travel packages in their show windows. In addition to selling tour packages, travel agents also independently promote hotel accommodation and airline bookings taking advantage of special discounts and commissions from these establishments. A reservation agent gives a lot of importance to them as they are the ones in contact with the ultimate guest because of their location.

Hotels usually follow the following practice in dealing with travel agents:

1. Give 10% commission on rooms.
2. Bookings on American Plan will attract a commission on boarding and lodging charges.
3. Bookings on European Plan will attract a commission on room only.
4. Commission is payable for the entire stay of the guest upto a maximum of 21 days.
5. Commission is payable on the rack rate. However, if discounts are given on room charges the hotel has the right to deny the commission.
6. Hotels planning a partnership are obliged to fill any questionnaire submitted by the travel agent.
7. Either party cannot place a condition to advertise each other. This is purely on relationship basis.
8. Travel agents are forbidden to quote rates in excess of rates agreed upon.
9. Travel agents must get at least one months notice before a revision of room tariffs.
10. Hotels agree to give one complimentary room to a bonafide tour leader for a group comprising 15 members and above. A discount of 50% is given to the tour leader of the group is less than 15 but more than 10 members.
11. Should a hotel not be able to give the room negotiated it is obliged to give a superior room at the rate of the original booking. If an inferior room is given then the lower price is charged.
12. Hotels operating on European Plan only, may accept bookings on American Plan provided it is a group booking of 15 persons or more.



**Airlines** business is sought after by hotels for the image factor and certain volume business throughout the year. Airline crews bring a lot of glamour to a property and though the airlines squeeze as much of discounts of room rates because of their business, hotels still pursue them to get business. Airline contracts are negotiated by the management who welcome such business.

**Corporate Houses** are another source of volume business because they have better funds. Rates are negotiated for minimum room nights a year. The more the business the better is the rate. The sales and marketing department of the hotel actively pursues this business as they are lucrative and reliable. Other aspects of corporate business



are the company training programmes and corporate meetings. By harnessing this business hotels can get volume business. Resorts try to capture this business to give business and pleasure, especially during off season months when corporate houses can avail of off-season discounts on rooms.

**Embassies and Consulates** are a source of lucrative business for hotels located at cities where they have established offices. Diplomatic officials travel throughout the year and a good hotel would like to capture that business. Under this category come the United Nations employees who visit the city on assignments. The local U.N. office would then be the source for bookings.

**Free Individual Travellers (FITs)** provide the bread and butter business on a regular basis. FITs are individual guests who book rooms directly with the hotel. They choose a property based on the quality of service, recommendations of others, image of the establishment, budget and convenience. Hotels try to

get their repeat business through recognition programmes and by maintaining guest history cards. FITs nowadays are becoming a greater source of business because of the convenience of booking directly through the web from the comfort of their homes and offices. Websites provide all information including virtual tours of properties to assist the FIT to make a choice.

**Central Reservation Offices (CRS)** are another expanding phenomenon to make bookings easier. They provide toll free telephone numbers to encourage travellers to use their facility. These establishments are one-stop-shops and have reservation tie-ups with all corners of the earth. The central reservation system is ideal for independent operators who have limited budgets to promote their property worldwide. They register with Non-Affiliate reservation systems on a subscription basis, like the Leading Hotels of the World, Preferred Hotels, Distinguished Hotels, Steigenberger Reservation System etc. Hotels chains have their own central reservations (Affiliate Reservation Network) to not only fill their hotels in the chain but also hotels with referral tie-ups in locations where they do not have hotels. Depending on the season of occupancy hotels give free sale of rooms to a certain limit to the CRS who do not have to check with them to confirm a booking. In busy seasons, they will have to communicate with properties before they can confirm a booking.

Chains may divide the world of operations into regions like North & South America, Asia Pacific, Middle-East & Africa and Europe and commission Regional Reservation Offices that serve a region. Each regional office can serve other regional offices as well for outbound traffic from their region. Airlines have now jumped on the bandwagon of central reservation systems to serve their passengers with value added facilities of hotel bookings in addition to the airline seat.

Another facility for independent hotels especially is the Intersell Agency that represents other companies in the travel chain like airlines, rent-a-car, cruise liners etc. They have the benefit of receiving hotel reservation request for travellers using other services that they represent. For example, a person renting a car may want a suggestion for a suitable hotel enroute when he is travelling cross country.

**Hotel Websites** are the new popular way to get bookings. Hotels have spent a lot of investment in making hotel websites user friendly. Guests can fill on-site reservation forms and send to the hotel directly with all the relevant details. They can also get instant confirmations. Websites have reached a level of sophistication that offers virtual tours of the hotel before they choose a room.

**Associations** are another great source of business. Associations like the Medical Association, Automobile Association, Free Masons, Trade Associations, Hotel Federation, etc. have business meetings, local conferences and annual conventions during the year that bring in volume business. Reservation agents would like to tap local associations to tie-up their year long business. Local associations network with regional and international offices and therefore, can procure worldwide business.

**Government Offices** often have their own guest houses and hostels for stay. However they do give their senior officials and guests superior accommodations in hotels. They are a valuable source of business. While government business is often on low budgets they add image and credibility to the establishment.

**Referral Hotels** are those independent hotels that do not have the clout of chain operations and therefore get-together to recommend each other to guests staying in their property, provided the establishment



does not have a hotel in that location. Chain hotels too have referral hotels that match their standards of quality at locations where they do not have a property. An airline ties-up with referral hotels to attract passengers. In such a tie-up, airline staff recommends hotel stay when booking the airline seat. We often hear the cabin crew of airlines recommending a hotel before they are due to land at a location. We must remember that at one time airlines spawned great hotels. The chart below gives the famous hotels promoted by airlines. Many of these hotel chains have changed hands due to business economics and airlines now resort to referral hotels.

### Early Airline Hotels

• Panam	Intercontinental
	Travel Lodge
	Residence Inns
	Howard Johnson
• SAS	SAS International Hotels
• Swissair	Swissotel Ltd.
• United Airlines	Westin International
• Aer Lingus	Dunfey Hotels
• Air France	Meridien Hotels
• All Nippon Airways	ANA Hotels
• Japan Airlines	Nikko Hotels
• KLM	Golden Tulip Hotels
• Lufthansa	Penta, Kempinski
• Air India	Centaur Hotels

### Modes of Reservations

The e-mail has vastly revolutionised communication. Earlier reservation requests came by post, telexes and cables. While these may still be the mode of communications in remote areas where resorts are located, the majority of transaction is done by e-mail. Today a written confirmation by e-mail is accepted in business communication. Many booking communication nowadays excludes the reservation agent because modern reservation software gives instant confirmation to guests via the web. Besides this revolutionary mode of reservation, are the telephone calls and personal visit by representatives. Many guests still want the comfort of human contact when making reservation. The reservation agent will, therefore, be important in the foreseeable future.

### Types of Reservations

Reservations may be broadly classified into three broad categories:

- (1) Confirmed Reservations



- (2) Non-confirmed Reservations
- (3) Group Reservations

### **Confirmed Reservations and Modes of Payment**

A confirmed reservation assures the guest a room at the time of his or her arrival. To make this possible the hotel requires some assurances against a no-show. Reservation agents have found some tools to ensure this.

**Booking in writing** is the oldest method of assurance that the guest is serious about his or her room booking. Earlier a booking was provisional till the formal letter was received. This is mostly met by e-mail communication where such written requests for reservations and confirmations are instant. While this is a sound assurance for many hotels some busy hotels will want more proof of intent by following methods.

**Prepayment** in full is the best confirmation of intent. Many hotels, not familiar with the booking party, may ask for such prepayments before the room is held. The hotel is protected against a no-show where the prepayment is withheld. Many downtown hotels may ask for this as a prerequisite in a busy season. A hotel can safely ask for a prepayment if, for example, there is a convention in town when all rooms in the city are booked. Resorts especially in remote areas ask for prepayments because they are unable to immediately fill rooms in the case of no-shows.

**Credit Card** numbers are a popular method of confirming bookings. A hotel will charge the number of the guest if there is a no-show. Credit Card companies accept this charge if the guest has not reported by the check-in time. Credit Cards as a facility is now common to all and greatly used and acknowledged as a method of payment. Of course, the reservation agent must check if the credit card offered is accepted by the establishment. Some universally accepted credit cards are the Visa, Mastercard and American Express.

**Advance deposit** is another assurance for bookings usually used for longer stay or group bookings. The advance deposit covers at least one night's stay. The deposit is forfeited in case of a last minute cancellation. Hotels may insist on this from unknown travel agents or those not registered with the hotel.

**Penalty charges** are incorporated in the case of negotiated contracts with airlines, associations, corporate houses etc. The clauses may permit charging one night's stay to the agency for a no-show.

**Miscellaneous Charge Vouchers (MCOs)** are issued by travel agencies to guests who present them to the hotel to confirm that they have paid the room charges to the travel agent. The hotel can later present the MCOs to the travel agent for reimbursement.

### **Non-Confirmed Reservations**

Non-confirmed reservations are for those guests who have not secured their room booking in writing or by other instruments mentioned above. Such guests have to wait for the check-out time of 12 noon to secure a room. Even then the first priority with check-ins is given to those guests with confirmed reservations. A no-show would be the best opportunity for the guest to secure a room around the cancellation hour of 4 p.m.



## Group Reservations



A group is a body of 15 persons or more. Because it involves volume business hotels offer special discounts. The discount is given to the tour operator who puts together a total travel package including hotel accommodation, meals, surface transportation, airline ticket and sight-seeing tours etc. The package achieves its saleability by the discounts given by individual providers of the package. The amount of discount given is based on the frequency of group business given by the tour operator.

Group bookings can also come from event management companies, convention planners, corporate training departments, associations, etc. The principles for group reservations remain the same.

Groups may be classified in many ways:

- Tour groups
- Convention groups
- Participants to a seminar
- Participants of a Training Programme
- Political delegations
- Performing artistes
- Military troops
- Participants of exhibitions, trade fairs, air and motor shows
- Fashion Show organisers and models
- Reunions
- Sports teams and delegations
- Airline crews
- Government delegations
- State visits

In addition to the group rate, there are benefits for the group leader who is a representative of the tour operator.

Groups of 15–30 pax will earn their tour leader one complimentary room.

Groups of 31–45 pax will earn their tour leader two complimentary rooms.

Groups above 45 pax will earn complimentary rooms as per the discretion of the management.

Group reservations and correspondence assume great importance and must be dealt with quickly and accurately because of the following reasons:

- (1) Groups form a major part of business.
- (2) The tour operator can only proceed in marketing the package after he secures room confirmations.
- (3) Group reservations demand the blocking of a large number of rooms sometimes years in advance.
- (4) A final confirmation of group booking takes longer to materialise.

Group reservations have also peculiar concerns that have to be thought about by the reservation agents:

1. Agreeing on a rate— The agent knows the muscle he has with booking rooms in volume and wishes to extract as much discount as possible. The hotels in the city vie for the group business and hotel are very competitive in this sector.
2. Blocking a volume of rooms that affects regular business may be got at better prices— The reservation agent has to balance the probability of filling the rooms with better rates from FIT business against getting good occupancy at a lower rate.
3. The reservation agent is also concerned with being able to provide the room mix requested by the agent. It may even require cancelling confirmed bookings to FITs and seek their displeasure.
4. There is the issue of giving complimentary rooms to group leaders as the international practice. It becomes critical especially in full season when the complimentary room could be sold at a maximum rate.
5. The credibility of the tour operator and travel agent especially when they come from overseas— It is not always easy to get business from established agents who squeeze the property for room rates because of their reputation. Newcomers may be more flexible in room rates but do not have an established credibility. Adequate precautions have to be taken to protect the hotel from errant agents.
6. As the day comes closer for the group's arrival, guests come with changes in their room status and preferences and rooms have to be juggled around to accommodate in such changes. Such preferences include:
  - Request to be on the same floor on which their friends have got rooms.
  - Request for adjoining rooms especially for elderly people who come with a medical escort
  - Need for special medical assistance— The house doctor should fulfil normal requests but the challenge comes when there are complications in medical treatment
  - Handicapped facilities including wheelchairs, ramps, specially fitted bathrooms, reachable door locks etc.
  - Facilities for infants and children including baby-sitting services, crèche, cribs and playgrounds
  - Non-smoking rooms
  - Orthopedic mattresses
  - Noiseless rooms (especially for airline crews on odd shifts)
7. A reservation agent has to take the whole hotel services into account on whether the hotel can give the quality of services required— will housekeeping be able cope up with volume room clearances; will the food and beverages be able to cope up with volume seating and do they have the service equipment to handle such volumes; will the bell service be able to cope up with the volume baggage; or the telephone department to cope up with volume traffic.



It is prudent for the reservation agent to insist on a minimum 30-day advance notice should a tour operator or travel agent wishes to cancel a group booking. Should the cancellation occur within 30 days the hotel may charge a retention charge equivalent to one night group stay. The

principle behind a retention charge is to offset the inability to sell the booked rooms again, especially in the first few days of the group's intended stay. Waiving a retention charge by the hotel depends on:

- the size of the group
- relation between the group tour organiser and the hotel
- the inability of the hotel to re-sell the cancelled rooms.

## ***Steps in Making Group Bookings***

### ***Pre-Booking***

1. Group business requires a contract to be drawn between the hotel and the group organiser. This contract is entered into by a senior member of the management usually the Front Office Manager or the Sales and Marketing Director. This is because the volume of business commits so many rooms at one time and earns good revenue for the hotel. However before getting into a contract, the management will invite the organiser for a site visit and take them on a tour of the hotel and facilities to confirm whether the hotel will serve the purpose of the organiser. The management will also check the antecedents of the booking party in terms of their history of honouring contracts and paying their bills on time. An important part of the contract involves the billing instructions including deposits and payment schedules.
2. The reservation agent must confirm the availability of such a large number of rooms at the date and time of the intended booking to the management before they negotiate the rates.
3. The reservation agent must take into account the number of displaced regular business and the ill-will that it may cause. They may even warn regular guests of those busy dates so that they can reschedule their visits.
4. The reservation agent must check with the food and beverage department if they can handle such groups. Readers must understand that a group could be as large as 2000 persons (as in a convention). Again there may be several groups in the house at the same time by different group organisers. Such large numbers need adept menu planning, cooking and service crews and restaurant guest flow management. The F&B must also have the capacity in terms of seating, equipment, cutlery, crockery etc. to service such large volumes.
5. The reservation agent will block the rooms on the Reservation Chart (Fig. 4.1) once the contract is concluded.
6. Open a separate file for each new group to file correspondence.
7. Have the names of group members and get their room distribution preferences if they are sharing rooms.
8. Procure passport details to initiate government formalities if any.
9. Inform the food and beverage department for meal timings and menu compilation
10. Book coaches for sight-seeing tours if required.

### ***Pre-arrival***

11. Get the exact time of arrival and departure from the organisers in order to advise the reception to have the rooms ready and alert the lobby staff.
12. Name of the group leader to award a complimentary room and initiate communication as the day of arrival gets nearer.

### Post Group Stay

13. Give feedback to the management on the performance of the group for future relations.

### The Reservation Chart

Room No/Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
100																				
102																				
103																				
104																				
105																				
106																				
107																				
108																				
109																				
110																				

**Fig. 4.1** Reservation Chart

A Reservation Chart given above is the basis of control of the reservation system. These charts are bound in a register for better control. Each page of the register represents a month of the current year. The vertical columns represent each date of the current month while the horizontal column represents each room of the hotel. The number of horizontal rows depends on the number of rooms in the hotel. Each block created in the matrix represents a room on a particular day of the month. For example, if a guest books rooms on the 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> the corresponding number in any room number is coloured to represent a block. Another guest may book 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup>. It is blocked likewise. The chart soon fills up. Please note that it does not mean that room number will be assigned. It just signifies that number of rooms booked. This does not apply to suites which are few and have definite room numbers. Therefore, room 110 may be a suite and needs to be blocked for that room number. The blocking off can be done in pencil or pen but nowadays, there are aids as highlighters, self-adhesive tapes etc. Today's computerised system have a similar chart that can be pulled up on screen where rooms are automatically blocked as soon as they are booked by the reservation agent.



### Manual System of Reservation, by Phone

To be able to understand the process of modern automated reservation systems, it makes sense to understand how reservations are taken

manually. While most hotels are moving towards automated systems there are a number of hotels who still rely on manual systems for their needs as the business does not justify expensive hardware and software. The following procedure takes the reader through a step by step process of taking a reservation on phone:

**Step 1:** Pick the phone before the third ring. Since this is the first point of contact of a guest with the hotel, s/he evaluates the efficiency of the hotel on the basis of how the reservation is professional in the approach. Prompt answering of the phone is the first sign of efficiency. A guest does not want to keep waiting to be attended to. If busy, the reservation agent will say, “Reservation, good morning, I am on taking another reservation, would you like to stay on the line or may I call you back”. If the guest chooses the later option, make sure to take the name and telephone number correctly by repeating the information.

If free, the reservation agent should answer by saying “Reservations, good morning, how may I help you?”

**Step 2:** The guest for reservations on certain dates. Check the status board which gives the status of rooms under three categories SOLD OUT, ON REQUEST, and FREE SALE. Inform the guest the status. If the status is sold out say, “I am sorry but the dates are sold out, would you prefer some other dates?” If the status is on request say, “I am sorry those dates are on request. I shall take your reservation but would like you to check with us closer to the date.” If the status is free sale, proceed with the transaction in step 3. In today’s computerised transaction, the status chart can be pulled up on screen.

**Step 3:** Say, “We would be pleased to reserve a room for you on those dates. May I have the following particulars please?” This is an opportunity to up-sell rooms with higher room rates by saying, “Sir for a few dollars more I can give you a room with a view of the ocean”. Always mention benefits to the guest when selling a superior room.

Always keep the *Reservation Form* given below, ready with a pen that writes and take down the particulars on the form itself. The particulars will include:

SURNAME	FIRST NAME	MIDDLE NAME
NAME OF COMPANY		
ADDRESS		TELEPHONE NO:
ARRIVAL DATE:	ARRIVAL HOUR:	AIRLINE & FLIGHT NO:
DEPARTURE DATE:	DEPARTURE TIME:	AIRLINE & FLIGHT NO:
TYPE OF ROOM:		ROOM RATE:
— SINGLE	— DOUBLE	— SUITE
BILLING INSTRUCTIONS		
CREDIT CARD: _____	CC NO: _____	DATE OF EXPIRY: _____
SPECIAL REMARKS:		
REQUESTED BY: _____	RECEIVED BY: _____	DATE: _____
TELEPHONE NO: _____	SIGNATURE: _____	

**Fig. 4.2** Reservation Form

- **The name of the guest.** Make sure that the spellings of names are taken down accurately by repeating the spelling back to the guest. A Smith can be spelt in many ways such as Smyth,

Smythe, Smidtt, Smithe etc. We do not want the receptionist to mistake the guest for another one at the time of check-in.

- **Full address and the telephone contact number of the guest.** If the guest is on a company account then the name of the company is noted.
- **Type of room requested** such as single, double, suite.
- **Number of persons going to stay in the room for which there are separate charges.** Most hotels do not permit more than a couple in a room unless the third person is a child below 12 years as per international policy. An infant would attract a crib rate while a child an extra bed rate.
- **Date of arrival, including if possible flight number and time of arrival.** This helps the reception to fine tune their room allocation process. A hotel charges for a room from noon to noon. If a guest is to arrive early in the morning a room will have to be kept the previous night. The guest must be informed about this.
- **Date of departure including time.** If the guest leaves after 12 noon but before midnight a late charge may have to be levied and the guest informed accordingly.
- **Billing instructions** are the most important information while taking the reservation. There are many options a guest may have:
  - Paying by credit card. The reservation agent must ascertain if the credit card is accepted by the establishment. This is especially true for foreign guests. The credit card number must be taken to be charged for a night in case of a no-show. Make sure of noting the expiry date of the card.
  - Paying by cash.
  - Company picking the room charges. The reservation agent will ascertain whether there is a contract rate for a company. If not a formal letter from the company is required accepting the charge.
  - Payment made to the travel agent in advance. The travel agency will issue a Miscellaneous Charge Voucher (MCO) in such circumstances. The reservation agent must note this information.
  - Advance deposit is asked for longer stay to secure the hotel against any default in payment or a no-show because the room/s has to be blocked.
  - Prepayment in full is asked for doubtful guests, especially during busy seasons.
- The special remarks column will enter information such as need for the hotel coach or limousine, wheelchair, non-smoking room, kennel for a dog etc.
- It is important to confirm the name and number of the caller. Often the booking is made by secretaries, travel agents, friends, etc. It is not necessary that the guest is making the booking directly.
- Note the name and number of the reservation agent in case a booking has to be referred to by the reception at the time of registration.
- Note the date of the booking to complete all information.



In the computerised system, the agent can call up a blank form on the screen with similar information. She keys in the information that is linked to other charts as the reservation chart, arrivals list, VIP list, source of booking, etc. keeping other documents updated simultaneously.

**Step 4:** It is important to ask the party to send a written confirmation of the reservation request by saying, “Sir/Madam may we request you send this reservation request in writing to give you a confirmation. We shall provisionally retain a room for you till then”.

**Step 5:** Thank the caller and welcome him giving him the confidence of a right choice by saying something like, “Thank you Mr... for booking with us. We look forward to welcoming you and assure that you have made a right choice”.

**Step 6:** Type out a *Reservation Slip* below in two copies. One is mounted on the reservation rack while the other is stapled to the reservation form and filed. In the computerised system this is not necessary as the electronic registration form has already sent information to arrival lists.

SMITH, ALEXANDER	BA FLT. NO. 406	ARR: 26 MAY 2006
		DEP: 28 MAY 2006
ONE SINGLE	ROOM RATE: \$ 70	
TRAVEL AGENT: COX & KINGS	27, BAKER STREET, LONDON	

**Fig. 4.3** Reservation Slip

## Special Requests

At the time of reservations guests may make special requests to make their stay more comfortable. The requests can be from the usual to the bizarre! The reservation agent must be frank if a request cannot be made or is against the policy of the hotel. Below is a list of requests:

SPECIAL REQUESTS
<p><b>Arrival:</b></p> <ul style="list-style-type: none"> <li>• Hotel coach or limousine services</li> <li>• A name display board by the driver at the airport.</li> <li>• Wheelchair at the porch</li> <li>• Pre-registration</li> <li>• Early arrival</li> <li>• Security service (dignitaries, celebrities)</li> <li>• Confidential check-in (celebrities)</li> <li>• Welcome drinks (groups, dignitaries, celebrities)</li> <li>• Exclusive check-in counter (groups, delegates)</li> </ul>
<p><b>Room:</b></p> <ul style="list-style-type: none"> <li>• Extra pillows</li> <li>• Orthopedic mattress</li> <li>• Non-smoking room</li> <li>• Room for the handicapped</li> <li>• Adjacent room allocation</li> <li>• Interconnecting rooms</li> <li>• Rooms with preferred views</li> <li>• Full bar</li> <li>• Celebration cake in room</li> <li>• Chilled Champagne in bucket</li> </ul>



**Services:**

- Safety deposit facility
- Left luggage facility
- Kennel services
- Baby-sitting service
- Meeting rooms
- Secretarial service
- Florist service
- Expecting important mail
- Specialist medical services

**Billing:**

- Late departure
- Master folio (for groups)
- Split folio (for two sharing a room)

**UNUSUAL REQUESTS**

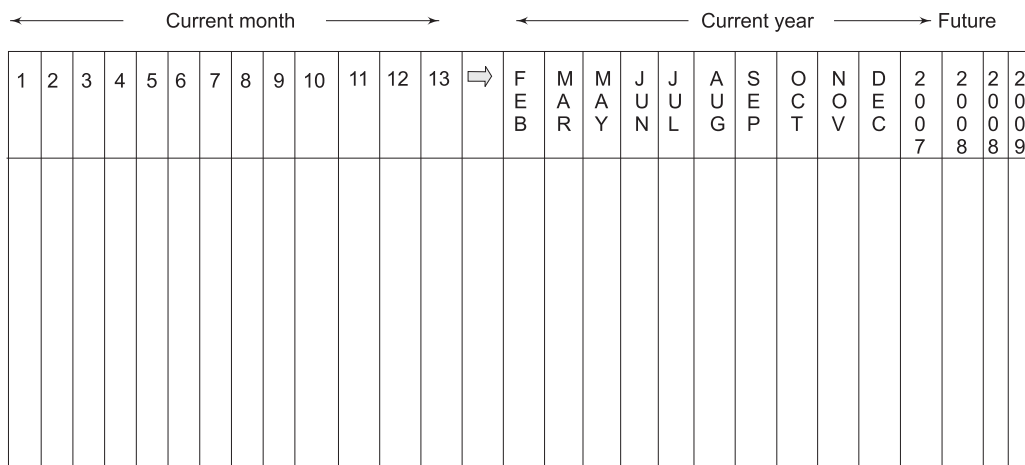
- Facility for exotic pets (boa constrictor, chimpanzee, alligator, parakeet!)
- Practice room for musicians (rock bands)
- Escort service for singles
- Tickets for local event
- Performers for private party in suite
- Permission to keep arms
- Masseuse in the room
- Room converted to hospital bed (with IV, heart monitor, etc.)
- Room without magnetic field (for those with heart pacemakers)
- Special meals for groups
- Special kitchen for preparation of meals for pilgrims
- Preacher of a faith
- Meditation room (for Buddhist groups)
- Prayer Room (for Islamic groups)
- Practice grounds (for sports teams)
- Security blanket and communications blackout (heads of state)
- Special TV Channels (during sports championships or particular soap operas)
- Escort for child travelling alone

The *Reservation Rack* below, is part of the Whitney System that revolutionised the front office hotel record keeping for several decades. It consists of racks with *Carriers* (Fig. 4.5), mounted on it. The racks are mounted on the wall while each carrier carries a reservation slip fitted into the rack. There may be

White slips	FITs
Yellow slips	Groups and crews
Green slips	VIPs
Pink	Through a travel agent
Purple	Convention
Blue	Through an airline



1. Racks that carry reservation slips under each day of the current month.
2. Racks that carry reservation slips under each month of the present year.
3. Racks that carry reservation slips of future years.



**Fig. 4.4** Reservation Rack

**Step 8:** The Reservation Form and subsequent correspondence are placed in the file for each day of the month in the filing cabinet. When the day arrives, the reservation rack of the day and the file of the day is taken out by the receptionist, to prepare for the guest arrivals. A computerised reservation system also sorts information as above. The reservationist can punch in a date that displays all arrivals of that date on the screen.

## Revision and Cancellations

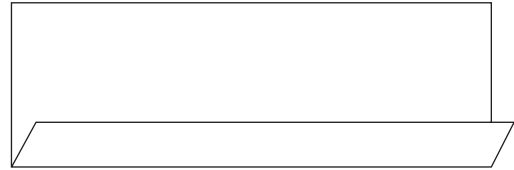
### ***FIT Cancellation/Revision***

Often a guest may cancel his travel plans or ask for a revision of his booking instructions. Travel Agents may cancel a hotel reservation without being bound to pay compensation to the hotel, provided they send the cancellation notice 48 hours (two days) before. In the event of a notice being received within 48 hours, the hotel is entitled to claim compensation for the first night to offset the possibility of not selling the room. In resort properties where rooms are booked well in advance and it is not easy to resell them at short notice, the hotel can ask the travel agent for the complete period of booking provided they do not sell the room again. If the room is resold the benefit must be passed on to the travel agent.

The following steps would need to be taken:

**Step 1:** Take down the revision and cancellations on the Revision/Cancellation Form given below. Revisions and cancellations may reflect for the following reasons:

- Cancellation of booking— In this case it is important to note the name of person, address and telephone number of the caller. We do not want to have the guest arriving when his or her booking is cancelled. Such cancellation requested must be followed by written instructions immediately.
- Change in the number of rooms booked.
- Change in the type of room booked.
- Change in rate of the room because of the revision in the type of room.
- Change in arrival and departure dates.
- Change in the Airline and/or flight number. This is especially important if hotel transport is required by the guest from the airport to hotel and otherwise.
- Scheduled check-in and check-out time in case the reservation agent has to book a room a night before for the guest's arrival or retain the room for a late check-out. Obviously the room charges will vary for the duration.
- Additional remarks in terms of special instructions as arrangement of a wheelchair, crib in the room, babysitter services etc.



**Fig. 4.5** Carrier

Surname		First Name		Middle Name	
Address:				Telephone No:	
<b>Original Reservation</b>					
Room:	— Single	— Double	— Suite		
Rate:					
Arrival Date:			Departure Date:		
Airline & Flt. No:			Airline & Flt. No:		
Time of Check-in:			Time of Check-out:		
<b>Cancellation</b>					
Name of Person Cancelling:				Telephone No:	
Address:					
<b>Revision</b>					
Room:	— Single	— Double	— Suite		
Rate:					
Arrival Date:			Departure Date:		
Airline & Flt. No:			Airline & Flt. No:		
Time of Check-in:			Time of Check-out:		
Received by:		Date:		Remarks:	

**Fig. 4.6** Revision/Cancellation form

**Step 2:** Amend the Reservation Chart by removing the room allocation made of the earlier dates and allocating the rooms on the new dates in case of a revision.

**Step 3:** Amend or remove the Reservation Slip from the rack. In case of amendments prepare a new Reservation Slip attaching the old and new slips with the revision/cancellation forms to the appropriate correspondence and file.

In a computerised system amendments can be entered directly into the reservation form of a guest. The name & date of the person making the amendment is also recorded. A written confirmation is however required.

### ***Group Cancellations***

Group cancellations can be serious for a hotel in view of the volume of rooms involved. Hotels cannot resell those rooms at short notice and therefore, would like to protect themselves from unscrupulous tour operators and travel agents. Cancellation notices apply on the following terms in most cases. Hotels may apply their own policies however.

10–14 persons	14 clear days
21–50 persons	21 clear days
50 and above	30 days

A tour operator is liable to pay up to 25% of the entire group's stay as indemnity if a cancellation notice is received before 48 hours. If the cancellation is within 48 hours the tour operator is liable to pay the entire group stay provided the rooms are not resold.

Should the tour operator or travel agent wish to shift the group to another hotel in the city, he should do so before 60 days otherwise a 10% charge is placed on the agent on the entire group stay as indemnity. Similarly, a hotel may cancel a reservation before the advance deposit is received by the hotel without indemnity. After the deposit is received the hotel is required to give 60 days notice of cancellation and refund of deposit. If cancellation is within 60 days the hotel is liable to compensate the agent the balance of the costs the agent has to pay for securing alternative accommodation.

Should a hotel not be able to provide confirmed accommodation, it becomes the hotel's responsibility to provide accommodation in other hotels of the same quality and pay for any difference in rates if applicable. The hotel is also liable to pay the transportation costs to the alternative hotel. The only time a hotel is absolved from any compensation is in the case of a *force majeure* which includes war or acts of God (natural calamities). A hotel likewise cannot claim compensation from the agent in the case of war, riots, air/sea transport failures, epidemics and acts of God like floods, storms, blizzards, earthquake etc. Both parties must inform each other immediately in each case followed by factual evidence of such events. Normally news cuttings will serve the purpose.

Resort hotels require a minimum 60 days cancellation notice and forfeit of deposit if the rooms are not resold.

### **Automated Systems**

It may be a relief to note that modern front office software takes care of every step automatically. The reservation agent fills in details of the guest directly into the computer. This has a page much like the

Reservation Form for each guest. The information is fed into a central server. The information is distributed by name and by date of arrival. The software generates automatically confirmation letters sent to the guest by e-mail. This instant communication also helps in any change in information before the guest arrives. The days booked are automatically entered into a Reservation Chart for each day showing at any time the availability of rooms. The software will prompt whether certain days are on 'free sale', 'on request' or 'sold out'. Cancellations and amendments can be done on the master guest page itself. On any day, the receptionist can open the arrivals page which lists the arrivals of the day, type of room and the room position. When a guest arrives, the receptionist opens the page by guest name, which displays all the expected arrivals for the day. When a name is clicked upon it gives the details of a Reservation Form.

A receptionist can likewise register a walk-in guest by filing the relevant information into a fresh reservation form in the software display.

The software churns out arrival lists, occupancy statistics and revenue forecasts on a moment-to-moment basis.

## e-Commerce

A significant development with the development of computerised systems is the concept of e-commerce (electronic commerce) in the way hotels advance room reservations. We have already seen how distribution systems like the central reservation system, regional reservation systems, global distribution systems, intersell agencies and websites have impacted on the reservation process. They have brought the world to the doorstep of the hotel. The e-commerce is a new way of doing business. Let us examine how it influences the way reservations are done:

The first step in the process is for a hotel to open an **e-commerce site**. This site can be part of the hotel's website with a click of a button. What e-commerce does is to make rooms available to the travel market at discounted prices either year long or during a season so that they can 'buy' rooms in bulk. There are several ways that people buy rooms.

Retailers are small time players like travel agents who have the capacity to negotiate for rooms from 10 to 25 rooms. The rooms purchased are in their inventory bank as a special facility that they can offer to their clients the year round. For the retailer to get this discounted facility, he will have to guarantee the hotel a minimum number of room nights throughout the year.

Wholesalers, on the other hand, purchase rooms at discounted prices for bulk rooms ranging from 50 to 100 rooms. They are those who organise tour groups, conference packages or any mass group movement. Again, they will have to guarantee the hotel a minimum number of room nights, which obviously will be of a higher number than a retailer. Wholesalers like to purchase rooms in advance to have the flexibility of rooms whenever they launch a group package as also to take advantage of discounted prices to make their packages competitive. We often see tour programmes at attractive rates to a destination that brings about a frenzy of bookings for that package. This is because the tour operator has purchased rooms at reasonable rates to offer such attractive packages.

Auctions are another way to sell rooms. This method is employed by lower rated hotels and some remote resorts. In this situation hotels do not announce their name but give certain parameters like star-rating, facilities etc. The concept is to 'sell' rooms as a commodity to the highest bidder. Once the purchase is completed the hotel identity is known and the auctioneer will either sell the rooms to travel agents and group operators or to reservation companies. Naturally the auctioneer will take a mark-up on the rooms passed on to other vendors.

In other occasions, hotels announce their names and are subject to inspections by auctioneers to determine whether they wish to bid. Some examples of such sites are Expedia ([www.expedia.com](http://www.expedia.com)); Hotels.com ([www.hotels.com](http://www.hotels.com)), Site 59 ([www.site59.com](http://www.site59.com)); and Travelocity ([www.travelocity.com](http://www.travelocity.com)). With the supply of rooms available, promoters can now package their offers. Some event planners can even further build packages around the room availability with meal options called 'dynamic packaging', banquet space or conference equipment.

A great stride in e-commerce in the future when hotel websites offer a menu of room and ancillary options from which a guest can mix and match to create his or her stay options. The menu will include:

- Type of rooms
- Range of room prices
- Meal plans
- Choice of menus
- Health club membership
- Business centre usage
- Meeting space options
- City tours
- Airport pick-up

While these are some options, hotels can offer many more based on their own flexibility in pricing. Guest can create their packages and price bundles. This is an exciting way to empower the guest in the future.

## Global Distribution Systems (GDS)

Let's first understand the meaning of a distribution system. A distribution system is a network of providers that brings products and services, geographically spread across the world, to the doorstep of the consumers anywhere in the world. Let us study each GDS and understand how they came into being and how they serve the traveller.

### **Sabre Computer System**

SABRE (Semi-Automated Business Research Environment) is a computerised GDS used by airlines, railways, travel agents and other travel companies. It is a system promoted by the Sabre Travel Network division of Sabre Holdings. The system was developed to help the American Airline in 1950 to solve a major problem of bookings by outdated manual methods. The old system used a rotating file with cards for every flight which a team of eight operators would sort through. If a seat was booked they would place a mark on the side of the card and knew visually whether the flight was full. The entire process to the point of writing out a ticket took 90 minutes on an average. The system was limited for growth as it could take only eight operators who could not cope with additional flights. An automated system was definitely required in the jet age and when people were more time conscious.

It was at this juncture that an IBM salesman Blair Smith who was flying in the American Airlines had a chance meeting with his neighbouring passenger – Mr. C.R. Smith, President of the American Airlines. He proposed a technology already developed for the military to coordinate radars worldwide to intercept enemy bombers. The technology involved locating teletype machines at the various radar sites that fed information into a central system.

The American Airlines adopted the concept and placed teletype machines at ticketing offices across the United States that sought or fed the information into a central system. The system called SABRE was installed in 1960 based on two IBM 7090 mainframes later upgraded to IBM/360 based presently in Tulsa, Oklahoma.

Originally used only by the American Airlines, the system was expanded to travel agents in 1976 and today connects 30,000 travel agents and 3 million consumers with more than 400 airlines, 50 car-rental companies, 35000 hotels and dozens of railways, tour companies, ferries and cruise lines. IBM used their successful technology to other Airlines developing the DELTAMATIC for Delta Airlines and PANAMAC for Pan American World Airways. In 1968, they perfected a system calling it the PARS system that could accommodate any sized airline.

In 2000, American Airlines made SABRE a public corporation under Sabre Holdings. The Travelocity website is owned by this company and serves as a consumer interface to the system. Today, it has a market share of 30.8% of global reservations. It is partnered with Abacus, a CRS which was founded by All Nippon Airways, Cathay Pacific Airways, China Airlines and Singapore Airlines, to cover the Asian markets.

### **Amadeus Computer System**

Amadeus, founded in 1987, has the most extensive distribution network with most of the international bookings in the world. Amadeus was formed by an alliance between Air France, Lufthansa, Iberian Airlines and Scandinavian Airlines System (SAS) specialising in IT solutions to manage airline, train, cruise ship, rental car, and hotel and travel bookings. Through Amadeus, 67000 travel agency locations and 10,000 airline sales offices worldwide are able to make bookings with:

- 490 airlines, representing more than 95% of the world's scheduled airline seats
- 70,000 hotel properties
- 45 car rental companies, serving over 29,000 locations
- Other travel providers e.g. ferry, rail, cruise liners, insurance companies and tour operators.

Amadeus has subscribers in more than 217 countries worldwide delivering localised solutions for marketing, customer services and support through a network of over 70 National Marketing Companies (NMCs). It has headquarters in Miami, Florida and Madrid, Spain. Other major offices are in Sophia Antipolis, France and Erding, Germany. There are IT service centres in London and Sydney. The Amadeus Global Travel Distribution System is the world's largest electronic reservations system by market share, used by the entire travel industry. Today it has a market share of 31% of airline reservations.

### **Galileo Central Reservations System**

The Galileo Central Reservations System is one of the main computer reservation systems designed for the travel industry by a consortium of airlines. It is currently owned by Travelport.

Galileo was created by a group of European airlines to replace the existing multi-access systems that allowed a single travel agent terminal to switch between the reservations systems of different airlines. Such systems were used in the UK, Ireland, Italy, Switzerland and Austria. The multi-access system was cumbersome as an agent booking a multi-itinerary had to make separate bookings for each airline in its own system. The Galileo system by contrast holds information on all airlines in a single database and allows a single booking record to be created.



Almost all airlines in the world are accessible through Galileo or similar systems. The main exceptions are some of the smaller less technological airlines in Africa and the former communist states, or airlines set up specifically for internet sales only. They can however be shown on an itinerary in Galileo by using dummy segment to allow a complete itinerary to be printed for the passenger.

The system is not confined solely to ticket sales. Depending on the restrictions of the airfare and the airline policies, requests can be made for specific seats, special meals and other requests. Galileo, like other GDSs can also be used to book hotels, car hire and even some train tickets.

In 1997, Galileo International Inc. bought the Apollo Reservation System designed by United Airlines in 1976. In December 2006, TravelPort agreed to buy and merge with Worldspan GDS. Due to merging delays, both systems are currently working in parallel. It has a market share of 26.4%.

### **Worldspan**

Worldspan is a technology company with headquarters in Atlanta, Georgia that specialises in travel related software and systems. Its primary system is commonly known as a Global Distribution System that is a software used by travel agents and travel related websites to book airline tickets, hotel rooms, rental cars and associated products and services. Worldspan also developed and maintains the Deltamatic system which is used exclusively by Delta Airlines for reservations and operations.

Worldspan was formed in early 1990 by Delta Airlines, Northwest Airlines and Trans World Airlines to operate and sell its GDS services to travel agencies worldwide. In mid 2003 Worldspan was sold by its owner airlines to Citigroup Venture Capital and Ontario Teachers' Pension Fund. In December 2006, TravelPort, owner of Galileo GDS and Orbitz agreed to buy and merge with Worldspan. It has a market share of 15.1%.

### **Scandinavian Multi Access Reservations for Travel Agents (SMART)**

SMART is a computerised system for ticket reservations created in 1979 by SAS, Braathens and the Swedish Railways. Before SMART, travel agents and travel companies had their own computer reservation systems often involving widely different codes and procedures. It was cumbersome and expensive for a travel agency to have multiple terminals, each one connected to a different provider. SMART solved this by providing a single interface over the public data network Datex. It worked by having a Host Interface Processor (HIP) at each travel company. These would translate a number of terminals, translate the message, codes and addresses, wrap them in SMART's own communications protocol, and provide the interface over Datex to the various travel agencies.

On the side of travel agencies, there would be a SMART Terminal Equipment (STE) with the reverse function, translating a server and providing interfaces for terminals. A travel agent could easily switch between screens for the different companies. The STE would also allow printing of documents, tickets, bills and interface with accounting systems. Parallel sessions could be held with different or the same provider.

SMART was bought off by Amadeus and is now called Amadeus Scandinavia.

### **List of Global Distribution Systems**

- Amadeus
- 1B Abacus (Asia/Pacific)
- 1E Travelsky (China)
- 1F Infini (Japan)

- 1G Galeleo International
- 1J Axess (Japan)
- 1P Worldspan
- 1S Sabre
- 1U ITA software
- 1V Apollo (Galileo)
- Atraxis (ex Swissair now EDS)
- Topas (Korea)
- Fantasia (South Pacific)
- N1 Nextres' Iridian Project (Scandinavia)
- SITAs Gabriel
- Ix-Hotel (international)
- TechSpan

## Summary

The reservations department of the hotel is a key sales centre. The reservation agent has transformed from a booking clerk to a salesperson. The manner in which reservations are taken ensures that a guest has a room awaiting him or her on arrival. The reservation agent therefore follows accurate systems and procedures both on manual and automated systems. The manner in which reservations are made has been revolutionised. Extensive distribution systems have made it convenient for a guest situated anywhere in the world to access rooms in global sites.

## Key Terms

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<b>Reservations</b>	the process of booking rooms
<b>Rack Rate</b>	quoted rate on a given day
<b>Room Plan</b>	a package proposal of rooms and meals
<b>A la Carte</b>	a menu in which each individual food item is priced
<b>Table d' Hote</b>	a menu that prices the entire meal
<b>Buffet</b>	food display for self service
<b>Tour Operator</b>	wholesaler of travel programmes
<b>Travel Agent</b>	retailer of travel products and services
<b>FIT</b>	Free Individual Traveller
<b>GDS</b>	Global Distribution System
<b>Distribution System</b>	a network of providers of products and services, geographically spread, to the doorstep of consumers

## Review Quiz

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### Fill in the Blanks

1. A room with two single beds is called \_\_\_\_\_.
2. A room plan that includes all meals in the room rate is called \_\_\_\_\_.
3. The term "FIT" stands for \_\_\_\_\_.
4. The meal where each item is priced individually is called \_\_\_\_\_.
5. A studio beside the pool is called \_\_\_\_\_.
6. Independent hotels that chain together are called \_\_\_\_\_.
7. The document that takes all details of a reserving guest is called \_\_\_\_\_.
8. The room rate quoted to embassies and high commissions is called \_\_\_\_\_.
9. A guest who checks in without prior booking is called \_\_\_\_\_.
10. A group consists of a minimum \_\_\_\_\_ members.

### Match the Following

- |                       |                              |
|-----------------------|------------------------------|
| 1. Occupancy          | (a) rooms available for sale |
| 2. Double Room        | (b) number of rooms occupied |
| 3. Guaranteed Booking | (c) Withdrawn booking        |
| 4. Free Sale          | (d) double bed               |
| 5. Cancellation       | (e) Booking in writing       |

### Write short notes on the following:

1. Taking a reservation on phone.
2. Automated reservation systems.
3. The role of airlines in the reservation process.
4. The features of a group contract.
5. Buffets.

# CHAPTER 5

## Reception

### Introduction

The reception of a front-office as we have gathered by now is the focal point of guest contact. It is the place where guests register themselves into the hotel in writing. All governments insist that guests register themselves. This is a rule that protects the hotel and the guest. Once a guest registers in, the hotel becomes responsible for his or her stay and safety. It empowers the guests to avail themselves of the various guest services. The hotel is protected by having a say in the conduct of the guest as per the house rules. They can evict a guest if the conduct is not confirming with the house rules including making a nuisance with other guests. For example, if a guest is having a rumpus party in the guest room and disturbing the guests in neighbouring rooms, the hotel can ask the guest to tone down their celebrations. The act of registration also helps the governments to keep a track of foreign travellers during their stay in that country. The basic role of the reception is to:

- Welcome guests
- Establish a guest's identity and reservation status
- Register the guest (pre-register in some cases)
- Assign a room
- Issue a room key
- Act as a source of continuous information
- Maintain guest bills and settle their accounts.



### Reception Terminology

Just as we saw that the reservations section has its peculiar terminology, so does the reception has its own terminology that a guest must be familiar with.

**Arrivals:**

A guest who has just checked in.

**Blocking:**

To reserve a room on the room rack for a guest expected to arrive.

<b>Check-in:</b>	A guest who is registering at the front-desk.
<b>Check-out:</b>	A guest who has completed his billing formalities and departed.
<b>Complimentary:</b>	Free use of a room.
<b>Crew:</b>	Airline flight and cabin crew.
<b>Departures:</b>	Guest leaving the hotel after their stay.
<b>Do-not-Disturb:</b>	A guest requesting not to be disturbed.
<b>Double Occupancy:</b>	Room occupied by two persons.
<b>Due out:</b>	An occupied room expected to be vacated.
<b>Group:</b>	Any body of people of 15 persons or more travelling together.
<b>Guest Folio:</b>	The running bill of a guest, recording charges for his/her stay and the use of other hotel services.
<b>Guest Rack:</b>	The Whitney rack, at the information section of the reception, arranges guest names of hotel guests staying, in an alphabetical order.
<b>House:</b>	Hotel.
<b>House Count:</b>	The number of guests residing in the hotel.
<b>Late check-out:</b>	A guest who has requested a departure beyond the official check-out time of the hotel.
<b>Lock-out:</b>	A guest room sealed for entry by the hotel because she has not settled his or her bill
<b>No Show:</b>	A guest with a confirmed reservation who has not turned up.
<b>Not Cleared:</b>	Room that is being prepared by housekeeping for sale.
<b>Occupancy:</b>	The number of saleable rooms occupied by guests.
<b>Occupied:</b>	A room that is assigned to a guest.
<b>Out-of-Order:</b>	Room under maintenance.
<b>Position:</b>	Rooms available for sale at the beginning of a shift or day.
<b>Registration:</b>	The act of registering into the hotel by completing the registration card.
<b>Registration Card:</b>	The formal document that registers a guest into the hotel for stay.
<b>Room Allocation:</b>	Assigning a room to a guest after he has registered into the hotel.
<b>Room Key:</b>	The key of a given guest room.
<b>Room Rack:</b>	The Whitney rack arranged by room numbers.
<b>Scanty Baggage:</b>	A guest with hand luggage only.
<b>Skipper:</b>	A guest who has departed without settling his bill.
<b>Sleep-out:</b>	A registered guest who has not used the room.
<b>Stay-over:</b>	Guests who extend their stay for a night.
<b>Under-stay:</b>	A guest who has checked-out before his scheduled departure date.
<b>VIP:</b>	A very important person who is extended special privileges by the hotel.
<b>Walk-in:</b>	A guest who wants a room without prior reservation.

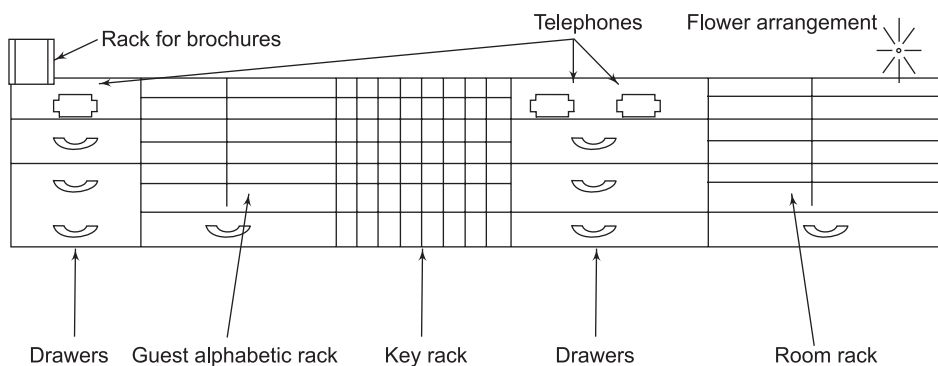
## Front Desk Counter

The front desk counter is the centrepiece of a lobby. It is where the guests register themselves into the hotel and pay their bills upon departure. It is made to look attractive and clean with flower arrangements, brochure racks and other displays. Basically the counter top must be clear to conduct registration formalities. It is behind the counter that all the necessary spaces are created for work.



Let us see the front desk counter looks behind the scenes:

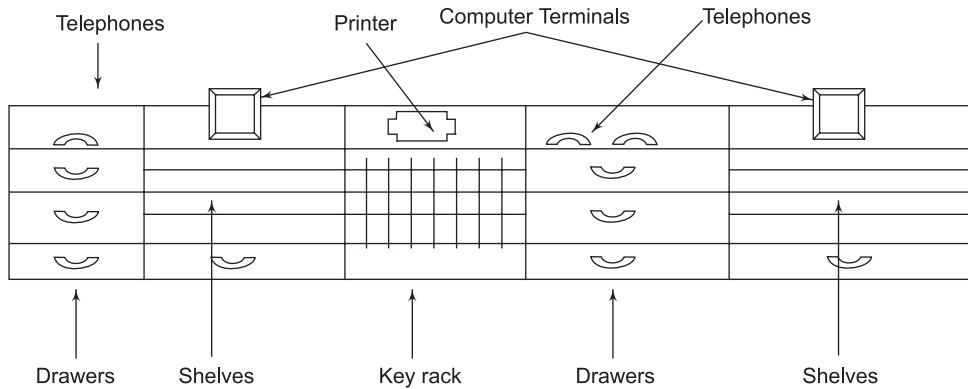
**Manual System Counter**



In the manual system the counter has two sections: (1) for the receptionist who registers guests into the hotel. She stands in front of the room rack to determine the room position to allocate rooms. She has drawers which keep expected mail, registration cards, stationery and other documents; and (2) the information receptionist who stands at the guest alphabetical rack and controls the key rack, which are a series

of pigeon holes to deposit keys and messages for resident guests. She too has drawers for her stationery, maps, directories and other material to provide information. This section would perhaps be taken by the concierge in modern hotels. It is important for front desk staff to have telephones to coordinate with other relevant departments. The telephone at the information section receives external calls from guests who wish to leave messages for the resident guest.

#### Automated System Counter



The front desk counter in the automated system has done away with the room rack and guest rack. The computer terminals have replaced them with all the information they need for a guest check-in. The counter is equipped with a printer for a printout of registration cards straight from the computer terminals. Should hotels include the cashier functions as well, we may need buckets for checks from restaurants and cash drawers.



#### Support Devices

The front desk counter can have other support devices like the credit card reader that confirms whether the card is valid or the credit card swipe to emboss the card onto credit card charge vouchers. The counter



may be equipped with CCTV monitors in small hotels and motels for the receptionist to monitor the movement of guests in public areas. A fax machine is handy for confirmation of bookings and other official communication.

### Registration Card

Smaller hotels may use a *Registration Book* to register guests while larger properties use *Registration Cards*. The benefits of registration cards are: 1. That the receptionist can register more than one guest at a time; 2. It is more private; 3. Registration Cards can be stored conveniently. 4. Takes less space on the reception counter and; 5. It has multiple purposes such as it acts as a legal document, market research source, folio in small hotels etc.

<b>NAME:</b>	<b>FORWARDING ADDRESS:</b>
OCCUPATION:	PAYMENT MODE: - CASH - CREDIT CARD - CO. ACC - TRAVELLERS, CHECK - VOUCHERS
NAME OF ORGANISATION & ADDRESS:	PASSPORT NO:
DESIGNATION:	DATE OF ISSUE:
RESIDENTIAL ADDRESS:	PLACE OF ISSUE:
NATIONALITY:	DATE OF BIRTH:
DATE OF ARRIVAL: TIME:	DATE OF ARRIVAL IN COUNTRY ( <i>FOR FOREIGN NATIONALS</i> ):
EXPECTED DATE OF DEPARTURE:	PORT OF DISEMBARKATION ( <i>FOR FOREIGN NATIONALS</i> ):
PURPOSE OF VISIT:	NO. OF PERSONS:
ARRIVED FROM: MODE OF TRAVEL:	ROOM NO:
NEXT DESTINATION:	ROOM RATE:
THE MANAGEMENT IS NOT RESPONSIBLE FOR THE LOSS OF GUEST VALUABLES. LOCKERS ARE AVAILABLE WITH THE CASHIER.	I HAVE GONE THROUGH THE TERMS AND CONDITIONS OF MY STAY IN THE HOTEL AND I AGREE TO ABIDE BY THE SAME
	GUEST SIGNATURE:

**Fig. 5.1** Registration Card

The registration card (Fig. 5.1) is a very important document kept under strict control. Its basic purpose is to register a guest into the hotel. It legally binds the hotel and the guest during his or her stay. By signing a registration card, the guest confirms the information of his name, arrival and departure date, room rate and mode of settling his/her bill. Normally, each registration card is numbered and this number is referred to in future documentation. The registration cards of the day are sent to the Income Accountant who cross-tallies it with guest folios raised by the front office cashier. He returns them to the front office for permanent filing. Filing can be done numerically, alphabet wise or country of origin based on the use of the document by the management. The registration card acts as the primary source of information for the guest history.

The *Registration Book* (Fig. 5.2) used by smaller hotels has modified information broken into columns of the register:

NAME	NATIO- NALITY	ADD- RESS	PP NO.	DATE OF ISSUE	PLACE OF ISSUE	ROOM NO:	DATE OF ARR	DATE OF DEP.	ROOM RATE	GUEST SIGNAT- URE

**Fig. 5.2** Registration Book

### ***Arrival and Departure Register***

Another control document maintained at the front office is the Arrival and Departure Register (Fig. 5.3). It is a formal record and control of all arrivals and departures in a day. Its features are:

DATE ARRIVAL	NAME OF GUEST	ROOMNO.	NO. OF PAX	DATE OF DEPARTURE	NAME OF GUEST	ROOM NO.	NO. OF PAX

**Fig. 5.3** Arrival and Departure Register

This register serves many purposes:

1. It takes stock of all arrivals and departures in a day at a glance.
2. It monitors the arrival and departure of guests' serial wise as they happen.
3. It monitors the rooms allocated and those just vacated for the purpose of housekeeping to clean them for the next guests.
4. It monitors the number of people checked in so as to calculate the house count.

### **Assignment of Room**

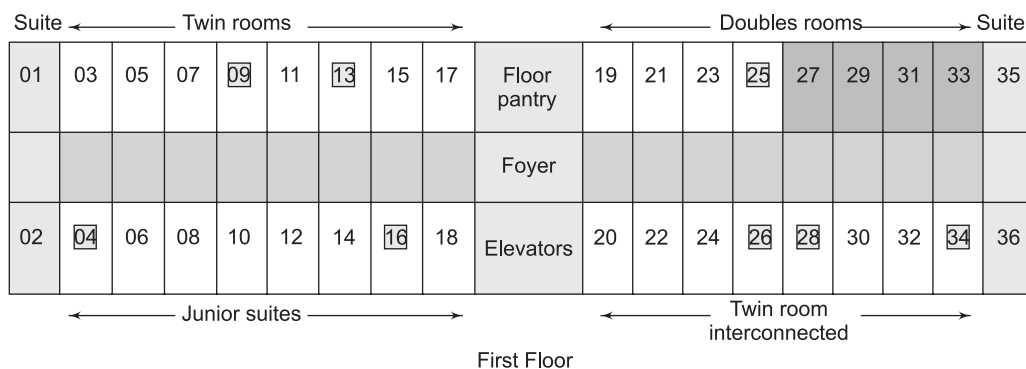
Once the registration formality is completed the receptionist will assign a room as per the guest's requirement and within the rate agreed. Assigning a room is based on accurate and timely room status

situation. Nothing is more embarrassing to the hotel and guest than to enter a room already occupied, not cleaned or under repair. Maintaining an update room status is a challenge in a manual system. It requires close coordination between housekeeping and the front desk. Tallying rooms with housekeeping is done as a ritual by the front desk agent and the housekeeping in every shift. The room status is independently conducted by housekeeping through the housekeeping report and a bell boy does an independent check on behalf of the front office. These two reports are tallied to confirm the room status. Room status is accurately recorded in an automated system. Even in an electronic system there can be discrepancies. The electronic system is just as good as the information fed into it. For example, there could be discrepancies if room status has not been amended; a skipper has left the property while his room still shows occupied; or a guest has left earlier than expected when the cashier has not recorded the check-out.

The act of assignment of a room activates several other departments including the concierge, telecommunications, room service and housekeeping. In an electronic assignment process the click of the button on the computer screen activates the following sub-electronic systems that influence the room stay:

- Guest recognition and response software.
- Guest room telephone and its charge process.
- Energy management system for the room
- Guest List
- Room List
- Point of Sale micros in revenue areas
- Internet and fax access
- Guest history
- Credit card processing system
- Room entertainment system
- Voice mail and messaging system
- Room service alert system
- Guest Relations software

A receptionist is often assisted by a graphic display of floor layout (Fig. 5.4) in the automated system. It helps her to identify the type of room requested by the guest. It also tells the rooms occupied and as shown in red; those under repair as shown in green; and those blocked for a group or crew. It will look something like this:



**Fig. 5.4** Floor Layout

This visual display greatly enhances accuracy. The room turns red in the automated system the moment the receptionist assigns the room. Colour codes also help even the less educated to recognise occupied and free rooms.

## The Morning Shift

The morning shift sets the tone for the rest of the day activities. It is during this shift, that the 12 noon arrivals and departures take place. The deft handling of this makes it easier for the subsequent shifts. Let us go through steps taken by the shift receptionists:

### Pre-arrival Procedures

1. Report for duty 10 minutes before the scheduled start of the shift properly groomed, to take briefings from the morning shift supervisor.
2. Take over from the night shift. Study the log book in which the night shift leaves instructions for the morning shift. Such instructions could include adjusting rooms for complaining guests, arrival of a VIP at night, special instructions left by guests at night etc. These instructions must be followed up during the day.
3. Check the arrivals of the day by bringing in the reservation rack for the day from the reservation office. Block rooms provisionally to accommodate them.
4. Check the departures for the day and ascertain the room position. The room position is the number of rooms available for sale at the beginning of a shift or day. It is important for receptionists to know the room position to make alternate arrangements. The position is calculated as follows:

$$\text{Position} = \text{Expected Departures} + \text{Vacant Rooms} - \text{Expected Arrivals}$$

If rooms are short it is termed a “minus position” and if they are in excess it is termed as “plus position”. Minus position situations require remedial actions immediately including not permitting guests with extended stay beyond 12 noon; making arrangements with other hotels of the same quality, to accommodate spill over guests with confirmed reservations; calling each expected departure guest and confirming his or her check-out plans by 12 noon; denying all walk-in guests accommodation; and persuading housekeeping and engineering departments to get out-of-order rooms serviceable immediately.

5. Check the day's reservation rack for VIPs expected. Give priority to them for the allocation of rooms and block those using Future Reservation Cards (Fig. 5.5). It is a courtesy extended by hotels to provide VIPs with complimentary fruits, flowers, juices or bar. Fill the Complimentary Fruits and Flowers Register and complete the Complimentary Amenities Requisition Form (Fig. 5.6), in two copies, one for the food and beverages (room service) for fruits, juices and bar and housekeeping for flowers and any special amenities provided as per policy. Prepare the VIP list with room numbers for the following departments:
  - General Manager
  - Front Office Manager
  - Telecommunications
  - Housekeeping
  - Room Service
  - Guest Relations Executive

ROOM NO:
GUEST NAME:
ROOM RATE:

**Fig. 5.5** Future Reservation Card

ROOM NO:
GUEST NAME:
<ul style="list-style-type: none"> <li>• WELCOME LETTER</li> <li>• FRUIT BASKET</li> <li>• JUICES</li> <li>• FULL-BAR</li> <li>• HALF-BAR</li> <li>• ADDITIONAL TOWELS</li> <li>• VANITY KIT</li> <li>• EXTRA SOAPS</li> </ul>
SIGNATURE OF RECEPTIONIST:
APPROVAL OF FRONT OFFICE SUPERVISOR

**Fig. 5.6** Complimentary Amenities Requisition Form

6. Check with Housekeeping, the rooms that are under repair and block the rooms with the Out-of-Order Card (Fig. 5.7), so that are not sold.

ROOM NO:	RELEASE DATE:
SPRING CLEANING PAINTING WALL PAPERING RENOVATION	CARPET LAYING PLUMBING REPAIR PEST CONTROL OTHERS

**Fig. 5.7** Out-of Order Card

7. Block rooms for groups and airline crews expected. Since this involves volume rooms, make sure it is done meticulously. Assign rooms as per the group guest list and seal the room numbers in envelopes with the guests' names and arrange them in a tray for their arrival. Complete the registration cards of guests with information received and keep them ready for the guests' signatures. Prepare the Group Crew List with room numbers for the following departments:
- Food and Beverage Manager
  - Telecommunications

- Room Service
- Housekeeping

8. Dispatch the forms and formats filled by the night receptionist for the Foreigners Registration Office.

### Arrival Procedure

9. At a guest's arrival follow the procedure given below:

- Welcome the guest with a smile saying, "Good morning. Welcome to Hotel XYZ. May I help you?"
- Ask them if they have a confirmed reservation by saying, "Do you have a reservation with us sir/madam?"
- If the answer is "yes" say, "May I have your name please?"
- Check with the room rack.
- If confirmed then offer the registration card using the guest name while dialoguing saying, "Mr/Ms..... Kindly fill this registration card". Assist the guest if required. The guest must fill in his/her own handwriting.
- Once the guest has completed filling the registration card, check the card for completeness, *especially the billing instructions\**.
- Allot rooms, and authorize the lobby staff to move the guest baggage into the room by giving the name, room number and signing the Arrival Errand Card (Fig. 5.8) initiated by the bell desk, and handing over the room key to him.

BELL BOY NO:	DATE:                      TIME:                      AM/PM
ROOM NO:	GUEST NAME:
BAGGAGE TYPE & NO: • SUITCASE _____ • BRIEF CASE _____ • HANDBAG _____ • OTHER PACKETS _____	REMARKS:
BELL CAPTAIN'S SIGNATURE:	RECEPTIONIST'S SIGNATURE:

**Fig. 5.8** Arrival Errand Card

- Smile and say to the guest, "The bell boy will escort you to your room sir/madam. Wish you a pleasant stay with us".

### Modes of Payment

We have already seen in Chapter 4, "*Reservations*" the different modes of payment. It is appropriate to mention them briefly again:

**Cash** This is the best method of payment especially for unknown guests or those with scanty baggage. They are required to make cash deposits at least for the first night stay. Cash payments immediately contribute to the hotel's cash flow situation.

**Credit Cards** More travellers are carrying credit cards as convenient instruments of payment. The receptionist must first ascertain whether the credit card is accepted by the hotel. Popular credit cards are the Visa Card, MasterCard and American Express. The receptionist must also check the expiry date and take down the credit card number. The cashier can later verify the cards authenticity.

**Miscellaneous Charge Vouchers (MCO)** These are payments made in advance to travel agents for hotel services. The Travel Agent issues an MCO which is presented to the hotel to adjust charges. The MCO will be redeemed later by the hotel from the travel agent.

**Personal Cheques** These are rarely accepted by hotels. It may be from a known guest who has already established his or her credentials. Personal checks will need appropriate identification like driving license, passport and credit cards. In any case, only local cheques are accepted. A lobby manager authorises a check where he gets the guest to make a formal application and support it with credit card guarantees or local third party guarantor. Third party cheques are not accepted.

**Debit Cards** These are another type of magnetic swipe card that charges a guest's bank account directly. These may be accepted as good as cash.

**Company Accounts** Most travelling executives are either given per diem allowances for board and lodging or may charge their expenses to the company directly. In such a case, the company would have already negotiated a credit line with the hotel with perhaps some corporate discounts for the amount of room nights given by the company.

**Promotion Vouchers** Hotels participate in various social events and offer prizes or raffle tickets. This is done as publicity measures or social contributions to various charitable causes. Winners get a weekend stay for two at the hotel as a prize. They are presented with vouchers to show at the front desk. The receptionist is bound to honour such vouchers.

**Advance Deposits** These are specially given by travel agents and tour operators to the hotel when there are group bookings that require the booking of volume rooms. Hotels insist on these deposits as guarantees.

#### *Situation 1:*

- If the guest does not have a reservation then allot the room if there is a "free sale" status quoting the maximum room rate. If the hotel is full, say, "I am sorry sir/madam, we are fully booked today. Would you like us to check if we can get you a room in another hotel and perhaps shift you tomorrow back into our hotel?" This is a courtesy extended to leave a good impression of service as also to get him/her back to the hotel the next day or in the future.



#### *Situation 2:*

- If the guest has a confirmed reservation and there is no room available immediately, say, "Sir your room is getting ready. Would you like to wait in the lobby and I shall call you as soon it is ready or would you like to have a coffee at our Coffee Shop with our compliments?" Hotels do provide refreshments as a courtesy to guests with confirmed reservations, who have to wait.



*Situation 3:*

- If the guest has a confirmed reservation but the hotel is “sold out”, then say, “Sir/Madam we had an unexpected rush for rooms and do not have one today. We have made arrangements for your stay in another hotel of the same quality. We shall bear your transport expenses, and bring you back to our hotel tomorrow”. If the guest creates a rumpus hand him over to the Lobby Manager. If s/he is cooperative, say, “Thank you for your understanding and cooperation”.

*Situation 4:*

- Walk-in guests arrive without prior reservations. They are a healthy segment for hotels to fill rooms. The benefit is that they can be offered the highest rate to increase room revenues. While there is no obligation to give them a room if the hotel is running a high occupancy a room assignment could convert the guest into a regular resident. Help in finding an alternative accommodation in the city leaves a good impression on the guest.

*Situation 5:*

- Denying guests room is an art. Some guests are undesirable based on history, or the way they are dressed or simply the way they behave. Remember that the hotel has the rights of admission and is legally protected to deny guests rooms. The best way is to tell them that all rooms are booked. If they create a scene and are rude, it is best for the receptionist to hand them over to the Lobby Manager who may involve the security staff if required. It is pointless arguing with them at the counter.

*Situation 6:*

- A guest with a confirmed reservation may arrive after the check-in time grace period (normally 6 p.m.) due to delays in his travel schedule. Strictly the room is not held for him/her after the lapse of the check-in time if there is a demand for rooms. The receptionist must state the policy of the hotel but should help him find another accommodation in the city and promise to bring him back to the hotel the next day.

**Group/Crew Arrival Procedure**

- When the group crew arrives, confirm the rooming list with the group leader. Get him/her to get the group members to confirm the information already filled in registration cards by the receptionist and to sign them.
- Collect all registration cards and confirm that they have all been signed. Hand over the key tray with key envelopes to the group leader who will distribute the keys to each group member.
- Authorise the bell boys to move the guest baggage into their respective rooms by signing a common errand card for the group.

**VIP Procedure**

VIPs (Very Important Persons) are those that get special attention due to their status and contributions to society. They could be people who may not be public figures but important to the hotel like a travel writer or tour operator. Let us list those who may be considered as VIPs:

- Heads of States

- Ministers
- Senior Administration Officials
- Film Stars
- Rock Stars
- Philharmonic conductors
- Sports Stars
- Corporate Chairpersons
- Association Presidents
- Business Persons
- Travel Writers
- Senior Media personnel
- Senior Defense Officers
- Tour Operators
- Senior Executives of Hotel Chains
- Government delegations
- Senior Airline Officials
- Large Travel Houses

While the list fairly represents all those whom the hotel industry considers as VIPs, each property will have those private lists that classify VIPs. The private lists are based on a visitor's importance to the hotel in terms of the business given to the hotel, the potential business they promise or their publicity value to the property. Irrespective, hotels may adopt the following VIP procedure:

**Airport Arrival** Obviously, Heads of State and senior foreign government delegations will be received at the airport by the local government as per protocol. They would have an entourage of press people to cover the event. Due to security reasons, security becomes an overriding matter and therefore the hotel has little role to play. Such VIPs are led by state police in cavalcades to the hotel where the first contact to the hotel takes place. Due to the importance of such VIPs the owner, senior management and General Manager will receive them and welcome them to the hotel. The registration formalities have already been taken care of by the government liaison person.

The same fanfare could exist for film, music, sport or other celebrities. The event management company who would have promoted them in the city is there to receive them and bring them in hired transport or the hotel limousine to the hotel. Pre-registration is done by the event management company representative who absorbs the hotel expenses.

The role of the hotel at the airport starts with independent people listed as VIPs by the hotel, like chairpersons of corporate houses, travel writers etc. Many hotels have created the concept of the airport representative who is a member of the front office staff but positioned at the airport. The role of the representative is to facilitate smooth check-outs from the airport. They have good contacts with airport officials to intervene when required to give preference to VIPs. The hotel would provide a limousine to receive the VIPs. Some premium hotels have established courtesy lounges at the airport for the guest to relax till his or her baggage are claimed by the airport representative. At the airport courtesy lounges, guests can be pre-registered while enjoying a cool drink.

**Arrival in Lobby** Hotels have their own welcome procedures. For dignitaries the General Manager will personally receive guests, while others who are less in seniority are received by the Front Office

Manager and the rest by the Guest Relations Executive. Welcomes may adopt local practices and customers ranging from simple gestures to pomp and fanfare. All VIPs are pre-registered. Pre-registration means that the registration card is filled in detail by the receptionist. All that the VIP has to do is sign the card. The signing can be done at the airport, in the limousine, at a lounge in the lobby or in the guest room. The purpose is that the VIP does not have to register at the front desk but can move directly to his or her room.

**In the room** Normally each hotel has its own policy regarding the special amenities provided to the guest in the room. These amenities can be chosen from an exclusive list:

- Suite accommodation
- Full bar with alcoholic and non-alcoholic beverages
- Special flower arrangements
- Special fruit baskets
- Tray of cookies
- Bathrobe
- Bath slippers
- Full vanity basket of colognes, creams, bath gels, combs, shaving kit etc.
- Additional hangers in the wardrobe
- Special welcome letter from the General Manager
- Additional pillows
- Butler service
- Queen/King-sized beds
- Preferential views

**During the Stay** All services are alerted by the information systems of the hotel about the occupancy of a VIP. Those rooms get priority service. All the staff are trained to address the VIP by name. Departments directly affected by a VIP occupancy are the housekeeping, telecommunications, room service, guest relations, front desk, concierge, lobby desk and engineering ( to keep the room in top working order).

**Check-out** the moment a VIP expresses a departure, his/her bill is kept ready by the cashier for his signature in case of sponsors picking the tab of hotel expenses or cash payment. Bill payment formalities can be done in the room. The VIP is escorted to the limousine by the appropriate authority of the hotel. The airport representative is alerted of his/her arrival and awaits his arrival to escort him/her through airline departure formalities. Normally VIPs are made to relax at the airport common lounge or the hotel courtesy lounge with food and beverage services. The airport representative hands over the boarding ticket as well as the baggage stubs. Based on his influence with airport officials, the airport representative can escort the VIP to the departure lounge.

### **Night Shift Reception Procedures**

The night receptionist assumes a different role from the day shift receptionists. Since arrivals and departures are slower, it is the time for the recapitulation of the day's activities at the front office.

1. Check the log book for any special instructions left by the evening shift.
2. Check the outstanding messages, mail and registered parcels to be delivered to existing guests and have them delivered. Also check those items that are awaiting the arrival of night check-ins.

3. Check for mail of guests who have checked out the previous day and redirect them from to the addresses shown in registration cards and reservation correspondence.
4. Carry over mail and registered parcels of guest expected the next day and by entering the information in the log book for the next shift.
5. Collect the registration cards and guest folios of all guest departures during the day to prepare the room night sales recapitulation report.
6. Tally the room rack with the telecommunications department and room service. (Automated systems provide this information in the common server).
7. Check all reservation correspondence and ensure that the reservation slips are made and mounted on the reservation Whitney racks. (In automated systems ensure that the information is entered into the central server). Make sure that special instructions are noted and any action required is initiated especially of expected night arrivals.
8. Bring out the reservation rack for the next day and tally the correspondence with the arrivals expected.
9. Bring out the correspondence of guest arrivals of the next day and follow-up with any special instructions.
10. Collect and file all reservation correspondence of the previous day.
11. Complete all forms and formats required by the Foreigners Registration Office and keep them ready for dispatch the next morning.
12. Complete Crew Sheets (Fig. 5.9) for all crews staying in the hotel. These crew sheets are required by the Foreigners Registration Office (for international airlines) and the local office of the airline. Internally, it is valuable for the telecommunications department who arrange the wake calls and the Lobby Manager who coordinates movements with the local airline office. It also helps the housekeeping in planning their cleaning schedules for such volume of rooms at one time.

<b>AIRLINE:</b>	<b>FLIGHT NO:</b>	<b>ARR. DATE:</b>	<b>E.T.A:</b>	<b>DEP. DATE:</b>	<b>E.T.D:</b>	<b>WAKE-UP CALL TIME:</b>	<b>PICK-UP TIME:</b>
<b>ROOM NO:</b>	<b>NAME:</b>	<b>NATIONALITY:</b>	<b>PP NO:</b>	<b>DATE OF ISSUE:</b>	<b>PLACE OF ISSUE:</b>	<b>SIGNATURE:</b>	<b>REMARKS:</b>

Fig. 5.9 Crew Sheet

The crew sheet has two vital pieces of information as far as the hotel coordination with the local airline office – Wake-up Call time and the Pick-up time. The crew departure on time is linked to the airline departure time. The airline crew has a number of technical checks and formalities to complete before the airline departs. They have to complete it meticulously to be able to ensure the flight leaves on time.

13. Prepare the VIP List (Fig. 5.10) of those staying in the hotel, from the room rack and those expected the next day, from the reservations rack. One can see from the distribution that coordination is required by various departments to make a VIPs stay comfortable. His or her movement in the hotel is monitored during the stay. The Special Instructions column is those things like amenities and features required.

NAME	ROOM ASSIGNED	DATE OF ARRIVAL	DATE OF DEPARTURE	GUEST PROFILE	RESERVATION MADE BY	SPECIAL INSTRUCTIONS
VIPs IN HOUSE:						
VIPs EXPECTED TODAY:						
DISTRI-BUTION: • General Manager • Accommodation Director • Food and Beverage Director	• Sales Manager • Guest Relations Executive	• Executive HK • Lobby Manager	• Room Service Manager • Exec. Chef	• Tele. Supervisor. • Chief Engineer	• Security Officer • File	

**Fig. 5.10** VIP List

14. Prepare the Night Clerk's Report:



One notices a number of statistics in the report. The notable ones are given below on which a number of decisions are made and represents the health of room business:

<b>Percentage of Occupancy</b>	<b>=</b>	<b><math>\frac{\text{Number of rooms sold}}{\text{Number of saleable rooms}} \times 100</math></b>
<b>Percentage of Double Occupancy</b>	<b>=</b>	<b><math>\frac{\text{House Count} - \text{Rooms Sold}}{\text{House Count}} \times 100</math></b>
<b>House Count</b>	<b>=</b>	<b>House count of previous day brought forward + today's arrivals – today's departures</b>
<b>Percentage of Domestic Occupancy</b>	<b>=</b>	<b><math>\frac{\text{Domestic Guests in House}}{\text{House Count}} \times 100</math></b>
<b>Percentage of Foreign Occupancy</b>	<b>=</b>	<b>100 – Percentage of Domestic Guests</b>
<b>Average Room Rate</b>	<b>=</b>	<b><math>\frac{\text{Total Room Revenue}}{\text{Number of Rooms Sold}}</math></b>
<b>Average Room Rate Per Person</b>	<b>=</b>	<b><math>\frac{\text{Total Room Revenue}}{\text{House Count}}</math></b>

Other features of the Night Clerks Report include:

- Break-up of room allocations and revenue thereof in terms of Rooms Nights Sold (RNS) and Group Nights Sold (GNS). An essential feature is the progress of sale against budgets for the day and year-to-date.
- Sources of business to analyse the productivity of each. Sources like Travel Agents, Central Reservations Systems, Airlines, etc. need to be monitored for their productivity. Sources that are less productive may need a push from the Marketing Director, while the good sources need to be maintained and nurtured at all costs.
- A close watch is made of groups, in the house and those expected in the day, because they involve volume room sales and represent a mix with FIT business to get the best revenue earnings.

## Automated Systems

A receptionist, in an automated system, can call the name of the guest from the expected arrivals list in the central server. By clicking on the name, the reservation details are displayed. These reservation details can act as the registration form itself. A print out is offered to the guest to verify the details and affix his or her signature at the time of registration.

Motels or budget properties may install an automated registration system. A terminal, much like the ATM machine, acts the dummy receptionist. The guest enters his credit card, debit card or smart card into a slot in the machine which confirms the encrypted code of the card and opens the reservation form of the guest. He confirms the information by pressing a “Yes” button or amends the information accord-



ingly. The machine will allot a room number with a key through a dispensing tray. This method may seem impersonal but helps in reducing the cost of payroll and facilitates check-in at odd hours.

### Other Registration Options

- The Windsor Manor in Bangalore, India did away with the reception desk initially. Guests were led to a courtesy lounge off the lobby where guests registered themselves while having a welcome drink.
- Budget and small hotels may have self registration booths much like an ATM machine where a guest swipes his credit card and enters his personal reservation code. The screen displays his registration form which he can amend if necessary. Upon confirmation of the information a room key is issued in a tray below much like vending machines.
- VIPs, as discussed earlier, may register themselves at the airport, in the limousine or the room.
- Groups and conference delegates can register themselves in purpose-built registration desks to avoid crowding the lobby or the main front desk counter. Delegates can be registered at the conference site itself while groups may be registered in briefing rooms hired by the tour operator.

### Upselling

Upselling is the process of persuading the guest to opt for a superior room with a better room rate. This is a skill essential for all front desk staff. It is recognised that front desk personnel are salespersons and must find opportunities to increase room revenues by upselling. This skill requires (1) understanding the room product and its features thoroughly; (2) know the room revenue targets for the day, week, and month; (3) assessing the guest's capacity to pay; (4) establish the guest needs by encouraging a discussion; (5) listen to guest feedback; (6) explain the features and benefits of a superior room to the guest in a manner that motivates him to buy. Some of the features and benefits could be:

- Room views
- Noiseless rooms
- Privacy
- Larger-sized beds
- Mini-bars
- Safety lockers in the room
- Access to in-house video library
- Butler service
- Free use of some hotel services like the business centre, gymnasium, internet café, etc.

(7) After the presentation of the superior room, the receptionist must close the sale by asking the guest, "May I assign this superior room to you, Sir?" and the guest will be obliged to answer; Most of the time guests agree to the purchase. (8) Congratulate them on the excellent choice and reaffirm that they would have a better stay. (9) Follow-up with the guest after a day, whether the room was upto his expectations.

## Summary

The reception desk is the centrepiece of the lobby. It is also the converging point of all guest activities in the hotel. This places the front desk agents as important people to coordinate all guest activities. The main function is the registration process and assigning rooms. The task gets more complex for groups and crews. There are in addition distinct additional duties for the front office agents in the morning shift and those in the night shift. Mercifully, automated systems have taken a lot of processing of information leaving the front office agents to up-sell rooms to get a better yield of revenue from the guest.

## Review Quiz

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### Fill in the Blanks

1. Rooms available for sale at the beginning of a shift or day is called \_\_\_\_\_.
2. The Whitney rack, at the information section of the reception, that arranges resident guest names in an alphabetical order is called \_\_\_\_\_.
3. Guests who extend their stay for a night are called \_\_\_\_\_.
4. The formula of Expected Departures + Vacant Rooms – Expected Arrivals gives us \_\_\_\_\_.
5. The formula 100 – Number of Domestic Guests gives us \_\_\_\_\_.
6. The document that is required by the Foreigners Registration Office and the Airline Operations Office is called the \_\_\_\_\_.
7. The document that coordinate two shifts is called the \_\_\_\_\_.
8. The document that gives the rooms numbers with the guest names of groups is called \_\_\_\_\_.
9. The document that blocks out-of-order rooms in the room rack is called \_\_\_\_\_.
10. The document that seeks special privileges for VIPs is called \_\_\_\_\_.

### Write short notes on the following:

1. Benefits of a registration card.
2. Purposes of an Arrival and Departure Register.
3. Duties of the morning shift receptionist
4. Duties of a night receptionist.
5. Features of a Night Clerk's Report.

# CHAPTER 6

## Uniformed Services

### Introduction

The uniformed services are an integral part of front office operations. They provide support to the arrivals and departures of guests and are a continuous source of services to guests during their stay. The uniformed services consist of:

- **The Bell Desk**
- **Door man**
- **Transportation**
- **Valet Parking**
- **Concierge**

The bell desk is located in the lobby. A lobby in a hotel is an area where a guest comes as soon as he enters the portals of the hotel. It has seating arrangements and is a meeting place common to all hotel guests, whether residents or visitors. It is also a meeting place for all residents and external guests. The lobby area is in direct proportion to the number of rooms. The larger the number of rooms, the larger is the lobby as it needs bigger space for guest congregation. The lobby assumes importance as it is the first and last area of contact for a guest of the hotel. The hotel spends considerable funds and efforts to make the lobby aesthetically attractive and rationally convenient.

The lobby will have the following essential features:

- The front office reception and cashier's cabin.
- The Lobby Manager's desk.
- The Guest Relations Executive's Desk
- Lobby lounge for drinks and snacks
- The Bell desk
- The Concierge desk
- Easy access to the Coffee Shop or Dining Room.

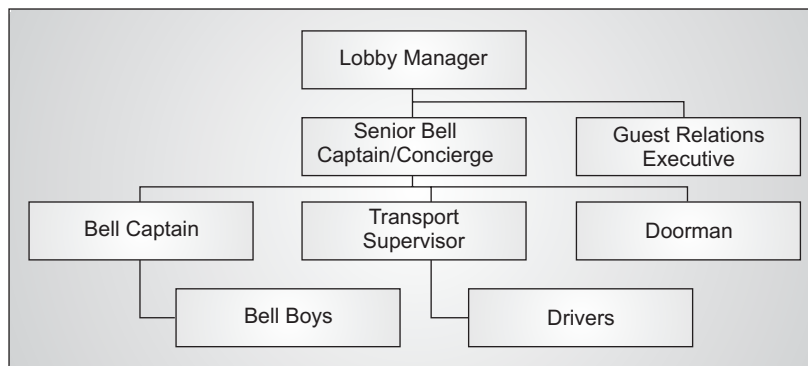


- Access to the shopping arcade.
- Seating areas
- Access to the guest elevators.

## Lobby Organisation

The Lobby Manager is a key functionary as he represents the management. The lobby desk is, therefore, manned all 24 hours of the day. S/he is a problem solver and has the authority to make decisions regarding guest affairs. S/he is the custodian of the hotel policies and therefore, must be mature, conversant with all hotel policies and procedures, be intimately knowledgeable of operational procedures of all departments and effective in dealing with guest problems. This requires a person who is mature, alert, well-informed, diplomatic and physically agile. S/he is the head of all uniformed services and coordinates with the Guest Relations Executive, Front Office Reception and the Front Office Cashier very closely.

The organisation structure of uniformed services is given below

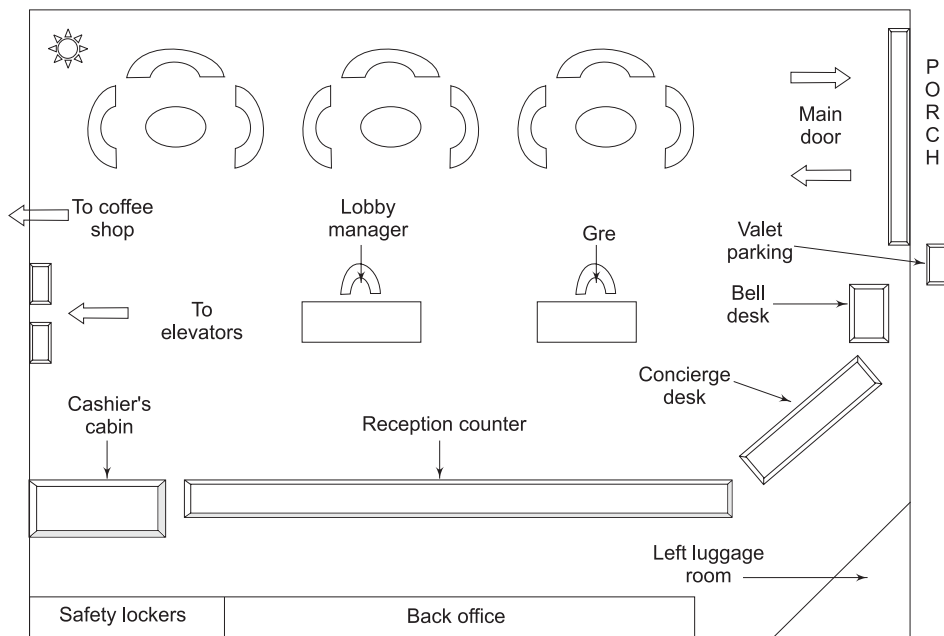


**Fig. 6.1 Organisation Chart of the Uniformed Services**

Each shift will have a lobby manager. The night manager is important as he operates on behalf of the General Manager and all department heads. His understanding of all departments and their systems and procedures has to be perfect, to make decisions for the night staff in those departments. Night is the time when the all restaurants and bars are operational and he has to ensure the safe conduct of guests. Cosmopolitan cities with international airports may have major arrivals and departures at night. The front office becomes busy then. Night flights have crews who check-in and check-out during the night and the early hours of the morning.

While several millions have been invested in producing unique lobbies the basic features of a lobby has to be respected. A typical lobby layout is given below that represents the essential features irrespective of the grand trimmings that lobbies can have:

Let us examine the job descriptions of all positions in the uniformed services.



**Fig. 6.2 Typical Lobby Layout**

The **Guest Relations Executive** provides value-added services to guests especially VIPs. Her role is explained in detail in another chapter.

The **Senior Bell Captain** covers the morning shift and sets the schedules for all the other shifts. The morning shift assumes importance as all arrivals and departures are related to the room day which is 12 noon. He supervises one Bell Captain per shift who assumes all responsibilities as a supervisor for that shift. His main responsibility will be the movement of guest baggage, controlling the left luggage in the shift and organising errands as required by guests and management.

### Job Description of a Lobby Manager

Job Title	Lobby Manager
Reports to	1. Front Office Manager 2. Accommodations Director
Job Summary	To represent the hotel management in the lobby and organise, supervise and control all uniformed services in a shift.
Duties and Responsibilities	1. Take over shift from previous Lobby Manager and note any special instructions for the shift. 2. Brief staff of uniformed services and ensure that the lobby is clean and tidy. 3. Manage all guest complaints and take action appropriately. 4. Manage scanty baggage procedures.

(Contd.)

	<ol style="list-style-type: none"> <li>5. Monitor airline crew movements and coordinate with the respective airline control rooms for wake calls and schedules.</li> <li>6. Manage the discipline of the uniformed services.</li> <li>7. Oversee the left-luggage procedures and the safety of the left luggage room.</li> <li>8. Attend to any disputes over guest billings.</li> <li>9. Update on operational policies and procedures and inform the uniformed services.</li> <li>10. Train staff of the Uniformed Services.</li> <li>11. Appraise the performance of the uniformed staff and recommend rewards and recognition.</li> <li>12. Coordinate all guest requests with all departments of the hotel.</li> <li>13. Assist the security in lobby surveillance.</li> <li>14. Ensure that group and crew arrivals and baggage movement is conducted efficiently.</li> <li>15. Oversee the concierge, bell desk services, valet parking and doorman services and transportation.</li> <li>16. Act on behalf of the front office management at night.</li> <li>17. Be the custodian of the master key and the keys to all stores (at night).</li> </ol>
<b>Supervises</b>	All personnel of the Uniformed Services
<b>Limits of Authority</b>	<ol style="list-style-type: none"> <li>1. May have a dialogue with guests directly for proper coordination between the hotel and them.</li> <li>2. Custodian of the house master key and the store keys (at night).</li> <li>3. May enter and authorise the entry into any guest room.</li> <li>4. Can make policy decisions on behalf of the management as regards guest within certain guidelines.</li> <li>5. May debar a guest from entry into the hotel.</li> <li>6. May enforce house rules.</li> <li>7. Coordinates with airline offices.</li> </ol>
<b>Coordinates with</b>	<ol style="list-style-type: none"> <li>1. <b>Front Office</b> – lends support on all arrivals and departures, especially in the night.</li> <li>2. <b>All departments</b> – for better coordination between guest requests and the hotel.</li> <li>3. <b>Cashier</b> – on matters of guest billings and paid-outs on behalf of the hotel.</li> </ol> <p>Minimum Educational Qualifications Diploma in Hotel Management.</p>
<b>Experience</b>	A minimum two years as management trainee or Senior Captain.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Thorough knowledge of front office systems and procedures.</li> <li>• Socially confident.</li> </ul>

(Contd.)

	<ul style="list-style-type: none"> <li>• Proficiency in the English language. Knowledge of foreign languages is preferable.</li> <li>• Etiquettes and manners.</li> <li>• Personable and well-groomed.</li> <li>• Having flair and showmanship.</li> <li>• Tact and diplomacy.</li> <li>• Assertive in protecting the interests of the hotel.</li> </ul>
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### Job Description of a Senior Bell Captain

Job Title	Senior Bell Captain
Reports to	<ol style="list-style-type: none"> <li>1. Lobby Manager</li> <li>2. Front Office Manager</li> </ol>
Job Summary	To organise, supervise and control all uniformed services in the lobby according to the standards set by management and to guest satisfaction.
Duties and Responsibilities	<ol style="list-style-type: none"> <li>1. Supervise the bell boys and monitor their movements on the Lobby Control Sheet</li> <li>2. Take attendance and prepare staff schedules to meet the exigencies of work of the lobby staff.</li> <li>3. Conduct daily briefings of bell desk staff with a view to establish two-way communications.</li> <li>4. Attend to guest complaints and take prompt corrective action.</li> <li>5. Receive telephone calls at the bell desk and respond to guest requests within policy.</li> <li>6. Supervise the Left Luggage formalities and the baggage room.</li> <li>7. Train the Bell Captains and the Bell Boys for maximum departmental efficiency.</li> <li>8. Organise and supervise all baggage movements during check-ins and check-outs, especially of groups and airline crews.</li> <li>9. Control the sale of postage stamps to guests.</li> <li>10. Be alert and report guests with scanty baggage and maintain the "Scanty Baggage Register".</li> <li>11. Assist the security in lobby surveillance.</li> <li>12. Appraise lobby staff and recommend to the Lobby manager their rewards and recognition.</li> <li>13. Coordinate and control the distribution of morning newspapers to the guest rooms and the executive offices.</li> <li>14. Supervise the storage and dispensation of basic medicines as prescribed by the house doctor.</li> <li>15. Ensure that the lobby premises are kept clean at all times.</li> </ol>

(Contd.)



	16. Ensure that the guest baggage is kept at their designated places and secure. 17. Coordinate errands of bell boys on behalf of guests and executive offices. 18. Assist lobby manager in the coordination of wake calls for airline crews and groups.
<b>Supervises</b>	1. Bell Captains 2. Bell Boys 3. Doormen 4. Parking attendants 5. Transport in-charge
<b>Limits of Authority</b>	1. May have a dialogue with guests for the purpose of uniformed services. 2. Maintains discipline and recommends any deviations in behaviour. 3. Mans the lobby desk in the absence of the lobby manager. 4. Recommends rewards and recognition of uniformed services staff.
<b>Coordinates with</b>	1. <b>Front- Office</b> – for the movement of guest baggage at the time of arrival or departure and transport coordination. 2. <b>Lobby Manager</b> – for management instructions, policies and procedures. 3. <b>Cashier</b> – for confirmation of the settlement of bills. 4. <b>Housekeeping</b> – for the cleanliness of lobby premises. 5. <b>Telecommunications</b> – for wake-up calls of airline crews and groups. 6. <b>Security</b> – to help protect hotel property and lobby image.
<b>Minimum Education Qualifications</b>	High school with preferably a Craft Course in Front Office
<b>Experience</b>	Three years as a bell boy and one year as a Bell Captain.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Thorough knowledge of lobby procedures.</li> <li>• Proficiency in the English language and the local dialect. Knowledge of a foreign language is preferred.</li> <li>• Well-groomed.</li> <li>• Socially confident.</li> <li>• Physically sturdy and stamina to stand for long hours and lift heavy baggage.</li> <li>• Willingness to be of help to guests at all times.</li> <li>• Supervisory skills</li> </ul>

A new concept called the **Concierge** has been introduced with some additional responsibilities. Because of relatively newness the position has justified a separate chapter. Please refer to Chapter 7, “*Concierge Services*”.

### Job Description of a Bell Captain

Job Title	Bell Captain
Reports to	<ol style="list-style-type: none"> <li>1. Senior Bell Captain</li> <li>2. Lobby Manager</li> </ol>
Job Summary	To organise, supervise and control all uniformed services in a shift as per standards of the property and according to guest satisfaction.
Duties and Responsibilities	<ol style="list-style-type: none"> <li>1. Supervise the movement of bell boys in a shift and record in the Lobby Control Sheet.</li> <li>2. Take attendance and prepare staff schedules to meet work exigencies.</li> <li>3. Attend to guest complaints and initiate prompt action.</li> <li>4. Receive telephone calls at the bell desk and respond to requests and instructions.</li> <li>5. Handle left luggage formalities and maintain the baggage room.</li> <li>6. Train bell boys to maximise departmental efficiency.</li> <li>7. Organise and supervise all baggage movement at the time of arrivals and Departures, especially of airline crews and groups.</li> <li>8. Control the sale of postage stamps and the stationery to guests.</li> <li>9. Be alert and report guests with scanty baggage and maintain the “Scanty Baggage Register”.</li> <li>10. Assist the security in lobby surveillance</li> <li>11. Conduct daily briefings of bell boys in a shift.</li> <li>12. Coordinate and control the distribution of daily newspapers to guest rooms and executive offices.</li> <li>13. Keep baggage neatly in their designated places.</li> <li>14. Ensure that the lobby is clean at all times during the shift.</li> <li>15. Supervise the paging services during the shift.</li> </ol>
Supervises	Bell Boys
Limits of Authority	Authority to have dialogue with guests directly on matters of baggage movement, sale of postage etc.
Coordinates with	<ol style="list-style-type: none"> <li>1. <b>Front Office</b> – for the movement of guest baggage.</li> <li>2. <b>Telecommunications</b> – for the wake calls of airline crews and groups.</li> <li>3. <b>Cashier</b> – for authorization to move guest baggage at the time of departure.</li> <li>4. <b>Housekeeping</b> – for the cleanliness of the lobby.</li> </ol>
Minimum Educational Qualifications	High School
Experience	Three years as a bell boy.
Skills and Competencies	<ul style="list-style-type: none"> <li>• Thorough knowledge of lobby systems and procedures.</li> </ul>

(Contd.)

	<ul style="list-style-type: none"> <li>• Proficiency in the English language and local dialect, with preferably a foreign language.</li> <li>• Physically sturdy and stamina to stand for long hours and lift heavy luggage.</li> <li>• Socially confident</li> <li>• Personable and well groomed because of constant guest contact.</li> <li>• Supervisory skills.</li> </ul>
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**Bell Boys** may be called *porters* or *bell hops*. They carry guest baggage during guest arrivals and departures and perform errands for them. They should be well groomed, physically sturdy, have a command of basic English, be courteous and be willing to help.

### Job Description of a Bell Boy

Job Title	Bell Boy
Reports to	<ol style="list-style-type: none"> <li>1. Bell Captain</li> <li>2. Senior Bell Captain</li> </ol>
Job Summary	To execute baggage movement of guests and other errands of guests and management.
Duties and Responsibilities	<ol style="list-style-type: none"> <li>1. Handle guest arrivals: <ul style="list-style-type: none"> <li>• Receive baggage from the porch.</li> <li>• Escort guest to room with baggage after clearance from front office agent that registration is completed.</li> <li>• Place baggage in room rack and explain facilities of the room to guest.</li> </ul> </li> <li>2. Handle guest departures: <ul style="list-style-type: none"> <li>• Upon instructions from the Bell Captain to bring down guest baggage from the room.</li> <li>• To check room for guest belongings, damaged hotel property and missing articles.</li> <li>• To await cashier's authorisation for removal of baggage to the porch and guest transport.</li> </ul> </li> <li>3. Handle and store lobby trolleys, wheel chairs etc. carefully and appropriately.</li> <li>4. Report guests with scanty baggage to the Bell Captain.</li> <li>5. Account for postage stamps sold to guests during the shift.</li> <li>6. Execute errands within and outside the hotels as directed by the Bell Captain.</li> </ol>

(Contd.)

	7. Complete left luggage formalities as per procedures laid down by management. 8. Distribute daily newspapers to guest rooms as directed. 9. Assist handicapped, invalid and old people to elevators and other parts of the hotel. 10. Assist in the transfer of guest baggage in the event of a change of rooms.
<b>Supervises</b>	None
<b>Limits of Authority</b>	1. Authority to enter guest rooms when directed. 2. Authority to have a dialogue with guest on matters of guest baggage movement.
<b>Coordinates with</b>	1. <b>Front Office Agent</b> – for authorisation to room a guest. 2. <b>Cashier</b> – for authorization to remove guest baggage from the property at the time of departure. 3. <b>Concierge</b> for the passing of messages to guest rooms. 4. <b>Housekeeping</b> – for the exchange of personal uniforms.
<b>Minimum Educational Qualifications</b>	High School
<b>Experience</b>	None. One month on-job training adequate.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Proficiency in the English language.</li> <li>• Personable and well-groomed.</li> <li>• Physically sturdy to do active physical duties including lifting heavy baggage.</li> <li>• Willingness to be of assistance to guests and staff.</li> <li>• Team player.</li> </ul>

The **Transportation Supervisor** reports to the Senior Bell Captain/Concierge who coordinates all transport movements. The transport supervisor has a number of drivers who have the following essential duties:

- Pick and drop guests from and to the airport in the courtesy coach.
- Pick and drop staff from and to their residences to assume duty or when they finish it. Hotels provide this service to staff to ensure that they are on time for a shift.
- Operate limousine car services for VIPs.
- Manage valet parking services if provided by the hotel.
- Drive the city tour coaches if the hotel has such a captive facility. Many hotels outsource city tours to other surface transporters.



- Do errands for the management including banking cash, delivering important documents etc. They also do errands for guests including collecting tickets for guests etc.

The **Doorman** reports to the Senior Bell Captain or Concierge and receives guests at the porch in their respective transport. He helps in opening the doors of the transport and welcoming them to the property. He alerts the bell desk for a bell boy/s and assists him in unloading guest baggage and opens the hotel portals for the guests. In some cases he may escort them to the reception. His main challenge is to keep the porch free from traffic congestion.



### Job Description of a Doorman

Job Title	Doorman
Reports to	1. Bell Captain 2. Senior Bell Captain
Job Summary	To provide welcome and arrival and departure services at the front entrance with courtesy.
Duties and Responsibilities	1. Welcome guests at their arrival at the porch. 2. Alert the bell desk. 3. Assist guests to unload baggage. 4. Open doors for guests and escort them to the registration desk if necessary. 5. Control traffic at the porch to avoid congestion. 6. Provide valet parking services if necessary as per policy. 7. Assist the security in providing front porch surveillance. 8. Hail taxis for guests. 9. Be a source of information on hotel facilities and city landmarks.
Supervises	None
Limits of Authority	1. May direct traffic at the hotel porch. 2. May keep guest car keys if given valet parking duties.
Coordinates with	1. <b>Bell Desk</b> – to inform about guest arrivals. 2. <b>Transport</b> – to organise traffic flow at the porch. 3. <b>Valet parking</b> – for guest car parking needs. 4. <b>Security</b> – for porch surveillance.

(Contd.)

<b>Minimum Educational Qualifications</b>	High School
<b>Experience</b>	One week doorman training
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Tall and physically well built to carry heavy baggage.</li> <li>• Etiquettes and manners.</li> <li>• Cool under stress.</li> <li>• Driving license if valet parking duties are included.</li> <li>• Basic English language proficiency</li> <li>• Knowledge of hotel facilities and city features.</li> </ul>

**Valet Parking Attendants** report to the Senior Captain or Concierge and assist local visitors to park their cars in the hotel parking lots. They also retrieve the cars when visitors depart. Their main challenge comes when there are big functions and galas in the hotel with many visitors and cars. They need to have the skill to drive all models of cars, both manual and automatic.

### Job Description of a Valet Parking Attendant

<b>Job Title</b>	<b>Valet Parking Attendant</b>
<b>Reports to</b>	<ol style="list-style-type: none"> <li>1. Bell Captain</li> <li>2. Senior Bell Captain</li> </ol>
<b>Job Summary</b>	To provide valet parking services to guests in a courteous manner ensuring car safety.
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>1. Be knowledgeable about various cars and their driving features.</li> <li>2. Prepare car parking tickets for guests who wish the service.</li> <li>3. Park the cars in the designated areas.</li> <li>4. Keep car keys in safe custody.</li> <li>5. Bring cars back to the porch when guests wish to depart..</li> <li>6. Hand over keys against valid tickets only.</li> <li>7. Assist doorman in traffic control if required.</li> </ol>
<b>Supervises</b>	None
<b>Limits of Authority</b>	<ol style="list-style-type: none"> <li>1. May take possession of guest car keys for safekeeping.</li> <li>2. Drive guest cars.</li> <li>3. Return car keys only against valid tickets.</li> </ol>
<b>Coordinates with</b>	Doorman – for guest car parking requests.
<b>Minimum Educational Qualifications</b>	High School and possessing a valid driving license.

(Contd.)

<b>Experience</b>	One year of driving experience.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Skilled in driving various manual and automatic cars.</li> <li>• Etiquettes and manners</li> <li>• Polite and courteous</li> </ul>

## Lobby Terminology

Before one proceeds to describe the lobby procedures it is important to understand some of the terminology that is typically used in this area:

<b>Arrival:</b>	A guest intending to check-in to the hotel
<b>Baggage:</b>	Guest luggage
<b>Departure:</b>	A guest checking-out of the hotel
<b>Left Luggage:</b>	Guest baggage that is temporarily kept with the hotel, to be claimed later
<b>Occupancy:</b>	The number of rooms sold in the hotel
<b>Scanty Baggage:</b>	A guest with hand baggage or no baggage
<b>Skipper:</b>	A guest who has departed without clearing his bill

## Bell Desk Procedures

### Briefing

Briefings are perhaps the single most critical communication point between the management and staff. It is the opportunity for upward and downward communications. Briefings of the uniformed services are led by the lobby manager and in his absence the Senior Bell Captain or Concierge.

At the briefing, the Lobby Manager checks the following:

- Grooming standards of the lobby staff.
- Uniforms are properly pressed and clean.
- Finger nails to see that they are manicured and clean.
- Their shoes are well polished.
- Staff grievances.
- Staff feedback on operations of the previous day.
- Staff suggestions for improving the lobby staff performances.

The Lobby Manager will also communicate the following:

- New policies of the management.
- Occupancy status of the shift and day.
- VIPs expected.
- Airline crews expected.



- Groups expected.
- Service standards that need re-enforcing.
- Guest complaints and how they can be avoided.
- Training tips.
- Recognition for jobs well done.
- Transfers, promotions, new staff and exits.
- Introduction of new staff joining the service team.
- Encouragement and motivation.
- Staff schedules.
- Cost control measures.
- Re-enforcement of lobby procedures.
- Management observations and suggestions.

### **Guest Arrival Procedure**

- Step 1** When a guest arrives, the doorman buzzes the Bell Captain's desk for a bell-boy.
- Step 2** The Bell Captain will initiate the Arrival Errand Card (Fig. 6.3) by giving the bell boy identity number who is attending to the guest.

BELL BOY NO: ROOM NO:	DATE:                      TIME:                      AM/PM GUEST NAME:
BAGGAGE TYPE & NO: • SUITCASE _____ • BRIEF CASE _____ • HANDBAG _____ • OTHER PACKETS _____	REMARKS:

**Fig. 6.3 Arrival Errand Card**

- Step 3** The bell boy wishes the guest/s and unloads the baggage from the transport. He brings the baggage via the baggage entrance beside the main door. He places the baggage at the bell desk and awaits instructions from the receptionist to move the baggage to the guest room. Hotels may have tags to identify baggage.
- Step 4** The bell boy will inform the receptionist or lobby manager in case a guest has scanty baggage. Hotels have a separate policy for guests with scanty baggage, which will be discussed later.
- Step 5** The receptionist will confirm to the bell boy that the guest has been registered into the hotel by signing the arrival errand card and giving the name and room number of the guest. The receptionist will also hand the allotted room key to the bell boy.
- Step 6** The bell boy will bring to the attention of the guest any pre-damage to the baggage to absolve the hotel responsibility for it.

- Step 7** Lead the guest to his/her room with the baggage. Some hotels will have separate baggage elevators in which case the guest is given the direction to the room and the bell boy follows in the baggage elevator.
- Step 8** The bell boy will open the door and let the guest enter the room first. He follows and places the baggage on the luggage rack provided in each room. He leaves the room key on the dresser or allotted place at the entrance in modern hotels.
- Step 9** The bell boy explains the following features in the room:
- The console from where room lights are operated.
  - Air-conditioning/heating thermostat and how to operate it.
  - The television controls and how to operate it.
  - Internal locking system.
  - Mini-bar operation
  - Telephone controls include messaging facility
  - Internet connection points.
  - Display of fire-exit rules.
  - Safety locker (if provided in the room) and how to operate it.
- Step 10** Wish the guest a pleasant stay and leave. Though it is an international practice to give tips, bell boys should not solicit it.
- Step 11** Return to the bell desk and complete the baggage information on the arrival card and surrender it to the bell captain.

### Scanty Baggage Procedure

The term “Scanty Baggage” refers to a guest with hand baggage or no baggage at all. Such guests pose a hazard as they can check-out of the hotel without paying their bill. There is no way of knowing whether a guest walking out with scanty baggage will return at all. Most management stipulate a policy that such guests deposit an advance as a safeguard against skipping out of the hotel. A guest who has left the hotel without clearing his bills is called a *skipper*. The bell desk maintains a strict control of such guests with definite policies to guide them. The procedure is as follows:

- Step 1** The bell boy informs the bell captain and receptionist of a guest with scanty baggage.
- Step 2** The bell captain stamps “Scanty Baggage” on the Arrival Errand Card and informs the lobby manager. The receptionist is alerted with the stamp when s/he receives it.
- Step 3** The receptionist will stamp “Scanty Baggage” on the Registration Card.
- Step 4** The receptionist gets the Lobby Manager to see the registration card once completed by the guest. The Lobby Manager has the following options: (1) to ask for the entire room charges in advance (2) a deposit that covers at least one night charge or (3) lower the house credit limit for bills in which the guest has to clear the bills periodically as he touches the limit. This is normally exercised for first time guests to the hotel. Regular guests known to the hotel management may be excused from such a policy. The Lobby Manager signs the registration card with his/her instructions.
- Step 5** The bell captain fills the Scanty Baggage Register (Fig. 6.4) and gets it signed by the Lobby Manager.
- Step 6** Housekeeping and Security are informed of the guest room number to keep a watch.



DATE	TIME	GUEST NAME	ROOM NUMBER	NAME OF BELL BOY	DESCRIPTION OF LUGGAGE	REMARKS	LOBBY MANAGER SIGNATURE	BELL CAPTAIN SIGNATURE

Fig. 6.4 Scanty Baggage Register

### Guest Departure Procedure

- Step 1** A guest calls the bell desk about his intention to check-out. The bell captain will ask the guest how many baggage s/he has to send the right number of bell boys. The Bell Captain will initiate the Departure Errand Card (Fig. 6.5) writing the date, time, guest's name, room number and the number of the baggage. He allots bell boy/s and writes his identity number on the card.

<b>BELL BOY NO:</b>	<b>DATE:</b>	<b>TIME:</b>	<b>AM/PM</b>
<b>ROOM NO:</b>	<b>GUEST NAME:</b>		
BAGGAGE TYPE & NO:		REMARKS:	
<ul style="list-style-type: none"> <li>• SUITCASE _____</li> <li>• BRIEF CASE _____</li> <li>• HANDBAG _____</li> <li>• OTHER PACKETS _____</li> </ul>			

Fig. 6.5 Departure Errand Card

- Step 2** The Bell Captain will deposit the Departure Errand Card with the front office cashier who gets the cue that a check-out is taking place to prepare the billing formalities.
- Step 3** The bell boy in the meantime proceeds to the guest room and knocks on the door announcing himself. He may repeat the knock after 30 seconds if there is no response announcing himself again.
- Step 4** Upon entering the room, the bell boy will wish the guest the time of the day. He will proceed to search the room and bathroom for guest belongings.
- Step 5** He shall look for around the room for any damage to hotel property or anything missing. If there is any default, he will report this to the lobby manager or Bell Captain.
- Step 6** He will take custody of the room key and take the baggage out of the room.
- Step 7** He will switch off the air-conditioning/heating and room lights and shut the door.



- ## ***Bell Boy Control Procedure***

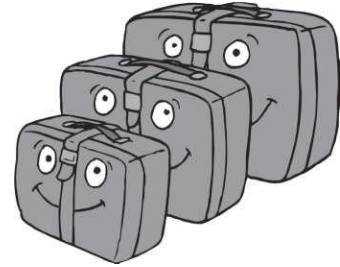
The control sheet is self-explanatory. Each bell boy is given a code number for quick identification. The bell boys' names may also be used. The "Room Change To" indicates a new room that is allotted to a guest on the control sheet. The first column under this head indicates the old room and the second the new room allotted. The column "Service Call" identifies the special errands given by a guest. An important part of the control sheet is the time the bell boy has been allotted an assignment and the time he completes it. It ascertains the productivity of each bell boy who cannot be slack in their timings as they know that they are being monitored. The Bell Captain, through experience sets a time standard for each job.

[illegible]

**Fig. 6.6 Lobby Control Sheet**

## Left Luggage Procedure

The term “left luggage” is attributed to luggage left by a guest who checks out of the hotel but wishes to collect his luggage later. Guests often want to visit other cities in the country on a short tour but do not want to carry their heavy baggage with them and find it uneconomical to retain a room in the hotel where they can keep their luggage. Hotels provide a left luggage facility to guests who are likely to return to the hotel after their tour. Some hotels are liberal with this facility with guests who may depart finally after their return. The left luggage room is a strong room specifically for this purpose under the guarantee of the management for their safety. The room will have racks along the wall where baggage is deposited. Priority will be given to load the baggage on the racks to keep it safe from water, insects, rodents etc. Only when racks are full will the baggage be kept on the floor. Even on the floor raised racks are provided. When groups leave their baggage they are placed together and covered with a netting to identify the baggage of each group. Smaller hotels may not have this facility. Given below is the step-by-step procedure for handling left luggage:



- Step 1** The Bell Captain will ascertain whether the guest has settled his hotel bill with the front office cashier.
- Step 2** The Bell Captain will inspect the baggage and bring to the notice of the guest a pre-existing damage. He will enter the description of the baggage on the Baggage Tag (Fig. 6.7) and string it to the baggage piece. The sticker has a number with a counter foil with the same number.

HOTEL XYZ	
GUEST NAME .....	
DATE .....	ROOM NO. ....
BAGGAGE CHECK	
(Guest Copy)	
NO. 1234	
MANAGEMENT IS NOT RESPONSIBLE FOR GOODS LEFT OVER 30 DAYS	
BAGGAGE CHECK	
(Hotel Copy)	
NO. 1234	
<ul style="list-style-type: none"> <li>• SUITCASE</li> <li>• BRIEF CASE</li> <li>• GOLF KIT</li> <li>• OVERCOAT</li> <li>• UMBRELLA</li> <li>• OTHERS .....</li> </ul>	
MANAGEMENT IS NOT RESPONSIBLE FOR GOODS LEFT OVER 30 DAYS	
GUEST NAME .....	
DATE .....	ROOM NO .....

**Fig. 6.7 Baggage Tag**

**Step 3** The Bell Captain will enter the details in the Left Luggage Register (Fig. 6.8). He will mention any pre-damage comments in the remarks column. He will also mention the expected date of delivery in the register.

DATE	ROOM NO.	GUEST NAME	BELL CAPTAINS	BAGGAGE TAG NO.	DESCRIPTION OF BAGGAGE	EXPECTED DATE OF DELIVERY	ACTUAL DATE OF DELIVERY	REMARKS	GUEST SIGNATURE

**Fig. 6.8 Left Luggage Register**

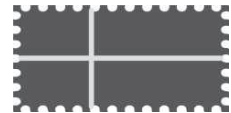
- Step 4** He will tear off the counterfoil of the Baggage Tag and hand it over to the guest.
- Step 5** He will instruct a bell boy to deposit the baggage in the left luggage room.
- Step 6** Upon the return of the guest, the bell captain will take the counterfoil from the guest.
- Step 7** The bell captain will cross-check it with the Left Luggage Register. (It must be remembered that the delivery of the baggage could be done by another Bell Captain on another shift and is not originally familiar with the transaction). It is quite possible that the guest withdraws his/her baggage later or earlier than the expected date in the register.
- Step 8** The Bell Captain will assign a bell boy to bring the baggage from the left luggage room to the bell desk for inspection.
- Step 9** The bell boy will tally the guest counterfoil number with the baggage tag on the baggage and also confirm the nature of baggage mentioned. He will bring the baggage to the bell desk.
- Step 10** The Bell Captain will inspect the baggage with the guest and reconfirm the numbers on the tags.
- Step 11** The Bell Captain will enter the date of release in the Left Luggage Register and obtain the guest's signature.

### Other Duties of Bell Desk Staff

**Housekeeping Discrepancy** The housekeeping department makes a physical check of all rooms and prepares a Housekeeping Report. A copy of the report is sent to the front office receptionist, who tallies the report with the room rack. If there is a discrepancy, a bell boy is summoned to independently reconfirm the status of the room. Statuses of rooms are coded as follows:

V	= Vacant
O	= Occupied
UR	= Under Repair
DND	= Do Not Disturb
DL	= Double Lock
L	= Luggage but bed not slept in
LB	= No Luggage but bed slept in
SB	= Scanty Baggage
OOO	= Out of Order
NC	= Not cleared though check out taken place

**Postage** Large hotels may have a post office located in its premises, especially the shopping arcade. Hotels that do not have this facility sell postage at the bell desk. The desk has a post box where guests can post their mail. The postman picks the mail as per the arrangement with the hotel.



**Daily Newspaper** Hotels worldwide, especially business hotels, provide free daily newspaper. While business hotels may have options of different newspapers, others provide the leading paper outside each room every morning. A bell boy in the morning shift may be directed to place these papers outside each occupied guest room door. Additional copies are kept in the coffee shop, business lounge and the bell desk.



**Security** While hotels have their own security services, bell staff assist by keeping a vigilance of the lobby and the rooms they serve. Any suspicious matters are immediately reported to the bell captain.

## Review Quiz

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### Multiple Choice Questions

1. The document that helps lobby managers change over charge is called:
  - (a) Lobby Control Sheet
  - (b) Errand Card
  - (c) Log book
2. The document initiated by the Bell Captain on a guest arrival is called:
  - (a) Errand Card
  - (b) Lobby Control Sheet
  - (c) Scanty Baggage Register
3. The bell boy gets his cue to room the guest is by:
  - (a) The receptionist buzzing the desk
  - (b) The receptionist fills the Arrival Errand card
  - (c) The receptionist fills the guest folio



- 4. Which is not an essential feature of a lobby?**
  - (a) Bell Desk
  - (b) Lounge chairs
  - (c) Cigarette stand
- 5. Which is not the duty of a lobby manager?**
  - (a) Briefing
  - (b) Giving instructions for “Scanty baggage” guests
  - (c) Registering a guest
- 6. Which of the following is not an authority of the lobby manager?**
  - (a) Entry into a guest room
  - (b) Coordination with airline offices
  - (c) Making paid-outs to guests
- 7. Which of the following is not the duty of a bell boy:**
  - (a) Explaining the room features
  - (b) Waiting for a tip from the guest
  - (c) Distributing morning newspapers
- 8. Which is not the duty of a doorman?**
  - (a) Controlling the traffic at the porch
  - (b) Hailing taxis
  - (c) Escorting guests to the room
- 9. Which of the following documents is involved in Left Luggage procedures?**
  - (a) Baggage tag
  - (b) Lobby Control sheet
  - (c) Departure Errand card
- 10. Who is responsible for postage sales?**
  - (a) Receptionist
  - (b) Doorman
  - (c) Bell Captain

### **True or False**

1. The lobby area is in direct proportion to the number of rooms.
2. The lobby manager controls the master key.
3. A lobby manager has the authority to reduce the house limit for a “scanty baggage” guest.
4. The guest relations executive sits in the back office of the front office.
5. The VIP list is distributed to the telecommunications department.
6. The Crew List is required by the Foreigners Registration Office.
7. In a guest departure procedure, the bell boy will check for damages in the room.
8. The Lobby Control Shift schedules the lobby staff.
9. The transport supervisor controls valet parking attendants.
10. Bell boys check the occupancy status of rooms on behalf of the reception.

## CHAPTER

# 7

# Concierge Services

## Introduction

The concierge service is relatively new to modern hotel-keeping though it is quite old in its concept. Traditionally, the concierge was a castle doorkeeper who was responsible to ensure that all guests were properly roomed for the night. The concierge accompanied the travelling royalty and provided them with security, lodging arrangements and entertainment sites. He travelled ahead of the royal entourage to make lodging arrangements before they arrived. With modernisation, the concept of concierge was adopted by hotels in Europe as the person who provided personalised services such as providing box office tickets at nearby theatres, coach tickets for sight seeing, or table reservations at city restaurants etc. He was the person who knew everything about the city, its sites and events.

The concierge is a specialised position recognised by crossed gold keys (*Les Clefs d' Or*) on their lapels. The emblem signifies their certification by the International Association of Concierges, which sets very high standards for its members. While many hotels may position experienced members at the concierge desk, they cannot call themselves concierges till they get the official certification.

## Role of a Concierge

The concierge desk is located in the lobby beside the bell desk for better coordination and is the new member of the uniformed services. The Concierge reports to the Lobby Manager. A typical job description of a concierge is given below:

### Job Description of a Concierge

Job Title	Concierge
Reports to	<ol style="list-style-type: none"><li>1. Assistant Manager – front office</li><li>2. Front Office Manager</li></ol>
Job Summary	To provide information services and other support help to guests as per the standards of the establishment.
Duties and Responsibilities	<ol style="list-style-type: none"><li>1. Receive incoming calls and record messages for guests.</li><li>2. Handle all guest mail, information, parcels, couriers, etc as per procedures.</li></ol>

(Contd.)

	<ol style="list-style-type: none"> <li>3. Answer queries of house facilities and places of tourist interest.</li> <li>4. Keep information aids like time-tables, road maps, hotel guide, etc.</li> <li>5. Help guests confirm airline, bus or train tickets.</li> <li>6. Procure box-office tickets for cinemas, concerts, special shows, etc. for the guests.</li> <li>7. Coordinate with the bell boys to page guests in the hotel.</li> <li>8. Develop contacts with city services to facilitate guests.</li> </ol>
<b>Supervises</b>	In some hotels, the concierge is the head of lobby uniformed services, in which case the bell desk, transport, doormen and valet parking attendants would report to him.
<b>Limits of Authority</b>	<ol style="list-style-type: none"> <li>1. To develop contacts with essential city services to get their cooperation when needed.</li> <li>2. May depute lobby staff to procure tickets, confirm travel tickets, etc. for guests.</li> </ol>
<b>Coordinates with</b>	<ol style="list-style-type: none"> <li>1. <b>Bell Desk</b> – for errands on behalf of the guests.</li> <li>2. <b>City Services</b> – to facilitate guests requests.</li> </ol>
<b>Minimum Educational Qualifications</b>	<ol style="list-style-type: none"> <li>1. Graduate with preferably a Craft Course in Front</li> <li>2. Office Reception or a Diploma in Hotel Management.</li> </ol>
<b>Experience</b>	Three months departmental training is adequate.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Physically sturdy for active work on a shift.</li> <li>• Socially confident.</li> <li>• Personable and well-groomed.</li> <li>• Teams person.</li> <li>• Proficiency in the English language and other foreign languages.</li> </ul>

Concierge is a very resourceful person. He makes and develops useful contacts with necessary parties in the city like box office attendants, tourism offices, events management companies, restaurant maitre d' hotels, etc. The purpose of such contacts is to use them when guests require their services. His specialty would be to get tickets for sold-out concerts, table reservations for fully booked restaurants or even a seat on a city tour that is oversubscribed. He is a know-all person equipped with brochures, pamphlets, maps, etc. to support the wide range of knowledge he has of the hotel services and city highlights. He keeps contemporary with daily events in the city each morning to be of assistance to guests. Hotels will encourage him to go into the city to make relevant contacts. We can say that



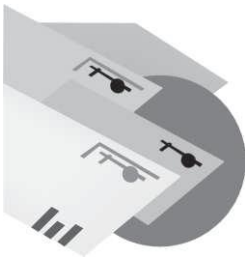
the Concierge provides customised or personal services to guests. He becomes the local contact man for many guests to get things done in the city. Many guests may return to a hotel because of the quality of the Concierge. The Concierge can, therefore, be a useful tool in building guest loyalty programmes. While he is a well-paid employee, he makes a lot of money through tips as expressions of gratitude by guests for personal services provided. A qualified Concierge is required to speak many languages and assists the front office to bridge language barriers with guests.

An important extension to the Concierge's role is the responsibility of the erstwhile information counter of a hotel. The information section controlled the keys, messages, mail, and continuous information to the resident guests and visitors. Many hotels have enriched the concierge desk with this role which means that the Concierge is more than the traditional concept. It is because of this that some tasks of the information section is included in the concierge's role as mentioned below.

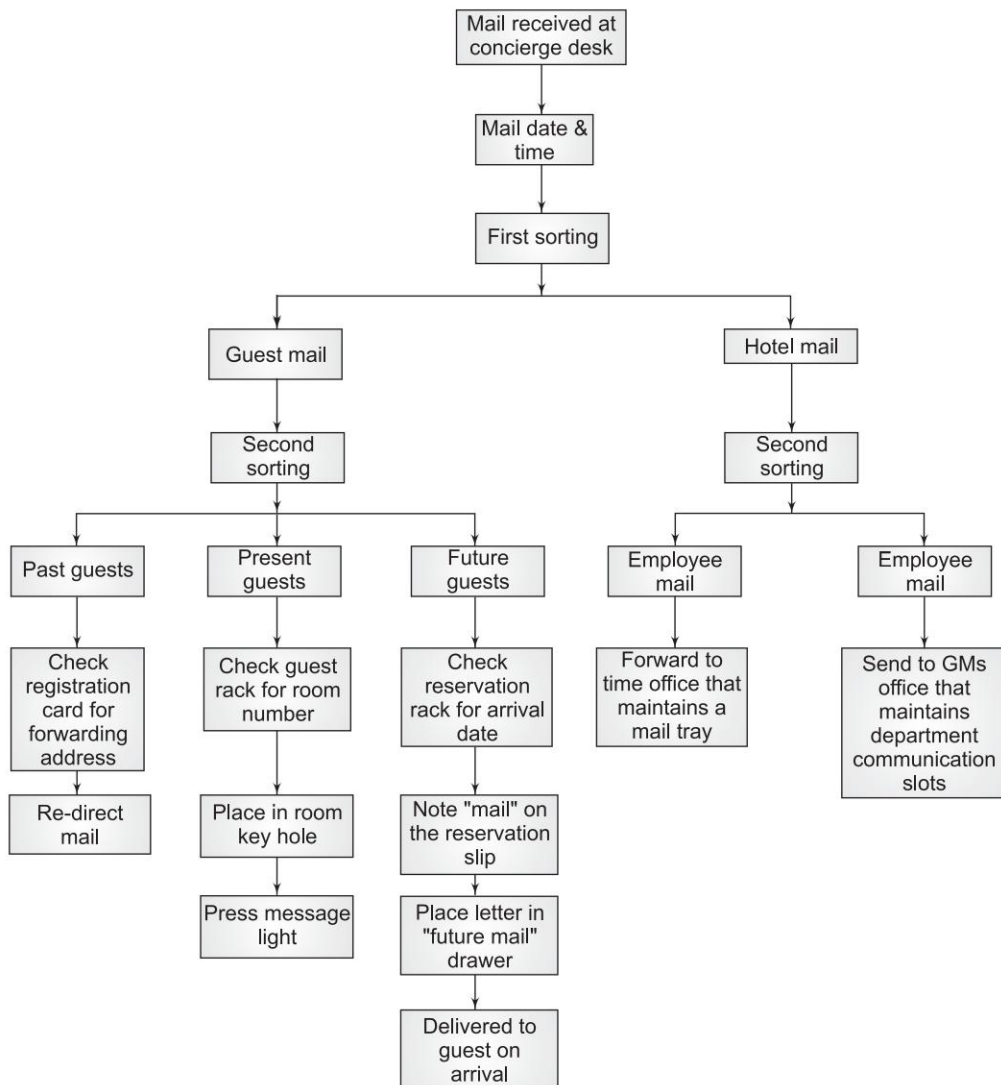
Hotels have made him responsible for all uniformed services including the bell desk, transportation, doormen and valet parking. He has substituted the erstwhile Senior Bell Captain but with additional responsibilities.

## Handling Mail

Of the many responsibilities of a Concierge, handling guest and hotel mail is very important and critical. A large hotel will receive volumes of letters everyday that need careful routing to reach the addressee immediately. Timely delivery is important because a mail may have a critical impact on a guest plan. Business hotels find mail handling crucial as executives and businessmen may await information for critical decisions. With e-mail, correspondence has become much quicker and easier; however, some documents have to be still sent by mail. Mail can come in many forms including letters, cables, courier, faxes, registered post, parcels, etc. Critical documents nowadays are sent by courier services that transport mail worldwide daily in their own captive planes. The concierge receives the couriers on behalf of the guest. He represents the "addressee" at the property. To safeguard the hotel from complaints associated with mail, hotels follow the following procedure (Fig. 7.1):



1. Time-stamp all mail at the time of receipt.
  2. Record any open or damaged mail and parcels in the log book and have it countersigned by the postman.
  3. All registered mail and parcels must be countersigned by the guest to acknowledge receipt.
- The following chart gives the flow of hotel and guest mail and the procedure followed:



**Fig. 7.1 Mail Process Flow**

The diagram above only refers to letters. Insured packages, registered parcels and mail and courier services have another procedure given below. In the diagram above, however, one observes that there are two categories of mail—one for guests and one for the hotel. Within these categories, the guest mail is sorted into guests who have checked-out (past resident guests), guests presently residing in the hotel (present resident guests) and those expected (future resident guests). The past guests leave their address on the registration card as per normal practice. Sometimes past guests may be expecting mail after check-out and leave a forwarding address. Mail for them may be re-directed to that address. Present guests need to have their mail delivered to them immediately. The mail is placed in their key pigeon hole and the message light pressed for the room. Modern hotels have message lights that flash on the room telephone. As soon as the guest reaches the room s/he will call the receptionist or concierge to know the status of the message. The receptionist will convey that a mail has been received. The guest can either request for it to be delivered to his/her room by the bell boy or will collect it at his/her convenience. The arrival date of the future guest can be ascertained from the reservation rack that display the reservation slips. The concierge will mark “mail” on the slip to alert the receptionist when the guest arrives to register into the hotel. Hotels provide a separate drawer where future mail is stored.

Hotel mail is sorted into private employee mail and hotel official mail. The private mail is sent to the time-office where all employees enter and exit the hotel. The time office is where an employee stamps his/her date and time on time cards which is used to ascertain attendance and consequent salary payments. The time office maintains a mail tray or may slip the mail into the time card slot of the employee.

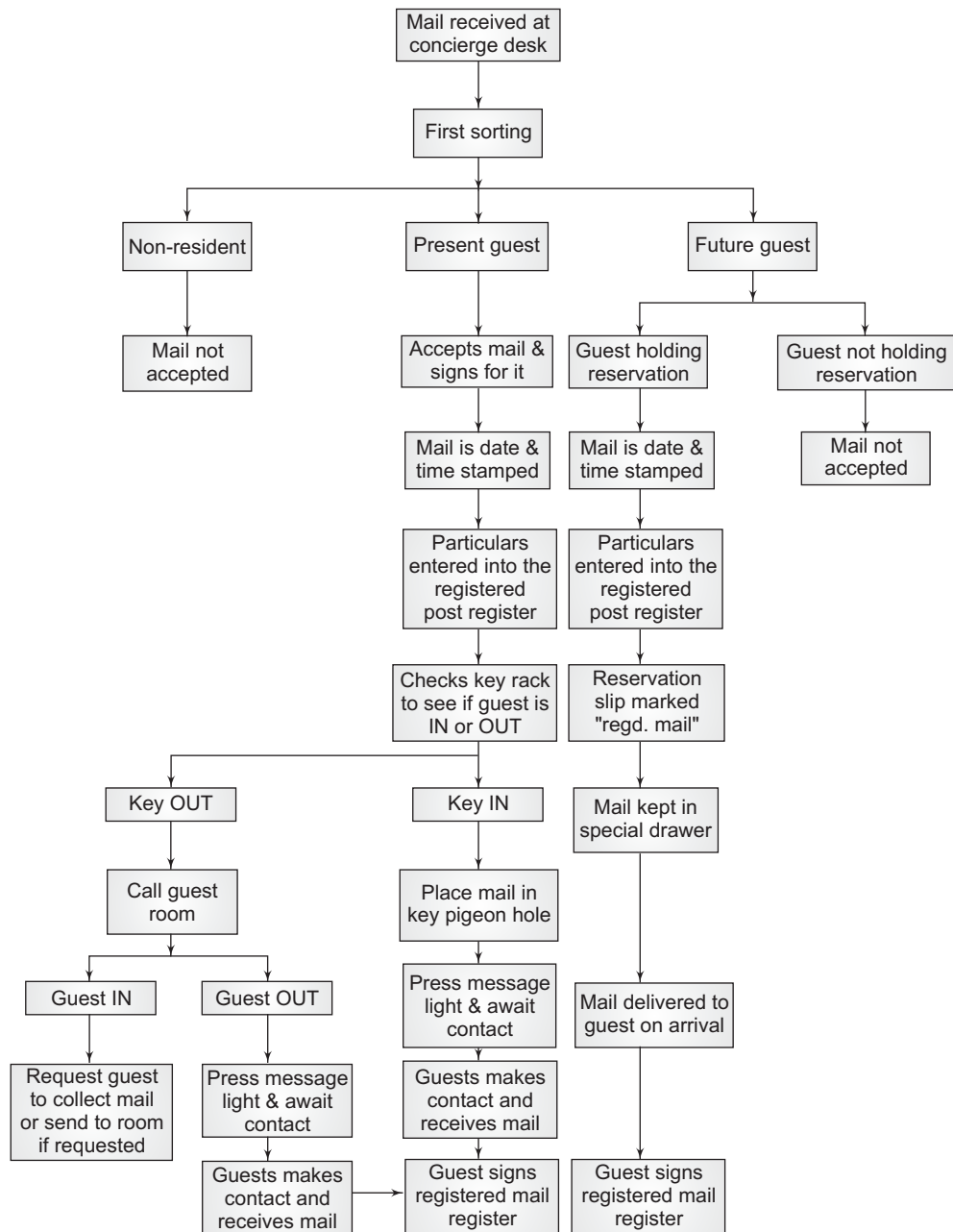
Hotel official mail is sent to the General Manager’s Office. The secretary’s room has departmental pigeon holes where all official correspondence for any department is placed. Each department sends someone to periodically check the concerned pigeon hole for mail.

## Handling Insured or Registered Mail and Courier Services



Such mail is critical as there is a direct responsibility of the hotel once they sign for it. There are two aspects of this mail: (1) Whether the mail should be accepted or not, and (2) once accepted, how it is to be carefully processed. Obviously, if mail comes through higher paid mail channels like registered, insured or courier it means that the mail is important to the guest and therefore, requires careful handling. We must remember that mail here also includes parcels. The chart (Fig. 7.2) below gives the systems and procedures adopted by the Concierge to protect the guest and hotel interests.

One sees in the flow chart that the Concierge will only accept registered mail if the guest is residing in the hotel or expected and holding a confirmed reservation. The Concierge may help the postman with the forwarding addresses of guests who have checked out. Another key feature is the Registered Mail Register (Fig. 7.3) where such mail is entered as a control feature. Guests who receive their mail have to sign the register in acknowledgement.



**Fig. 7.2 Handling Insured, Registered and Courier Mail**



DATE	TIME	NAME OF GUEST	RESIDENT ROOM NUMBER	FUTURE GUEST'S DATE OF ARRIVAL	DESCRIPTION OF PACKAGE/ MAIL	CONCIERGE SIGNATURE	GUEST'S SIGNATURE OF RECEIPT	DATE & TIME OF RECEIPT

Fig. 7.3 Registered Mail Register

## Handling Messages

The handling of messages assumes a crucial activity. Messages could be critical to guests be it a business intimation or a friend visiting. Messages are left when the guest is not present in the hotel and relies on the hotel to receive them and convey them as soon they return. A message can be received either by phone or in person. Either way certain precautions need to be taken to get the communication right. The procedures are as follows:

### Messages by Phone

1. When the phone rings, say, "Concierge desk good morning, how may I help you?"
2. The guest will tell his/her intentions to leave a message. It must be understood that by this point the guest would have wanted to speak the guest and the telephone operator would have called the room and advised that there is no answer. The guest will ask the telephone operator that s/he wishes to leave a message at which time the operator would tell the guest that she will connect him/her to the concierge desk.
3. First check if the guest is a present resident by checking the guest rack.
4. If the guest mentioned is a resident, take the message slip pad and proceed to take the information in triplicate, by following the information on the slip (Fig. 7.4).
5. It is vital to note the date and time as this could be crucial to many who may want information before a certain time. Take for instance, a guest catching a city tour with a friend who cannot make the appointment. The guest could be waiting for the deadline. Mobile phones make communication more instant and easier, however those without roaming facilities may still rely on the traditional messaging facility.
6. After taking down the message, it is important to repeat the name of resident guest, name of caller and most important, the message. Repetition is the best way to ensure that the communication has taken place.

DATE:	TIME:
TO (Name of the Resident Guest):	
ROOM NO:	
<b>WHILE YOU WERE OUT</b>	
MR.MRS/MS	
ADDRESS:	
TELEPHONE NO:	
<input type="checkbox"/> TELEPHONED <input type="checkbox"/> CALLED IN PERSON <input type="checkbox"/> PLEASE CALL BACK <input type="checkbox"/> WILL CALL AGAIN <input type="checkbox"/> WAITING IN THE LOBBY <input type="checkbox"/> LEFT A PACKAGE	AT TEL. NO.
MESSAGE:	
.....	
.....	
.....	
SIGNATURE OF THE GUEST: ..... SIGNATURE OF THE CONCIERGE: .....	

**Fig. 7.4 Message Slip**

7. Sign the message slip to identify who took the message.
8. Place the original copy in an envelope. Put the room number on the envelope and hail a bell boy to slip the envelope under the door of the guest room.
9. Place the second copy in the key pigeon hole (if the concierge is handling the key control function or forward it to the reception who controls the keys).
10. Retain the triplicate copy in the pad.
11. Press the message button of the room. The message light will flash on the telephone instrument in the guest room.

### **Message in Person**

1. A visitor will come to the concierge desk to leave a message.
2. Hand over the message slip pad to the guest who will fill the details and message in his/her own handwriting and sign.
3. Make sure that the guest has signed and left his/her name, contact number, date and time.
4. Then proceed from step 6 above onwards.

One observes that in the process of handling messages, there is no way a guest can miss the message. The precautions taken are:

- A copy is put in the key pigeonhole, so that when the guest returns to recover his/her key, the receptionist/concierge can hand over the message along with the key to the guest.
- The original copy of the message slip is placed under the guest room door. As soon as the guest enters his/her room he will see it.
- When the guest enters the room he sees the message light flashing on his telephone console.

### ***Resident Guest Leaving a Message for a Visitor***

Often resident guests want to leave messages for visitors or family members/friends accompanying them. The procedure is the same as that of a visitor leaving a message for a resident guest, except that the message slip (Fig. 7.5) is of a different colour and written in duplicate. The original copy is left in the key pigeonhole of the resident guest. When the visitor/family member/friend arrives or phones s/he may ask for the guest and the receptionist or concierge will check the key rack for any message and will deliver the message to the visitor. The different colour code signifies to the receptionist or concierge that there is a message from the guest to a visitor.

DATE:	TIME:
TO (Name of the Visitor):	
RESIDENT GUEST NAME: MR/MRS/MS	ROOM NO:
<input type="radio"/> PLEASE CALL BACK AT TEL. NO..... <input type="radio"/> WAITING IN THE HOTEL AT ..... <input type="radio"/> LEFT A PACKAGE <input type="radio"/> WILL RETURN AT ..... AM/PM	
MESSAGE:	
SIGNATURE OF THE GUEST: ..... SIGNATURE OF THE CONCIERGE: .....	

**Fig. 7.5 Message Slip for Resident Guest**

### **Paging**

Paging refers to a system where guests are required to identify themselves. The Concierge has a mini-board with bells on a long handle. The guest's name and/or room number is written on the board. When a guest has to be paged, the concierge will instruct the bell boys to page the guest by holding the board aloft, around the lobby, coffee shop or swimming pool, ringing the bells to draw attention of all guests. The guest concerned will identify himself. Paging is necessary when guests receive phone calls on the house phone, or need to be identified by a visitor, or the hotel requires passing on an urgent message. This task is coordinated by the Bell Captain or Concierge who has this service. Modern hotels have public address systems much like that at an airport. The paging can be done on the P.A. system. The guest may be asked to contact the concierge desk. There are many views regarding the adoption of this method. Some hotel managements believe that the P.A. system disturbs the peace of guests and removes the exclusivity of the property.

## **Providing Information**

The Concierge is the repository of all information inside and outside the hotel. Guests have confidence that all they need to do is to consult the reliable Concierge for any information they require. Some of the typical information required by guests are:

### ***Hotel Information and Services***

- Hotel facilities
- Hotel rules and regulations
- Management policies
- Events within the hotel
- Schedule of special events
- Guest information
- Tickets for events in the hotel (supper theatre, rock concerts, recitals, fashion shows, galas etc.)
- Messages
- Conventions, banquets and directions to the locations

### ***City Information***

- Private taxi firms
- City tour buses, schedules and rates
- Tourist sites and entry charges
- Map of the city
- Airline, Bus and Rail schedules
- Location of shopping centres and their timings
- Telephone numbers of doctors and medical specialists.
- Location of hospitals
- Location of High Commissions, Embassies and Consulates.
- Cultural events in the city and entry charges.
- Addresses and telephone numbers of kennel clubs
- Addresses and telephone numbers of beauty salons and gymnasiums.
- Telephone numbers of florists
- Prominent restaurants and table reservations
- Ethnic restaurants and table reservations
- Theatres and Cinema and box office bookings
- Tourist offices and information

The Concierge keeps aids to support his task of providing information. These are:

- Airline, bus and rail timetables
- Telephone directories
- Hotel guides
- Road Maps
- Tourism brochures and pamphlets
- List of restaurants
- Timetables of cultural events

## Functions in the Hotel

Most hotels have a function hall or several halls as they recognise the potential of revenue earned from functions. These functions are organised by the banquet department that falls under the Food and Beverage department. The types of functions that are held in hotels are:

### ***Social***

- Wedding Receptions
- Birthday parties
- Cocktail parties
- Balls
- Alumni get together
- Annual company staff socials
- Theme Nights
- Religious and National celebrations
- New Year parties
- Dinner Theatres
- Sorority and Fraternity luncheons
- Graduation parties
- College faculty and staff dinners
- High school proms
- Reunions
- Athletic dinners
- Anniversary events
- Fund raisers
- Kitty parties
- Musical concerts
- Dance recitals



### ***Professional***

- Conferences
- Conventions
- Training Programmes
- Meetings of professional bodies
- Board Meetings
- Dealer Meetings
- Exhibitions
- Fashion Shows
- Product launches
- Education Fairs
- Employment Fairs
- Staff Awards Dinners
- Ceremonial Events
- Political meets

## State

- State banquets
- Diplomatic cocktails and dinners

Various departments of the hotel are informed about these events being held in the hotel by the banquet department through a function prospectus (Fig. 7.6). The Concierge receives a copy of the function prospectus. His duty is to display the daily functions on the Function Board maintained in the lobby. The function board will mention the name of the function, the location of the function and if necessary, the time. He gets the relevant information from the Function Prospectus found under “Lobby Display Board Info.”

<b>NAME OF CLIENT</b>	<b>ADDRESS</b>	<b>TELEPHONE NOS.</b>
TYPE OF FUNCTION	DATE & TIME OF FUNCTION	LOBBY DISPLAY BOARD INFO.
BANQUET ROOMS BOOKED	NO. OF GUESTS GUARANTEED	HALL CHARGES
FOOD MENU	BEVERAGE LIST	FOOD MENU RATE:  BEVERAGE LIST RATE:  CORKAGE:
<b><u>MEETING SET UP</u></b> <ul style="list-style-type: none"> <li>• TABLE SET UP</li> <li>• HEAD TABLE</li> <li>• WRITING PADS</li> <li>• FLIP CHART BOARDS</li> <li>• STAGE</li> <li>• LECTERN</li> <li>• WELCOME DESK</li> </ul>	<b><u>LUNCH/DINNER</u></b> <ul style="list-style-type: none"> <li>• TABLE SET UP</li> <li>• HOST TABLE</li> <li>• TABLE NUMBERS</li> <li>• STAGE</li> <li>• DANCE FLOOR</li> <li>• ENTERTAINMENT</li> <li>• CANDLESTANDS</li> </ul>	<b><u>COFFEE BREAKS</u></b> <ul style="list-style-type: none"> <li>• COFFEE</li> <li>• TEA</li> <li>• MINERAL WATER</li> <li>• SNACKS HOT</li> <li>• COOKIES</li> <li>• PASTRIES</li> </ul>
<b><u>TECHNICALSUPPORT</u></b> <ul style="list-style-type: none"> <li>• VIDEO-PLAYER</li> <li>• CD PLAYER</li> <li>• OVERHEAD PROJECTOR</li> <li>• FILM/SLIDE PROJECTOR</li> <li>• SOUND MIXER</li> <li>• SOUND SYSTEM/SPEAKERS</li> <li>• MICROPHONE</li> <li>• STAGE</li> <li>• RAMPS</li> <li>• SPECIAL LIGHTING</li> </ul>	<b><u>WEDDINGS</u></b> <ul style="list-style-type: none"> <li>• FLOWER DECORATIONS</li> <li>• TABLE SET-UP</li> <li>• BAR</li> <li>• DANCE FLOOR</li> <li>• BANDSTAND</li> <li>• ORCHESTRA</li> <li>• PIPED MUSIC</li> <li>• TRANSPORT</li> <li>• BRIDAL SUITE</li> <li>• PRIEST</li> </ul>	<b><u>EXHIBITIONS</u></b> <ul style="list-style-type: none"> <li>• BOOTHS</li> <li>• REGISTRATION COUNTER</li> <li>• DISPLAY BOARDS</li> <li>• DISPLAY RACKS</li> <li>• DESKS &amp; COUNTERS</li> <li>• SIGNAGES</li> <li>• ELECTRICAL POINTS</li> <li>• EQUIPMENT</li> <li>• FOOD COUNTERS</li> <li>• BEVERAGE BARS</li> </ul>
ADDITIONAL INFORMATION	TERMS & CONDITIONS	ADVANCE PAID
SIGNATURE OF CLIENT:	SIGNATURE OF BANQUET SALES REP:	DATE:

**Fig. 7.6 Function Prospectus**

Given below are typical ways the function board in the lobby reads:

<b>TODAY'S FUNCTIONS</b>
.....
<b>WEDDING</b>
JESSIE & DOLLY
OLIVE ROOM
.....
<b>MAX FACTOR FASHION SHOW</b>
GRAND BALL ROOM
Gates Open 8 p.m.
.....
<b>HEWLITT PACKARD TRAINING PROGRAM</b>
EXECUTIVE ROOM - 1
.....
<b>ST. ANTHONY'S SCHOOL OLD BOYS REUNION BARBEQUE</b>
ROSE GARDEN

## Guest Rack

Traditionally, the reception counter had the information section, which maintained the guest rack and control on guest room keys. This function is still at the reception who may have both the room rack (maintained serially by room numbers) and the guest rack (maintained alphabetically by guest name). The key control still exists with the reception. However, a separate guest rack is maintained at the concierge desk. The concierge as we have seen is responsible for message service, mail service etc. that requires frequent reference to the guest rack. The Whitney System has the racks and carriers with arrival slips inserted into the carriers and maintained alphabetically by the guest names. At the beginning of each shift the concierge will tally the guest rack with the reception room rack. During the shift the receptionist will prepare a copy of the arrival slip for the concierge desk guest rack. The concierge, therefore, continuously updates his rack. The same applies to guest departures where telephonically the reception will inform the concierge about such departures. The moveable carriers are convenient to insert and retrieve on the rack.

**Automated System** The arrival and departure status is maintained on a central server. The concierge has access to the central server. He just has to type out the guest's name into the computer which displays the status of the guest in many ways, including alphabetically, by room number, date of arrival, date of departure etc.



## Transport Services

Providing transport is an important service of the hotel. This service is sometimes under the control of the Concierge. The transport supervisor or Head Driver reports to the Concierge or Bell Captain. Under the head are a number of drivers performing various duties. Drivers are scheduled on each shift to fulfil the following duties:

- Drive **courtesy coaches** that pick-up guests from the airport and drop them to the airport. A courtesy coach is a free service. A traveller will find these courtesy coaches of practically all hotels in the city at the parking lot. The coaches do a cyclic drive to and from the hotel to cover all flights. A cosmopolitan city would have several flights during the day and night. The courtesy coaches, therefore, are quite busy to cover 24 hours of a day. The drivers are therefore rotated



through the three shifts of a day to complete this activity. While guests with confirmed reservations are automatically provided the courtesy coach privilege, passengers without reservations may also use the coach with the hope of getting a room at the hotel. Many hotels nowadays have direct telephone lines from the airport itself. Tourist conscious airports provide a section where the slides of hotels are displayed with route maps, room rates etc. Passengers may call the hotel from the airport itself and secure a confirmed reservation in which s/he will be instructed to catch the courtesy coach. Hotels may even display the coach schedule at the airport for the benefit of the guest.

- **Limousine service** is another service provided to VIPs. A limousine is a luxury car driven by a liveried driver who has languages skills, etiquettes and manners and conversational skills. He is expected to be very well-informed of the hotel and city features and facilities. A VIP asks for such a service at the time of making a reservation. Sometimes limousine services are charged to a guest.



- Hotels provide cars to their executives to complete **official duties**. The General Manager may want to attend an Hotel Association Meeting, the Financial Controller may want to visit the bank, or sales executives may want to make sales calls etc. A bank of hotel cars is maintained with or without drivers to meet these official travels.



- Many hotels provide **company cars** as perquisites to their senior executives for official travel. The upkeep of these cars is the responsibility of the transport section. The duties include car registration with the authorities, periodic servicing, petrol control, etc. They also respond to break-downs by linking with the local Automobile Association.
- **Staff transportation** is a very big responsibility of the transport section. Hotels provide a facility to pick and drop staff from home to ensure that they are on time before a shift. Many hotels have

exclusive staff accommodation especially when staff is not locally hired. Staff accommodation gives expatriate staff the benefit of accommodation, a perquisite to attract good talent. The staff buses go at convenient times to cover all shifts.

- **Valet Parking** is a service provided by finer hotels for their local guests. Parking especially when there are large functions and galas in the hotel can pose an inconvenience to guests. The transport section provides drivers for just this purpose. The hotel keeps dedicated parking slots for valet parking drivers. While this is a free service, normally the guests do tip the drivers for the service. Valet parking becomes critical to downtown hotels that have parking limitations. Valet parking attendants may have to park cars at a distance from the property. A valet parking attendant has a serially numbered tag with a counterfoil. He notes the car registration number on the tag and hands the counterfoil to the guest. The main tag is strung onto the car keys which are maintained at the valet parking desk in the porch. As soon as guest want to exit the hotel they hand over the counterfoil to a valet parking attendant to identify the car and bring it to the porch. Obviously, these valet parking attendants are special as they must be skilled to drive any model of car.



- **City Courtesy Service** is another free bus service by the hotel to take hotel guests to the city centre. This service is particularly critical to hotels in the suburbs, airports or remote resorts. They want to give the guests the comfort that they are accessible to the city centre even though the hotel is situated out of town. Hotels display city courtesy service schedules in the lobby for the convenience of guests. The driver will identify pick-up points in the city (often only one at the city centre) at the time schedules of such pick-ups. Guest will have to meet those deadlines to avail the benefit of this courtesy service.



- **City Tours** are another service provided by the transportation section. This may be outsourced by the hotel to transporters who are more qualified and certified for tourist trips or run this service themselves. Either way it is a charged service which includes the bus charges, tour guides and perhaps meals at pre-negotiated restaurants. The hotel may even provide packed lunch boxes to guests on city tours.
- **Ambulance Service** is a new feature provided by finer hotels. Such hotels have their private ambulance equipped to handle medical emergencies while on route to the nearest hospital. This is an integrated service of medical emergency which involves the telephone department, security, hospital, house doctor and the lobby staff. Hotels recognise that highly stressed executives can have medical emergencies at any age. Retirees are another great travelling public who invest their lifelong earnings on a once in a lifetime world tour. Being the older generation, they will need medical support wherever they travel.

## Summary

The Concierge is a relatively new position though an old concept. Hotels have defined and redefined the Concierge's role. In most hotels he seems to have replaced the information counter and the role of the Senior Bell Captain assuming responsibilities that go with that. His basic role worldwide is to be that person who facilitates guest needs by providing information about the city. For this he has to have excellent contacts with relevant agencies. He is a facilitator and friend who fixes things when required.

## Review Quiz

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### True or False

1. The Concierge is a member of the uniformed services.
2. The Concierge organises box-office tickets.
3. The Concierge is responsible for registering a guest.
4. The Concierge can be an important tool for guest loyalty systems.
5. Forwarding addresses may be found on the Registration Card of a past resident guest.
6. The Concierge oversees the function board in the Lobby.
7. A courtesy coach is used for sightseeing tours.
8. Valet parking attendants cannot accept tips.
9. The doorman controls traffic at the porch.
10. The concierge desk has a room rack.

### Fill in the Blanks

1. Hotels receive two types of mail – the guest mail and \_\_\_\_\_.
2. Information of registered mail received is filled in the \_\_\_\_\_.
3. Intimation of functions in the house is received through a \_\_\_\_\_.
4. Pick-up and drop from and to the airport for VIPs is done by a \_\_\_\_\_.
5. When receiving a message it is important to note the \_\_\_\_\_ and \_\_\_\_\_.
6. A device in the room that informs a guest about a message is called a \_\_\_\_\_.
7. Message Slips are filled in \_\_\_\_\_ copies.
8. The concierge informs the reception that mail has been received for an expected guest by marking "Mail" on the \_\_\_\_\_.
9. Employee mail is deposited at the \_\_\_\_\_.
10. Hotel official mail is deposited at the \_\_\_\_\_.

# CHAPTER 8

## Guest Relations Executive

### Introduction

The best way to describe the role of a guest relations executive (GRE), is to compare her to the hostess in a home. Whenever a guest arrives at home the hostess, who could be the mother, wife, daughter etc. welcomes the guest and makes him/her feel comfortable and pampers him/her with any service and need



expressed. The hotel is a “home away from home”. The Guest Relations Executive assumes that role in a hotel and extends that same attention to a guest. Since the General Manager is the captain of the ship, he would like to give personalised attention to all the guests. Since this is not practically possible, he delegates this role to the GRE. The GRE is that “one-stop shop” offering “comfort and convenience” services. The GRE is normally a lady, on the belief that a woman is best suited for this position as she is more sensitive to the needs and comforts of the guests. She gives that feeling of welcome and belonging that the guests desire in an estranged environment. Ideally, the GRE is expected to provide that personalised service to all guests, but as hotels become larger, this is practically not possible. So the GRE is reposed with the responsibility to give that personalised touch to VIPs and regular guests only, though she cannot deny assistance to any guest who seek help. Again, the GRE cannot perform all the tasks requested by guests and therefore, has to seek the help of other members of the hotel team to assist her.

### Organisation of GRE

The GRE reports to the Front Office Manager and holds an independent charge in the lobby. She coordinates closely with the Lobby Manager on matters of policy and the welcome of guests. Her desk is prominent in the lobby and up front for all guest contact. Smaller hotels may not have the luxury of employing a GRE and will multi-task her role with the lobby manager. Experience shows, however, that the GRE

serves a major role in encouraging loyal customers. The GRE operates in a shift that covers the peak hours when guests leave the hotel and return. Experience shows that guests leave in the morning (8 a.m. to 9 a.m.) for work or sightseeing. Many return for lunch (12.30 p.m. to 2 p.m.). Guests finally return in the evening at around 6 p.m. to 8 p.m. The GRE plans her presence to be available at these hours for maximum contact with the guest. The guest likes to see a familiar figure whenever s/he returns to the hotel. This is a source of comfort to them.

### Job Description of the Guest Relations Executive

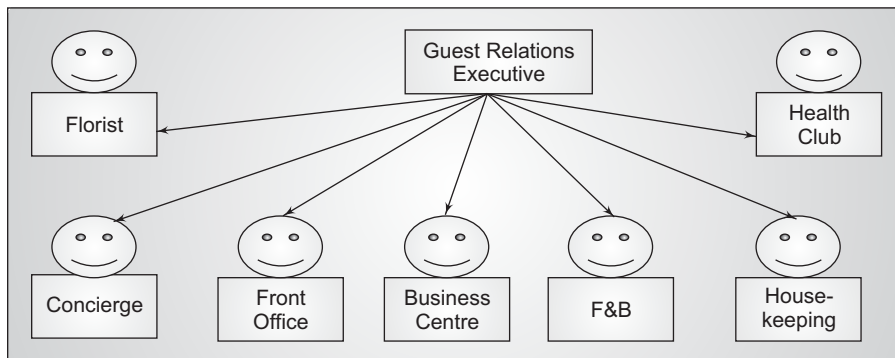
Job Title	Guest Relations Executive
<b>Reports to</b>	1. Front Office Manager 2. Accommodations Director
<b>Job Summary</b>	To provide personalised services in a cordial and courteous manner, to guests ensuring their comfort and linkage with various services, to their satisfaction.
<b>Duties and Responsibilities</b>	1. Note any special instructions left in the lobby managers log book. 2. Check the arrivals and departures of the day, especially the VIPs. 3. Welcome guests as per procedures set by management. 4. Offer assistance for any services required by guests. 5. Manage all guest complaints and take action appropriately. 6. Coordinate with group leaders and crews at the time of arrivals and departures. 7. Maintain guest history cards of regular guests and VIPS. 8. Assist the sales in familiarisation tours of the hotel. 9. Coordinate with concerned departments to resolve guest needs. 10. Assist the security in lobby surveillance.
<b>Supervises</b>	None
<b>Limits of Authority</b>	1. May have a dialogue with guests directly for proper coordination between the hotel and them. 2. May access any part of the hotel in the performance of her duties.
<b>Coordinates with</b>	1. <b>Front Office</b> – for latest arrivals and departures and changes in guest rooms allotment. 2. <b>Concierge</b> – for external services 3. <b>F&amp;B</b> – on matters of guest parties, food & beverage services, table reservations. 4. <b>Housekeeping desk</b> – for room clearances, room maintenance, laundry services, guest and room supplies. 5. <b>Health Club</b> – for booking of services. 6. <b>Business Centre</b> – for booking meeting rooms, secretarial services and office services. 7. <b>Florist</b> – for flower arrangements and bouquets. 8. <b>Bell Captain</b> – for baggage movement.

(Contd.)

Job Title	Guest Relations Executive
Minimum Educational Qualifications	Graduate
Experience	Minimum one month training in hotel systems, procedures and facilities.
Skills and Competencies	<ul style="list-style-type: none"> <li>• Thorough knowledge of front office systems and procedures.</li> <li>• Socially confident.</li> <li>• Proficiency in the English language. Knowledge of foreign languages is preferable.</li> <li>• Etiquettes and manners.</li> <li>• Personable and well-groomed.</li> <li>• Having flair and showmanship.</li> <li>• Tact and diplomacy.</li> <li>• Assertive in protecting the interests of the hotel.</li> </ul>

### Important Departments for GRE

The diagram below gives an idea of who she has to coordinate with to fulfill typical guest needs that come to her:



Let us examine how each department can assist the GRE in providing personalised service to the guest.

#### Concierge

- Confirmation of airline, bus and rail tickets
- Procurement of city tour tickets
- Providing tourist information and brochures
- Providing city maps
- Making table reservations at city restaurants
- Procurement of box-office tickets for cinemas, theatre and concerts.

- Getting personal transport to pull up at the porch
- Left luggage information and service
- Assistance in moving baggage to re-assigned rooms

### ***Front-Office***

- Room changes
- Up gradation of room
- Future reservations
- Safety deposit lockers
- Preparation of final bills before departure
- Wake-up call services

### ***Business Centre***

- Booking meeting rooms
- Arranging secretarial service
- Arranging photocopy and fax services
- Booking office space
- Escorting VIPs to the board room

### ***Food and Beverage***

- Making table reservations at in-house restaurants
- Arranging private parties
- Booking banquet space
- Planning menus for parties
- Bars for the supply of liquor for private entertainment
- Room Service for the removal of trays from the room

### ***Housekeeping***

- For maintenance requirements in guest rooms
- Clearance of guest rooms
- Extra beds, blankets and guest supplies
- Housekeeping second and third service
- Baby-sitting services
- Lost & Found services

### ***Health Club***

- Bookings for massage services
- Bookings for yoga, meditation and aerobic classes
- Bookings for outboard boats, wind-surfing, paragliding, snorkeling etc.



- Bookings for personal physical trainers
- Bookings for the gymnasium

### **Florist**

- Special flower arrangements for the room
- Special flower arrangements for private parties
- Bouquets and delivery services

The above list of needs is typical and does not cover the range of odd requests that guest may ask for.

## **General Duties and Responsibilities**

### **Starting the Day**

1. The GRE will first check the lobby log book for any instructions left for her during the night. Instructions would include special requests by guests or follow-up required for action already taken.
2. She will check with the front office for all VIPs or regular guests who may have checked in during the night.
3. She will check with front office for the expected arrivals and departures for the day, especially of VIPs, regular guests, groups and crews.
4. She will follow-up with concerned departments for any guest requests already initiated by the night staff.
5. Prepare welcome formalities if required.

### **Welcome Services**

1. She will meet each arrival at the time of registration and welcome him/her into the house and give her telephone extension number for any assistance required.
2. Each property has their own welcome procedure for VIPs. It can be simple welcome where she meets the guest as soon as s/he enters the lobby and greets them saying, "Welcome to the hotel Mr/Ms .... My name is .....I am the Guest Relations Executive extending any help to make your stay comfortable". She escorts the guest to the reception counter.

Hotels may provide a more sophisticated welcome, based on their national or local traditions. These could include garlands, religious ceremony of welcome (*aarti* in India), providing welcome drinks (in coconut shells in coastal resorts) or a religious chant (at pilgrim centres). The idea is to make an impact and identify as far as possible with the country traditions.

Groups may prove a bigger challenge. The GRE may have to arrange additional personnel from the reception or F&B to provide the formal welcome required. They may need to be herded to designated



areas in the lobby to avoid congestion in the lobby. Based on prior arrangements with the tour organiser she may be also required to provide welcome drinks. Welcome drinks are often non-alcoholic but some cold countries may offer alcoholic drinks.

### Pre-registration

1. As we have seen, the GRE will escort guests to the reception counter. At this point, she may even assist the guest in filling the registration form. She could well be the translator for guests to fill the forms.
2. Hotels provide pre-registration formalities to VIPs. She would arrange these documents be filled in advance requiring only the guest signature. When the VIP arrives she will escort him/her to her desk, seat them and ask them to only sign the registration form. Tired guests welcome this convenience. Another form of this is to escort the guest to his/her room and get him/her to sign the registration card in the room. The Windsor Manor in Bangalore, India initially had no reception counter. All guests had to come to a lounge where they were seated presented with a welcome drink and made to fill the registration card in the lounge itself.
3. Groups and Crews too require pre-registration to avoid congestion at the reception counter. Groups and crews are led to a designated spot in the lobby where the GRE will bring the rooming list, registration cards and room keys (pre-sealed in envelopes). She will coordinate with the group leader or Airline Captain to get registration cards signed and group members assigned their room keys.
4. Another aspect of registration is when sponsors of training programs, seminars, conferences and conventions request the GRE to act the registration desk for delegates. The GRE can accept this role provided the number of delegates is few and manageable (about 20 maximum). Larger numbers will need independent well coordinated registration desks. Sponsors often ask the hotel to man the registration desk for training programmes. Hotels will allot staff off duty to this task to earn more money. The GRE is an ideal candidate.



### Press Coverage

1. Often prominent hotels get celebrities from all over the world to stay with them. Celebrities could include heads of states, sports teams, rock stars, danseuse, divas, film actors etc. naturally the hotel would like to get full mileage of their visit. The GRE would contact the marketing department of the hotel to organise the media to cover their visit to the hotel and perhaps have a press interview. The GRE would be actively involved in looking after the press crew prior to the arrival of the celebrity and during their stay. Arrangements would include providing halls for interviews, power points for cameras and arc lamps; welcome drinks for the press crew; distribution of press kits etc.



2. Sometimes the managers of celebrities organise formal press conferences in the hotel banquet halls. The GRE works closely with the marketing team to cover arrangements as explained above for the press. The GRE will also alert the security to manage fans and undesirable elements.

### **Familiarisation Tours**



Familiarisation tours are tours around the hotel premises to those visitors who are evaluating the use of the hotel for a future purpose. These visitors can be tour organisers, travel agents, convention and conference organisers, event managers, trainers etc. The GRE is given the task of such familiarisation tours. She shows the visitors different types of guest rooms, restaurants, bars, function rooms, health club and swimming pool, recreation areas and any other area of the hotel that is relevant to the visitor's purpose. For example, a trainer looking for a site for a future training program would be interested in the function rooms, break-out areas, tea foyers, audio-visual equipment, venue for meals, rooms for

delegates and registration desk. The GRE would have to be informed about the needs of different market segments to focus on their specific needs.

Familiarisation (FAM) tours are of two types:

1. The casual guest who drops into the hotel to evaluate the property for future use. Such guests would contact the reception for a FAM tour. They direct the GRE to fulfill this requirement. The GRE will show them guest rooms, food and beverage outlets, banquet halls and entertainment facilities. The GRE would note such enquiries and give the sales department the lead for further development.
2. The sales department may request the GRE to assist them in FAM tours of larger groups like travel writers, travel agents, airline administrations etc. who could be the source of future business. Such groups are important to hotel business and therefore, "wined and dined". The GRE becomes an integral part of such FAM tours.

### **Inspections**

Inspections by local authorities ensure that the hotel provides the legal services and facilities to the public. Such inspections are many throughout the year and become very important to the existence and reputation of the hotel. While certain departments of the hotel lead such inspection tours on behalf of the hotel, they rely on the GRE to provide the necessary internal PR and entertainment to foster good will. Some inspection teams are:

1. **The Classification Committee.** They are a team of representatives of the department of tourism, entrusted to ensure that hotels meet and continue to provide the facilities and services to the standard required by their star rating. The star rating of a hotel is dependent on the report submitted by this committee.
2. **The Fire Safety Committee.** They are a team from the local fire department who certifies whether the hotel is maintaining the standards of fire safety required.

3. **The Health Committee.** This is an important committee especially to any property providing food and beverage services, including food production. They will evaluate the standards of hygiene and sanitation especially in food areas. There are certain norms for food preparation and consumption that have to be followed to protect the public. Some hotels are closed due to poor conditions and lose their image.
4. **The Municipal Authority.** They are responsible to ensure that hotels follow building laws. They will inspect gas supply facilities, kitchen exhaust facilities, drainage systems, power supply, traffic flows, etc.

While these are a few of the essential committees that influence the working of the hotel there are many other smaller bodies that come for inspections from time to time that requires the attention of the GRE.



### Complaint Handling

Complaints are breakdown in the systems and procedures of the hotel and therefore, unfortunate. In spite of the best intentions of managements, complaints do happen as a way of life in hotels. The GRE being in the front line is the main person to receive them. She has to be tactful and cool to meet the needs of them. Here are some tips in managing complaints:

- **Listen** carefully to the complaint. It is important for the GRE to divorce herself from the emotions expressed and understand the nature of the problem thoroughly.
- **Give directions** if it seems a problem that can be handled by the guest. For example, the guest may complain about the television not working. It could be simple thing that the main electrical socket is switched off or the cord to the television is not connected. These directions must be done politely but clearly.
- **Apologise** to the guest. An apology is the least that a guest expects from the management and reduces his/her hostility.
- Tell the guest the exact **action** that will be taken. For example, the GRE can say, "I will inform the maintenance immediately, who will be in touch with you shortly". Guests like action not discussions on the issue.
- **Follow-up** with the servicing department and the guest if action has been taken. Even if action is not taken, guests like to know that someone is following up on the matter.



Many guests lodge their complaints in the morning when leaving for the day on work or pleasure. The GRE must try to ensure that such complaints are attended to by lunch. This is a reasonable time frame. Even with the knowledge that the complaint has been attended to, it necessary to inform the guest on his/her return about the action. This is personalisation.

### ***Guest History System***

An important activity of a GRE is to develop and maintain a guest history system. Earlier this was done by filo-flex cards, but computers have made this task much easier. The guest history system tracks the guest movements, preferences and habits with the objective of providing better personalised services. Registration cards do provide useful information, but they are limited in scope. Let us see what kind of information is found in a guest history system:

- Name and address of guests.
- Arrival and departure dates.
- Frequency of visits
- Length of stay in each visit.
- Source of bookings (travel agent, airline, secretary, etc.)
- Choice of rooms (location, smoking/non-smoking, colour, etc.)
- Room rate.
- Additional room facilities requested (extra-bed, extra blankets, baby sitting services, etc.)
- Complaints lodged by the guest and resultant actions.
- Room Service usage.
- Food and beverage ordered from room service.
- In-house restaurants visited.
- Type of food and beverage ordered.
- Transportation pattern (rent-a-car, hotel limousine, own company care, etc)
- Use of Business Centre and facilities availed.
- Use of the Health Club and facilities availed.
- Complaints lodged against the guest by hotel staff and other guests (noise in the room, sexual harassment, etc).
- Special tendencies: early riser, vegetarian, allergic, diet conscious, health problems, etc.

While these are just indicative, there is no limit to the information that can be stored with modern technology. Each GRE will maintain such information as per hotel policy and her particular approach towards personalization.

The purpose of guest history, as mentioned earlier, is to assist in personalisation to a degree that the guest feels at home and not intruded upon. For example, if Mr. John Doe were to check in and told by the receptionist, “Would you prefer the room facing the swimming pool as preferred the last time you were with us sir?” he would be amazed with such recognition. Guest history systems are now networked with room service, reception, telephones, concierge and housekeeping to provide a coordinated response of personalization. So if John Doe went to his room and found that extra blanket and ordered coffee and told by the order-taker whether he liked it black without sugar like the last time, he will be impressed and talk about this level of service to others.

The GRE is the driver of the guest history system and held responsible for its execution and content.

## GRE Log Book

The GRE maintains her own log book to be able to follow-up on matters each day and the following. She will mention the arrival of VIPs, groups and crews, day-by-day. She will also log the complaints of guests with their room numbers. She can enter these incidents in the guest history system too. She will also note the tasks given by the guests and whom she forwarded the task to for follow-up and completion. The GRE works on information that stimulates her activities for the day. She also notes down special requests like airline confirmation, box office tickets, city sightseeing tour booking, etc.

## Summary

All hotels would greatly benefit from the presence of a GRE. She is the barometer of guest needs and problems. She reports directly to the front office manager to appraise him or her of the important aspect of guest comfort.

## Review Quiz

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### True or False

1. The first task of a GRE is to check the lobby managers log book.
2. The GRE is the driver of the guest history system.
3. Any potential guest can be provided with a FAM tour.
4. A GRE is not involved in registration formalities.
5. A guest history keeps tab of past guests who are vegetarians.
6. Welcome of groups is provided by the receptionists.
7. Complaint handling is the duty of the lobby manager only.
8. One of the attributes of the GRE is social confidence.
9. A GRE is involved in press conferences.
10. A GRE alerts the management about any celebrities in the house.

### Write short notes on the following:

1. The five steps in handling complaints.
2. Welcome procedure.
3. Role of a GRE in FAM tours.
4. GRE's role in press conferences.



# CHAPTER 9

## Telecommunications

### Introduction



Every hotel, regardless of its size and situation, has a telephone board/exchange. The larger the property, the greater will be the need for more incoming and outgoing lines and internal extensions that necessitate a telephone switchboard. A small hotel may have a switchboard placed at the reception counter making the receptionist the switchboard operator in addition to her duties of registering guests and assigning rooms to them. A larger hotel will have a dedicated room to house the telephone switchboard with operators who attend to it. The room adjoins the reception area as both have to coordinate with each other for better service. The telephone exchange has a controlled temperature environment to meet technical maintenance specifications.

Very often the first and sometimes the only contact a guest may have with a hotel is through the telephone operator. The speed and manner with which the call is attended to, can leave a lasting impression—either good or bad. It is of paramount importance for all telephone operators to promptly attend to calls with a clear, friendly voice, the tone of which conveys courtesy, patience and cheerfulness.

The number of rooms determines the size of the switchboard and the number of operators required to man it. The telephone department has to be manned twenty four hours a day which requires three shifts. Additional operators are employed during peak times to cover the traffic. The peak hours coincide with the time when guests are in the house, normally mornings and evenings. Daytime hours are occupied by the hotel telephone traffic as all departments are usually open.

The telecommunications industry has made vast strides in its development with new innovations which are coming every six months. Satellite connections have made cumbersome telephone exchanges redundant. Today's electronic exchange can be operated from a desk top requiring minimal space. A telephone operator can service several hundred rooms because of many automatic features in guest room extensions that do not require operator contact. The boom of mobile phones makes it convenient for travellers to get in touch with any place





in the world. Global roaming systems allow the mobile user to cut across borders. They are able to retain their telephone directories in their SIM cards. This means that guests may reduce their use of the telephone exchange except for local calls. Many countries may not even charge for local calls.

There are many types of calls a guest may place during a hotel stay:

- Local calls
- Domestic long distance calls
- International calls
- Calling card calls
- Credit card calls
- Collect calls
- Conference calls
- Person-to person call
- Toll free calls

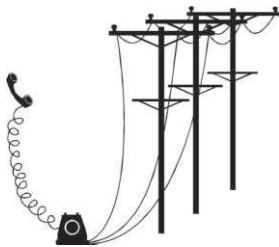
The hotel is obliged to charge for these services and thereby earn a subsidiary revenue for the establishment.



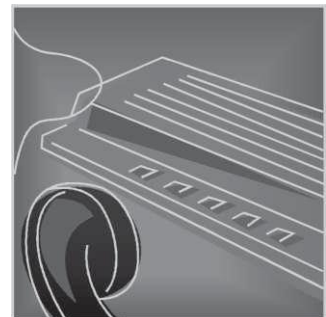
## Type of Exchanges

Before we go further in this chapter, it is important to know the difference between different exchanges. The exchange has had rapid evolution from the simple PBX, PABX to the EPABX.

**PBX** – stands for Private Branch Exchange. The PBX is an old system based on telephone lines that requires operators to man them as all incoming and outgoing calls are routed through the operator. They come in many sizes for example, 3+9, 5+20, 10+50 etc. The first digit/s stands for the number of incoming lines and the second digit stands for the number of extensions. Most extensions would be dedicated to the guest rooms and the remaining to senior management offices and emergency services. This kind of exchange can be increased in capacity in a modular way. This exchange is probably outdated now. It may be found in countries that do not have satellite access.



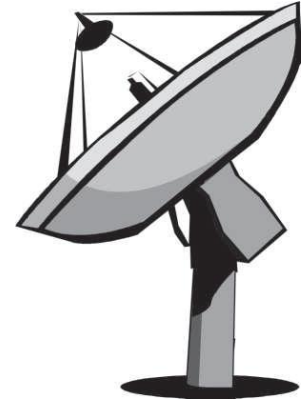
**PABX** – stands for Private Automatic Branch Exchange. The PABX was a major evolution from the PBX where guests could make calls directly from the room either locally or long distance domestically. Only international calls had to be routed through the telephone operator. The exchange worked on the basis of independent metres for each extension. These metres were situated behind the front office cashier's cabin. All s/he had to do is note the opening reading of metre for that room number and the closing reading to determine the number of units used by the guest. S/he would multiply the units with the hotel charge per unit to arrive at the total telephone charge for the room. This s/he



would post on the guest folio. With the tremendous surge in telecommunication development this type of exchange has been retired except in developing states.

**EPABX** – stands for Electronic Private Automatic Branch Exchange. This type of exchange acts as virtual telephone operators and responds to all the needs of a guest. The EPABX is based on satellite connections. The EPABX can fulfill the following functions:

- Direct dialing local calls
- Direct dialing domestic long distance calls
- Direct dialing of International calls
- Direct dial internal extensions
- Call waiting facility
- Speed dialing
- Hold buttons
- Hands free speakers
- Voice messaging service
- Message waiting alert
- Do-not-disturb service
- Conference calling
- Calling land-line to land-line
- Calling land-line to mobile phones
- Caller identification
- Call block service
- Personalised ring tone bank
- Charge monitoring facility
- Wake-up call facility



**Automated System** This is made possible because of satellite telecommunications provided by both government and private telephone companies. Most countries realise the value of satellite communications in a global economy. Developed nations have their own satellites while others may rent space on satellites. For the hotel, all charges are electronically fed into the front office automated systems which charge the guest folio directly through a call accounting system. CAS is software that interfaces with the hotel management system. This eliminates earlier tedious billing procedures. An Exchange Comparative Chart (Fig. 9.1) gives a bird's eye view of the differences in the three systems:

QUALITIES	PBX	APABX	EPABX
EXTENSIONS	Limited	Large number	Limitless extensions
BILLING PROCESS	By the operator	By the front office cashier	Automatically into the guest folio
SERVICE CONNECTIONS	Only one phone to essential offices & services	Parallel lines ring simultaneously within an office	Individual numbers to all service extensions
INTERNAL CONNECTIONS	Routed through the operator	Direct dial	Direct dial
EXTERNAL CONNECTIONS	Routed through the operator	Direct dial	Direct dial
TRAFFIC LOAD ON OPERATOR	Very high	Medium	Little
TYPE OF EXCHANGE	Jacks & sockets	Jacks & sockets	Keyboard
TYPE OF TELEPHONE	Dial	Dial or key	Key
INSTRUMENT			
NUMBER OF OPERATORS	One per panel/shift	One per panel/shift	One/shift
WAKE-UP CALL	By operator	By Operator	By automatic software
MAINTENANCE	By operator	By qualified technician	By telephone company

Fig. 9.1 Exchange Comparative Chart

## Other Communication Equipment

The telephone department also maintains other forms of telecommunications. This is required by both the hotel staff and guests. Some of these are:

**Two-way Walkie-Talkies** This form of communication is most used by the security personnel to communicate with each other when on their rounds to all parts of the property. These become especially valuable when there are big functions and galas in the hotel that requires better coordination. Challenges come up in traffic control at the porch and parking lots; escorting celebrities and VIPs; gate-keeping at the halls; and other security points.



**Pagers** These though archaic in technology are useful to hotel staff that could be spread throughout the property on duty. Hotel employees that need constant paging are the security personnel, engineers, room service waiters, drivers etc. The pager beeps them and they are required to get to the nearest house phone and call the telephone department for instructions and messages.

**Mobile Phones** These are purchased and maintained by the telephone department for senior executives and VIP guests as a value-added facility. Senior executives on the move are given this as a perquisite by the hotel to keep in touch. Drivers are sometimes given mobiles to alert the doorman and bell desk staff when they are nearing the hotel with a bus load of guests from the airport. Similarly, the transport supervisor can keep in touch of the movement of drivers when they are on hotel duties.

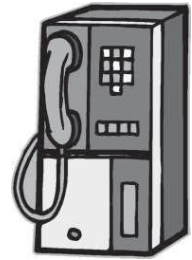




**Telephone Instruments** They are procured and installed by the telephone department with the help of the telephone company. The department is required to attend to any problems and complaints of telephone instruments in guest rooms and offices.

**Pay Phones** They are used by budget hotels and some motels that strip guest facilities in rooms to keep prices

down. They may install pay phones in the lobby for guests to use. These are maintained by the local phone company which receives the revenue found in the phone box. Some hotels may have an arrangement with the phone company for long distance calls which are connected and monitored by the hotel. The hotel may charge a commission for such service to the phone company.

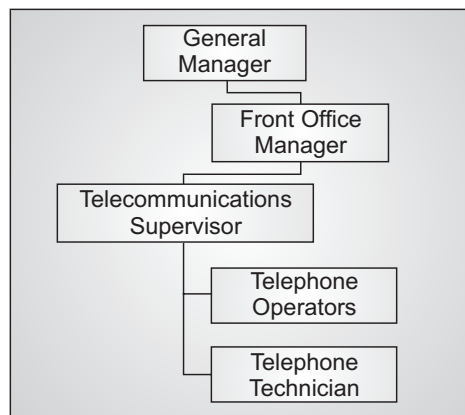


**Fax and Internet** Modern hotels provide dual lines in guest rooms – one for the telephone instrument and the other for laptop and fax interfaces. Rooms have access to the internet for guests to send and receive written communication. Some hotels may have wireless technology in their advancement towards high-tech rooms. Hotels will naturally have to work with the Internet service providers on a contract basis. To facilitate several internet users at the same time service providers will need to link up with broadband satellite services.



## Organisation of the Telecommunications Department

The organisation chart of the telecommunications department is given below:



**Organisation Chart of the Telecommunications Department**

## Job Descriptions of the Telecommunications Department

### Job Description of the Telecommunications Supervisor

Job Title	Telecommunications Supervisor
Reports to	<ol style="list-style-type: none"> <li>1. Front Office Manager</li> <li>2. Accommodations Manager</li> </ol>
Job Summary	To organise, supervise and control all telecommunications operations; provide telecommunication services to guest and management satisfaction; and maintain equipment so that they are operational at all times.
Duties and Responsibilities	<ol style="list-style-type: none"> <li>1. Schedule staff to cover work requirements on all shifts. Take attendance and ensure they are punctual.</li> <li>2. Train staff to maximum departmental efficiency.</li> <li>3. Brief staff on a daily basis to promote a two-way communications.</li> <li>4. Debit telephone charges of guests and management correctly and such debits to the cashier promptly.</li> <li>5. Check all telephone equipment periodically.</li> <li>6. Ensure that the telephone operators exhibit the best telephone etiquettes and manners.</li> <li>7. Liaise with local government telecommunications authorities and ensure the necessary licenses, fees, bills and reports are discharged promptly.</li> <li>8. Be aware of VIPs in the house and ensure that the operators provide the necessary services as per policy.</li> <li>9. Ensure that all telecommunications staff are fully conversant with fire procedures and conduct drills along with the security.</li> <li>10. Maintain an up to date list of emergency telephone numbers are maintained at all times.</li> <li>11. Coordinate with the Front Office for the latest arrivals and departures of guests.</li> <li>12. Supervise the wake-up call procedures and ensure that they are carried out promptly.</li> <li>13. Represent the department at coordination meetings.</li> <li>14. Ensure that the privacy of guests and management in telephone traffic is maintained at all times.</li> <li>15. Appraise the operator performance and recommend rewards and recognition where applicable.</li> <li>16. Attend to guest complaints and ensure that they are acted upon promptly.</li> </ol>
Supervises	Telephone Operators
Limits of Authority	<ol style="list-style-type: none"> <li>1. Can make telephone charges to guests for services.</li> <li>2. Can deal with the government telecommunications authority directly.</li> </ol>

(Contd.)

	<ol style="list-style-type: none"> <li>3. Can deal with telecommunication maintenance contractors directly.</li> <li>4. Represents the department at coordination meetings.</li> <li>5. Appraises telephone operator performance and recommends rewards and recognition.</li> <li>6. May discipline staff and recommend disciplinary action.</li> </ol>
<b>Coordinates with</b>	<ol style="list-style-type: none"> <li>1. <b>All departments</b> on telecommunication matters.</li> <li>2. <b>Government telecommunication authority</b> – on matters of licensing, fees, bill settlement and maintenance.</li> <li>3. <b>Telecommunication Maintenance Contractors</b> – to troubleshoot equipment and cabling problems and preventive maintenance.</li> <li>4. <b>Finance and Accounting</b> – for the settlement of fees and telecommunication bills with the government authority.</li> </ol>
<b>Minimum Educational Qualifications</b>	Graduate with a Certificate in telephone operations.
<b>Experience</b>	Three years as a telephone operator.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Fluency in the English language with a clear diction.</li> <li>• Ability to take pressure.</li> <li>• Telephone etiquettes and manners.</li> <li>• Capable of good listening.</li> </ul>

### Job Description of Telephone Operator

<b>Job Title</b>	<b>Telephone Operator</b>
<b>Reports to</b>	<ol style="list-style-type: none"> <li>1. Telephone Supervisor</li> <li>2. Front Office Manager</li> </ol>
<b>Job Summary</b>	To provide prompt, efficient and courteous telephone services to guests and the hotel employees as per standards set by management.
<b>Duties and Responsibilities</b>	<ol style="list-style-type: none"> <li>1. Organise the wake-call service and provide a timely service to guests.</li> <li>2. Be familiar with all operational procedures within the department.</li> <li>3. Maintain the telephone equipment and ensure its proper usage.</li> <li>4. Update and maintain the guest information rack (in the manual system) so as to be knowledgeable of guests in rooms.</li> <li>5. Maintain the information board of the room numbers and names of VIPs, groups and airline crews in the house.</li> <li>6. Be responsible for the accurate accounting of telephone charges of guests and employees.</li> <li>7. Exhibit proper telephone manners.</li> <li>8. Offer prompt and accurate connections to guests and employees (in the old exchange systems).</li> </ol>

(Contd.)

	9. Take over shift log book and note the special instructions for the shift. Record special instructions for the next shift as appropriate. 10. Maintain caller privacy at all times.
<b>Supervises</b>	None except when made team leader, supervisors the operators.
<b>Limits of Authority</b>	May charge guests and employees appropriate telephone debits.
<b>Coordinates with</b>	1. <b>All departments</b> for telephone connections but the following on a special basis: 2. <b>Reception</b> – for updating the telephone guest rack on guest arrivals and departures. 3. <b>Housekeeping</b> – for testing telephone equipment in guest rooms by chambermaids. Also to convey guest room complaints to the housekeeping desk. 4. <b>Front Office Cashier</b> – for telephone charges to guest folios.
<b>Minimum Educational Qualifications</b>	High School with certificate of telephone operation.
<b>Experience</b>	Six months training.
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Proficiency in the English language. Another foreign language is preferable.</li> <li>• Clear diction and voice tone.</li> <li>• Accuracy</li> <li>• Speed in operation</li> <li>• Telephone etiquettes and manners.</li> <li>• Telephone courtesy.</li> <li>• Ability to work under stress.</li> <li>• Ability to sit at the telephone board for long hours.</li> <li>• Ability to maintain confidentiality.</li> <li>• Teamwork</li> <li>• Grooming and hygiene</li> </ul>

## Skills and Competencies of the Telephone Operator

### Skills

**Accuracy** Accuracy of information is important for a telephone operator. We know by now that the telephone department is sometimes the only point of contact with the hotel. People expect accurate information of the hotel facilities. The operator has to be well-informed in giving correct information. There is also the aspect of connecting with the right extension of either the guest or hotel staff. While modern telecommunication equipment provide direct access to extensions, the hotel may still maintain the policy of routing incoming calls to hotel guests through the telephone operator for the purpose of privacy. Errors are usually caused by carelessness, misunderstanding or inattentiveness. They result in failure to



give the services demanded and the consequent guest dissatisfaction. Accuracy is required when connecting extensions, responding to guest queries and recording appropriate charges for services rendered.

**Speed** Speed in service is important but not sacrificed for accuracy. An inaccurate connection, no matter how quickly it is made, is not what the guest wants. Speed is a skilled performance for each operation with the least possible expenditure of energy. Maintaining consistency when doing things with speed is a challenge but certainly endorses the standards of the property.

**Clarity of Speech** The telephone is an instrument where people do not see each other. The whole communication is done with the strength of speech. If the speech is not clear several distortions of understanding can take place. Clarity is lost when operators speak fast to bring about expediency. This is not desirable. The operator must always repeat the message of the guest to get the instructions right. (See Chapter 15, “*Interpersonal Communication*”).

## Competencies

**Punctuality** It is extremely important that an operator reports for duty at least five minutes before her shift. This will enable her to go through the handing over/taking over procedure from the previous or next shift operator. Reporting late for duty upsets the entire work schedule and puts the whole staff into inconvenience, especially the operator who has completed a shift and wishes to go home. It must be understood that the telephone exchange has to be manned twenty-four hours of the day as it is the main conduit of communication from and to the hotel.



**Grooming** Many exchanges are located at the reception counter. The operator has to be well-groomed befitting the standards of the hotel as the job definitely involves a lot of guest contact. Smaller hotels may give the operation of the telephone exchange to the receptionist in addition to her normal duties. Even if the receptionist is cloistered in an independent room; she must be well-groomed with pressed and clean uniform. Hotels are encouraging multiple skills and may require the operator to come out and assist the reception during peak hours or vice versa.

**Oral Hygiene** Operators are required to maintain high standards of oral hygiene as they are handling earphones used by other operators as well.

**Teamwork** Teamwork is the only way a hotel works. Telephone operators must help each other as also the reception and concierge with whom they coordinate closely and the rest of the hotel to pass information and connections, with a sense of responsibility. Promptness is very crucial in telephone operation. A telephone line should not ring beyond three rings. Any time beyond gives the impression of an inefficient operation. An operator should not hesitate to attend to the phone of her colleague if she is busy. She would do the same. The relief of operators is another aspect that needs team work. Operators must be on time to relieve the previous shift. It is preferred that the relief operators overlap the shift to make the flow of services flow. Operators are provided coffee breaks in the morning and afternoon to refresh themselves. Operators should not leave their positions at any time without obtaining the permission of the supervisor. All outstanding work must be completed so that the relieving operator can immediately slip into the role. Operators on breaks must strictly maintain the time boundaries and return to their work

stations. Guests should not know that a shift-change has taken place or a relief operator has taken over. Any break in service because of this cannot be an excuse in an operation. Teamwork also involves giving respect to the supervisor and other operators. This extends to guests and other hotel employees.

**Secrecy** The operator should be aware that the rules and regulations make it an offence, which is punishable, to violate the secrecy of telephone conversations. Operators are forbidden to listen into conversations or to interrupt them unless there is an emergency. They should not allow others to listen into conversation. It is for this reason that the telephone exchange is kept a restricted area for telecommunications personnel only. Operators are also required to keep the room numbers of guests confidential and will follow the necessary procedures (discussed later) to maintain secrecy.

**Memory** Developing a good memory is an important competency of an operator. Not only has she to remember the numbers of various extensions in the house but also important numbers in the city. It is nice if a telephone operator can remember the guest names as it gives recognition and a personal touch.

**Cheerfulness** It is important that an operator is cheerful while speaking because it carries through in her tone of voice to the caller. Operators are trained to smile when speaking on the phone because it helps in exuding cheeriness.

**Telephone Etiquettes** A telephone operator would have been trained when she qualified as a telephone operator to show telephone etiquettes. These include addressing guests as “Sir” or “Ms”; not listening into conversations; not interrupting conversations; informing a guest waiting for a connection the status of a call; calling back guests if promised to them; etc.

## General Duties of a Telephone Operator

This section covers all the general duties of a telephone operator in a hotel. These include:

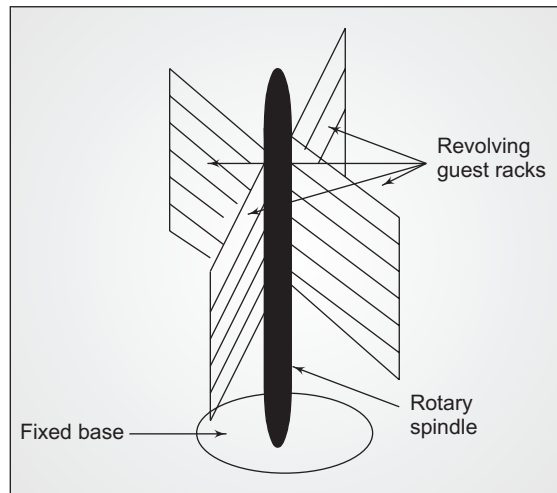
**Log Book** The telephone department maintains a log book (Fig. 9.2), which is an important source of communication between shifts. Operators of a shift note those important information and instructions for the next shift operator. Such communications include a change in duty roster; VIPs in the house; wake-up call instructions; change in telephone rates; new policies and procedures set by management; groups and crews staying in the hotel; etc. An operator reads this log book first before assuming duty at the exchange.

SHIFT: FROM ..... AM/PM TO ..... AM/PM

DATE	TIME	INFORMATION/ INSTRUCTION	LEFT BY (SIG.)	READ BY	ACTION TAKEN	DATE & TIME	SIGNATURE

Fig. 9.2 Log Book





**Fig. 9.4 Telephone Guest Rack**

**Automated Systems** Information of arrivals and departures are fed into a central server that maintains room and guest lists just as they are done in racks. The operator has to call up the list on her computer screen and get the latest position of room status. This eliminates the need to tally the list in every shift as was done in the manual system. Should there be a doubt in the list, the operator can call up the guest arrival registration card by typing the guest's name into the computer.

**Wake-up Calls** Wake-up calls are a special service offered by most hotels to their guests. Guests wish to be given alarm calls to wake up. These requests are recorded on a Guest Wake-up Call Sheet (Fig. 9.5). The guest's name, room number and time of wake-up call are double checked by repeating the instruction before recording it. Wake-up calls can be extremely critical for guests who have to catch early morning flights. Some guests are sound sleepers and can even sleep through a wake-up call when repeated calls are made to ensure the guest has woken up. Some guests take sleeping pills or are intoxicated after a late night celebration. They may have to be physically awoken by breaking into their rooms if need be. Wake-up calls are absolutely critical for airline crews who have to be woken up at odd hours to operate their flights. The same goes for groups who have to catch the same flight and will need adequate notice to get ready to assemble in the lobby.

The procedure for wake-up calls is as follows:

- Step 1** When the guest calls for the wake-up call allow him to give the details.
- Step 2** Fill the Wake-up Call Sheet, column by column and repeating the instruction. The main information would be the guest's name, room number, date and time. One will notice that the wake-up call sheet has time zones to help the operator to control calls within those zones. It must be remembered that the actual wake-up call may be done by another operator. So the information must be precise and clear.
- Step 3** Repeat the entire information back to the guest once again to be sure.
- Step 4** At the allotted time zone, call the guest by saying, "Good morning Mr./Ms..... this is your six o'clock wake-up call". There could be a few different responses: 1) The guest may not pick-up

the phone 2) The guest will pick but will not answer 3) The guest will pick and give a sleepy grunt 4) The guest will thank the operator for the call. 5) The guest will ask to be given a wake-up call at another time. Each has a different follow-up.

- Step 5** Always call guests after five minutes saying, “Mr/Ms .... This is your second wake-up call. Have a nice day”.
- Step 6** For the guest who does not respond to the wake-up call, contact the lobby manager immediately who will either instruct a bell boy or go himself to wake the guest by entering the room with the master key. A guest not responding to a wake-up call could also be in a state of medical emergency and therefore, such a category of call has to be taken seriously.
- Step 7** For a guest asking for another time from the one s/he gave in the first instance, repeat the new time and enter the information in the appropriate time zone of the Wake-up Call Sheet. Cross out the old time on the sheet.
- Step 8** An operator can use his discretion and call the guest a third time if the guest picks the phone and gives no answer or a sleepy grunt. The operator would like to get a verbal response from the guest.
- Step 9** After giving the second wake-up call strike the guest off the list on the Wake-up Call Sheet to confirm that the procedure has been followed.

**DATE:** ..... **COMMENCING:** 12 MIDNIGHT/ 12 NOON **SHIFT:** FROM ..... TO .....

Guest Name	Room No.	1200	1215	1230	1245	1300	1315	1330	1345	1400	1415	1430	1445	1500	1515	1530
Guest Name	Room No.	1600	1615	1630	1645	1700	1715	1730	1745	1800	1815	1830	1845	1900	1915	1930

**Fig. 9.5 Wake-up Call Sheet**

This is a representative wake-up call sheet and actually completes a full 12 hour cycle starting either at midnight or noon. For the sake of convenience, time zones are shaded to assist the operator, however this is optional.

**Automated Systems** Modern hotels have got sophisticated software which automatically does this function. In a wake-up call machine, the operator keys in the guest's name, room number and the time at which the wake-up call has been requested. The machine will automatically call the room extension at the given hour and a recorded voice will inform the guest of the wake-up call. The machine calls after five minutes to make the second call with the appropriate message. Though impersonal, this device is very effective. Guests now do not have to go through the operator at all. They can key in their wake-up calls directly into the machine through their telephone instruments, using the appropriate codes. This is convenient for guests who like to control their stay as far as possible.

**Fire Emergencies** The telephone operator plays a very important role in the case of a fire emergency. Fire alarms and detecting systems from all over the hotel culminate at the telephone department. The virtue of this is that the telephone department is manned all twenty four hours a day. Better hotels have display panels which will identify the origin of the fire. The operator immediately notifies the following:

- **The Chief Security Officer** – he is also the chief fire officer of the hotel. He will organise the evacuation of the hotel guests and employees.
- **Chief Engineer** – who activates all the fire hydrants and fire extinguishing systems. Most important is that he must ensure that there is water in the fire tank.
- **The City Fire Brigade** – to send fire engines for bigger fires.
- **The General Manager** – who gives the necessary decisions required by the fire crew.
- **The Lobby Manager** – to start evacuation procedures if necessary.
- **Guests in their rooms** - to warn them of a fire in the vicinity so that they may use the fire escape. Also to reassure them that help is on their way.

The telephone operator has to be stationed at her post and is perhaps, the last person to evacuate as she is the centre of all communication during a fire. Her coolness and courage is required as it is these qualities that can save human lives and valuable property.

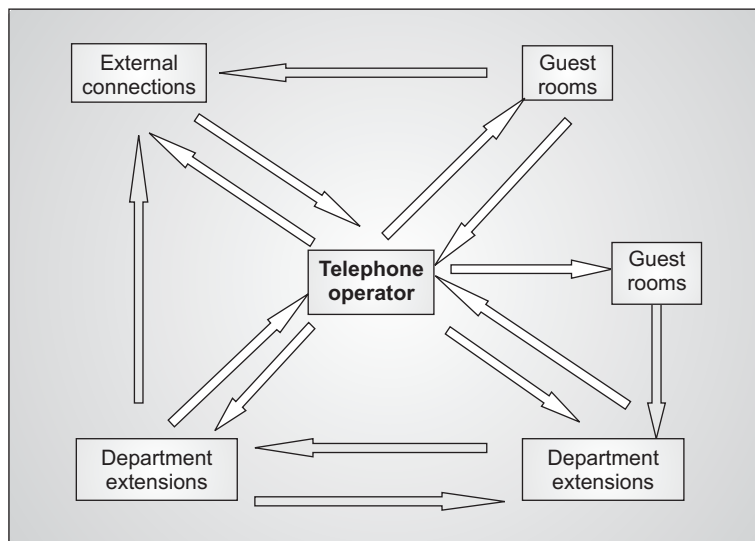
As an after procedure she fills a Fire Log Book (Fig. 9.6) which gives the details of the fire for future precautions.

DATE OF FIRE	TIME OF FIRE	LOCATION OF FIRE	CAUSE OF FIRE	TIME TAKEN TO SORT FIRE	PROBLEMS FACED	SIGNATURE

**Fig. 9.6 Fire Log Book**

**Automated Systems** Integrated technologies have brought fire display panels into the telephone department, location by location, with fire exit routing and fire doors that can cordon off sections of the hotel. In the event of a fire, the panel will give the exact location of the fire by strategically located fire detectors. The fire alarm automatically sounds with flashing lights at the source of the fire. The operator is able to give the fire officer the exact directions to the fire reducing time. She also has the opportunity to close fire doors automatically when the fire officer informs that the evacuation of guest and hotel guests has taken place. Rooms have public address systems to announce a fire that saves time to call rooms individually. The fire response system is greatly reduced for safety.

**Telephone Communications** The primary responsibility of the telephone operator is to facilitate communication. The diagram below shows the communication flow from an operator:



One will observe in the diagram that the telephone operator connects with three principal sources:

1. **Guest rooms**
2. **Department extensions**
3. **External connections**

It will be noticed that communications between guest rooms is not permissible. This is to maintain the privacy of guests. This means that all connections to a guest room from another is routed through the telephone operator irrespective of the type of exchange employed by the hotel. Guests may, however, call directly to department extensions or external numbers in the EPABX system denoted by shaded arrows. Similarly, in this system departments may communicate with each other thereby relieving the operator from a lot of connection duties. In the out dated PBX system, all connections were made by the telephone operator.

Receiving calls from external numbers must be answered, *“Good Morning (or the appropriate time of the day), Hotel XYZ, how may I help you?”*

Calls from internal extensions are answered, *“Good morning (or the appropriate time of the day), operator speaking, how may I help you?”*



When taking instructions for connections the telephone operator has to be very clear and succinct in communication. She will repeat most communication to confirm the message. Misunderstandings can arise with numbers and alphabets, especially when repeating room numbers and guest names. The following practice is employed by operators worldwide for clarity:

### **Numbers**

- 0 to be pronounced as OH with a long O
- 1 to be pronounced as WUN with a long N
- 2 to be pronounced as TOO with a strong T and long O
- 3 to be pronounced as THR-EE with a rolled R and long E
- 4 to be pronounced as FO-WER with a long O
- 5 to be pronounced as FIVE with a long I and strong V
- 6 to be pronounced as SIX with a strong X
- 7 to be pronounced as SE-VEN with a strong V
- 8 to be pronounced as ATE with a strong T
- 9 to be pronounced as NI-YEN with a strong N at the end
- 10 to be pronounced as TEN with a sharp T and strong N

### **Alphabets**

- A–Alpha
- B–Bravo
- C–Charlie
- D–Delta
- E–England
- F–France
- G–George
- H–Harry
- I–India
- J–Jack
- K–King
- L–London
- M–Mother
- N–Nellie
- O–Orange
- P–Peter
- Q–Queen
- R–Roger
- S–Sugar
- T–Tommy
- U–Uncle

While this terminology is universally understood, each property may adopt their codes based on what is appropriately understood locally, for local communication, e.g. C for China for the Chinese, C for Calcutta for Indians and C for Camel in the middle-east.

V – Victor  
W – William  
X – X’ Mas  
Y – Yellow  
Z – Zebra

**Typical telephone requests by guests** The telephone operator will soon realise that guest requests are typical. An operator can memorise such responses to give good service. Such requests and responses are:

- **Connection to an internal extension.**

*Response:* “One moment please, I am connecting you”.



- **Connection to an external telephone number.**

*Response:* “May I have the telephone number please?” Repeat the number and say “ Will you like to stay on the line as I connect or shall I call you back?”



- **Enquiry of hotel facilities and timings.**

*Response:* Give accurate information and say, “The information may be found in the house directory in the drawer of your telephone console”.



- **Enquiry of city facilities and highlights.**

*Response:* “One moment Sir/Ms, I shall connect you to the concierge/information desk who will give you the required information”.



- **Complaint of faulty equipment in the room.**

**Response:** Listen to the complaint carefully and say, “May I have your room number Sir/Ms, I shall report this to the housekeeping desk who will attend to your problem at the earliest”.



- **“I would like to place a wake-up call”.**

**Response:** “Certainly sir/ms. May I have your name, room number and time of the wake-up call? “Repeat the message to confirm.



- **“Can I have the correct time, please?”**

**Response:** “Certainly sir, the time is .....” The telephone department is expected to have the correct local time and maintain a clock by which the entire hotel adjusts their clocks. It is the supervisor’s duty to ensure that the clock is accurate by referring to the broadcasting station.



- **“Please forward my calls to the restaurant as I am expecting an important call”.**

**Response:** “Please inform the captain of the restaurant that you are expecting important call sir/ms”.



While these are typical questions asked, the telephone operator must be alert to unusual calls some of which are given below:

- “There is a stalker outside my door”.
- “I am locked inside my bathroom”.
- “My bed has caught fire!”
- “There is a mouse in my room”.
- “The guests in the next room are making too much noise and I cannot sleep”.
- “The television in the room next door is too loud, I cannot sleep!”
- “My passport is stolen from the room”.

- “I am terribly sick!”

In all these situations, the housekeeping staff on the floor is the closest that can visually take stock of the situation and call for additional help from the security, engineering or other appropriate departments. The best response is to tell the guest to keep calm and that help is on the way. The operator should immediately call the housekeeping desk and if need be, follow up with the guest whether help has arrived. Such incidents must be recorded in the log book in case follow up is required by operators of the next shift.

Whether it is making line connections or responding to the guest queries, it is important to show courtesy at all times. Addressing the guest as Sir or Ms is basic. Some courtesy words that should be used in conversation should be:

- “May I help you?”
- “Thank you”
- “Have a nice day”
- Wishing the time of the day—“Good morning” is said between midnight and noon; The term “Good afternoon” is used between noon and four p.m.; The term “Good evening” is used between four p.m. and midnight; The term “Good night” must be used only when the guest is retiring to bed; The operator will otherwise use “Good evening” or “Good morning” on the either side of midnight.
- “One moment please”
- “The line is busy, would you like to hold the line or should I call you back?”
- Female guests will be addressed as “Ms” unless it is known that the guest is Mrs. Male guests will be addressed as “Sir”.
- “Sorry for the inconvenience,” is used when there are delays.



**Handling Telephone Equipment** Telecommunications equipment is expensive and constitutes a major part of the hotel investment. With technological advancements, the telecommunication equipment is becoming very sensitive to climatic changes, mishandling or poor connections. Telephone companies that install their equipment are responsible to conduit and connect the cables and equipment properly. The hotel also enters into a contract with the telephone company for the future maintenance of the equipment. The telephone company also trains the operators and other hotel staff in the use of the equipment to ensure a long life of the equipment. Some tips for the safety of equipment are given below:

1. The first consideration is **cleanliness**. The equipment is cleaned and disinfected with special disinfectants for the safety of the equipment and hygiene of the operators.
2. **Water is never spilled on the equipment** as it can cause short circuits and permanent damage to equipment. Operators are not allowed to drink water or coffee while they are at their work stations.
3. **Headsets are mounted and removed with care and stored at designated places.** The headsets are the main conduits of communication and must be handled carefully. Keys are handled softly. Jacks used in the older PBX and PABX systems are held with the thumb and forefinger to slip them easily into sockets without jerks. Jacks are withdrawn by the fingers and not yanked by the fist. Contacts with extensions are done in short one second bursts. EPABX systems have automatic ringing tones.

4. **Cords of older systems are untangled before use for easy connections.**
5. **Instruments with dials must be rotated by fingers and not by pencils or other sharp tools.**  
Dials are allowed to return to their original spot by themselves and not navigated by force.
6. **Faults must be attended to immediately by a qualified technician.** This becomes especially critical with modern electronic equipment that has mother boards only understood by someone qualified.

**Information Board** The information board in a telephone exchange is a vital communication source for all operators to refer to. The information kept is:

- Room numbers and names of VIPs in the house.
- Room numbers of groups in the house. The room numbers would be clubbed under the name of the group with the exception of the group leader with whom all communication of the group takes place.
- Room numbers of crews of an airline are clubbed under the name of the airline. The Airline Captain's room number is highlighted as communications from the local airline office takes place with him or her.
- Functions in the house including their locations in the hotel.
- Food festivals being held with crucial details.
- Emergency telephone numbers: Fire brigade, police, hospital, house doctor, Hotel Chief Fire Officer's residential number, General Manager's residential number, Telephone Maintenance Contractors, etc.

## Summary

The telecommunications department is the nerve centre that coordinates communication within the hotel and externally. The telephone operator has to possess exceptional skills and competencies to fulfill her responsibilities. Her role is vital in wake-up call services, especially for crews and groups, and to coordinate communication in the event of a fire emergency. Luckily for her modern automation has come to her help in discharging her large responsibilities.

## Key Terms

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<b>PBX</b>	Private Branch Exchange
<b>PABX</b>	Private Automatic Branch System
<b>EPABX</b>	Electronic Private Automatic Brach Exchange

## Review Quiz

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### True or False

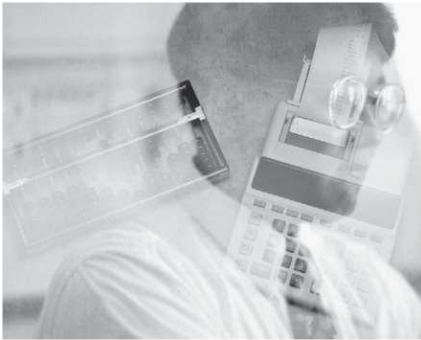
1. The telephone department is the central coordinator in case of a fire emergency.
2. A PABX exchange has a call waiting facility.
3. A telephone operator wishes a guest “Good night” at late evening hours.
4. The General Manager is the Chief Fire Officer of the hotel.
5. The Guest rack is updated in every shift.
6. One of the competencies of a telephone operator is to keep confidentiality.
7. A telephone operator may listen into a conversation.
8. Wake-up Calls are maintained within time zones.
9. Grooming is not critical for a telephone operator.
10. The telephone department maintains all hotel mobile phones.

### Fill in the Blanks

1. Wake-up Calls are recorded in the \_\_\_\_\_.
2. Telephone operations must cover \_\_\_\_\_ shifts.
3. Coordination between shifts are done through a \_\_\_\_\_.
4. In case of a fire emergency, the operator calls first the \_\_\_\_\_.
5. We find telephone meters in the \_\_\_\_\_ exchange.
6. Between 12 noon and 4 p.m. we wish guests \_\_\_\_\_.
7. We can find conference call facilities in an \_\_\_\_\_ exchange.
8. The telephone supervisor analyses complaints recorded in a \_\_\_\_\_.
9. The telephone technician reports to \_\_\_\_\_.
10. Security personnel use \_\_\_\_\_ to communicate with each other.

# CHAPTER 10

## Front Office Cashier



### Introduction

The Front Office Cash section is the nerve centre of all guest billings. It is where all credit revenues are accounted for and realised when a guest checks out. The Front Office Cashier assumes a critical responsibility because he has to be vigilant to all payments made and received. S/he is an accountant by profession who knows all accounting procedures of the hotel. S/he reports to the Income Accountant in the Finance and Accounting department.

### Duties of a Front Office Cashier

We could say that his/her duties broadly are to:

- Requisition and maintain a cash bank for shift transactions.
- Post guest charges and credit into the respective guest folios.
- Settle all guest bills upon departure.
- Exchange foreign currency as per regulations
- Disburse Allowances
- Issue Paid-Outs upon instructions
- Control Safety Deposit lockers
- Operate the accounting machine (software)
- Receive and hold in safe custody all cash payments by guests and revenue departments till they are audited.
- Ensure internal controls of all transactions.
- Prepare reports as specified by management.

We shall go into each broad responsibility in great detail.



## Cash Bank

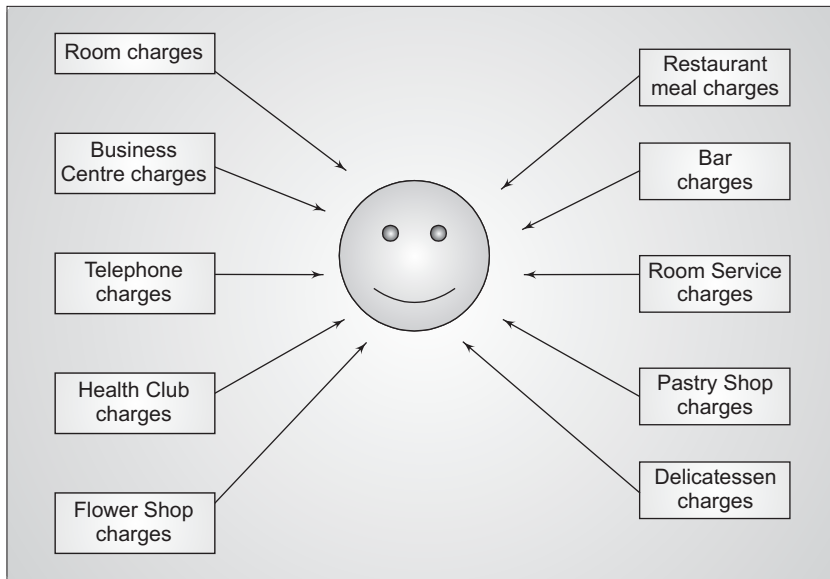
At the beginning of a shift, the cashier requisitions an amount specified by the Chief Accountant, from the General Cashier for any cash transactions required during the shift. This amount comes in various denominations for the ease of providing change to guests. The cashier is required to account for this money at the end of the shift when s/he returns the balance. There are three types of situations at the end of the shift, 1) **overage** – when cash, cheques, negotiable instruments and paid-outs from the cash bank are greater than receipts into the cash bank. 2) **shortage** – when the amount paid out from the bank is less than receipts into the cash bank; and 3) **par** – when the amount requisitioned is equal to the amount deposited. Amount not accounted for is treated as a negligence of the cashier and can be debited from his personal salary. Many hotels have now insured such transactions but any unaccounted for money certainly goes negatively in the cashier's performance report.

## Guest Folio

A **guest folio** (Fig. 10.1) is the master bill in which all cash and credit transactions are recorded for each resident guest. Folios are maintained in folio racks at the front office cash in a manual system. In automated systems, the folios remain in the computer and only printed out at the time of a guest check-out. Each entry into the folio is called a **posting**. Each posting is recorded sequentially in the folio in the order of transactions on a given date. The principle of accounting is simple. Any amount owed by the guest is posted in the **debit** column and any money received from the guest is posted in the **credit** column. A debit (dr.) is, therefore, money owed by the guest to the hotel while a credit (cr.) is any money paid by the guest towards settling his/her bill including advance deposits. The balance column reflects a progressive difference between debits and credits. The balance is calculated on the basis of previous balance + debits – credits.

As soon as a guest checks-in, the receptionist raises a guest folio giving the name, room number, date of arrival, date of departure, room rate, address and billing instructions to the cashier. Each folio has a serial reference number which will keep a control on folios for the purpose of audit. From that point onwards, the cashier is responsible for the guest folio till the guest departs. During a guest's stay, his/her stay is on a credit i.e. he will avail of the goods and services paid only upon his/her departure. The credit facility is given only when a guest gives proof of his credit worthiness. This s/he can furnish with a credit card, cash deposit, MCO or authorisation from a company credit account. Over time, hotels establish which guests are reliable and those that need close monitoring. The challenge is with new customers who need to establish their credit worthiness. There are two checks before offering a line of credit to a guest - one by the **reservation agent** who takes a booking and the other by **the receptionist** who registers a guest into the hotel. In case of doubt, both can refer the matter to the Lobby Manager or Front Office Manager who makes final decision. In empowered front office operations, the receptionist can make the decision on this matter but is fully accountable for the guest settling his/her bills. The diagram overleaf gives the various ways a guest raises a credit.

To safeguard against overspending by guests, the hotel sets house credit limits. The moment any guest bill reaches the house credit limit, the guest will be required to settle his/her bill. Any default can result in sealing the room for guest entry. The house credit limits are monitored closely by the front office cashier and later the night auditor who produces a daily statement of those guests exceeding the house credit limit.



Guests settle their bills in the following manner:

- Cash payments in which case guests receive a cash voucher from the cashier in acknowledgement of such payments.
- Sign their bills to be recovered by city ledger by a pre-arrangement with their organisations.
- Pay by an acceptable credit card.
- Debit cards
- Sign their bills to be adjusted against advances and deposits
- Traveller's Cheque which is as good as cash.

Each outlet is a point of sale. When a guest wishes to sign his bill to the guest folio at any of the POS, the cashier will ask the guest for his room number. The room number can be verified by the cashier by calling the front office in the manual system or checking the rooming list called up on the POS micro. The cashier then creates a charge voucher, very much like the restaurant voucher, which the guest signs. This voucher is immediately forwarded to the front office cashier who posts the amount into the guest folio.

Hotels lease out space to shop owners in the shopping arcade. Guests are required to normally settle their accounts directly with them. Each shop has an independent accounting system unrelated to the hotel. However, some hotels may have arrangements with shops in the shopping arcade for guests to sign their bills. The hotel will reimburse the shop owner the amount provided they submit authentic documentation of the same.

### ***Room Charges***

Charges into the guest folio come from various sources as we have seen above. The room charges are posted by the night cashier for every night occupied by the guest according to the meal plan (i.e. EP, AP, MAP, CP or B&B) mentioned on the folio.



Earlier the restaurant/bar checks were transported by pneumatic tubes, a system of vacuum tubes originating from all revenue areas and concluding at the front-office cashier's cabin. Checks were put into airtight cylindrical carriers, which were pushed through air suction to the Front Office Cashier's cabin for immediate posting. The other alternative was the waiter's responsibility to hand over a signed check personally to the front office cashier immediately. In the automated system, restaurant micros are linked directly to the guest folio and charge the information instantly. The restaurant/bar check follows physically later. Room Service and Banquet charges are also filled in similar forms as the Restaurant/Bar Check. The night auditor will physically tally the automated charges with Restaurant/Bar checks received.

### ***Other Charges***

Checks are raised by the cashiers of other revenue outlets like the:

- Restaurants
- Bars
- Business Centre,
- Health Club,
- Delicatessen,
- Pastry Shop
- Laundry
- Barber Shop
- Beauty Salon

In addition, there are miscellaneous charges for such services as:

- Baby-sitting services
- Shoe-shine
- Postage
- Safety deposit charges (if any)
- Left luggage charges (if any)

These centres become point-of-sale (POS) locations. Hotels extend the privilege to guests to charge their folio whenever purchasing any goods or service from such points-of-sale. Naturally, each outlet cashier will require a proof of residence which is a room number from the guest. S/he immediately verifies the information by calling the front office cashier or front desk or calling up the guest list onto the computer screen in an automated system. Modern technology has introduced micros which are networked computers located at the POS for direct charges into the folio. Miscellaneous charges made in the Miscellaneous Charge Voucher (Fig. 10.3).

GUEST NAME:	ROOM NO:	DATE
DESCRIPTION		CHARGE
TOTAL		
CAHIER'S SIGNATURE: _____ GUEST'S SIGNATURE _____		

Fig. 10.3 Miscellaneous Charge Voucher

### *Telephone Charges*

The telephone department, however, is unique as calls are charged according to local, domestic and international calls. Earlier hotels had a PBX telephone exchange where calls from guest rooms and offices had to be routed through the operator. The operator raised telephone vouchers for local, domestic and international calls. Then came the APBX which had metres for each extension located at the Front Office Cashier's cabin. The cashier would note the opening number of the metre at the time a guest folio was raised and the closing number at the time the guest was checking out. The difference in readings represented the number of units used. The cashier would apply the telephone rate and post the charges in the guest folio. In the APBX system, the metre ran at a faster rate for domestic and international calls.

The EPABX telephone exchange has done away with the active role of the telephone operator or the metre. In fact, modern software charges the guest folio directly as soon as a call is made. This is represented in terms of units. The guest can get printouts if s/he wants to see details of the telephone charges.

### *Credits to the Folio*

The Guest Folio has a credit column also where postings are done in the following four circumstances:

1. When a guest has made a payment towards the bill either by cash, traveller's check, credit card or debit card.
2. When a guest has made a deposit or advance,
3. When a guest is given a discount by the management.
4. When the guest is complimented with free services or facilities recorded as an allowance. In such circumstances, an allowance voucher is raised duly authorised by the lobby manager.
5. When the cashier has made an overcharge and is required to make a correction. In such a case, a correction voucher is raised duly signed by the Lobby Manager.
6. When an amount is transferred to another account

Another form of credit is when a guest signs his bill that is then sent to the **city ledger** under the accounts receivables section of the accounting back office. A hotel enters into a contract with commercial organisations that permits their employees to sign their hotel bills as a convenience. These bills are later recovered by the hotel by the city ledger section. Such contracts are negotiated on the basis of the amount

of room nights they promise to the hotel in a year. A hotel will set a guaranteed number of room nights that have to be satisfied to justify such a credit arrangement. Commercial organisations that benefit are corporate houses, travel agents and tour operators. Some organisations may deposit advances to adjust against room nights used by their employees. Such accounts are maintained in a **guest ledger** maintained by the accounts receivable. The concerned organisation is notified when the balance is expended in which case they may replenish the amount. The guest ledger is also opened for long staying guests who give monthly lease payments for rooms. These ledgers are found in hotel apartments and condominiums.

### ***Charge Vouchers***

All credits are supported by vouchers. A voucher is a receipt of a transaction. There are several types of vouchers:

- Cash vouchers
- Charge vouchers
- Allowance vouchers
- Paid-out vouchers

### ***Departure Procedure***



The guest will call the Bell Desk when s/he wants to check out. The Bell Captain raises a Departure Errand Card which is colour coded differently for easy identification and hands it over to the front office cashier before proceeding to the room to collect the guest baggage. This alerts the cashier of a check-out and proceeds to complete the bill and totals. S/he checks for any late vouchers from any revenue outlet to post it accordingly in the folio. The cashier also checks the billing instructions. The guest has the following billing options:

- Cash payment
- Credit Card payment
- Payment by Traveller's Cheque
- Payment by Travel Agent's Voucher indicating that room charges are paid to him.
- Signing the bill to confirm the charges and passing it onto City Ledger (accounts receivable) for collection from the company as per prior arrangement.

Personal Cheques are not accepted unless endorsed with the specific approval of the Lobby Manager.

At the time of payment the cashier will ask the guest if s/he has any late charges or has used the mini-bar in the room. The cashier trusts the guest's reply if s/he does not have any charge. If there is a service used, the cashier will follow-up with the concerned revenue outlet to speed up the bill to the cashier for recovery of payment.

### ***Step-by-step Process of Departure***

The cashier will follow the following procedure:

1. The guest will call the bell desk for removal of the baggage for departure.
2. The Bell Captain will raise a Departure Errand Card which mentions the guest name and the room number. He hands this to the front office cashier who gets the cue to prepare the departure formalities.

3. Where applicable (APABX Exchange) s/he notes down the closing telephone meter reading for the room. S/he subtracts this amount from the opening reading already mentioned in the guest folio upon the guest arrival. He multiplies the balance units with the telephone charge rate and enters the amount into the debit column.
4. Complete the Telephone Charge Voucher (Fig. 10.4).
5. Find out if there are any outstanding checks from other revenue outlets and post them in the folio.
6. Upon the arrival of the guest ask him/her if s/he has signed any checks in other revenue outlets, including the use of the mini bar, in the past hour. If so, call the cashier of that outlet to send the check immediately.
7. Post outstanding checks.
8. Present the bill to the guest to check.
9. Receive payment in cash, credit card (procedure mentioned later), Traveller's Check (procedure mentioned later). Foreign Nationals are required to pay in accepted foreign currency only) or Travel Agency Vouchers (given below).
10. Return any change in local currency only.
11. Stamp "Paid" on the folio and sign the folio in confirmation. Tear off the first copy of the folio.
12. Prepare the Cash Receipt Voucher (Fig. 10.5) in triplicate, affix a revenue stamp and sign the voucher on the first copy. Staple it to the folio first copy and hand it over to the guest.
13. Keep aside the paid folio copies together for further processing by accounts.
14. Send second copy to the Accounts Department.
15. Leave the third copy in the cash receipt book.



### ***Travel Agency Vouchers***

Travel Agency Voucher indicates that the guest has pre-paid an amount to the travel agent in advance. Such amounts usually are for rooms and meals in the case of room plans. The travel agent issues a Travel Agency Voucher to the guest. The procedure to accept these vouchers is as follows:

1. Receive the travel agency voucher and see if such billing instructions are mentioned in the folio.
2. Read the voucher carefully and determine whether it has been issued from a bonafide travel agency recognised by the hotel, by referring to the list of bonafide agencies as issued by the accounts department. Foreign travel agency vouchers must be counter-authorised by the Lobby Manager.
3. See whether all the charges are covered by the voucher. Valid charges are credited to the folio and the balance charged to the guest to be paid.
4. If all charges are covered then credit the entire amount to the folio and ask the guest to sign it. The original folio is retained by the cashier to present to the travel agent for reimbursement. The voucher is attached to the folio when forwarding the folio to the travel agent.
5. In case of group vouchers, the tour leader is required to sign the folio and the procedure is followed as above.



GUEST'S NAME:	ROOM NO:	DATE:
	<b>EXPLANATION</b>	<b>CHARGES</b>
	<b>TOTAL</b>	
CASHIER'S SIGNATURE:		

Fig. 10.4 Telephone Charge Voucher

CASH BOOK SERIAL NO:	DATE:
RECEIVED FROM:	
ADDRESS:	
THE SUM OF (IN WORDS):	
:	
THE SUM OF (IN NUMERICALS):	
ON ACCOUNT OF:	
A/C CODE (FOR CITY LEDGER BILLING):	
CASHIER'S SIGNATURE: (With revenue stamp)	

Fig. 10.5 Cash Receipt Voucher

Before exiting this section on folios, the reader must know that the front office cashier also maintains four other types of folios:

**Non-guest accounts** are those in-house credit accounts given to corporate houses, established travel agencies and tour operations etc. as a privilege, as they have a continuous business with the hotel. Expenses on their behalf may be charged to their account and redeemed later on a mutually agreeable basis.

**Employee folios** are those credit accounts given to some privileged senior executives for the execution of their duties. Executives like the sales and marketing director, front office manager, public relations manager etc. may charge the hotel for travel and entertainment to promote the business. These accounts are later either charged to the hotel expenditure accounts or recovered from the employee based on what is considered legitimate business expenses and personal expenses.

**Master Folio** is a joint account of two or more people. A couple, family or group may independently charge this account. Tour operators who bring groups make a distinction between legitimate expenditures and personal expenditures. Legitimate expenditures of a group are charges included in a group plan including meals, transportation or conference charges (in the case of delegates for a conference). Normally, personal charges would include laundry, alcoholic beverages, meals outside the group plan, entertainment

and personal city travel. The cashier would open normal guest folios for such personal expenses in addition to the master folio.

**Split Folios** are those when two guests wish to have separate accounts though they share the same room. While room charges will reflect on one folio for convenience, other charges would be reflected individually in split folios. Another case is when a company executive would like to maintain two separate accounts, one that is charged to his/her company as per a negotiated arrangement and the other to record his personal expenses.

### ***Hotel Credit***

Hotel credit is one of the very critical aspects of hotel operations. From the moment a guest registers himself into the hotel, he uses some credit facility or the other. Though a credit policy is healthy to the business, realisation of bills becomes an arduous task. In order to make the credit facility feasible, hotels adopt their own safeguards before extending credit to any guest. The usual safeguards are:

1. Maintain a specified credit limit on guest bills beyond which the guest will be asked to settle the bill before raising more credit.
2. Only those credit cards are accepted that the management has officially recognised. Credit Cards must be current and not blacklisted by the credit card company.
3. Personal cheques are not accepted. The Lobby Manager can approve cheques only if the guest is known to the establishment and takes the responsibility of such a decision.
4. For guests who wish to charge their bill to the company account must have the management's approval prior to such a facility.
5. Cheques presented by companies on the approved city ledger account have to be from local or domestic bank accounts. Foreign bank cheques are not accepted.
6. Post dated cheques are not accepted.
7. All vouchers presented by revenue outlets that are signed by resident guests are transmitted to the front office cashier immediately.
8. No payments are received from minors (under 18 years).

### ***Credit Cards***

The early credit card system was the travel letter system introduced in the USA in 1894. This system comprised letters endorsing credit reliability and limited itself to lodging charges. This was followed in early 1900 by the Credit Coin issued by departmental stores to stimulate sales and identify credit customers. In the 1920s, companies started issuing Courtesy Cards and by 1930, the plastic credit card came into being. This basic credit system was a success especially after the Second World War because people could buy a product or service without feeling the pinch of paying for it immediately. The installment system was an offshoot of the basic credit card system of "buy now, pay later".

In 1950, the credit card was given a great thrust by the involvement of banks that endorsed credit reliability. Banks and financial institutions also went in a big way to provide loans on easy payback installments. Their benefit, though slow in realisation, was the interest they earned on providing funds.

The Diners Club, a finance company, can be attributed with the distinction of creating the modern credit card system. Starting with a membership of 200 in 1950, it has at the moment several million members worldwide. Later, all large organisations went into the credit card systems which covered credits at hotels, restaurants, shops, airlines. Other notable credit card companies were the American Express in 1958 that

has assumed industry leadership; Carte Blanche introduced by the Hilton Credit Corporation, California in 1959; the Bank Americard later changed to the famous Visa Card; and Master Card introduced in 1959.

The key reason for the popularity of the credit card is its convenience to carry on person. It is a better substitute than carrying large amounts of cash around. Establishments are prepared to give credit cards to strangers after they have verified that they do not pose credit risks. They examine bank accounts, references, salary certificates from the company they work for. Each person is given credit limits based on his/her income levels and capacity to pay. The credit card makes it convenient to sign vouchers than having to pay cash. Establishments find that people tend to buy more than planned because of the convenience of the credit card. These establishments are well-motivated to offer credit card facilities.

The basic concept of a credit card system is that members pay an annual fee for membership. The institution that floats the credit card gets discounts from the merchant from whom the member has acquired a sale. The credit card company charges the member the full amount of the bill but pays the merchant the discounted value. It is from these discounts, membership fees and interest that credit card companies get their revenue.

Hotels accept credit cards in a big way, covering a wide range of credit card institutions, because they pass on their liability to the credit card institution. Hotels receive prompt payment from the credit card companies which makes the commission paid by the hotels to the credit card companies cheaper than maintaining machinery to collect the debts.

### *Procedure for Handling Credit Cards*

Travellers today are using the credit card more and more to manage their financial transactions. Credit card companies are making it easier to procure one, with the result that guests have an array of them in their wallets. It is, therefore, important for the front office cashier to know how to accept and process them correctly so as to protect the hotel. Here are the step-by-step procedures in dealing with credit cards:

1. Check the billing instructions as to whether it is the mode of payment stipulated in the guest folio.
2. Check the following before processing the card:
  - (a) Whether the credit card is accepted by the hotel.
  - (b) Check the expiry date of the card. It can only be processed if the card is still valid.
  - (c) Check the cancellation bulletin issued by the credit card company from time to time giving the credit cards that are cancelled or blacklisted.
  - (d) Check for any alterations on the card.
  - (e) Ensure that the guest's signature is on the reverse of the card so as to compare it during the processing of the card.
3. With the use of an imprinter emboss the credit card number on the Credit Card Charge Record (Fig. 10.6 a, b, c) Form or fill the details manually by mentioning the following:
  - (a) guest name as mentioned on the credit card
  - (b) Date
  - (c) Credit card number
  - (d) Bill number
  - (e) Amount to be charged in the totals column
  - (f) Service Charge (if any)
  - (g) Taxes
  - (h) Tips (filled in by the guest who will total the amount in such a circumstances) before affixing his/her signature.

DINERS CLUB India Private Limited		
Number		
NAME		
Expires		Record of Charge
NUMBER		Rs.
NAME		AMT. FOR PURCHASE SERVICE OF OR MDSE.
CITY		TAXES
CARDHOLDER'S SIGNATURE X		TIPS
DATE	BILL NO.	
THE AMOUNT OF THE CHARGES RECORDED HEREON WERE INCURRED BY ME AND RECEIPT OF THE SERVICE OR MERCHANDISE IS HEREBY ACKNOWLEDGED BY ME	CREDIT APPROVAL	
	TOTAL	
WRITE FIRMLY		ESTABLISHMENT PERSONNEL'S INITIAL
CARDHOLDER'S COPY		

Fig. 10.6 (a) Credit Card Charge Record

AUTH. NO.		DATE MO.	DAY	YR.	DEPT.	INITIALS	<input type="checkbox"/> TAKE <input type="checkbox"/> SEND
QUAN.	CLASS	DESCRIPTION			UNIT COST	AMOUNT	
The issuer of the card identified on this item is authorised to pay the amount shown as Total upon proper presentation. I promise to pay such Total together with any other charges due there on subject to and in accordance with the agreement governing the use of such card.					TIPS/MISC		
SIGN HERE X					LOCAL CURRENCY TOTAL		
SALES SLIP					U.S. DOLLAR TOTAL		

MERCHANT COPY

Fig. 10.6 (b) Credit Card Charge Record

Cardmember Acct. No.			
Cardmember		Approval Code	
Check or Bill No.			
Service Establishment	Date of Charge	Any delayed charges are listed below	
	Merchandise/Service	Type of Delayed Chg.	
	Taxes	Amt. of Delayed Chg.	
Establishment agrees to transmit to American Express Company (Amexco) or Authorised Representative to payment. Merchandise and/or service purchased on this card shall not be resold or returned for cash refund.	Tips/Misc.	Revised Total	
Cardmember's Signature	Total	Amexco Use Only	
X		Equivalent Amount	
American Express	Invoice Number	Please Print Firmly Service Establishment Copy	Record of Charges

**Fig. 10.6 (c) Credit Card Charge Record**

Information should not be overwritten or crossed out. Therefore, the manual inclusion of information has to be done carefully.

- Those establishments that have credit card processing machines can swipe the card and fill in the amount. The credit card company will accept that the charge may be received, in which the guest's signature is taken on the confirmation slip.
- Some times there are extra charges for late payments. Enter these in the box provided in the Charge Record Form giving reasons clearly.
- Check if the guest's signature tallies with the one on the credit card.
- Clip the original of the Charge Record Form or staple the copy of the Charge Confirmation Slip to the bill. Put them in an envelope and hand them over to the guest.
- Clip the hard copy of the Charge Record Form or the original of the Confirmation Slip to a copy of the bill and keep.
- At the end of the shift, complete the Summary of Charge Records (Fig. 10.7). Using the special imprinter issued by the credit card company to the hotel, imprint the company's name and account number embossed on the plastic card onto the Summary of Charge Records enclosing all charge records and send them to the City Ledger accountant for signature and recovery from the credit card company.

CREDIT CARD CO. A/C NO:	NAME OF HOTEL:	ADDRESS:	DATE:
SL. NO.	CARD NUMBER	CARD HOLDER'S NAME	AMOUNT
FRONT OFFICE CASHIER'S SIGNATURE:	COMPANY AUTHORISED SIGNATORY FOR CREDIT COMPANY:	GRAND TOTAL:	

**Fig. 10.7 Summary of Charge Records**

10. Each hotel has an authorised signatory approved by the credit card company who must sign the Summary of Charge. The authorised signatory could be the Chief Accountant, Income Accountant or the City Ledger Accountant.
11. When the copies of charge records are sent to the credit card company, they are not folded or damaged in any way as they are processed by the credit card company by high speed electronic equipment.

### **Foreign Currency Transactions**

The tourism industry in any country is a prime source for the generation of foreign currency. (Below are given the world's top tourism earners as a percentage of their GDP). Governments would, therefore, like to keep a close tab on all foreign currency realised. They institute a strict system of checks and records which extend to hotels as well. Firstly, the hotel has to get a license to exchange foreign currency. Secondly, there has to be someone who is authorised to deal in such foreign exchange transactions. It is normally, the front office cashier. Thirdly, exchange is done only in local currency. Fourthly, exchange rates must be displayed prominently at the exchange point. The rates are governed by the central bank which updates them on a daily basis the exchange rate prevalent. Fifthly, foreign currency exchange can be only extended to resident guests of the hotel. Non-resident guests may go to exchange bureaus and banks to exchange their currency. (See Appendix IV for the Currencies of the World).



### World's Top Tourism Earners

▪ U.S.	15.92%
▪ France	07.92%
▪ Italy	07.75%
▪ Spain	07.30%
▪ U.K.	05.89%
▪ Austria	05.11%
▪ Germany	04.19%
▪ Swiss	02.68%
▪ Canada	02.50%
▪ Mexico	02.09%



### Procedure for Accepting Foreign Currency

The Front Office Cashier has to follow certain procedures as stipulated by the central bank when receiving foreign exchange. This procedure is given below:

1. Request the guest for the Passport and determine the credentials such as name and photo identification, place of issue, date of issue and date of expiry of the passport.
2. Confirm that the guest is a resident by asking for his/her room number. In case of a non-resident, direct him/her to the lobby manager for authorisation who will only extend this facility to VIPs or regular guests.
3. Check if the foreign exchange is accepted by the government. Normally, transactions are done for dollars, sterling pounds, euros and yen.
4. Receive the cash or Traveller's Cheque.
5. Calculate the total amount of local currency to be paid by multiplying the foreign currency total amount by the exchange rate displayed at the cabin.
6. Fill in details in the Foreign Exchange Encashment Certificate (Fig. 10.8). The Foreign Exchange Encashment Certificates come in serially numbered books for better control.

GUEST NAME:	PP NO:			NATIONALITY	HOTEL LICENSE NO:	ROOM NO:
TRAVELLER'S CHEQUE/S NO. (Name of Bank)	DENOMINATION	NOS	AMOUNT	TYPE OF MONEY	EXCHANGE RATE	AMOUNT
GUEST'S SIGNATURE:	APPROVED BY:			CASHIER'S NAME:		

Fig. 10.8 Foreign Exchange Encashment Certificate



7. Request the guest to sign the Traveller's Cheques in the case of exchange of Traveller's Cheques. Make sure that the signature tallies with the earlier signature on the traveller cheque.
8. Request the guest to sign the Foreign Exchange Encashment Certificate and compare the signature with the passport.
9. Give the total amount of local currency with the original Foreign Currency Encashment Certificate to the guest.
10. Attach the second copy of the Foreign Currency Encashment Certificate to the notes or Traveller's Cheques.
11. Leave the third copy of the certificate in the certificate book.
12. Fill in details in the Record of Foreign Currency Transacted (Fig. 10.9). This is a control sheet of all foreign currency transactions in a shift.
13. Fill details in the Front Office Cashier's Report (Fig. 10.10) under the "Foreign Exchange" column.

DATE	SR. NO.	NAME OF TENDERER	NATIONALITY	PP NO.	POUND STERLING	US DOLLARS	EURO	OTHERS	RATE	LOCAL CURRENCY

Fig. 10.9 Record of Foreign Currency Transacted

CASHIER NAME: ..... SHIFT: FROM.....TO..... DATE: .....

RECEIVED					PAID		
FOLIO NO.	DEPARTURE ACCOUNT	GUEST NAME	NATIONALITY	FOREIGN EX	ROOM NO.	NAME	VOUCHER NO.
CASHIER'S SIGNATURE:				AUDITED BY:			

Fig. 10.10 Front Office Cashier's Report

## Allowances

An allowance is cash paid out to a guest by the hotel. Allowances are given to airline crews and in some cases groups. These allowances are strictly controlled and therefore, require written authorisation from the airline or group sponsor. These sponsors give guarantees to reimburse these amounts to the hotel on producing the necessary documentation. Following is the procedure for issuing allowances:



1. Get instructions from the front office manager or lobby manager (who coordinates with airline offices).
2. Check the names and designations of crew or group members prior to their arrival and confirm the allowances to be given. Build it into the guest folios.
3. Take out the required numbers of envelopes and write down the name, designation, amount of the allowance and room number (if pre-registered).
4. Place the cash in each envelope.
5. Upon arrival of the crew or group, check the guest folios for the amount of allowance authorised by the management. Guests claiming allowance but do not have such authorisation should be referred to the Lobby Manager.
6. Refer to the list of crews and groups entitled to allowances and ask each member for their identification (normally their passport).
7. Fill in the details in the Allowance Voucher (Fig. 10.11).

NAME:	ROOM NO:	DATE:
AUTHORISATION NO:	DETAILED EXPLANATION:	AMOUNT
AMOUNT IN WORDS:	GUEST'S ACKNOWLEDGEMENT:	
PREPARED BY:	AUTHORISED BY:	AUDITED BY:

**Fig. 10.11 Allowance Voucher**

8. Have the voucher signed by the lobby manager and guest and also put down your own initials.
9. Hand over the original copy to the guest.
10. Attach the second copy to the Front Office Cashier's Report and fill in the paid column.
11. Leave the third copy in the Allowance Voucher booklet.
12. Post the Allowance Amount in the debt column of the folio as per previous procedure.

### ***Paid Outs***

Paid Outs are cash payments made on behalf of a guest or the management for any external services rendered to them. Such expenses are usually taxi charges, porter charges, emergency medical expenses, ticket confirmation charges, tips etc. These payments are made from the cash bank maintained by the front office cashier. Paid Outs are only made in local currency. The procedure to process paid outs are as follows:

1. Confirm the name, room number and identity of the guest/employee.
2. Find out the details of services for which the paid out is being made.
3. Fill in the details in the Paid Out Voucher (Fig. 10.12). Each voucher is serially numbered to maintain control.
4. Get the voucher authorized by the Lobby Manager.
5. Get the guest/employee to sign the voucher in acknowledgement.
6. Make the payment in cash to the guest/employee.
7. Fill in the details in the "Paid Out" column of the Front Office Cashier's Report.

#### **SERIAL NO.**

GUEST NAME:	ROOM NUMBER:	DATE
DETAILED EXPLANATION	DENOMINATION	AMOUNT
AMOUNT IN WORDS		
NAME AND SIGNATURE OF RECIPIENT:	AUTHORISED BY:	CASHIER'S SIGNATURE:

**Fig. 10.12 Paid Out Voucher**

### ***Safety Locker Management***

Safety lockers are a facility provided by hotels in which resident guests can keep their valuables and important documents in safekeeping. These lockers are steel compartments located behind the front office away from traffic. The lockers have only one key per locker and therefore, have to be kept in safety. The front office cashier is the custodian of lockers. Each locker has an independent second key with the cashier. It takes the guest key and the cashier's key to open a locker. Hotels may provide this as a free facility or may charge for it as per policy. Better hotels now provide safety lockers in each guest room with personal serial numbers for locking.

### ***Procedure for Issuing a Locker***

1. Upon a request from a guest, look for an empty locker.
2. Hand over the Safety Locker Registration Card (Fig. 10.13) to the guest to complete.
3. Write down the locker number on the registration card.
4. Have the guest sign the card at two places – one as a specimen signature and the other as the confirmation signature.
5. Deposit the card in racks against the locker number.
6. Turn the cashier's key on the locker in the appropriate keyhole.
7. Let guest use his/her key to open the locker.
8. Leave the premises to give the guest privacy to load the locker.
9. The guest will lock the locker with his/her key and ask the cashier to double lock it with his key.

GUEST NAME:	ROOM NO:	DATE	LOCKER NO:
PERMANENT ADDRESS:			
SPECIMEN SIGNATURE:			
KEY DELIVERED BY (Cashier's Signature):			
LOCKER CHARGE:		LOST KEY CHARGES:	
The management shall take sufficient care for the safety of the locker but is not responsible for any loss, theft, shortage or spoilage of the contents in the safety box, which is being used by the guest exclusively. For security reasons, the locker has only one key. In case of a loss of the key, the guest is responsible for the replacement charges. The management regrets any delay in the opening of the box in case of the loss of the key.			
GUEST'S SIGNATURE:			

**Fig. 10.13 Safety Locker Registration Card**

### ***Withdrawal from Safety Box***

When a guest wishes to take out items from the safety box the following procedure may be followed by the front office cashier:

1. Escort the guest to the safety lockers.
2. Request the guest to open the locker with his key.
3. Open the locker with the cashier's key.

DATE OF WITHDRAWAL	TIME OF WITHDRAWAL	GUEST'S SIGNATURE	CASHIER'S SIGNATURE
DATE OF KEY RETURN		GUEST'S SIGNATURE	CASHIER'S SIGNATURE

#### Reverse of Card

4. Ask guest to put the date and signature on the reverse of the registration card to monitor when s/he has opened the locker.
5. Leave the guest. Return when the guest is ready. Ask guest to lock the locker with his/her key and then use the double lock with the cashier's key.
6. Return the card to the safety deposit locker rack.

#### *Surrender of Safety Box*

1. Escort the guest to the safety lockers.
2. Request the guest to open the locker with his key.
3. Open the locker with the cashier's key.
4. Ask the guest to put the date and signature on the reverse of the registration card to confirm the return of the key.
5. Let the guest empty the locker in your presence.
6. Take possession of the guest key.
7. Lock the box with both the guest key and the cashier's key.
8. Return the key to the rack.
9. Post the appropriate charge (if any) for the use of the safety deposit box.

#### *Receiving Cash Remittances from Revenue Outlets*

The front office cash is the repository of all cash and credit revenues from all other cashiers of revenue outlets like restaurants, bars, pastry shop etc. Each cashier of the revenue outlets prepares a Restaurant

[illegible]

**Fig. 10.14 Restaurant Sales Summary Sheet**

1. Provide a Cashier's Remittance of Funds Envelope (Fig. 10.15) to the outlet cashier and ask him/her to fill all the details on the envelope.
2. See that the cash and documents are placed in the envelope and that the envelope is sealed.
3. Keep such envelopes in locked drawers or safety boxes, till they are called for by the Internal Auditor or General Cashier.

<b>CASHIER'S NAME:</b>			
<b>REVENUE OUTLET:</b>			
<b>SHIFT: FROM _____ AM/PM TO _____ AM/PM</b>			
<b>COLLECTIONS:</b>			
<b>DISBURSEMENTS:</b>			
<b>OVERAGE/SHORTAGE:</b>			
<b>NET FUNDS REMITTED:</b>			
<b>IMPREST AT BEGINNING OF THE SHIFT:</b>			
<b>BALANCE IMPREST (At end of shift)</b>		<b>CONTENTS OF ENVELOPE</b>	
<b>NOTES</b>	<b>AMOUNT</b>		<b>AMOUNT</b>
X 100		X 100	
X 50		X 50	
X 20		X 20	
X 10		X 10	
X 5		X 5	
X 2		X 2	
X 1		X 1	
<b>COINS</b>		<b>COINS</b>	
X 2		X 2	
X 1		X 1	
X 0.5		X 0.5	
X 0.25		X 0.25	
X 0.10		X 0.10	
X 0.05		X 0.05	
<b>TOTAL IMPREST</b>		<b>TOTAL CASH</b>	
		<b>T.A. VOUCHER</b>	
		<b>VOID CHECKS</b>	
<b>CASHIER'S SIGNATURE:</b>			

Fig. 10.15 Cashier's Remittance of Funds Envelope

### Job Descriptions

Job Title	Front Office Cashier
Reports to	<ol style="list-style-type: none"> <li>1. General Cashier</li> <li>2. Income Accountant</li> </ol>
Job Summary	To post guest charges into guest folios accurately and promptly from various revenue outlets; settle guests' accounts, either by cash or credit, upon their departure; disburse cash as per rules; and maintain safety boxes.
Duties and Responsibilities	<ol style="list-style-type: none"> <li>1. Take over shift and note special instructions for the shift.</li> <li>2. Check the cash bank at the beginning of each shift and requisition petty cash from General Cashier, if necessary.</li> <li>3. Open guest folios accurately for new arrivals and post charges as soon as they arrive.</li> <li>4. Issue safety deposit lockers to guests according to procedures.</li> <li>5. Disburse petty cash and authorised paid outs.</li> <li>6. Pass allowances as directed for wrong charges posted in folios.</li> <li>7. Cash foreign currency as per central bank regulations and prepare the necessary documentation.</li> <li>8. Settle guest bills ensuring accurate cash is received or credit formalities as applicable.</li> <li>9. Handle credit card payments through proper procedures.</li> <li>10. Accept personal checks after ensuring proper authorised.</li> <li>11. Prepare the Front Office Cashier's report and other reports.</li> <li>12. Ensure that telephone meter readings are accurately taken to raise appropriate charges.</li> <li>13. Coordinate closely with the night auditor for the day's audit.</li> <li>14. Receive the cash sales of all revenue outlets at the end of each shift and keep in safe custody.</li> <li>15. Submit the petty cash balance with the necessary documents for issue of cash to the General Cashier at the end of the shift.</li> </ol>
Supervises	None
Limits of Authority	<ol style="list-style-type: none"> <li>1. Can refuse to accept credit cards or foreign exchange not accepted by the hotel.</li> </ol>

(Contd.)



	<ol style="list-style-type: none"> <li>2. Can refuse any disbursement of cash unless convinced on the authenticity of documents.</li> <li>3. Give final clearance to bell boys to remove guests baggage for departure guests.</li> <li>4. Can post charges to the guest folios against proper documentation.</li> <li>5. Is the custodian of safety deposit lockers</li> </ol>
<b>Coordinates with</b>	<ol style="list-style-type: none"> <li>1. <b>Lobby</b> – for clearance to remove guest baggage from the premises.</li> <li>2. <b>Front Office Agent</b> – for guest arrivals to open guest folios.</li> <li>3. <b>F&amp;B outlets</b> – to receive cash and credit sales</li> </ol>
<b>Minimum Educational Qualifications</b>	Bachelor of Commerce
<b>Experience</b>	Six month departmental training
<b>Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Good at accounting</li> <li>• Socially confident</li> <li>• Well-groomed</li> <li>• Etiquettes and manners</li> <li>• Proficiency in the English language. Another foreign language is preferred.</li> </ul>

### Automated Systems

Technology has made billing much easier and accurate. As soon as a guest has been registered into the property, the system will initiate a computer generated guest folio with all relevant information in the central server. The front office cashier will not only know the arrivals of the day but can also call up the guest folio of a newly registered guest. Expenditures of a guest in any revenue outlet are directly transmitted by micro-computers into the guest folio at the front office cash desk terminal. The computer can generate a print out of the folio with details at the time the guest checks-out. The guest also has confidence in computer generated systems as it reduces the chance of human error. The moment a guest has settled his or her bill the information automatically feeds the guest history folios. Should a guest forward his bill to the company, the cashier can instantly do so via e-mail. The information keeps updating revenue statistics, guest account balances and expenditures above the house credit limit.

### Key Terms

<b>Account:</b>	summary of all cash and credit transactions
<b>Account Balance:</b>	difference between charge and credits in an account
<b>Accounts Receivable:</b>	amounts due to the hotel
<b>Allowance:</b>	a benefit given to the guest in cash or credit
<b>Amendments:</b>	correction in accounts

<b>Cash:</b>	liquid money
<b>Cash Bank:</b>	cash amount provided by the hotel for daily transactions.
<b>Cash Voucher:</b>	receipt of payment made by cash
<b>Charge Payments:</b>	deferred payments
<b>City Ledger:</b>	summary of all creditors
<b>Credit:</b>	facility that enables a guest to use goods and services now but paid later
<b>Debit:</b>	charge to an account
<b>Due Back:</b>	cash amount owed to the cashier
<b>Employee Folio:</b>	account that tracks payments made on behalf of an employee who is given a charge privilege
<b>Guest Folio:</b>	statement of account of a resident guest
<b>Guest Ledger:</b>	statement of accounts of guests/organisations who give advance deposits as also long staying guests
<b>House Limit:</b>	credit limit set by the management, which has to be cleared by the guest during his/her stay
<b>Late Charge:</b>	amount posted to a guest account after check-out
<b>Master Folio:</b>	common statement of account for more than one guest
<b>Miscellaneous Voucher:</b>	voucher to support a charge purchase from minor revenue outlets
<b>Non-guest Account:</b>	account of transactions of companies and non-resident individuals given this privilege
<b>Outstanding balance:</b>	amount due from the guest
<b>Overage:</b>	when cash, cheques, negotiable instruments and paid-outs from the cash bank are greater than receipts into the cash bank
<b>Paid- Out:</b>	authorised cash payment made on behalf of the hotel or guest
<b>Par:</b>	cash balance is equal to the cash bank
<b>Petty Cash:</b>	small amounts of authorised money issued to staff
<b>Posting:</b>	entry made in the guest folio
<b>Room Night:</b>	a room that is booked for a night against which room rates are applicable
<b>Shortage:</b>	when the amount paid out from the bank is less than receipts into the cash bank
<b>Transaction:</b>	exchange of cash or credit for services purchased
<b>Transfer Voucher:</b>	document to record transfers from one account to another
<b>Voucher:</b>	document that records a purchase transaction with a cashier

## Review Quiz

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### Fill in the Blanks

1. A cash amount provided by the hotel to the cashier for daily transactions is called \_\_\_\_\_.
2. An authorised cash payment made on behalf of the hotel is called \_\_\_\_\_.
3. Daily rates for the exchange of foreign currency is provided by \_\_\_\_\_.
4. Authorised payments made to airline crews and groups is called \_\_\_\_\_.
5. Cash payments made on behalf of the guest or management for any external services rendered to them is called \_\_\_\_\_.
6. The facility in which resident guests can keep their valuables and documents is called \_\_\_\_\_.
7. The Master Bill in which all guest and credit transactions are recorded is called \_\_\_\_\_.
8. Charges raised by minor revenue departments into the guest folio is called \_\_\_\_\_.
9. The bell captain raises a \_\_\_\_\_ to initiate a guest departure.
10. The document of pre-payment made by a guest to the travel agent is called \_\_\_\_\_.

### True or False

1. One of the responsibilities of a front office cashier is to hold cash payments of revenue departments.
2. A posting is an entry made into a cash receipt.
3. The cash bank is supplied by the Chief Accountant.
4. A guest folio of a new arrival is initiated by the receptionist.
5. A guest folio mentions the billing instructions.
6. Postage expenses by a guest are charged on Miscellaneous Charge Vouchers.
7. Personal cheques are accepted by hotels as a regular mode of payment.
8. Hotels maintain a credit limit for all resident guests.
9. The first step in accepting a credit card by a cashier is to check if it is blacklisted.
10. Charges made by credit cards are recorded on Charge Record Forms.



# CHAPTER 11

## Night Audit

### Introduction

The Night Auditor is perhaps one of the most important positions in the hotel. He is the person who reconciles and records all the cash and credit transactions of the day. The slide below gives clearly the role of night audit:

#### What is Night Audit?

- The audit is a daily review of guest accounting transactions recorded at the front-desk against revenue centre transactions.

His broad functions are:

- Verify posted entries to guest and non-guest accounts
- Balancing all front-office accounts
- Resolving room status and rate discrepancies
- Monitoring credit limits
- Producing operational and managerial reports

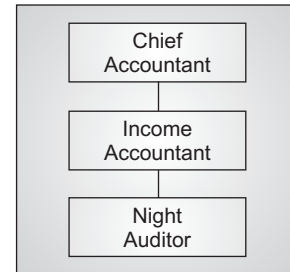
He prepares the **Daily Sales Recapitulation Sheet** of all revenue from various sales outlets and the **Daily Transcript**, which is a detailed report of all guest transactions. These reports are used for managerial analysis and decision making.

He works at night when all revenue outlets finish their evening shifts and submit their **Sales Summaries** to the front office cashier. The night auditor also prepares important statistics for decision-making by the management. The General Manager, Chief Accountant, Front Office Manager, Food and Beverage Manager and the Sales Director all eagerly await his report the next morning to evaluate their respective revenue performances and make crucial decisions for further operations. It must be noted that he audits only front-office transactions and not other revenue centres like the food and beverage department who have audit done by the food and beverage controls.

## Organisation Chart

The Night Auditor reports to the Income Accountant though he coordinates closely with the General Cashier for depositing cash. At night, he works independently reporting administratively and for coordination purposes with the night lobby manager. All cashiers are alert to his requirements and clarifications. He has the authority to challenge any transaction and will ensure that correct practices were employed by them. He has the authority to call cashiers from home when they have retired for the day, to clarify transactions and locate missing checks.

The Income Auditor to whom the night auditor reports, is responsible for all income received and due from hotel service users. He reviews the night auditor's reports before distributing it to the management. The night auditor works closely with the front office cashier and cashiers of other revenue outlets.



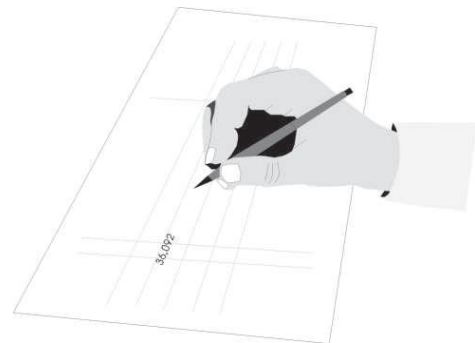
**Organisation of the Night Audit Function**

## Duties of a Night Auditor

The night auditor is an accountant fully knowledgeable of hotel accounting systems and matters of hotel operations. He is experienced in hotel accounting and is a specialist in his field. He summarises all cash and credit transactions of the day at the front office and reaches final balances of room and other revenue outlets. In the process, he locates and corrects any wrong postings made by cashiers from the documents that they submit and reconciles the correct balances. He also translates the performance of revenue centres in terms of statistics useful to the management.

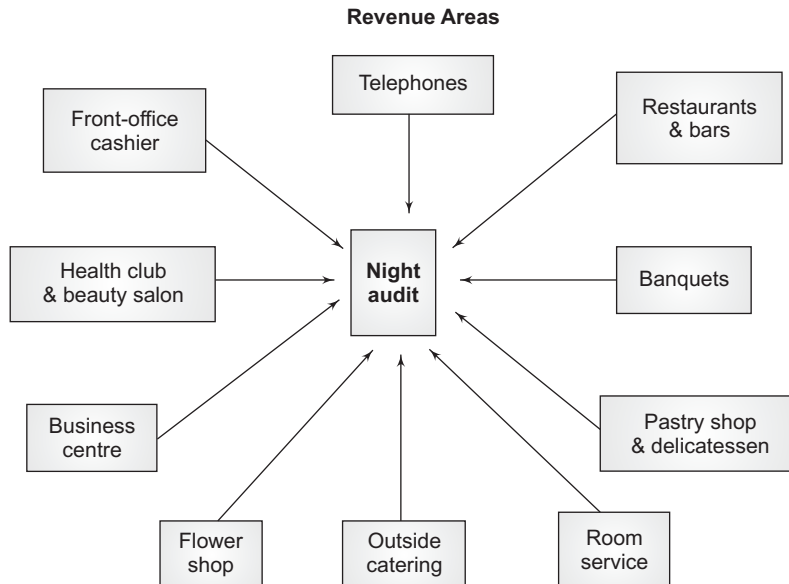
The broad duties of a night auditor can be summarised as:

- Complete outstanding postings
- Reconcile room status discrepancies
- Verify room rates
- Balance all departmental accounts
- Verify no-show reservations
- Post room rates & taxes
- Prepare required reports
- Prepare cash receipts for deposit
- Clear all back-up systems
- Distribute reports



The Night Auditor's first task is to reconcile the cash and credit sales of all revenue centres in the hotel at the end of each day. The end of the day is perhaps when all revenue outlets finish their evening shift. Most food outlets close at 12 midnight when his work starts. If a night club closes at 3 a.m., he will have to factor those accounts after that period. The diagram below gives an appreciation of the common revenue centres that exist in a hotel. More sophisticated hotels may have revenue shop space leasing, leasing of food courts, indoor children fairgrounds, Cineplex, preview theatre, stage shows, sports arenas

like skating rinks, artificial ski slopes, etc, residential complexes, office leases etc. These advanced facilities are not in the purview of this chapter as leasing activity and control is the responsibility of the Estate Manager. The night auditor's restricts himself to direct hotel operational activity only. His interventions with other revenue outlets are to verify the impact of their transactions on the guest folios and over all revenues. Modern automated systems make it easy for him as they are interfaced with the front office accounting system. Postings happen automatically overcoming the tedious process of tallying sales summaries manually. All charge accounts must be posted into the guest folios and all cash payments must tally with cash received. Other devices like in-house entertainment, internet, fax, telephone charges are electronically fed into the front office accounting system.



### Task of a Night Auditor

Let us examine in detail the step-by-step process the night auditor employs to complete his task for the day:

#### Procedure for Reconciling Outlet Sales Summaries

1. The night auditor will ensure that all cashiers have submitted their Sales Summaries and checks (Fig. 11.1). Most cashiers would have submitted them to the front office cashier in Cashier's Remittance of Funds envelopes at the end of their shift, as per procedure; if not, it may mean for the auditor to wait for restaurants and bars to close to start his work.
2. He opens the sealed Cashier's Remittance of Funds envelopes and separates the **checks** (vouchers) into their respective revenue outlets e.g. restaurants, bar, laundry, etc. and arranges them in serial order. The checks must follow a serial order and any missing number has to be accounted for. The serial numbers must correspond with the opening number in the sales summary sheet to the closing number. **Void checks** have to be included. Void checks are those cancelled for various reasons

including (a) wrong postings (b) services made complimentary because of guest complaints, and (c) a check has been damaged during operations. (Follow-up with the concerned cashier for missing bills or incomplete information. Call the cashier at home if need be!)

<b>RESTAURANT XYZ HOTEL ABC</b>		
Guest Name:.....		
Room No:.....		
Date:.....		
<b>QTY. PRICE</b>	<b>ITEM</b>	
	Sales Tax	
	Total	
Cashier's Signature .....		
Waiter Name/No. .... Table No. ....		

**Fig. 11.1 Restaurant Check**

- The auditor tallies the checks with the Sales Summary Sheets for each revenue outlet. He creates a basic trial balance of the outlet to ensure that all arithmetic is right. He corrects any arithmetic errors and confirms each corrected check by signing on the reverse of the check. Checks will be of two types - those paid by cash or credit card and those signed by resident guests to be charged to their guest folio. He confirms that the charge checks have the guest's names, room numbers and signature. Some guests may sign without mentioning their name and room number. The outlet cashier is supposed to have completed that information. If not, the auditor proceeds to locate the name and room number by checking registration cards from where he does signature verification.
- He then proceeds to post all charge checks signed by resident guests into their respective guest folio if not already done by the night cashier.
- He then tallies the cash in each Cashier's Remittance of Funds envelope with the declaration of each outlet's cashier on the top of the envelope. The amount must be accurate to the last dime.
- He then proceeds to fill details in the Daily Sales Recapitulation Sheet (Fig. 11.2) as shown overleaf.

	Room Sales	Food sales	Liquor Sales	Soft Drinks	Cig.	Misc.	Sub-Total	Sales Tax	Paid Outs	Service Charge	Total	Cash Sales	Less Discounts/ Allowances	Credit	Total
<b><u>Accommodation</u></b>															
Rooms															
Banquet Halls															
Bus. Centre															
<b><u>Food Beverage</u></b>															
Coffee Shop															
Specialty Rest.															
Grill Room															
Bar															
Room Service															
Pastry Shop															
Delicatessen															
Banquet Food															
Banquet Bar															
AP Food Sales															
<b><u>Others</u></b>															
Beauty Parlour															
Barber Shop															
Laundry															
Telephones															
Health Club															
Postage															
<b>Total</b>															

Fig. 11.2 Daily Sales Recapitulation Sheet



### ***Room Revenues***

7. The auditor reconciles the room status and corrects discrepancies, if any. He does this by comparing the housekeeping report of the night shift with the front office room status report. We have read earlier that both the housekeeping and front office carry out independent physical checks of rooms in each shift to ascertain the exact number of occupied rooms and rooms available for sale. If there is a discrepancy in the reports, he will request a bell boy to do a physical verification.
8. Once the room status is clarified, he ascertains whether each guest room has a guest folio at the front office cash desk.
9. He then proceeds to check all guest folios and ascertain whether the daily room rate applicable is mentioned and been posted for the day. He also posts the necessary sales taxes and service charges (if applicable). If the room rate, differs from the daily rack rate, he has to investigate the reason if not mentioned on the folio itself. The reason for rate discrepancy could be:
  - (a) The guest has a special rate (group rate, corporate rate, airline rate trade discount, etc.) which he verifies from the guest's reservation form and registration form.
  - (b) The guest may have got a discounted rate from central reservations or other distribution systems. He verifies the rate applicable.
  - (c) Two guests may be sharing a room and have asked for a split folio. He will mention "split folio" in the folios of both guests.
  - (d) If the guest has been complimented a stay in which case the supporting authorisation must be attached to the folio.
10. He examines the departure dates of each guest on the folio. Should a departure date have expired, he shall ascertain the status of the guest. He will first check the amendment forms for any new dates of departure for the guest not posted. He enters the correct dates. A guest could be a skipper which explains why his folio is still active after the departure date. He will make a note "Skipper" on the folio and send to the city ledger for further action. Another scenario could be that the guest has checked out but the cashier has not completed the check-out formality. In such a case, the auditor completes the check-out formality.
11. The auditor checks the arrival list of the day and verifies no shows. He first checks the cancellation forms of the day, if the front office has a legitimate cancellation amendment in which no charges need be made to the guest account. Cancellations are only accepted in writing before a cancellation amendment is made. If there is no such document then the auditor will charge the guest for one night stay by using his credit card number. This is a sensitive matter and needs careful verification as it could lead to loss of future business from the guest. All guests are cautioned of this charge in case of a no show at the time of reservation especially in the busy season.

### ***Paid-outs and Allowances***

12. The night auditor checks all paid-outs and allowances and whether they have the appropriate authorisation. He fills totals in the Daily Sales Recapitulation Sheet.

### ***Foreign Currency Exchange***

13. He tallies all Foreign Currency Encashment Certificates with the Record of Foreign Currency Transactions.

### *Miscellaneous Vouchers*

14. He audits all Miscellaneous Vouchers for services like baby-sitting, shoeshine, butler service, etc. before entering totals in the Daily sales Recapitulation Sheet.

### *Bills Exceeding House Limits*

15. Checks all bills exceeding the house credit limit and prepare the Statement of Bills Exceeding Limit (Fig. 11.3).

Serial No.	Room No.	Guest Name	Arrival Date	Departure Date	Amount	Billing Instructions	Remarks

Auditor's Signature .....

**Fig. 11.3 Statement of Bills Exceeding Limit**

16. Audits the Front Office Cashier's Summary and ensure that each column of the summary has supporting documents.
17. Prepares the following statistics:
  - Occupancy Report
  - Average Room Rate
  - Average Food and Beverage Sales
18. The auditor finally prepares the **daily transcript**, which is a recap of all front office transactions and information. Information includes:
  - Revenue from FITs
  - Revenue from Groups and names of the groups
  - Revenue of Crews and names of the crews
  - Single Occupancy Statistics
  - Double Occupancy statistics
  - Average Room Rate
  - Food and Beverage Revenues
  - Revenues from banquet functions
  - Revenues from outside catering
  - Revenues from other revenue centres

- Revenues from miscellaneous charges
- Paid-Outs and expenditures
- Variances from budgets
- Comparisons with last year to-date
- Revenues to date

## Key Terms

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<b>Allowances</b>	amounts for daily expenses paid by the front office cashier for daily expenses to airline crews and some groups
<b>Cashier Remittance of Funds</b>	an envelope in which all sales and documents are enclosed and deposited with the front office cashier
<b>Check</b>	bill of a revenue outlet
<b>Daily Sales Recapitulation Sheet</b>	a transcript of all sales of the hotel for the day, prepared by the night auditor.
<b>Foreign Currency</b>	a document confirming a foreign currency
<b>Encashment Certificate</b>	exchange for local currency
<b>Guest Folio</b>	a master bill of a resident guest
<b>Miscellaneous Vouchers</b>	bills for minor services of the hotel
<b>No show</b>	guest with a reservation but does not arrive without prior intimation
<b>Outstanding Postings</b>	those charges and credits not included in the guest folio
<b>Paid-outs</b>	cash payments made by the front office cashier to guests and management for external services.
<b>Record of Foreign Currency Transactions</b>	a summary of Foreign Currency Exchange Certificates
<b>Restaurant Check</b>	bill of a restaurant
<b>Sales Summary Sheets</b>	a record of all cash and credit sales made in a revenue outlet.
<b>Statement of Bills Exceeding Limits</b>	document recording all guest master bills exceeding house credit limits

## Review Quiz

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### Fill in the Blanks

1. The final report that the night auditor prepares is called \_\_\_\_\_.
2. All revenues received by a sales outlet is recorded in a document called \_\_\_\_\_.
3. A night auditor reports to \_\_\_\_\_.
4. The first task of a night auditor is to \_\_\_\_\_.
5. Leasing if shopping space is the responsibility of \_\_\_\_\_.

6. Revenue outlets submit all their cash and credit sales in a \_\_\_\_\_.
7. Checks cancelled in a revenue outlet are called \_\_\_\_\_.
8. Foreign Currency Encashment Certificates are tallied with \_\_\_\_\_.
9. Those bills exceeding house credit limits are recorded in \_\_\_\_\_.
10. A voided check in a restaurant is authorised by the \_\_\_\_\_.

**Write short notes on the following:**

1. What are the broad functions of night audit?
2. What are the statistics prepared by the night auditor?
3. What are the duties of a night auditor?
4. List all the revenue outlets of a typical hotel.
5. Give the procedure to reconcile revenue outlet sales summaries.



# CHAPTER 12

## Yield Management

### Introduction

Yield Management is a modern tool available to front office professionals to maximise revenue. **Yield** means the benefit received from a given asset. In this case the asset is a room and the yield from the room is the financial return we get from it. We all know that once rooms are built in a hotel, they remain a fixed asset that cannot be added to unless there is a major capital expansion of the property. Revenue from rooms come by leasing rooms for a given time period. The time period could be a day, days, weeks, months or a year. This depends on the type of hotel and its objectives. Time is perishable. A room not sold on any given day is revenue lost forever. The challenge for the front office professional is to maximise the room revenue with a fixed set of assets in a perishable time.

Earlier, the performance of room sales was evaluated on the basis of occupancy or **Average Room Rate (ARR)**. Average room rate is calculated by dividing the room revenue by the total number of rooms sold. Earlier reservation agents overbooked rooms based on experience, to accommodate no-shows and cancelled bookings to reach a 100% occupancy, which was the benchmark of performance. The chase to fill rooms was achieved perhaps by heavy discounting. Front Office Managers would compare their occupancy and ARR with those of other properties in the city to justify their performance. These approaches have been de-mythified as the best benchmarks of room performance. We now see that a lower occupancy with better revenue realisation is more beneficial to the hotel in the long run than a full occupancy with discounted prices, by using yield management strategies and tactics.

Front office personnel had a **rack rate** with the hope of a full occupancy. A rack rate is a given rate for a day quoted by front office agents. This rate is based on the experience of a hotel for that period. The ARR had to be close to the rack rate to claim a good performance. Another method used by front office managers was to achieve high volume bookings to get that perfect 100% occupancy. Therefore, hotels made a mad scramble to get groups, airline crews and conference delegates into the property to get the occupancy. Yield Management has thrown this concern for volume aside and brought in high profit business instead. This is achieved by altering room rates and applied with various other variables to get a profitable mix. To be able to achieve this, there is a lot of research and analysis required. Yield Management is, therefore, not just a statistic but a whole planning process.

Yield management has brought about the following benefits as claimed by front office professionals who used them.

- Better room revenue
- Better average room rates
- Reviewing existing market segments. Adding new segments and shedding unprofitable ones.
- Making it an essential part of marketing plans thereby making front office an extension of the sales department or vice versa.
- Making it a strategic planning tool.
- Having flexible rates to meet all situations.
- Relating rates to value-added services.
- Being bold when applying maximum rates.
- Using discounting as a tactic.
- Forecasting business.

Chapter 1.4 entitled, “*Classification of Guests*” gives in detail the various guest segments. Each market segment needs to be evaluated to get the best mix for optimum revenue. For example, a hotel will review its business clientele and only decide on selling rooms to the top echelons of the corporate hierarchy. They believe that exclusivity can claim a higher price. The Oberoi Group uses this strategy and targets only premium clients. Similarly, premium properties if chain hotels may use market segment. There are many types of groups—tourists, conference delegates, training programme participants etc. Earlier the front office manager would sell rooms to any group differing rates according to the season. They would charge lower rates in off season and higher rates in season. Yield management proposed to accept only those groups who will pay a rate that meets the revenue targets. It would shed budget groups even at the stake of low occupancy.

To arrive at such decisions, the front office manager will conduct an opportunity analysis in the first place.

## Opportunity Analysis

Potential revenue is evaluated in terms of the opportunities available to claim higher tariffs that maximise revenue. These opportunities are arrived at through an opportunity analysis. Each hotel will have to do their own opportunity analysis based on experience and historical records. The basic aim is to give the right product at the right rate at the right time. In making their opportunity analysis, the front office professional will gather and evaluate the following information:

- Inventory of rooms in the property including their plus and minus points
- Marketing Plan
- Competition analysis
- Rates that are competitive
- Types of guests being targeted and their capacity to pay
- Desired guest mix
- Guest purpose of travel to the city
- Psychographics of the guests as to what lifestyle they lead.
- Major events in the city published by the government (exhibitions, conventions, state visits etc.)

- Major events planned by event management companies during the year (fairs, exhibitions, concerts, film award ceremonies, etc.)
- Major sports events in the city based on information from sports authorities
- National and religious holidays declared
- School vacations
- Weekly/monthly/yearly guest traffic patterns

Yield management strategies are based on the information gathered and the attempt to make most of the opportunities. It is a strategy of capitalising on supply and demand of guest rooms. It works on a simple principle. When there is a higher demand for rooms, the prices will rise accordingly. When the supply of rooms is bigger than the demand, then the prices will fall.

## Strategies and Tactics

Strategies are broad directional action plans while tactics are immediate manœuvres during day-to-day operations to meet rising situations.

### Strategy I: Price Flexibility

Management has to evaluate the range between which room rates can be manipulated. They establish the maximum-moderate-minimum rates. A fourth rate, the discounted rate, is one where the contribution from the room barely covers the room costs and is used in extreme situations of low demand.

The matrix below gives the several possibilities available to a front office professional.

VARIABLES	MAXIMUM RATE	MODERATE RATE	MINIMUM RATE	DISCOUNTED RATE
<b>LOCATION</b>	<ul style="list-style-type: none"> <li>• Rooms on top-most floors</li> <li>• Rooms away from elevator foyers</li> <li>• Rooms with good view</li> </ul>	<ul style="list-style-type: none"> <li>• Rooms on middle floors</li> <li>• Rooms in the middle of floors</li> <li>• Rooms with a view of the main street</li> </ul>	<ul style="list-style-type: none"> <li>• Rooms on lower floors</li> <li>• Rooms at the end of wings</li> <li>• Rooms overlooking adjacent buildings</li> </ul>	• Off-season discounts
<b>TYPE OF ROOM</b>	<ul style="list-style-type: none"> <li>• Executive rooms</li> <li>• Suites</li> <li>• Deluxe rooms</li> </ul>	<ul style="list-style-type: none"> <li>• Normal single and double rooms</li> </ul>	<ul style="list-style-type: none"> <li>• Only normal rooms in lean periods</li> </ul>	• Off-season discounts
<b>TYPE OF GUEST</b>	<ul style="list-style-type: none"> <li>• Corporate clients</li> <li>• Premium groups</li> </ul>	<ul style="list-style-type: none"> <li>• Airline crews</li> <li>• Institutional business</li> <li>• Tour groups</li> </ul>	<ul style="list-style-type: none"> <li>• Budget travellers</li> <li>• Senior Citizens</li> <li>• Association members</li> <li>• Sports teams</li> <li>•</li> </ul>	• Off-season discounts
<b>DAY IN THE WEEK</b>	Monday-Thursday	Fridays	Saturday-Sunday	
<b>DAY IN THE YEAR</b>	<ul style="list-style-type: none"> <li>• Holiday season</li> <li>• Tourist season</li> </ul>	<ul style="list-style-type: none"> <li>• Month preceding holiday season</li> <li>• Month preceding tourist season</li> </ul>	• Off-season	• Off season

(The above are only indicative strategies. Each hotel has to develop its own strategy based on the particular circumstances)

**Location** Rates can be charged by the location of the room. Earlier all rooms were treated alike. Yield managers have found that the hotel can charge extra for a preferred location. A room overlooking the golf course could attract a better price than one overlooking an apartment building. A room in the wings with its relative exclusive location could get better prices than those near noisy elevators and foyers. Rooms at higher floors with panoramic views could be charged more than those on lower floors which overlook the street.

**Type of Room** Obviously single rooms, double rooms and suites of various types will attract separate rates. Most hotels install twin beds to have the flexibility to sell them as single or double rooms. However that same room can be sold at a single rate and a double rate. Many down-town hotels have executive floors with special features like a desk, internet connections, and business lounge or butler service. These rooms have the potential of getting better room rates than ordinary rooms. Many hotels have different types of rooms based on luxury. So we read about **normal rooms, deluxe rooms and presidential rooms** or the like.

**Type of Guest** Yield management works well by segmenting the guest profile. Dependence on any segment is a folly due to the times. A hotel can get better room rates from business clients but would have to give lower rates to members of groups travelling together. Airline crews can get moderate rates as they keep rooms occupied throughout the year. They give guaranteed income yearlong. In yield management, the hotel has to get their guest mix right to maximise revenue.

**Day in the Week** This is another variable that can be exploited to get better yields. In some cities the weekend is slack as the travelling public may want to be at home on the weekend. The hotel could consider lower prices then. Come Monday they would raise the tariffs to take advantage of week day traffic. In other cities, weekend traffic is at its peak because weekend holiday crowds may want to avail of hotel rooms. Nearby resorts take full advantage of weekend rush to exact the maximum price. They reduce the price during the week to attract casual weekend traffic.

**Days in the Year** We all know that the year has certain peaks and troughs in business. Public holidays are known in advance as the Easter weekend or the *Diwali* (Indian festival of lights), *Id* (Muslim festival), *Passover* (Jewish festival) holidays. National days and religious holidays are great opportunities for maximising revenues for resort hotels while business hotels may find a slump in occupancy. The school vacations are a strong influence on holiday plans as families are able to travel together. Family travel reaches its full potential during those school vacations which brings a boom in business for resorts. The year long planning also takes into account summer traffic. While summers in the northern hemisphere are great for travels, the southern hemisphere has bearable winter. Winters can be bitter and unfit for travel in the northern hemisphere but is ideal for countries in the southern hemisphere that have summers with plenty of sunshine. Some regions like the sub-continent could be totally unfit in the summer for travel due to torrid temperatures but wonderful for travel purposes during winters. Yield management takes into account these seasons for travel to raise prices or lower them as applicable.

Maximum revenue is, therefore, not the rack rate by the number of rooms available for sale. This does not give the possibility to exceed the full potential of revenue. Yield management challenges the front office professional to go beyond and measure performance by comparing the actual revenue with the potential revenue. Therefore, the next step is to calculate the potential revenue.



### **Strategy 2: Guest Mix**

A guest mix is the different types of guest profiles that are included in the plan. Hotels have found the wisdom of having a guest mix so as not to rely on any one segment. Earlier hotels in India craved for foreign tourist group travel. They believed that foreign groups gave volume business. Hotels ran full in season and it was difficult to get a room. But when the torrid summer months came followed by the monsoons, hotels ran empty. Such reliance on foreign group travel was suicidal. Hotels soon moved to include business travel creating such facilities that cater to that segment. Executive floors were hastily created from existing ones with executive lounges and independent check-in counters. These floors were created in name only without any additional facilities. As business travel increased, hotels built executive blocks as after thoughts. Again, reliance on the business segment alone can be hazardous as one saw in the U.S. after September 11<sup>th</sup>, 2001. Business travel fell in fear of plane hijack. During the first Iraq War, hotels went empty in the Middle-East. Travellers feared chemical gases and scud missiles. A hotel immediately switched to providing accommodation to the international press corps and military personnel. Yield management gives hotels the flexibility and provision to have a guest mix in case of sudden situations.

### **Strategy 3: Service Mix**

Service mix refers to service value-additions made to a room, or room rate that can command a higher room tariff. Investors have added mini-bars, room safety lockers, internet connections, etc. to rooms to enhance their value and therefore, command a better price. Executive floors have always attracted higher tariffs for the additional facilities provided like extra desk in the room, business lounge, butler service, international newspapers, business centre, etc. This is a clever way to increase prices. Another method of service mix could be a breakfast thrown into a room rate, or free morning tea, brunch in weekend prices, free use of gym facilities, etc. Here, other services are harnessed to increase the room price.

Some examples of extra services included by hotels are:

- Courtesy coach service or limousine from the airport.
- Free breakfast.
- Free use of the health club.
- Use of the business lounge.
- Free membership to the night club during the stay.
- Inclusive brunch in family hotels and weekends.
- Bus transportation to the city centre.
- Left luggage facilities.
- Sightseeing tours small towns.
- Morning tea service.
- Free children's ride in beach launches.
- Free laundry press service.
- Free baby-sitting and crèche service.

While guests see these as free services in the room rate, these prices are already built into the tariff at cost prices for the hotel.

### **Strategy 4: Capacity Management**

In this strategy, front-office management controls the supply of rooms to market segments. In certain peak seasons, the hotel may restrict the supply of rooms to groups or moderate paying guests. They have the knowledge of the demand and will only sell rooms to full paying guests. Travel Agents and Central Reservations are alerted to this strategy in certain seasons and keep statuses “On Request” They are required to quote only the maximum tariff. It is quite possible that occupancy is not 100% but the realisation from each room sold is higher. Resort hotels may ask for a total advance against bookings thereby empowering the hotel with cash flow. Hotels will announce “Free Sale” status to travel agents and central reservations in periods that are low in demand.

To ensure full occupancy in peak periods, front office reservations may overbook to an amount that is safe. While overbooking is not a new phenomenon, it is a successful strategy in high periods to maximise room revenue. Overbooking as a strategy should not be taken lightly because a guest turned away cannot be a repeat customer. Tie-ups with similar quality hotels in case of exceeding guest supply are a back-up that front office professionals must employ to get guests back.

### **Strategy 5: Group Bookings**

Group bookings certainly sell rooms in volume. To get that volume, tour operators, travel agents and event management companies and associations negotiate for best prices. A hotel may not want a group booking in peak season. This was never heard of before, but those properties employing yield management techniques are bold enough to say “No” to group bookings during peak seasons because they attract lower rates. Group bookings may be accepted on following considerations:

- The group is willing to pay a good room rate.
- The group is giving revenue to other departments of the hotel.
- The group business is superior to transient business during that period.
- The other services required are available and profitable to other departments. For example, a training programme may need a training room. It has to be seen if that is available for that period.
- Performance of the group sponsor in the past.
- Repeat business from the same group source during lean periods of the hotel.
- Does the group displace regular guests who give regular business throughout the year.

Group cancellations are another hazard for a hotel. The sudden withdrawal of volume rooms can jeopardise revenue plans. The hotel safeguards such cancellations by asking for advance deposits, minimum period required for a cancellation and guaranteed number of rooms. Hotels negotiate with conference and convention centres that delegates attending the event must stay in the hotel only. Any delegate making own arrangements may not enjoy the privileges extended by the hotel such as the buffet, transport service, mid morning/mid afternoon coffee, etc.

### **Strategy 6: Discounting**

Discounting is taboo in peak periods. It is only used in extremely low periods. The belief is that some revenue is better than no revenue. There are times when the ‘acts of God’ or manmade events like earthquakes, floods, war, terrorist attacks, epidemic, etc. can throw all revenue plans haywire. In such circumstances discounting is used to get good business. Resort hotels may find it economical to close operations altogether during off season as the cost exceeds potential business. Others may find alternative clients at discounted prices to fill the gaps. Hotels may negotiate with the press corps that covers sensational

events, to get their business. During war situations, the hotel could negotiate with the military to provide accommodation for troops and officers. Resort hotels during off season can promote youth camps and treks. Seaside resorts can encourage special water sport classes for enthusiasts. Under this strategy, room discounts must never equal or go below rooms costs.

### Strategy 7: Up-selling

This is the best strategy to employ. Up-selling is the process of selling rooms with higher room rates. All front office personnel are good sale persons. They must be able to up-sell to get the best revenues. This is achieved by promoting benefits and additional facilities accompanying higher prices. Statements like, “I can give you a room with a sea view for a few dollars more!” or “By paying a few dollars more you get the advantage of free gym services” or “We have a special arrangement with our sight seeing tour operators if you were to take our deluxe room”. Up-selling is a skill that all front office professionals must possess and encourages the yield management efforts considerably.

### Strategy 8: Period Management

Period Management is the process of employing rate strategies based on the potential of business in any given period. There are two aspects of period management 1) When there is a **demand for rooms on certain periods** and 2) When there is **less demand for rooms**. When there is demand of rooms in certain periods, rooms may be cleared of occupancy well before the demand period to attract early high paying guests. Some long staying guests like vacationers may book rooms before the onslaught of the season to catch the lower rate prevalent then. The hotel then loses the full revenue potential for the rest of the seasonal period. Hotels recognise this tactic employed by guests and quote seasonal rates earlier than requires. The same goes for weekends. In a city where weekends have peak activity, A hotel may forego the Friday room booking to a lesser paying guest for the day, when they know that weekend guest paying full fares will book from Friday night onwards.

During low demand periods hotels may use the opportunity for room renovations, spring cleaning, etc. They may close certain floors altogether to save on power, water and manpower that maintains them. Some hotels encourage low priced training programmes to corporate houses to cover room costs and make an income. Some hotels may promote galas and food promotions in the food and beverage department during off season to stimulate room sales by artistes, organisers, sponsors etc.

### Review of Tactics

HIGH DEMAND TACTICS	LOW DEMAND TACTICS
<ul style="list-style-type: none"> <li>• Charge maximum rates</li> <li>• Reduce group bookings</li> <li>• Avoid discounts</li> <li>• Insist on 12 noon check-outs</li> <li>• Avoid complimentary rooms</li> <li>• Charge credit cards of ‘no shows’ for the first night stay</li> <li>• Take advances on rooms</li> <li>• Charge the maximum rate to walk-ins</li> <li>• Insist on minimum room guarantees for group bookings</li> <li>• Insist on full payment for less than 48 hours cancellations</li> <li>• Over booking with spill over arrangements with other hotels</li> </ul>	<ul style="list-style-type: none"> <li>• Charge minimum rates</li> <li>• Encourage group bookings</li> <li>• Offer discounts</li> <li>• Permit check-outs after noon.</li> <li>• Encourage longer stay price advantages</li> <li>• Permit complimentary rooms to business providers as a PR gesture</li> <li>• Look at alternate guest segments</li> <li>• Be open to spill-over traffic from other hotels</li> <li>• Up-grade regular guests and VIPs as a PR gesture</li> <li>• Close floors for room renovations</li> <li>• Reduce services and cut labour costs</li> </ul>

## Yield Statistics

Yield statistics is the ratio between the actual room revenue to the potential room revenue. In other words:

$$(a) \text{ Yield} = \frac{\text{Actual room revenue}}{\text{Potential room revenue}}$$

$$(b) \text{ Yield} = \frac{\text{Room Nights Sold}}{\text{Room Nights available}} \times \frac{\text{Actual Average Room Rate}}{\text{Potential Average Rate}}$$

## Potential Room Revenue

Potential room revenue is the optimum room revenue that a room can attract in a given period. The key is the potential room revenue. There are two ways to approach the potential revenue:

1. Potential revenue = Rack Rate  $\times$  Total number of rooms for sale.

This is an ideal benchmark. Hotels are rarely able to achieve that perfect potential revenue because of the variations in occupancy.

2. Potential revenue = (Rack rate for executive rooms  $\times$  no. of executive rooms) + (Rack rate for deluxe rooms  $\times$  no. of deluxe rooms) + (Rack rate for normal rooms  $\times$  no. of normal rooms)  $\times$  (Rack rate for suites  $\times$  no. of suites).

In this circumstance, the potential revenue is based on the guest mix and the potential from each category of rooms. Here, there is a possibility of exceeding the potential room revenue using the strategies and tactics mentioned above.

3. Potential revenue = (Likely % of single occupancy  $\times$  Rack rate for a single room) + Likely % of double occupancy  $\times$  Rack rate of a double room)

Many hotels think it wise to have all twin bedded rooms which they can sell as singles as well. While the best strategy would be to sell rooms only on double occupancy, this is always not possible. The demand for single rooms goes along with double occupancy. Let us take an example of how yield management works. If for instance a hotel of 100 rooms charges \$ 100 for single and \$ 185 for a double. Let us assume that the percentage of single occupancy is 50% and double occupancy is 50% as well. The formula will read:

$$50\% \text{ of } 100 \text{ rooms} = 50$$

$$\text{Single occupancy rate} = \$ 100$$

$$\text{Double occupancy rate} = \$ 185$$

$$\text{Potential revenue} = (50 \times \$ 100) + (50 \times \$ 185) = \$ 14,250$$

If the percentage of occupancy actually changes to 60:40 the revenue becomes:

$$\text{Potential revenue} = (60 \times \$ 100) + (40 \times \$ 185) = \$ 13,400$$

The contribution from singles will always lag behind double room rate. Ideally we can say that we increase the double room occupancy. This is fine but not always possible. So if we up-sell single rooms to \$ 140 the formula will look like:

$$\text{Potential revenue} = (60 \times \$ 140) + (40 \times \$ 185) = \$ 15,800$$

Yield management would suggest that front office professionals up-sell their single rooms to get better room revenues.

Option 2 seems to be the best for yield management because the type of rooms and guest mix gives plenty of opportunity to increase rates in one segment to cover the low margins from other segments. Actual revenue and ARR is then compared as a percentage to establish yield and evaluate the performance of front office staff.

### Revenue per Available Room

Some professionals may want to evaluate yield as revenue per available room (RPAR) instead of a percentage.

$$\text{RPAR} = \frac{\text{Actual room revenue}}{\text{Number of available rooms}}$$

$$\text{RPAR} = \text{Occupancy Percentage} \times \text{Average Room Rate}$$

In the example of the Tourist Inn, if the room revenue is \$15,800, the RPAR is:

$$\text{RPAR} = \frac{\$15,800}{100 \text{ rooms}} = \$158$$

### Room Revenue Contribution

Another way to arrive at revenue potential is to work backwards from the revenue contribution required from the rooms division towards gross profits. The guest mix of rooms is played around to achieve the ideal mix of rates to achieve the revenue contribution. The front office manager could develop a matrix like the following to guide him/her.

#### OCCUPANCY PERCENTAGE

TYPE OF ROOM	TYPE OF GUEST SEGMENT	NO. OF ROOMS	50%	60%	70%	80%	90%	100%
<b>EXECUTIVE ROOMS</b>	<b>CORPORATE CLIENTS</b>	<b>100</b>						
<b>\$100</b>			5000	6000	7000	8000	9000	10000
<b>\$200</b>			10000	12000	14000	<b>16000</b>	18000	20000
<b>\$300</b>			15000	18000	21000	24000	27000	30000
<b>DELUXE ROOMS</b>	<b>HIGH PRICED TOURISTS</b>	<b>100</b>						
<b>\$80</b>			4000	<b>4800</b>	5600	6400	7200	8000
<b>\$90</b>			4500	5400	6300	7200	8100	9000
<b>\$100</b>			5000	6000	7000	8000	9000	10000
<b>NORMAL ROOMS</b>	<b>BUDGET TRAVELLERS</b>	<b>100</b>						
<b>\$50</b>	<b>FAMILIES</b>		2500	3000	3500	4000	4500	5000
<b>\$60</b>	<b>DELEGATES</b>		3000	3600	4200	4800	<b>5400</b>	6000
<b>\$70</b>			3500	4200	4900	5600	6300	7000
<b>SUITES</b>		<b>20</b>						
<b>\$350</b>	<b>CHAIRPERSONS</b>		<b>3500</b>	4200	4900	5600	6300	7000
<b>\$400</b>	<b>CELEBRITIES</b>		4000	4800	5600	6400	7200	8000
<b>\$450</b>	<b>STATE VISITORS</b>		4500	5400	6300	7200	8100	9000

(The above is only an indicative mix. Each hotel has to develop its own strategy based on the particular circumstances and probability of achievement).

Let us assume that the management wants a contribution of \$ 900, 000 per month from the rooms division. The Front Office Manager has now a matrix to play around with to determine what kind of mix per day he needs to achieve a figure of \$30,000 (\$900,000/ 30 days). Using the above example the front office manager will direct his team to achieve per day:

Type of room	Occupancy	ARR	Income
Executive Rooms	80%	\$200	\$16000
Deluxe Rooms	60%	\$80	\$4800
Normal Rooms	90%	\$60	\$5400
Suites	50%	\$350	\$3500
			<u>\$29700</u>

Actual performance against this potential shown is the yield statistic. The above table serves many purposes:

- It determines the desired room rack to quote on a given day and in a month.
- It sets the parameters for the discounts that is possible.
- It may be adapted to the season.
- It identifies the particular guest segment that should be targeted in a given period.
- It is realistic rather than idealistic. It takes into account the realistic occupancy levels given historical trends.
- It measures performance. Front office personnel have the opportunity to exceed performance.
- Better performance in a given month can cover a bad performance in another month.
- It determines the occupancy percentage required of each guest segment to meet revenue objectives.
- It encourages the front office agents to up-sell rooms as it is within rate parameters and not some impossible rate to achieve.
- It sets the average room rate for each type of room.
- It exploits the types of rooms for various periods.
- It lets the front office manager know which type of rooms can be handed to housekeeping for spring cleaning or renovation on the basis of demand for it. The manager would emphasise on the sale of other types of rooms.

### ***Non-room revenue policy***

As we have seen in strategy 3 – the service mix, room rates can lean on other departments to provide value added services to justify higher room rates. The Front Office Manager must evaluate each segment and know when to include value-added services. For example, families paying \$50 for a room may be offered a package of \$70 with a brunch included. The food cost of the brunch would say be only \$4 per person while F&B charges \$6 for the brunch to the front office who then gets an additional contribution on a \$50 room of \$20 – \$6 = \$14. During a period the room rates are sold as packages only. Such support from other departments can help arrive at revenue targets.

## Summary

Yield management is a revolutionary approach that de-mythifies the age old belief in high occupancy only as the tool for success. Yield management confirms that lower occupancy with a higher revenue yield has a great impact on revenues. Yield management starts with an opportunity analysis followed by several strategy options to maximise profit. This approach is a useful tool for all front office professionals to have.

## Key Terms

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<b>Average Room Rate</b>	rate arrived at by dividing room revenue by the total number of rooms
<b>Capacity Management</b>	a control on the supply of rooms to market segments
<b>Discounting</b>	reducing room rates below the normal rack rate
<b>Guest Mix</b>	different guest profiles included in a yield management plan
<b>Market Segment</b>	Section of the market targeted for business.
<b>Opportunity Analysis</b>	evaluation of opportunities in the market for business potential
<b>Period Management</b>	rate strategies based on business potential in different periods
<b>Rack Rate</b>	quoted room rate on a particular day
<b>Room Revenue Contribution</b>	the contribution that net room revenues make to gross profit
<b>Service Mix</b>	service value addition made to a room rate
<b>Strategies</b>	broad directional action plans
<b>Tactics</b>	maneuvers in day-to-day operations to meet rising situations
<b>Up-selling</b>	process of selling rooms with higher room rates than originally planned by the guest
<b>Yield</b>	benefit received from an asset
<b>Yield Statistic</b>	ratio between actual room revenues to potential room revenues

## Review Quiz

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### Fill in the Blanks

1. A benefit received from an asset is called \_\_\_\_\_.S
2. A room rate quoted by front office agents on a particular day is called \_\_\_\_\_.
3. Opportunity Analysis is based on experience and \_\_\_\_\_.
4. Different guest profiles included in a yield management plan is called \_\_\_\_\_.
5. Service value-addition made to a room rate is called \_\_\_\_\_.
6. A control in the supply of rooms to different market segments is called \_\_\_\_\_.
7. Reduction in room tariff below the normal rack rate is called \_\_\_\_\_.

8. The process of selling higher rooms rates than originally planned by the guest is called \_\_\_\_\_.
9. The process of employing rate strategies based on the potential of business in a given period is called \_\_\_\_\_.
10. A contribution of room revenues to gross profit is called \_\_\_\_\_.

**Write short notes on the following:**

1. Benefits of yield management.
2. Type of information gathered and evaluated in opportunity analysis.
3. Price Flexibility strategy.
4. Free extra services in a Service Mix strategy.
5. Conditions for accepting a group in high season in yield management.





# CHAPTER 13

## Quality Guest Service

### Introduction

Quality is a continuous journey and not a destination in itself. What is Quality? Quality is a process of consistently exceeding expectations of the guests. It places the guest as the centre of all activities. It must be able to adapt to the changing expectations of the guests. Some of the responses in a guest survey about expectations and quality give the reader an idea on how diverse expectations of the guests can be:

- “I run my finger under the ledges of furniture to see if there is any dust, when I enter a room”.
- “I throw open the counterpane of my bed and inspect the bed sheets. It must be spotlessly clean. To me that is quality!”
- “When I enter the room I touch the clothes hangers in the wardrobe to see if it is sticky”.
- “I check the bathroom first to assess if it has a fresh smell to it”
- “To me quality is when my morning tea comes within five minutes”.

These may seem strange interpretations of quality, but these are real. Negative experiences have to be prevented and positive ones have to be reinforced. Quality is not in the mind of the server, but in the mind of the guest. This must be understood as the basis of any quality movement.

Before we can venture further let us get certain terms we hear or read about in relation to quality:

**Quality Control** is a process of inspections to ensure quality standards. Here the responsibility of quality is not that of the originator of a product or service, but that of the quality controller. This concept, as many others, came from the manufacturing sector where mass production passes products through several hands at speed. The process is bound to produce defective items along with perfect products. The quality controller sits at the end of the manufacturing chain and checks each item to ensure they meet quality standards. Unfortunately, the service industry followed this system which exists till today. The housekeeper has a checklist against which she evaluates the work of all chambermaids once they declare a room is cleaned for guest occupation. The restaurant manager checks table layouts of a station before the restaurant opens for guests. The main job of the managers seems to be to complete final inspections.

**Quality Assurance** is a process of inspections at sub-process levels in a manufacturing cycle to ensure that the final product does not need quality control inspections in the end. Again the emphasis is on inspectors and not the worker producing the sub-product. The hotel industry too followed this system by hiring housekeeping supervisors who carried checklists to inspect rooms in allotted floors. The Restaurant manager delegated the responsibility to captains of different stations in the restaurant to conduct quality

inspections. The Managers now were free of this responsibility though still accountable for it. Now the quality inspections were done at sub levels relieving him/her from the final inspection.

**Total Quality Management (TQM)** gave the responsibility for quality to the person who was manufacturing the product or delivering the service. It was a comprehensive movement that empowered workers to be involved, accountable and competent to deliver quality on a continuous basis. Many hotels are realigning their policies to include TQM into their way of working. Now they have no choice. The customers and guests are knowledgeable and will only opt for those products and services that have a certified quality mark. Service industries like the hotel do not have tangible products to stamp and certify for quality so they get certification from bodies like the International Standards Organisation (ISO) to confirm that the establishment has adopted quality processes and standards.

## The Quality Movement

Though there are many published models on quality, they more or less agree on certain principles which are as follows:

1. Top Management must drive the quality movement in the organisation.
2. There must be systems and procedures documented and followed strictly. These become the blueprint on which further improvements are made.
3. Each activity in the process must have a standard of excellence.
4. Everyone is responsible for quality, negating the dependence on quality inspections.
5. Strong and continuous training programmes are the backbone of any quality movement.
6. A system of communication channels downward and upward must be designed for the employees for them to be free and without fear.
7. Constitute a system of regular guest feedback and feel the pulse of changing expectations of the guests periodically.
8. Continuous system of improvement must be a way of life.
9. Get international certification to play on a level field in the global marketplace.

Let us examine each of the above steps.

### Top Management Leadership

The top management has to make the movement within the organisation as part of the company philosophy mission. The mission must be supported by a set of values which are a composition of behaviours that bring the mission alive. Such thinking means that top management is not looking at short term gains but long term way of organisational life that builds through the evolution of the concept of quality in the organisation.

We must understand that earlier in the product centred approach, an organisation produced products and “pushed” the product into the market. This was possible only when the choice available to customers was limited. Customers had to take whatever was available to them. Products improved on features and models as research grew and the customers were at the will of manufacturers. When competition grew, with more companies flooding the market with similar products, a shift had to be made from product

centric attitudes to customer centric ones. Manufacturers now researched needs and expectations of the customers and built products around them. In the global economy, there is no other way to survive but to make the customer the centre of all business activity. Managements have no choice but to fall in line with this trend by promulgating philosophies and policies according to customer orientation.

For the quality movement to succeed in an organisation, it must be built into everyone's performance objectives and they have to stand up to demonstrate their efforts towards the quality movement. The concern for quality comes out not through a set of slogans and posters that are hung on the wall but through the spirit of the organisation. Quality cannot be a one-off activity but has to be a consistent long term effort and only then can an organisation be said to be quality conscious. Top management will create a **Quality Committee** that drives the quality movement in an organisation and oversees **Quality Circles** which are sub-committees with members drawn from each department, that drive quality at the grass root levels. Some organisations employ quality managers to drive the movement. Quality is not the work of one person but the collective effort of all employees.

The **Role of the Quality Committee** is to:

- Create policies that will drive the quality movement.
- Constantly conduct research that highlights the guests' changing expectations and needs.
- Develop and update systems and procedures in the form of instructional manuals that incorporate changing trends from time to time and makes them available to everyone in the organisation.
- Develop standards of quality performance and behaviour.
- Incorporate a continuous training philosophy and system to bring employees upto quality performance standards.
- Create communication channels to nurture concerns of continuous improvement.
- Provide resources and budgets for quality initiatives.
- Develop tools for quality performance and improvement.
- Evaluate and incorporate changes for continuous improvement.

The **Role of Quality Circles** is to:

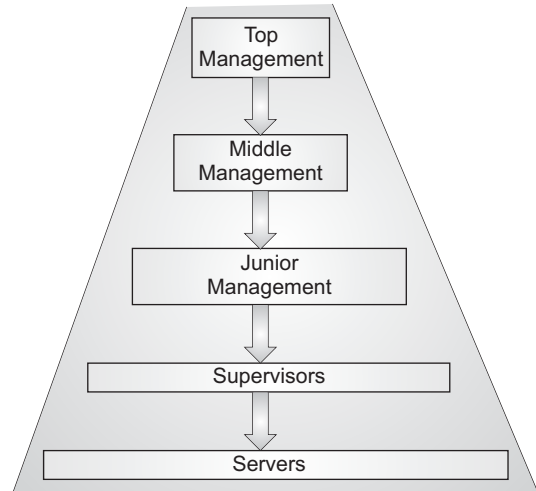
- Evaluate the progress of the quality movement at the operational level.
- Recommend improvements in systems and procedures to deliver quality.
- Recommend improvements in standards for better quality.
- Give feedback on training initiatives at the job level.
- Measure results of quality initiatives.
- Create enthusiasm for quality at the operational level.

A well-developed quality movement does away with inspectors and the need for inspection. There is a case for layers of supervisors (inspectors) to be made redundant. Supervisors detect faults and defects and give instructions to rectify them. The belief in quality is that faults and defects should not occur in the first place. The employee making the product or delivering the service must be enough quality conscious and capable to give faultless performance. The statement talks of **quality consciousness**, which is an attitude and competence to deliver quality. Attitudes are encouraged through company philosophy and the peer pressure to conform to that philosophy. Competence is acquired through constant training and learning to achieve quality standards on a consistent basis. If supervisors are employed, their job would

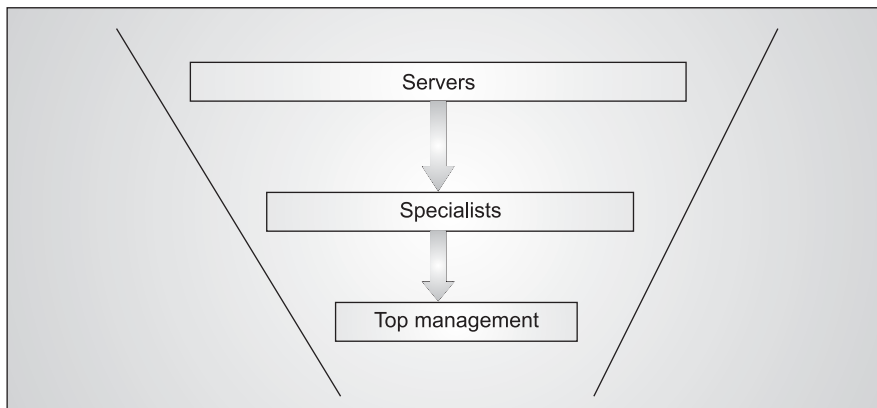
be to provide the support to the workers to deliver quality by arranging resources, training opportunities, information about quality and coordination with other departments. Supervisors become mentors and enablers rather than police persons.

Another important development in the quality movement is **empowerment** of the worker or server. Empowerment is the process of enabling individuals to act independently, through **skill transfer, attitude building** and **the delegation of authority**. There is merit in the service industry to push authority downwards in recognition that it is the server in guest contact who makes or breaks a guest experience. If that is the impact they have, then supervisors become redundant and their powers are handed down to the servers. Of course, the workers must have the capability to handle and execute such authority. This brings in a superior server known as the “**knowledge worker**” nowadays. A knowledge worker is one who executes his/her work with superior information and skills with technology. The server like the front office agent or waiter in a restaurant is no longer a person with low schooling but someone who has higher academic achievements to be able to make complex decisions.

**Organisation structures** earlier were top down establishing a chain of command that emphasised who was boss. Structures looked like:



The servers were mere puppets in the organisational machinery that followed instructions and completed tasks as ordered and were happy when the shift was over. Managements kept them motivated by incentives like tips, increments and promotions which are very short-term performance enhancers. With the realisation that servers make the difference in guest experience, traditional structures are collapsing giving the server a greater say in matters. Modern structures look like this:



One observes that the earlier pyramid structure of authority has overturned making the servers the boss! The servers become new knowledge workers who research, analyse, execute, make decisions and are ultimately accountable for a positive guest experience. To be able to do this the server has to be bright enough to understand policies, procedures and standards and to implement them. Another significant development is the elimination of middle and junior management and supervisors. Both the middle management which was doing information processing, now being done by computer software and the supervisors who did inspections, have been eliminated empowering the servers with their own inspection for quality. The erstwhile middle and junior management and supervisors are given employment if they are specialists in a field to give servers support and help them solve problems. Specialty could be in the form of software development, facility planning, interior design, human resources, training, revenue management, market research, etc. Top Management concentrates now more on business wealth, expansion and new investments. They are a team of financial experts, lawyers, business strategists etc. They empower the organisation by providing it with forward looking policies and the opportunity for continuous improvement. This is the right kind of structure for a quality movement.

Another aspect of the quality movement in an organisation is to provide a **budget** for quality initiatives. Such budgets can be **capital** and **operational**. **Capital budgets** are long-term investments that enhance a physical product. For example, a hotel may decide to install mini-bars in guest rooms as an initiative in response to expectations of the guests. Mini-bars are capital investments that have long-term use. **Operational budgets** are day-to-day expenditures in the pursuit of quality. These may include the quality of printed matter, or organisation market research to get customer feedback.

### ***Documenting Systems and Procedures***

Documenting systems and procedures is a prerequisite for any quality movement. Fortunately, the service industry has been far ahead of the manufacturing industries in documenting systems and procedures. Hotels perhaps are ahead in the service industry in documenting their systems and procedures. This was made possible by big chain operators from the US like the Intercontinental, Sheraton, Ramada Hotels, and Holiday Inns etc. who in their quest for expansion worldwide had to develop operational manuals to achieve consistency of their standards. Management and staff of local hotels with whom big chains partnered had to comply with the standards, systems and procedures set by the chain. An important part of any franchise, management or marketing tie-up with a local partner was a set of operational manuals that detailed the exact procedures to be followed. It may surprise many hotel executives that many manufacturing firms do not have documented procedure manuals and rely on the expertise of a few.

**Procedure Manuals** break large activities like taking a reservation, registering a guest, rooming a guest etc. into smaller tasks that add up to a quality performance. Tasks can also have sub-tasks. Each task or sub-task has a standard of quality which must be met. These procedures and standards are dynamic and can be improved upon with the maturing of the organisation.

Let us take an example of “Registering a Guest”. The procedure manual would read like this:

### Procedure for “Registering a Guest”

Activity	Sub-task	Standard
<b>1. Guest approaches the counter</b>	Smile and wish the guest	Say, “Good morning sir/ms welcome to the Hotel XYZ”
<b>2. Ascertain whether the guest holds a reservation</b>	Ask the guest	Say, “Sir/Ms do you have a reservation and under what name?”
	Check the arrival slips for the day	Make sure that the correct name and spelling is got to avoid mistakes.
	Confirm that the hotel holds a reservation	Use the guest’s name from now on and say, “Mr.../Ms... we are holding a reservation for you”
<b>3. Present the Registration Card</b>	Request the guest to fill the Registration Card	Say, “Mr... Ms... would you kindly fill the Registration Card” Ensure that the Card is clean and not rumpled Present the card with reading side facing the guest.
<b>4. Checking the Registration Card</b>	Make sure all columns and spaces are filled	Check the following in particular: <ul style="list-style-type: none"> <li>• Name</li> <li>• Address</li> <li>• Method of payment</li> <li>• Signature of guest</li> </ul> Confirm the following with the guest: <ul style="list-style-type: none"> <li>• Type of room</li> <li>• Room rate</li> <li>• Billing instructions</li> </ul>
<b>5. Assigning a room</b>	Check the guest history inventory for preferences	Say, “Sir/Ms you stayed last time in room with a sea view, Would you like the same?” Confirm any other preferences Assign a room that has been cleared by housekeeping for sale
<b>6. Handing the room key</b>	Complete the <b>Arrival Errand Card</b> with the guest’s name, room number and signature. Call the bell boy  Take key from the key pigeon hole and hand over the Arrival Errand Card and key to the bell boy.	Say, “Excuse me Joe, Kindly come here to check-in Mr.../Ms.....” Say to the bell boy, “Please escort Mr.../Ms... to the room with his/her baggage” Say to the guest, “The bellboy will escort you to your room Mr.../Ms.... Have a pleasant stay”

The above procedure is a simple example of process. There are different situations including a guest not having a reservation, scanty baggage, room not available, room of preference not available, etc. Each has sub processes which will reflect in the procedure manual.

Looking at the example above, the procedure builds in many features:

- It gives the steps of each broad activity
- It builds in the sub-tasks
- It gives the standard for each sub-task including the statements to be used as also quality checks such as getting the guest name right, giving a clean and uncrumpled Registration Card, checking the guest history card, checking if the room has been cleared by housekeeping etc.
- It builds in the courtesy such as a smile, welcome to the hotel, using words such as “Please”, “Have a pleasant stay”.
- It states the forms and formats that are used like the Registration Card and the Arrival Errand Card.
- It mentions the courtesy to be shown to the fellow employee by using words as “Please” and “Kindly”.
- It builds in guest recognition by addressing him or her by name.
- It attitude to be adopted by using the word “Smile”

### ***Standards of Excellence***

Each sub-task has standards in terms of words, phrases, cleanliness, orderliness, etc. Standards are aspirations of excellence. They must be consistent to ensure durable quality of experience. Standards are minimum requirements of performance. They can be exceeded too by an employee’s own initiative and enthusiasm. A front office agent may give a regular guest a superior room for a lower price when rooms are in supply. This may not be stated in the procedure but is an initiative to foster long term business. A front office agent may ask the guest to write his name on a note pad to get names correctly or ask him or her to spell it out. These may not be in the standards but certainly ensures quality service.

### ***Quality as the Responsibility of Everyone***

We see that quality checks have been built into the procedure. This shows clearly that the front office agent is in full control of the process and the quality that has to be delivered. S/he is totally accountable and is guided by policy and standards in her efforts. This is not meant to cramp his or her style. S/he can add more sentences, better sentences or words as long as s/he is enhancing the guest experience. S/he has the opportunity to give any improvements through her quality circle if procedures need improvement. Standards in each location and country may be altered to bring the special ethnic touch. For example the front office agent can give the traditional Japanese bow to guests from Japan or the *namaste* (folded palms) for Indians. Greetings in the US and Canada accept the word “Hi”. Though this may seem casual in most commonwealth countries, it is accepted in those countries as a way of greeting. Standards can be accordingly altered to reflect the local practices and culture.

### ***Training***

Training is absolutely essential to quality movements. This assumes importance especially since the server at the delivery level is getting empowered with more authority. This is a dramatic change from those days when the server had to do tasks mechanically. The front office agent always had a supervisor



or lobby manager to fall back upon for decisions. In the empowered system, the backup of responsibility is squarely on the server. As a matter of fact, there may not be a supervisor to fall back upon. This requires a well-trained employee to shoulder such a responsibility.

There are four levels of training required to reach the level of empowerment:

LEVELS OF LEARNING	OBJECTIVES	METHODOLOGY
<b>LEVEL 1</b>	<ul style="list-style-type: none"> <li>• Learn philosophy of the organisation, culture, values</li> <li>• Get to know team members</li> <li>• Get to learn duties and responsibilities</li> <li>• Learn systems and procedures</li> </ul>	Orientation and Socialisation programme
<b>LEVEL 2</b>	<ul style="list-style-type: none"> <li>• Learn standards of performance</li> </ul>	Obtain knowledge, skills and attitudes under simulated conditions –classroom training, role play, training films etc. Understand quality and standards. Practice under simulated conditions
<b>LEVEL 3</b>	<ul style="list-style-type: none"> <li>• Learning to deliver consistent performance</li> </ul>	Understudy a senior person. On-the-job training and mentor relationships. At this stage, the employee will be given some non-critical tasks to complete in the real working situation.
<b>LEVEL 4</b>	<ul style="list-style-type: none"> <li>• Development to achieve full potential</li> </ul>	Delegation and responsibility. Given additional inputs like time management, problem-solving and decision-making, communication skills. etc.
<b>LEVEL 4</b>	<ul style="list-style-type: none"> <li>• Continuous Improvement and realignment to new procedures and standards</li> <li>• Become a trainer of others</li> </ul>	Member of quality circles to give feedback for better performance. Evaluation and training of others. Attend train-the-trainer programme. Train others and give management feedback on trainee performance.

### Communication Channels

A quality movement is dependent on communication both downward and upward. **Downward communication** refers to the communication from the top management downwards to the servers. Such communication includes:

- Company philosophy and mission with the concern for quality.
- Company culture and set of values that support quality.
- Policies that promote quality.
- Systems and procedures with their standards of quality.
- Training programmes that assist in the achievement of quality.

**Upward communication** refers to the communication from the workers and servers upwards towards the top management. This includes:



- Feedback on guest's changing expectations.
- Feedback on the execution of quality programmes.
- Problems encountered and solutions to overcome them.
- New innovations to bring about better quality.

To be able to facilitate **downward and upward communication**, the top management constitutes quality circles who are representatives, including management and staff, from various departments who keep the wheels of communication on quality rolling. In terms of upward communication, management should encourage freedom of expression without fear. Employees will not communicate unless they have the security and confidence that they will be heard without any reprisal or ridicule. Management must give confidence that any idea or innovation, however small or big, is important and deserves attention and will provide a forum, the quality council, where they can be evaluated and converted into policy and practice. Employees who generate ideas for quality improvement must be given feedback on how practical their ideas are for implementation. Freedom from fear also comes from being explained what is expected from each employee through a job description for each position. These expectations are further aided by well-designed training programmes to empower employees to be competent to achieve those expectations. Managers become mentors and facilitators rather than policemen and inspectors. Facilitation includes providing conducive working conditions, resources to implement procedures and proper teamwork.

**Teamwork** is another aspect of communication. The quality movement relies on teamwork and progressive managements spend a lot of time in team building exercises. Quality service requires the coordinated effort of different departments. For example, a receptionist may give the best service when registering a guest and assigning a room, but if the bell boy who escorts the guest to his room, is rude or clumsy then his approach ruins all the efforts of the receptionist. Departments have to move from blaming each other to mutual cooperation to solve problems because all departments work to make the guest stay comfortable.

### **Feedback from Guests**

We have understood earlier in the chapter that quality is a perception in the mind of the guest and not the provider of goods and services. It, therefore, becomes imperative to get into guests' minds to ascertain their changing expectations. For example, one great change over the years was the concept of time. People today want everything instantly. It is in this pursuit of immediacy that products like instant coffee, tea bags, microwave ovens, fast food, direct telecommunications, etc. were created. People are on the fast track and do not have the luxury of time to meet their needs. A hotel that does not provide brisk service will be doomed in business. To get access to changing consumer behaviour and thinking, constant research is essential. There are two ways to achieve this: **internal** and **external**.

**Internally**, good hotels have a **Guest Comment Form**, which is a questionnaire seeking the guest's feedback on services. The guest comment forms go directly to the General Manager's office. He normally gets the Guest Relations Executive to analyse them and give him the feedback. In a hotel which has incorporated a formal quality movement, he can give this task of analysis to the quality council for evaluation.

Another way to get guest feedback is to record every negative incident and analyse why it occurred. For example, a guest may complain that his hot water suddenly turned cold while in the shower. The quality circle governing the incident will evaluate the incident and recommend to the quality council

how this incident should not occur again. This is called **Incident Analysis**. Once corrective measures are taken hot water supply is constantly monitored for a recurrence of a similar incident. In a quality programme an incident should not recur.

A third way to monitor changes in guest expectations is for employee to keep his or her “**ear to the ground**” to monitor and relay any conversations, casual comments or serious discussions on any aspect of service. These must be reported to quality circles in the organisation. One hotel changed all the locks of guest rooms to electronic cards system, as housekeeping staff always overheard guests complaining that they had difficulty in turning the keys. While corrective measures do not have to be so drastic always, hotels committed to quality take such feedback seriously.

A fourth way adopted by some hotels is to invite regular guests to a tea **forum** to give their feedback on their present and past stays. Regular guests become almost partners of the hotel and are well-wishers of the property. Hotels give regular guests benefits for their loyalty, such as up-graded rooms, discounts, free limousine service, etc. These guests give valuable feedback with the intention of improvement so that their stay can be more pleasurable.

**Externally**, hotels appoint **market research agencies** periodically to conduct surveys. These are formal ways to get feedback of the guests. The agency prepares a report with recommendations for hotels to respond to.

Another innovation of external interventions is the “**mystery shopper**”. The mystery shopper is an agency or specially appointed people who use the services of a hotel and give independent feedback to hotels regarding the quality of services. They would be given a questionnaire to direct them to respond to the exact information that the hotel requires.

External interventions are also **external audit** by firms specialised in quality movements. The audit is not an inspection but a recommendation body for improvements. These firms are employed as precursors of certification. Usually these **Quality Firms** are the certifying body itself or consultants who help in acquiring certification.

### ***Continuous Improvement***

Continuous improvement has been a phenomenal success in the manufacturing industry. The Japanese called it Kaizen and made it into movement that gave Japanese manufacturers a cutting edge. It is no wonder that industries like automobiles, cameras, mobile phones can come up with new models almost every year. Such is the power of continuous improvement. The service industry has two distinct aspects of business. One is the **physical products** and the second is the **service**. **Physical products** have improved their features. For examples, guest rooms never had mini-bars, guest safety lockers, bathrobes, bath slippers, direct dial facilities, internet connections, etc. Restaurants went into franchise operations that guaranteed a certain acceptable level of quality in the perception of the guests. So we see restaurants like TGIF or Chilies entering the hotel portals. Business lounges, business centres, advanced health facilities bringing in Aroma Therapy, Herbal Massages or Yoga and meditational centres are all new features and facilities not existing before. These are all results of continuous improvement.

On the **service** side, front line personnel have been empowered to handle complex guest situations and given the authority to make decisions to promote guest satisfaction and a better guest experience. A new person known as the **Knowledge Worker**, is also employed to assimilate and execute the new roles and challenges of superior service. Service personnel have been empowered with technology to give better service. Computers have given the service sector a giant leap. Frontline staff have instant and accurate information to make decisions. Computers churn out reports and statistics to help in tactical

maneuvers to increase revenue. Technology has reached a level where guests can keep a tab on their bills on the TV screen in their room and have all hotel and city information on their finger tips.

Another area of continuous improvement is the quest for reducing costs. Lower costs of operation can be passed onto guests who get competitive rates. The flattening of organisation structure is one big step in reducing payroll costs. By eliminating layers of management and supervisors, the costs of operations has reduced sufficiently and enabled management to pay their frontline staff more.

Costs have also been reduced by technology which does the processing of information and the preparation of reports and statistics earlier done by human resources. Technology has also increased the productivity of existing people.

The food and beverage department has also reduced costs by leasing space to franchised restaurants. Hotels are free from the costs of running their own restaurants. Not only does the hotel receive a regular income in terms of rental of space but also gets the benefit of the reputation of the franchised operation. **Outsourcing** has also played a big part in reducing costs. Outsourcing is a strategy of employing specialist agencies to do the work at a fee. This reduces labour costs, material costs, inventory costs, etc. Services that have successfully been outsourced by hotels are:

- Housekeeping
- Laundry
- Landscaping and Horticulture
- Restaurants
- Outdoor catering
- Payroll and accounting
- Training
- Legal services
- Market Research
- Central Reservations
- Transportation
- Health Club
- Entertainment
- Event Management
- Engineering maintenance
- IT maintenance
- Butchery
- Bakery
- Pastry and Confectionary
- Interior Decoration
- Florist
- Security and CCTV services
- Television and Music maintenance

## Certification

There is a scramble by most organisations to get certification. One of the greatest and well-recognised organisations for quality certification is the **International Standards Organisation (ISO)**.


### *International Standards Organisation*

The International Standards Organisation based in Geneva administers the ISO 9000 programs. The institution started in 1947 as a non-profit organisation that sets industrial standards for 92 countries including the US, Canada, European community and Japan. It is accepted by these countries ensuring that certain basic standards of quality are maintained for the purpose of trade. In 1987, the institution published a series of five related standards 9000 to 9004 which were adopted by 60 nations. Though this certification is not legally required, it is being adopted by many more organisations with the global revolution of trade. Moreover, customers have got wise and are exposed to quality products to demand such certification to receive their patronage. ISO certification insists on documenting each process in product and service delivery, setting standards, training employees to attain them, empowering employees to fix defects and to continuously think of and give feedback as to how processes can be improved at their work level. This last bit brought in the concept of continuous improvement perfected by the Japanese as a mark of excellence as is evident by their products from cars to ships.

Each country who wishes to compete in the global economy has instituted their quality movements and quality awards.

## Quality Guest Service

What is guest service?

Definition:	
<p>"Guest Service is generating emotions or feelings of happiness for the customer, by the way we meet and exceed their expectations"</p>	

Through customer service we create memories. Memories are created when feelings are generated. Feelings stir emotions and those are remembered the most. The benefit of creating memories is that people talk to others about it. It becomes a piece of conversation in living rooms or the local bar. These conversations are word of mouth publicities and the property gets known and remembered. We all have such memories stirred by excellent service. I had one which I would like to relate.

“This is an account of my experience when I flew for the first time by the Al Itihad Airlines, the official carrier of the United Arab Emirates. I never chose this airline before because it flew to India from Abu Dhabi only. Most airlines from Dubai where I resided arrived in India at early morning hours. I wanted to land at an earthly hour this time as I had friends to receive me. Al Itihad had the best day-time landing. They had a pre check-in facility in Dubai where I was based. I went to the local office at almost closing time in the evening to check-in my baggage. The porter smiled, and energetically took my baggage from the car and whistled as he went to the office door. The lady at the counter was beautiful, smartly dressed and above all smiled and welcomed me. When I placed the baggage on the weighing scale it read 42 kilos. The airline offered up to 40 kilos as against 20 kilos offered by other airlines on international travel.

I had a problem. I was not aware of a rule that it did not allow any one piece of baggage to weigh more than 30 kilos, in consideration of the porters’ health worldwide. A wonderful rule I thought, but it put me in a spot. I had to return home to divide the baggage into two pieces of luggage by which time the airline office would be closed. The counter attendant, porter and security guard got together to solve my problem. They came up with an idea. The porter would go to the closest supermarket and buy an airbag. I gave him the money and he trotted off to purchase the airbag. Meanwhile other passengers were checking in. The counter attendant checked on me frequently to see if I was comfortable as I waited. She even offered me a glass of water. I kept looking at my watch as the closing time was over and the staff bus was hooting outside to take them home. She sensed my anxiety and assured me that she and the rest of the staff would wait for me till I checked in. That was a relief!

The porter returned with a bag and apologised for the delay as he was searching for an inexpensive bag that took him to another supermarket further down. He also purchased a small lock because I would need it for the new bag. How thoughtful I felt. He returned the exact change with the bill. I was relieved and offered him a huge tip. He refused it saying that what he did was his duty. I unpacked my baggage to off-load 13 kilos into my new airbag. The porter helped me and even suggested what I should put into my airbag. The baggage was weighed again and I was given my boarding pass. I asked for a window seat in the first row. The counter girl said that it was free but there was a mother and baby next to me. I was likely to be disturbed. She gave me another aisle seat near the exit door which she said would give me leg space for a tall man like me.

At 6 a.m. next morning I arrived to be transported by coach to Abu Dhabi. The driver was cheerful and helped me load my hand baggage. I was nervous whether my baggage weighed the previous evening was on board. I walked around searching for the baggage compartment. He sensed it and reassured me that my baggage had left the previous evening. I discovered that I was the only one in the bus! Others apparently went by their personal cars or hired taxis. On the ride he even suggested that I took the back seat and slept as I must have woken early to catch the bus.

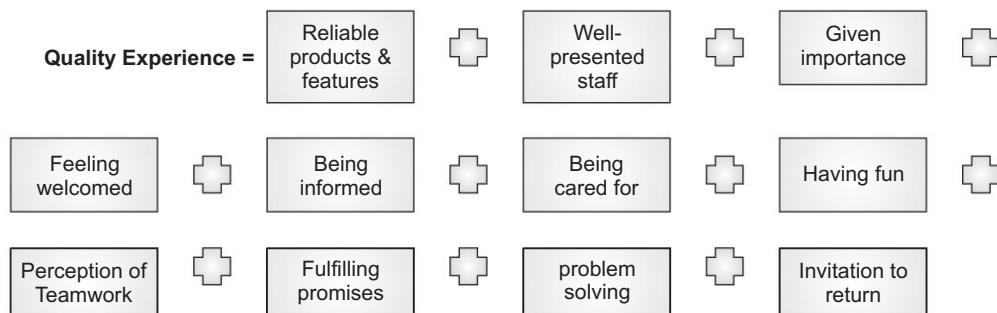
The aircraft was on time like clockwork and to my surprise I saw the most handsome men and women as the crew. They could have been models. They were picture perfect in their grooming and poise. On board, the plane smelled fresh, was new and had all the latest features including television monitors at the seat. The headphones piped music that did not crackle like in other airlines but was acoustically deep and clear. To my surprise the cabin crew was so charming and friendly. They were laughing and joking with each other and moved about briskly as though enjoying every bit of their job. They helped each other from time to time. At drink time I asked for one vodka and coke. The hostess gave me two with a wink. The food was delectable with a choice of two cuisines. The choice of movies was the latest releases in town and I sat back and enjoyed one that I missed due to my travels. As the aircraft taxied at New Delhi airport, I could not help but ask for the guest comment form to praise the airline. My praises came

from my heart. When disembarking they gave me a cheery farewell with the invitation to come again. I certainly will and spoke to dozens of the other friends and office colleagues about this remarkable experience. Many tried the airline on my recommendation even though it meant boarding the flight at Abu Dhabi. The service was simply “Wow”. I am writing about it, aren’t I?”

Let us analyse in detail what created a remarkable memory.

- The aircraft met my criterion to land at an earthly hour in India. Somewhere someone in the airline luckily prophesied, “We shall not land you in unearthly hours!” **(convenience)**
- They had a convenient facility for pre check-in in the city where I lived. **(convenience)**
- The check-in staff was cheery, energetic and wore a smile. They seemed friendly. I felt welcomed. **(Welcoming)**
- They took it among themselves that my problem was theirs. They found the solution and assigned one of them to resolve the problem. **(problem solvers and caring)**
- They sensed my moods and comforted me about being there to check me **(emotional security)**
- They assisted me when I was unloading my baggage to meet the weight restrictions. **(helpful)**
- The driver sensed my anxiety about my baggage. He gave me information that reassured me. **(information concerns & emotional security)**
- The airline thought it important to send me in the luxury bus even though I was the only one. **(given importance)**
- The driver sensed my fatigue and suggested I sleep in the back seat since the bus was empty. **(caring)**
- The airline was on schedule. **(met their promise)**
- The crew members were like models, handsome, well-groomed and poised. **(physical attributes of staff)**
- They gave the impression of enjoying their work by laughing and joking with each other. **(fun)**
- They helped each other. **(teamwork)**
- The aircraft was modern and with latest features. **(latest product)**
- They gave me a cherry goodbye and invited me to come again. **(Invitation)**

The example clearly shows that a quality experience such as shown above is a composite of:



This is so true when we see that the people and things that impress us the most are the ones who show all these traits in the service they deliver. Let us look at the components reflected above.



**Reliable Products and Features** A guest experience must start with a reliable product that has good features. Unless a hotel is reputable no one will want to stay in it. Hotels try hard to get the right image of their product. They build attractive edifices in the first place; then they spend extravagant sums to promote their property many of which is achieved by associations with already reputed hotel chains through franchise; they have comfortable rooms, features and facilities that get them a star rating; there must be order and management to ensure all services are provided; and above all the establishment must be safe both physically and emotionally.

**Well-Presented Staff** The service industry sustains itself by the quality of its people. Hiring processes ensure that the basic minimum attributes exist before they are selected. Some of these attributes include physical looks, grooming, smile, cheerful, caring, team orientation, etiquettes and manners, enjoy serving people and problem solvers. The most important aspect of people is their attitude. They must have a positive attitude and enjoy working. The hiring process empowers the organisation with the right people who act as a foundation on which the organisation builds skills and competencies. Guest contact staff must be extroverted and people-oriented.

**Given importance** There is nothing more important to a human being than his or her ego. A guest likes his/her ego being pampered. *Recognition* is a powerful word that meets that ego-pampering. The name is the most precious thing to an individual. Addressing the guest by name immediately provides recognition and breaks down formal barriers. They become somebody in a new environment. Front contact staff is always trained to address the guest by name. The other aspect of being given importance is not to be ignored. Guests hate to experience indifference. It is not only rude but creates an emotional insecurity that brings about strange responses. Recognition also manifests itself when staff knows a guest's preferences, habits and needs. Guest History systems are created just for this purpose – to give guests importance and recognition.

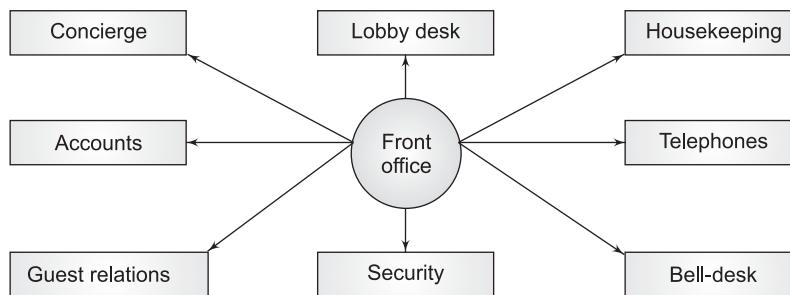
**Feeling welcomed** Nobody likes to enter into an unwelcome environment. It is the most uncomfortable feeling. Guest contact personnel are the hosts and hostesses of the property or perceived as such by guests. They must welcome the guest in the first instance. It can start with the coach driver that collects the guest from the airport; the doorman who opens the portal door; the bellboy who attends to the guest; and the receptionist who registers him in. All must extend a warm welcome to the guest. This welcome must be accompanied with a smile. A smile is the most disarming gesture to a guest whether s/he is tired, pre-occupied, angry, frustrated etc. Recruiters look for a smile first when hiring guest contact staff.

**Information** Guests like to be informed on a continuous basis. Information gives them emotional security. The courtesy coach driver can tell the guest how long he has to wait before the coach leaves. The guest likes to be informed how long it will take to get to the hotel. The guest wants information on his bills, room rates, guest facilities, how to use room features etc. The concierge fulfills just that role to keep the guest informed.

**Caring** This is a personal experience. Care can be in terms of anticipating guest needs and anxieties and allaying them. Care is not tangible but an attitude that has a great impact on guests. A front desk agent can detect a guest who is fatigued from a long air travel; concerned about his valuables and where to store them safely; worried about the water that s/he drinks, etc. This requires sensitivity and an immediate response without asking the guest. A hostess in a home cares for her guests. Even the guest can feel “at home” in a hotel if this is extended to hotel situations. Hotel managements have recognised this need for care and spend millions in providing orthopedic mattresses, eiderdown pillows, towels that are soft to the skin, etc. They also install double locks, door chains and peep-holes for the physical safety of guests. While these are tangible manifestations of care, there is nothing to replace the warmth of human caring.

**Entertainment** Guests like the atmosphere to be fun-filled. In physical dimensions, entertainment is found in televisions installed in rooms, live acts in restaurants or just piped music throughout the hotel. But in intangible terms, the hotel employees can exude an atmosphere of fun by being cheerful and happy. Some restaurants like the Rattlesnake—a Texmex restaurant at the Metropolitan hotel in Dubai, get their serving staff to break into the Macarena dance; While others like the Buffalo Wings, a grill room in Alberta, have their employees serenade the guests with country and western music. Many fine hotels have a pianist playing in the Lobby to lighten the atmosphere. Hotels have always been the place of fun and this must be continued to give a quality experience.

**Teamwork** Guests must perceive the employees showing teamwork. It is well-known by now that departments that serve other departments must view them as internal customers and give them just the same amount of courtesy and cooperation as they would to guests. Guests seeing this kind of teamwork, therefore, feel emotionally secure that the people serving them are professionally coordinated. It cannot be more truer for the front office that depends on other departments for their success as the diagram below shows:



**Promises** The moment a guest makes a reservation s/he has been given a promise. The guest expects to have a room waiting for him/her on arrival. If this promise is not met, the promise is broken. The guest feels let down. Yet this happens everywhere in hotel business. Quality service will not break a promise.

The guest further believes that:

- The room allotted is physically safe.
- Clean to international standards.
- His/her privacy is protected.
- His/her belongings are protected from theft.
- The food s/he eats is fresh.
- The wake-up call s/he has asked for, will happen.
- The water s/he drinks is potable and safe.

The moment a hotel of standard receives a guest within its portals, it is expected to meet these promises of quality service.

**Solve Problems** Guests like the staff to solve their problems quickly and with the least inconvenience. If the tap in the guest bathroom is not working, the guest expects it to be fixed the next time s/he uses it. If the hotel is sold out in spite of a reservation, the guest expects the hotel to have arranged an alternate



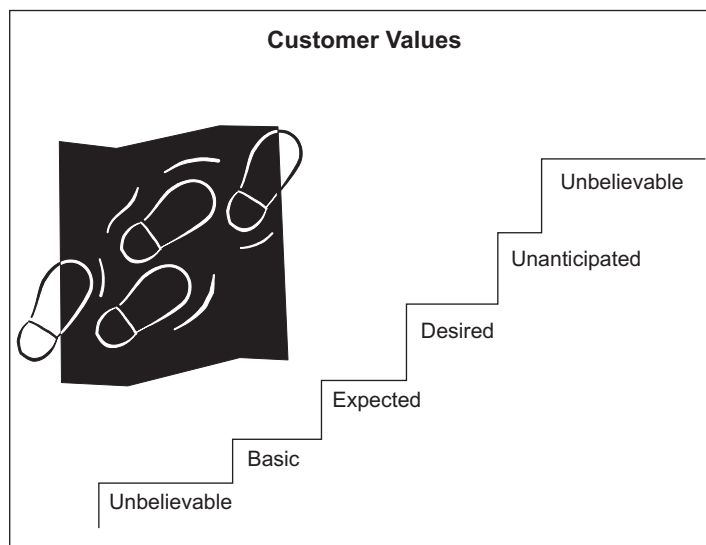
accommodation. If the guest wants a bouquet of flowers to be delivered to a dear friend, s/he expects the hotel to make that arrangement. There are innumerable instances where a guest leans on the hotel to solve his/her problems. Some frequent examples are:

- Not having the local currency to pay the taxi at the porch.
- Needing someone to speak their language.
- Delivery of goods to people and offices outside the property.
- Confirmation of air tickets.
- Secretarial services
- Baby sitting services
- Kennel services
- Extra blankets and pillows
- Noisy neighbors

**Invitation to Return** Quality service will ensure that a guest is invited to return. The employees involved in the departure are the bellboy, front office cashier and the doorman. Each would be trained to invite the guest to return. It is a courtesy that sits well with guests. S/he feels a sense of belonging and being wanted. Guest Relations Executives even call guests who have not returned for a while to enquire about their next visit.

### ***Moments of Truth***

This is a term created by Jan Carlzon, president of the Scandinavian Airlines Systems (SAS). Moments of truth are the interactions between a customer and a hotel employee at a specific moment of time. It is during these moments of interaction that quality service can be made from the ordinary to the unbelievable. The following slide illustrates the different stages of value that a guest perceives when evaluating quality.



This slide can be explained with this example.

**Unbelievable** This is a bottom stage that is used negatively. It is the worst stage. Take for instance a guest who comes with a confirmed reservation. The Front Desk Agent ignores him. He notices that she is having a fight with another employee and both are screaming at each other. The guest makes several attempts to get her attention but she is just too preoccupied. He gets her attention finally and she is rude and curt. She informs him that there is no room and that he has to go somewhere else. He explains that he holds a confirmed reservation but she argues with him and shows her inability to help him. She finally gives him a room after much waiting. The room is unprepared and stinking of cigarette smoke. He calls for housekeeping and is told that the housekeepers have gone home and that he should clean it himself. Nothing can be more terrible than such kind of experience. The guest will never return.

**Basic** This is a stage when the minimum service is provided. The guest arrives at the counter. The Front Desk Agent flings a registration form on the counter and tells him to fill it rather coldly. She shouts for the bell boy and tells him to room the guest. The room is prepared but with basic requirements. A bed, attached bathroom with hot and cold water, a dresser and a lounge chair and table. There is no television. The guest got his basic requirements.

**Expected** This stage starts the quality circle. The guest expects a room waiting for him. He expects the receptionist to give him immediate attention. He expects the room to be ready and fresh. The room has a television with basic channels. It is fine. At least it has a news channel and some entertainment channels.

**Desired** He desires the Front Desk Agent to recognise him by name and know his preferences in a room. He desires her to give him a special room with all the comforts. The room is clean and comfortable but he desires a mini-bar, internet connection and direct dial facility on his phone. He wants *The Economic Times*.

**Unanticipated** He finds that he has already been pre-registered and that he needn't stand at the counter. He can sign the card in the room. The room service calls him by name and enquires if he likes a refreshing coffee. He finds the mini-bar in the room and safety locker in his room. The channels on TV have his favorite sports channel to follow the latest scores.

**Unbelievable** This is the state of extreme quality service. A limousine awaits him at the airport though he hadn't booked one. The driver explains the city highlights that he passes. He speaks his language. The Front Desk Agents are dressed like models and well groomed. She gives the most disarming smile and welcomes him by name. She assures him that she has his favourite room ready and that he needs to go directly. The room has two pillows extra in the wardrobe and a bathrobe as he always wanted.

### ***Moments of Truth in a Hotel***

The following table gives the possible moments of truth of guest before and during his or her stay in a hotel. It also extrapolates the possible expectations that the guest may have at each moment of truth. While this is a guide, each hotel may have other moments of truths where they need to define guest expectations.

MOMENTS OF TRUTH	CHECKLIST OF QUALITY SERVICE
<b>TELEPHONE CONTACT</b>	<ul style="list-style-type: none"> <li>• Is the phone picked up within three rings?</li> <li>• Does the operator identify the hotel and wish the guest?</li> <li>• Does operator connect to the reservations promptly?</li> </ul>
<b>MAKING A RESERVATION</b>	<ul style="list-style-type: none"> <li>• Does the reservation agent pick the phone within three rings?</li> <li>• Does she identify the department and wish the guest?</li> <li>• Does the agent ask for his name and start addressing him by it?</li> <li>• Does she inform the status availability?</li> <li>• Does the agent spell the guest's name?</li> <li>• Does she professionally take all the relevant information?</li> <li>• Does she repeat the information so as to avoid mistakes?</li> <li>• Does she confirm the room rate?</li> <li>• Does she up-sell by giving benefits and options?</li> <li>• Does she ensure the hotel waits to welcome the guest?</li> </ul>
<b>ARRIVAL AT AIRPORT</b>	<ul style="list-style-type: none"> <li>• Is there a courtesy transport for him?</li> <li>• Does the driver address him by name?</li> <li>• Does the driver give a welcome?</li> <li>• Does driver help in loading the baggage?</li> <li>• Does the driver speak the language?</li> <li>• Is the driver informed about the hotel and city features and facilities?</li> <li>• Does driver drive safely?</li> </ul>
<b>RECEPTION AT THE PORTAL</b>	<ul style="list-style-type: none"> <li>• Does the doorman open the door and welcome the guest with a smile?</li> <li>• Is there a bell boy waiting to carry the baggage?</li> <li>• Does the bell boy smile and give a welcome?</li> <li>• Does the bell boy handle the baggage carefully?</li> </ul>
<b>REGISTRATION</b>	<ul style="list-style-type: none"> <li>• Does the GRE receive him in the lobby and give a welcome?</li> <li>• Does she escort him to the reception counter?</li> <li>• Does the front office agent expect him?</li> <li>• Is she well-groomed?</li> <li>• Does she smile and give him immediate attention?</li> <li>• Does she give a clean and crisp registration form?</li> <li>• Does she check that all information included?</li> <li>• Does she wish the guest a pleasant stay?</li> </ul>
<b>GUEST ROOM</b>	<ul style="list-style-type: none"> <li>• Is the room ready for occupation?</li> <li>• Does the room smell fresh?</li> <li>• Does the bell boy explain the features of the room?</li> <li>• Does the bell boy shut the door softly on leaving?</li> </ul>
<b>ROOM SERVICE</b>	<ul style="list-style-type: none"> <li>• Does order-taker pick the phone within three rings?</li> </ul>

(Contd.)

MOMENTS OF TRUTH	CHECKLIST OF QUALITY SERVICE
	<ul style="list-style-type: none"> <li>• Does she identify the department and wish the guest?</li> <li>• Does she listen to guest orders carefully?</li> <li>• Does she repeat the order to confirm correct communication?</li> <li>• Does she tell the guest when he can expect the order to reach?</li> <li>• Does she wish the guest a pleasant stay?</li> </ul>
<b>HOUSEKEEPING SERVICES</b>	<ul style="list-style-type: none"> <li>• Does the housekeeping desk answer within three rings and identify the department?</li> <li>• Does she wish the guest?</li> <li>• Does she ask the guest his name?</li> <li>• Does she listen to his need?</li> <li>• Does she tell the guest when to expect the request to be met?</li> <li>• Does she wish the guest a pleasant stay?</li> </ul>
<b>LAUNDRY SERVICES</b>	<ul style="list-style-type: none"> <li>• Does the laundry desk answer the phone in three rings and identify the department?</li> <li>• Does the attendant address the guest by name after identifying him?</li> <li>• Does he listen carefully and repeat the instruction?</li> <li>• Does the attendant tell the guest when to expect the valet?</li> <li>• Does the valet reach within the time specified?</li> <li>• Is the valet well-dressed?</li> <li>• Does the valet identify himself when he knocks the door?</li> <li>• Does he wish the guest?</li> <li>• Does he help the guest to fill the Laundry List and pack the soiled clothes in the laundry bag?</li> <li>• Does he tell the guest when to expect the laundered clothes?</li> <li>• Does he wish the guest a pleasant day?</li> <li>• Does he shut the door silently when leaving?</li> </ul>
<b>BAR SERVICE</b>	<ul style="list-style-type: none"> <li>• Is the barman cheerful and friendly?</li> <li>• Does he have a well-stocked bar?</li> <li>• Does he serve drinks correctly?</li> <li>• Is the glassware clean and spotless?</li> <li>• Does the barman ask for a refill?</li> </ul>
<b>RESTAURANT SERVICE</b>	<ul style="list-style-type: none"> <li>• Is the guest received at the entrance by the hostess and welcomed?</li> <li>• Does she escort him to the table?</li> <li>• Does she enquire if the table choice is to his liking?</li> <li>• Is the table clean and well laid out?</li> <li>• Are the glassware, cutlery and table appointments spotless and polished?</li> <li>• Does she hand over a clean menu card?</li> <li>• Does the server introduce himself?</li> </ul>

(Contd.)

MOMENTS OF TRUTH	CHECKLIST OF QUALITY SERVICE
	<ul style="list-style-type: none"> <li>• Does he give time for the guest to make a choice?</li> <li>• Is the server informative to explain the dishes?</li> <li>• Does he repeat the food orders?</li> <li>• Does he bring the food hot and warn the guest for hot plates?</li> <li>• Does he assure that he is available for any further assistance?</li> <li>• Does he replenish the water goblets?</li> <li>• Does he do clearance properly with least fuss?</li> <li>• Does he present the bill discreetly?</li> <li>• Does he wish the guest and invite him to return?</li> <li>• Does the hostess at the door wish the guest and invite him to return?</li> </ul>
<b>MESSAGES</b>	<ul style="list-style-type: none"> <li>• Does the concierge take the messages accurately?</li> <li>• Is the concierge polite and does he keep the guest informed?</li> <li>• Is the guest alerted when there is a message for him?</li> </ul>
<b>CONCIERGE</b>	<ul style="list-style-type: none"> <li>• Is the concierge well-informed?</li> <li>• Is the concierge well-groomed and cheerful?</li> <li>• Does he help when his help is needed?</li> <li>• How efficient is he?</li> </ul>
<b>SWIMMING POOL</b>	<ul style="list-style-type: none"> <li>• Is there a locker for the guest to change?</li> <li>• Is the attendant polite and helpful?</li> <li>• Are the towels given to the guest fresh?</li> <li>• Is the pool clear of debris?</li> <li>• Are the surrounding areas clean?</li> <li>• Can the guest get a snack or beverage if he wants to?</li> <li>• Is there a life-guard to protect the guest?</li> </ul>
<b>WAKE-UP CALL</b>	<ul style="list-style-type: none"> <li>• Does the operator wish the guest?</li> <li>• Does she address the guest by name, since she knows his room number?</li> <li>• Does she repeat the time and date?</li> <li>• Is the wake-up call prompt?</li> <li>• Is the voice cheerful?</li> <li>• Does it call after five minutes to remind me?</li> </ul>
<b>DEPARTURE</b>	<ul style="list-style-type: none"> <li>• Does the bell desk announce itself and wish the guest when he calls?</li> <li>• Does the bell boy come immediately?</li> <li>• Does he announce himself when knocking the door?</li> <li>• Is he well-groomed and polite?</li> <li>• Does he check the room for anything I have left behind?</li> <li>• Does he help the guest lock his suitcase?</li> <li>• Does he let the guest leave the room first?</li> </ul>

(Contd.)

MOMENTS OF TRUTH	CHECKLIST OF QUALITY SERVICE
	<ul style="list-style-type: none"> <li>• Is he careful with the luggage of the guest?</li> <li>• Is the front office cashier ready with the bill of the guest?</li> <li>• Does he give the guest time to check it?</li> <li>• Does he give the guest the receipt promptly?</li> <li>• Does he invite the guest to return?</li> <li>• Does the GRE escort the guest out and invite the guest to return?</li> <li>• Does the doorman open the door of the hotel and the transport?</li> <li>• Does he invite the guest to return?</li> <li>• Does the bell boy place the baggage of the guest carefully in the transport?</li> </ul>

These moments of truth can be further embellished with unbelievable (positive) experiences. The guest perceives quality in his or her experience.

## Summary

In the global economy, there is no other way to survive than to give quality products and services. People have got used to receiving it and will not tolerate less. Quality is an attitude initiated by the top management and pervades through the organisation. The quality movement is not a policing job but a participative one through quality committees and quality circles, where everyone in the organisation contributes to continuous improvement. One must remember that quality is a perception of the customer and not the hotel. Involving them in giving suggestions is essential to satisfying their needs for quality.

## Key Terms

<b>Empowerment</b>	process of enabling individuals to act independently
<b>ISO</b>	International Standards Organisation
<b>Total Quality Management</b>	a quality movement that empowers all workers to contribute to quality
<b>Quality</b>	the process of consistently exceeding guest expectations
<b>Quality Assurance</b>	process of inspections at sub-process levels
<b>Quality Control</b>	a process of inspections to ensure quality standards
<b>Quality Controller</b>	one who inspects quality standards
<b>Quality Committee</b>	apex body in an organisation that drives the quality movement
<b>Quality Circles</b>	committees at department levels that drives quality movements at the operational level
<b>Quality Consciousness</b>	an attitude and competence to deliver quality

## Review Quiz

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### Multiple Choice Questions

- 1. Quality is in the mind of:**
  - (a) server
  - (b) management
  - (c) guest
- 2. Quality Control is a process of:**
  - (a) interpretations
  - (b) inspections
  - (c) integration
- 3. In Quality Control, the onus is on:**
  - (a) Quality Committee
  - (b) Quality Circle
  - (c) Quality Controller
- 4. In Quality Assurance, the emphasis for quality lies with:**
  - (a) servers
  - (b) management
  - (c) supervisors
- 5. In TQM, the responsibility for quality lies with:**
  - (a) servers
  - (b) management
  - (c) supervisors
- 6. ISO stands for:**
  - (a) Indian Standards Organisation
  - (b) International Standards Organisation
  - (c) Inspection standards Organisation
- 7. The way to compete in the global market place is to get:**
  - (a) certification
  - (b) control mechanism
  - (c) continuous guest feedback
- 8. Which is not a role of a Quality Committee?**
  - (a) Create policies regarding quality
  - (b) Recommend improvements in standards for better quality
  - (c) Develop tools for performance improvement
- 9. Which is not a role of Quality Circles?**
  - (a) Give feedback on training initiatives at the job level
  - (b) Create enthusiasm for quality at operational level
  - (c) Constantly conduct research on changes in guest expectations

**10. The process of enabling individuals to act independently is called:**

- (a) Evaluation
- (b) Energising
- (c) Empowerment

**True or False**

1. Top management must drive the quality movement.
2. Training programmes are the backbone of quality movements.
3. The customer is the centre of all business activity.
4. A Quality Committee develops standards of quality performance and behaviours.
5. Quality Circles provide resources and budgets for quality initiatives.
6. A well-developed quality movement relies heavily on inspections.
7. Quality attitudes are influenced by the philosophy of the company.
8. One of the methods towards empowerment is the transfer of skills.
9. A knowledge worker has superior information and skills in technology.
10. An important aspect of a quality movement is the creation of a budget for quality.



# CHAPTER 14

## Managing Front Office Human Resources

### 14.1 RECRUITMENT AND SELECTION

#### Introduction

The greatest challenge facing the hospitality industry is the human resource as they are the backbone of the industry. Properties compare equally in terms of architecture, décor and product offered in the same price range and market segment. Investors have spent millions in vying to outdo each other in the physical aspects of hotel buildings that look almost similar. The basic requirements in the hotel business are the same i.e. rooms, bathrooms, telephone services, engineering services etc. of a certain standard. The question arises then is how does an investor achieve a cutting edge over his nearest competitor? It is achieved by the people who work in it and the standards of service they provide to the customer. It is universally acknowledged that the employees of a service-oriented industry make the difference between a good and bad experience.

Readers may claim that the labour market is full of people then why should the human resources pose a challenge? The truth is that it is not the number of people in the market that matter, but getting the right people. In many parts of the world like Europe, North America and Japan, the birth rates have fallen and therefore, birth rate is not keeping pace with replacement requirements. That is the problem in those countries where demand is more than supply, even in numbers. In regions with large working populations like South Asia, South America and Africa, the shortage lies in the availability of qualified personnel. Though the hospitality sector attracts the largest share of the job market, such people are mostly casual workers, primarily students who work in their school breaks to finance their education. Most would not continue in the hospitality sector after their education. The hospitality sector does have the challenge to attract the best talent of the society who may opt for engineering, medicine and business management. Though there is an appreciable shift in the attitude of people towards the service sector, getting the right people is still a challenge.

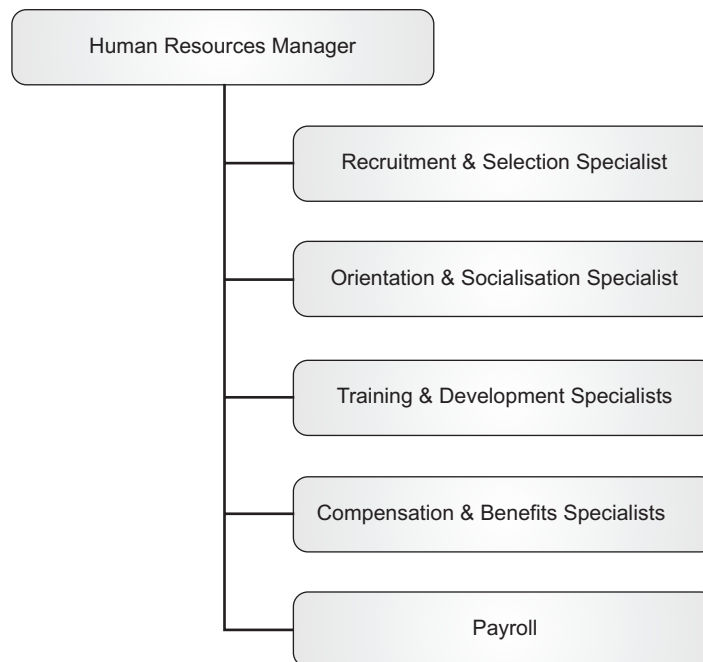
Chapter 3(3.2), entitled “*Competencies of a Front Office Professional*”, we saw the competencies required of the human resources that work in the hospitality industry. Getting those



competencies is not easy because they can be learned only by those very special people who have the flair and desire to serve people and enjoy serving guests in the process. Skills may be taught but attitude is inborn in any individual as we saw in Chapter 1(1.5), entitled “*Understanding Guest Service*”. It requires professional human resource practices to get the right people for the right job and thereafter, maintain them at a high level of motivation to serve the guest well and retain them. To achieve this result, owners compete to get the few talent available thereby skewing salary scales and creating ill-will with competitors. The hiring process starts well before the actual hiring, in the planning stages, before a person is even contacted in the labour market. Let us examine those steps in human resource planning that make a difference in the hiring process.

### ***Organisation of a Human Resources Department***

The hospitality industry has appreciated the role and contribution of human resource specialists. We have recognised by now that people make the difference in a guest experience. Getting the right talent, training them and motivating them to excellence require several specialisations as we shall see later in the chapter. An owner of small properties like motels and resort may assume this responsibility. Large medium-sized organisations may at least have a Human Resources Manager who will outsource many of the specialisations. Large hotels will have well-defined HR structures to fulfill the various specialisations. A typical HR organisation structure of a large hotel would look like the following

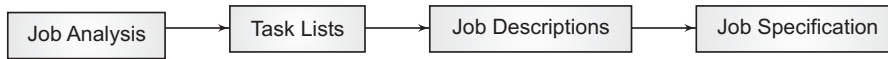


### ***Pre-recruitment Activity***

The process starts with preparing a job description. A job description profiles the duties and responsibilities of a job. This is achieved through a job analysis discussed later. Once the job is profiled comes the aspect

of profiling the person to do that job in a document called the job specification. Job specifications too are gathered from job analysis.

Recruitment and Selection can only be done against specifications set for a job. A Job Specification profiles the person required to do the job. To arrive at a job specification there are many other tasks to be completed. These are explained in the flow below:

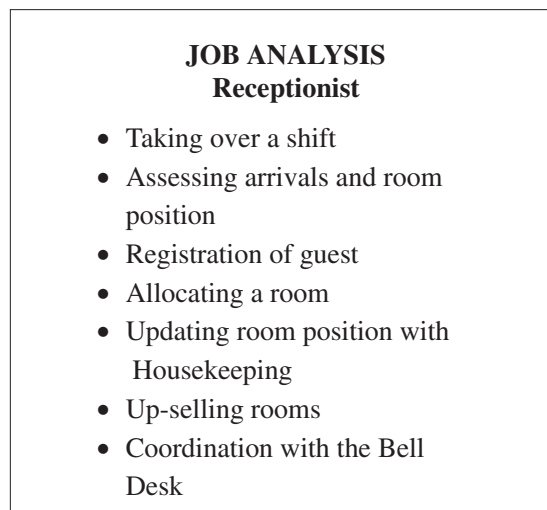


**Pre-recruitment Task Flow**

A basic understanding of each is essential to a student and food service professional.

### ***Job Analysis***

A Job Analysis determines the broad elements of a job. This step is important and has to be accurate as all following tasks faithfully follow what is recorded in this exercise. If we were to take the example of a receptionist, his or her job analysis would generally look like this:



The above information is got by:

- **Observation** The person doing the job analysis can simply note a receptionist doing his or her job, over a period of a week and list the components of the job that occur regularly and infrequently. The benefit of observing over a week is to determine repetitive jobs from those done occasionally. The ones done repetitively become the core of the job. This may be further confirmed by observing others in a similar role.
- **Interviewing** This is a method of questioning the employees, supervisors, managers and customers as to their expectations and perceptions of the job. A server does not work in isolation. His or her efforts impact others in the service chain. For example, the Cashier may want the receptionist to clarify in advance, the payment mode when settling bills, at the time of registering them. This helps the cashier from quick processing of the guest bill settlement. Then again a guest may want the

receptionist to pre-register him or her to avoid delays at the time of arrival after a long flight. These expectations can be brought in as a component of the job if required.

- **Brainstorming** This is a method to get the front office agent and those influenced by his or her work, like the supervisor, fellow receptionists, cashier, support departments etc. to sit in a room and discuss the job elements. The brainstorming can also be done by experienced people of the industry.
- **Review of existing job descriptions** This is a common method employed. Other existing job descriptions are taken from other hotels or textbooks and modified to the establishment's need.
- **Work sampling** Is a method of actually doing the job over a period of time and determining the job components by oneself. This is a tedious but sure method as it is time-consuming. Often supervisors are asked to develop the job elements as they have the exact know-how over the ages.
- **Guest comments** Many establishments install a written guest feedback system for improvements in products and services. A questionnaire is presented to the guest at the end of the dining experience, which guests fill on a purely voluntary basis.
- **Role Clarification** Role clarifications are conducted by professional companies as a measure of recording the contributions of its employees. The appraisals note the expectations and contributions of the superior and the subordinate. It also states the employee's own perceptions of the role.
- **Hiring outside consultants** They have the know-how through experience to give an accurate account of a job or may do the exercise of Job Analysis and the following tasks for a consultancy fee.

### **Task List**

From the job analysis, which spells out the broad components of the job, we do the next step of listing the tasks in each component. This process leads to what is called the Task List. The task list focuses on:

- **Specific duties**
- **Work units**
- **Materials**
- **Equipment**
- **Administrative tasks**
- **Other requirements**

Taking the example of the Job Analysis of a receptionist as mentioned above, one job component is called "Registration" which is enrolling the guest into the hotel. The tasks of the front office agent within the broad component of Registration are reflected in the job list given below. The Task List clarifies the establishment, the department, the job position and the function concerned.

This activity brings out the following tasks:

**Specific Duties** Handing over the registration form, checking the form after completion, verifying address, passport details, room rate confirmation, payment option and checking the authority of credit facility.

**Work Units** The list gives units like time for registration and room selection.

**Materials** In this case, the only material handled is **the Registration Form**.

**Equipment** Computer.

**Administrative tasks** Informing telephones and Room Service. This section enlarges in supervisory positions.

**Other requirements** Tallying room position with Housekeeping and telephones, Scanty Baggage Procedure, V.I.P. procedure, Group procedure etc.

### JOB LIST

**ESTABLISHMENT:** XYZ Hotel

**DEPARTMENT:** Front Office

**JOB POSITION:** Front Office Agent

**JOB FUNCTION:** Registration procedure

- Smile when guest approaches the reception counter.
- Wish him or her the time of day and welcome him.
- Enquire if he has a reservation.
- Check for reservation or room availability.
- Check if guest is a regular guest and check history card.
- Hand over the Registration Form and ask guest to fill it.
- Check form when filled and ask guest to fill any incomplete information.
- Ask guest if he or she has any room preferences.
- Check room availability and allot room.
- Hand over the room key and wish guest a pleasant stay.

### *Job Descriptions*

A job description is a written profile of a job. Doing a Job Analysis and making a Task List ascertains this. The key issues listed in a Job Description are: **the job title, category, reporting relationships, job summary, duties and responsibilities, levels of authority** and **the departments** that the job position coordinates with. Continuing with the example of the server, given below is his or her job description.

### Job Description

Job Title	Front Office Agent
Reports to	(a) Shift Supervisor (b) Front Office Manager
Job Summary	To reserve, register and assign rooms to guests and be a continuous source of information during their stay, within the policies, procedures and standards of the establishment.

(Contd.)

<p><b>Duties and Responsibilities</b></p>	<ol style="list-style-type: none"> <li>1. Be informed of daily room status at the beginning of the shift.</li> <li>2. Have detailed information regarding arrivals, their room requirements and expected departures of the day.</li> <li>3. Check the VIP reservations and issue VIP amenities voucher for fruits and flowers, beverages etc. and any other special requests.</li> <li>4. Prepare all records connected with the pre-registration of VIPs, invalids, handicapped and old people.</li> <li>5. Handle group/crew registration as per laid down procedures.</li> <li>6. Room all arrivals using laid down procedures.</li> <li>7. Constantly update room position (room racks in the manual system).</li> <li>8. Open guest folio and send it to the Front Office Cashier.</li> <li>9. Requisition fresh linen and flowers from housekeeping.</li> <li>10. Update rack rates as per yield management guidelines.</li> <li>11. Prepare a room discrepancy report and ensure a double check through the bell boy.</li> <li>12. Work closely with the cashier and concierge.</li> <li>13. Inform housekeeping desk promptly of all guest departures.</li> <li>14. Prepare occupancy statistics and room reports.</li> <li>15. Up-sell rooms to increase room revenue.</li> <li>16. Tally room racks with the room service and telephone operators (in the manual system).</li> <li>17. Handle scanty baggage as per procedures.</li> </ol>
<p><b>Coordinates with</b></p>	<ol style="list-style-type: none"> <li>1. <b>Room Service:</b> to update the room position and provide VIP amenities.</li> <li>2. <b>Lobby:</b> for arrival and departure procedures.</li> <li>3. <b>Housekeeping</b> – to inform the arrivals and departures of guests for room cleaning schedules.</li> <li>4. <b>Engineering</b> - for the maintenance of front office equipment.</li> <li>5. <b>Telephones:</b> to update room position.</li> </ol>

### *Job Specification*

A job specification is a written document that profiles the person who has to do a given job. It is the most important document for the hiring process. A job specification is driven by the following sub-headings:

- **Job Title**
- **Category**
- **Education**
- **Experience**
- **Skills**
- **Competencies**

The example of the front office agent continues here:

<b>Job Specification</b>	
<b>Job Title:</b>	Front Office Agent
<b>Category:</b>	Front-line staff
<b>Education:</b>	Graduate with preferably a Craft course in Front Office Reception
<b>Experience:</b>	A minimum of 1 year.
<b>Skills:</b>	<ul style="list-style-type: none"> <li>o Customer Relations skills</li> <li>o Suggestive Selling</li> <li>o Computer Skills</li> <li>o Problem-solving skills</li> <li>o English language skills with preferably speaking proficiency in another foreign language</li> <li>o Computer literate to use e-order pads</li> </ul>
<b>Competencies:</b>	<ul style="list-style-type: none"> <li>o Energetic and physically fit</li> <li>o Well-groomed</li> <li>o Team worker</li> <li>o Disciplined</li> <li>o Etiquettes and manners</li> <li>o Caring and sensitive to guest needs</li> </ul>

### **Sources of Human Resources Supply**

Sourcing is the process of identifying the places from where qualified human resources can be obtained. There are two generic sources from where human resources may be procured. They are **internal sources**

and **external sources**. Internal sources are within an organisation while external sources are those outside an organisation. Let's look at each source.

### Internal Sources

- **Promotions** When a job vacancy occurs, the best source to fill the position is from within the organisation, by promoting someone who is junior and ready to take the position. Organisations have career development programmes and succession plans as a way to fill positions from their existing staff itself. This gives employees growth and a tremendous motivation to stay with an organisation. Motivational studies have shown that growth and advancement are strong motivators. While growth refers to any increase in knowledge and skills, advancement is the movement up in the career ladder. Flatter organisation structures find it a challenge to provide advancement. However, this is managed by job enlargement, which is the expansion of the job role by adding more duties, and job enrichment, which is the quality of tasks added like managerial tasks added to a server's job.
- **Lateral transfers** These are transfers of existing employees who are either doing similar jobs in another section or branch of the organisation, or from another unrelated department in the organisation, as part of a larger individual development plan. An example of this would be a telephone operator who wishes to progress to front-desk duties, or a counter staff at the delicatessen who feels confident with customer interface and can move to the front office. These are the quickest ways to fill vacancies without having to induct a new person into the cultural style of the organisation. This source becomes especially important in filling critical posts immediately.
- **Networking with employees** This is a cost effective way to fill a post by asking existing employees to recommend friends, relatives or past associates to fill the post. The benefit of this is that the employee feels secure to bring in a friend and will cooperate fully to make that person productive soon.
- **Talent Bank** A talent bank is an inventory of "drop-in" eligible candidates during the year. Job seekers keep applying to an organisation even though the organisation has no vacancy and has not advertised for a post. Such drop-in applicants can be interviewed and, if found suitable can be kept on a waiting list in the Talent Bank which is a filing cabinet of such applications. These applications have to be updated periodically for the availability of candidates who could have taken another job over time. Most organisations review these talent banks every six months by contacting the candidates and asking them if they are still available. This is another cost effective method as it saves the costs of advertising or paying a recruitment agency.
- **Job Postings** These are announcements of vacancies on notice boards. Many organisations prefer to give first opportunity to its employees to apply for a vacancy. There are those who can get a career rise while others may want the advertised job as their preferred career choice to the one they are presently doing. These postings are done on the employee notice board located in the human resource department.
- **Cross Training** It is the training of employees in other related job positions. The hospitality industry has set the lead in cross training giving managements the flexibility to deploy workers in different departments when the needs arise. A progressive organisation would rotate new recruits



through various functions to give them an appreciation of other positions, develop additional skills and have the flexibility to deploy them.

- **Internships** Establishments, who anticipate a high turnover of staff due to competitive environments, conduct induction training of raw recruits as a way to keep the supply of trained human resources to the organisation.

## External Sources

- **Recruitment Agencies** They are the most popular external source from which recruitment can be done. Recruitment agencies keep applications in their talent banks. They are able to produce interested candidates immediately. The organisation pays the agency a fee, for this service, which is either fifteen days or a full month's gross salary of each employee selected. The benefit of this source is that the recruitment agent conducts the preliminary interviews to save time for the appointing organisation and is able to produce a number of relevant applications.
- **Hotel Management and Craft Schools** are wonderful sources to recruit from, as the students have already made career choices for the hospitality industry and are specifically educated and trained for it. Such institutes hold campus placement activity when students complete their education by inviting the industry to conduct their interviews and selections.
- **Employment Agencies** These are public agencies, run by the government of each country, to provide the unemployed population a common forum to get jobs.
- **Colleges** These are colleges other than the Hotel Schools. Students want to work to meet tuition fees and personal expenses. The best place for most of them is the service industry.
- **Headhunting from competition** The term "headhunting" refers to identifying specific talent and approaching them for employment. An alert recruiter keeps an eye out for good talent in other organisations. S/he would approach them discreetly to join up with a competing salary offer. Head hunting is also done by agencies to maintain confidentiality and avoid ill will with competitors.
- **Job Advertisements** These are job announcements in the media. This is used most often in the newspapers, trade magazines or appropriate media. This is an expensive proposition as media space is costly, but has the advantage of directly receiving applicants without having to pay a fee to a recruiting agency. Job advertisements are preferred when there are volume candidates to be recruited. Small restaurants may post a vacancy on their shop window to attract job seekers passing by.
- **Professional journals** This is the most appropriate medium to reach the right target market for talent. Trade journals are read by professionals of the trade and serve as an active place for job seekers and job recruiters.
- **Job Fairs** This is a relatively new concept bringing together recruiters to put up stalls either in a college campus or a common ground. Job seekers can contact several recruiters under one roof. The benefit of such fairs is that they attract potential talent at one place.



## Non-traditional Sources

There are situations when outlets, especially in small towns and resorts may not have access to traditional sources of human resource supply, as mentioned above. In such cases there are other sources, which can be considered and developed:

- **Part-timers** Are a floating workforce who are called to work at peak operational times. They are paid on an hourly basis. They could possibly be people doing a second job to earn extra money.
- **Housewives** Are a very good source to fill job vacancies. Often women are well-qualified but are restricted in a career due to the responsibility of child rearing. Once children grow old enough to go to school, these women can be available for jobs in the mornings, after they have sent their children to school.
- **College students** These are a very big source of additional hands, as they either want to earn extra money, or want to get experience as in the case of hotel school students. They are paid on an hourly basis.
- **Handicapped people** This is a good source especially for back house jobs. For example, a telephone operator, secretary, accounts clerk etc. can be wheelchair bound but can do a good job.



Western nations are encouraging handicapped people to become part of the mainstream workforce. They provide special ramps for wheelchairs, lower door handles and elevator buttons, special toilet facilities etc. to make it easy for the handicapped. This movement will increase over the years as a measure of harnessing potential good talent.

- **Retired people** Organisations, due to dated policies, retire people especially when they are at the peak of their knowledge and experience. With people working hard to keep fit, retired people are still productive during their middle ages. Many societies have extended the retirement age from 58 years to 65 years. Retired people can be excellent alternative sources when the talent is scarce.

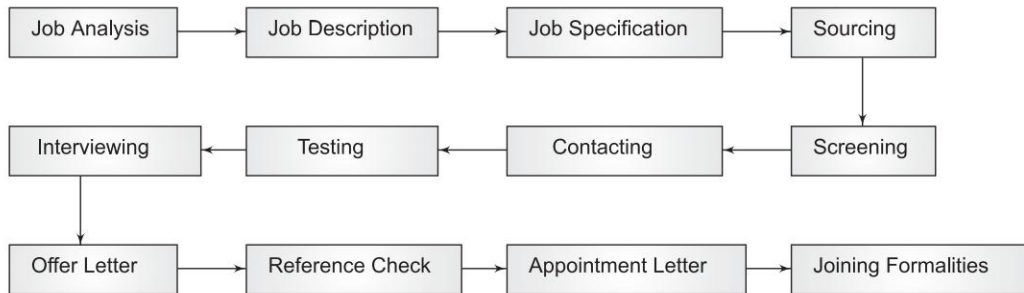


- **Management companies** The new age has sprung specialists in every field. It becomes sometimes more economical to outsource some functions like the human resources, accounting, legal etc. operations to management companies who have larger resources and technical expertise to tap from.

## Recruitment and Selection

We need to make a differentiation between recruitment and selection. Recruitment is the process of getting human resources from the market for given vacant positions. Selection is the process of choosing from the eligible human resources identified.

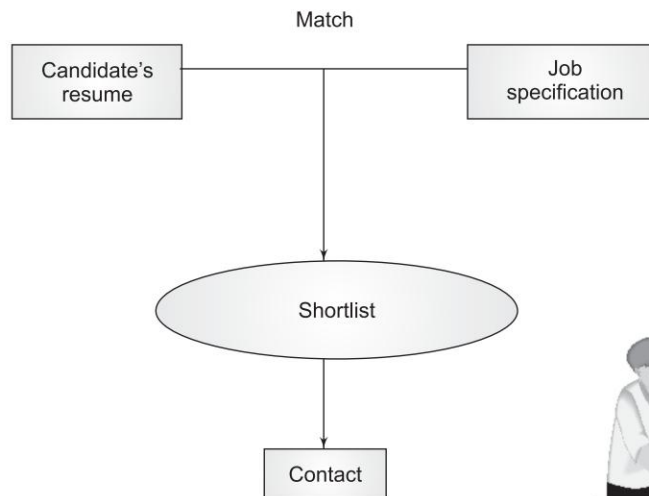
There are several components in the hiring process:



### The Hiring Process

**Job Analysis, Job Descriptions, Job Specifications** and **Sourcing** have been discussed earlier. Let us look at the other components of the hiring process. The sources of supply would have produced a number of respondents with Resumes, Bio-data or Curriculum Vitae (which mean the same).

**Screening** is the process of matching the candidate's resume or curriculum vitae with the job specifications of the position. The diagram below is self-explanatory.



### Screening Process



**Contact** is getting in touch with selected candidates about the time, date and venue of the interview or test. Some establishments mention the name and/or the job title of the interviewer/s. Another important aspect of contact is with the rejected candidates. The common courtesy of an organisation is to inform the rejected candidates. This not only promotes the image of the establishment as professional, but also saves having to attend to unnecessary phone calls from candidates who want to know the status of their applications.

**Testing** is a way to ensure that a candidate has the knowledge, skills and aptitudes for the job. There are various ways to test candidates:

- **Technical tests** evaluate skills. A cook may be asked to prepare a four-course menu, a server to lay out a table cover, a telephone operator to do a voice test or a secretary a typing test.
- **Group Discussions** ascertain leadership and team qualities. Groups of no larger than fifteen candidates are given a topic to discuss. They are evaluated not only on the content of their contributions but also the way they relate to each other.
- **Extempore Speaking** evaluates oral communication and stress. The stress is created by making the candidate pick a topic from a bowl and speak instantly. Topics can be deliberately vague to create the pressure. In stress situations, even a simple topic can be daunting.
- **Aptitude Tests** assess verbal, numerate and conceptual abilities. An aptitude test also can test general knowledge.
- **Physical Aptitude Tests** check out physical ability. A banquet server may be asked to carry a stack of twelve banquet chairs; kitchen stewards to carry a gas cylinder over his shoulder, a busboy a tray of crockery or a bell boy to carry heavy luggage.
- **Case Studies** ascertain problem solving skills and logical reasoning. A case study is a written account of a real life problem, which needs to be resolved. A group is given the case study to discuss and find solutions. This is often used in supervisory and management positions.
- **Psychological tests** are being emphasised on nowadays. Tests like the *Myers Briggs performance indicator* and *PF 16* accurately profile the person in terms of his or her attitudes and personality. These tests tell whether a person is suitable for the industry and job. We must remember that skills can be developed but right attitudes are difficult to find.



**Interviews** are face-to-face interaction for the purpose of selection. It is a method of selection most commonly used. However, only few people are actually skilled at interviewing. The process is critical because it tells the candidate how professional the organisation is.

There are many types of interviews:

- **Directed or structured interviews** elicit specific information. The questions are so framed to solicit an answer either a “Yes” or “No”, or a monosyllabic answer. This method is used to ascertain facts. An example is, “Are you presently employed?” The answer can only be “Yes” or “No”.
- **Undirected or unstructured interviews** ask open-ended questions to get a person to talk more. Open-ended questions start with What, Where, When, Which, Why and How. An example is “What are your duties and responsibilities?” The candidate is obliged to give an expanded explanation.
- **Board Interviews** are often final interviews with senior authorities of selection. However, these can also be earlier interviews with a panel of interviewers involved in the selection process. A hotel may involve the Food and Beverage Manager, Human Resources Manager and the Restaurant Manager when selecting a server. These interviewers are necessary to ask technical questions, motivational questions etc. to arrive at a decision.

- **Stress interviews test** a person's reaction under stress. The service industry is known to have stress in dealing with different people with various needs. Recruiters may want to see a candidate under a stress situation by creating one. They have trained psychologists on the interview panel to analyse the candidate. However, there are moral issues involved in conducting these interviews and so they have been abandoned.
- **Group interviews** are done when there are large numbers of applicants to be selected in a short period of time for few vacancies. The groups are assembled and quizzed verbally.



### Basic Interviewing Skills

Interviews are a meeting of two interested parties. It is unfortunate that both interviewers and interviewees fear these meetings, when in fact they can be an opportunity for wonderful dialogue. There are both advantages and disadvantages of interviews:

#### Advantages:

- 1 It provides an opportunity for a face-to-face meeting.
- 2 Both the candidate and the interviewer can clarify doubts of mutual interest.
- 3 Both can get first hand information.
- 4 Provides an opportunity for negotiation.

#### Disadvantages:

- 1 It is time-consuming.
- 2 Not every interviewer is skilled in conducting an interview.
- 3 There is a stress on the candidate for selection.
- 4 Information is prone to be leaked out especially when candidates are working in competing establishments.
- 5 The issue of salary is an embarrassing point for both the candidate and the interviewer.

There are a few tips to make interviews pleasurable.



## ***Preparation***

Preparing for an interview is vital to make the time spent worthwhile. Preparation includes:

- Matching the candidate's resume with the Job Specification. This would have already been done at the screening stage. Resumes do not give all the information and the interviewer would like to make list of questions and clarifications.
- Questions must be unique to the individual. Many interviewers ask standard questions which candidates get used to and are prepared with brilliant replies.
- Select an interview room free from distraction. Such a room must not have a telephone connection to disturb the interviewer. The room should be ambient and equipped with drinking water. It is recommended not to provide tea or coffee service because that may distract the conversation.
- Candidates who come from other organisations may not like to enter a competing hotel's premises. Interviews may be held at neutral places like a coffee shop or a business centre. If the interview has to be at the organisation premises then the interview hall must have a separate door for entry and exit so that another candidate waiting outside is not recognised.
- It is not recommended to keep a table between candidates and the interviewer. This shows power and candidates get intimidated with it.
- Keep Interview Rating Sheets available to record interview comments.

## ***Putting the Candidate at Ease***

- An interviewer's objective is to get honest and accurate replies. Often interviewers put the candidate "against the wall", which gets the distorted answers instead of best ones.
- It is important to be on time. Candidates too have their schedules in a day and would like the interview to begin on time. It shows that the organisation is professional by valuing the candidate's time.
- The interviewer must go to where the candidate is seated and receive him or her by a formal greeting. Often it is the receptionist or secretary who does the formal greeting and will lead the candidate to the interviewer's room.
- It is important to put the candidate at ease by small talk. Perhaps a chat on the hobbies and pastimes of the candidate, or a special event in town; if nothing else—the weather!
- Once the candidate is at ease, it is important to establish the purpose and format of the interview.

## ***Interview Techniques***

- Let the candidate do most of the talking. The ideal distribution of discussion should be 80% from the candidate and 20% from the interviewer.
- Use open-ended questions which start with What, Where, When, Which, Why and How. This gets the candidate to give larger explanations.
- Use close-ended questions to ascertain facts.
- When a question is asked give time to the candidate to compose his or her thoughts. Silence is a tactic to get the person to speak.

- Use body language to full advantage—Eye contact to show interest; smile to defuse the stress of the situation; nodding to establish comprehension of what the candidate is saying; these are all silent strategies for the best effect.
- Never write on application forms. There could be legal implications.
- Questions should not be discriminatory. Discrimination questions relate to caste, religion, sex, age, region, colour etc. Stick to the job only.
- Some states by the enactment of law may have job quotas for minorities, women, handicapped, war veterans, etc. This should have been ascertained at the screening stage and not in the interview.

### ***Closing the Interview***

- Invite questions and clarifications from the candidate.
- Tell about the benefits of joining the organisation – its management, career plans, training, employee benefits etc.
- Give details of the job position including working hours.
- Discuss salary expectations.
- Some organisations may like to tell a candidate why he or she is not suitable at the end of the interview. Most like to make a selection after interviewing other candidates. In each case, it is important to tell the candidate when to expect a reply. A reply must be sent.
- Thank the employee for his or her time and escort the candidate to the door. This is a common courtesy that gives the candidate self-respect.

### ***Joining Formalities***

**Offer letters** show the interest of an organisation to provide employment to a candidate in writing. The following are the basic issues that offer letters must mention. Additional information may be added based on the policy of the establishment.

- ***The Job Title*** This is important to confirm the job position being offered. There is a distinction between a job title and designation. The **job title** is the term used for a position best accepted and understood by the public. Considerable effort is being made to create innovative titles to give employees self-respect in society. A front office agent can be called a “Customer Service Agent”, “Receptionist”, “Personal Host” etc. A **designation** is the root role against which salaries and benefits are given. In the given example the designation is “front office agent”.
- ***Reporting relationships*** These are the immediate boss and the boss’s superior. This establishes whom the job-holder has to get decisions and directions from and in his absence, who would be the next senior person for the job-holder to report.
- ***Date of Joining*** This defines when the hired person is expected to commence work. The date of joining establishes when salaries and benefits are applicable and when the incumbent can be scheduled into the work force.
- ***Salary and Benefits*** This is key information on which the candidate makes a decision whether to join or not. Salaries are basic components of pay to cover basic needs of an individual. These may be



in the form of basic pay, house rent allowance, transportation allowance and position allowance. Benefits are those additional facilities provided to an individual to attract the best in the job market. Benefits are sometimes statutory like gratuity, leave and leave pay, pension deductions, medical benefits etc. while other benefits may be company specific offerings such as leave fares, free duty meals, company accommodation, education allowance, domestic help allowance etc. Organisations have moved away from break up of remuneration and prefer to give lump-sum remunerations to permit the individual the freedom to use the money as he or she pleases.

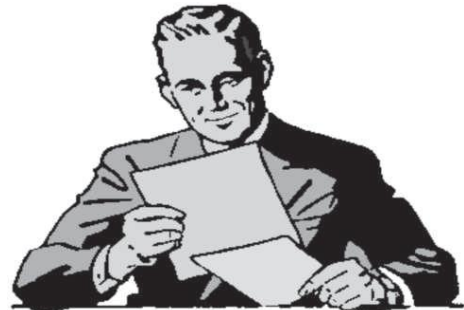
- **Probationary period** It is necessary to give all new recruits a trial period in which the organisation and the individual can decide whether to make the employment permanent or not. Probationary periods can range from three months for junior positions to one year for senior management positions.

**Reference Checks** are done to ascertain the candidates work proficiency, character and teamwork from past associates. There are two types of reference checks:

- **Candidate references** given by the candidate from the school/college, prominent people and previous employers.
- **Independent references** are made directly by the establishment with previous employers, police, previous bosses and social clubs.

Then there are two purposes of references:

- **Character certificates** show the character traits of a candidate. Organisations prefer such certificates from valued people in society, including school and college principals, responsible people known to the candidate, police records etc.
- **Work references** are given by previous employers to confirm the period a person has worked in the organisation, the role he or she performed and the work application of the employee.

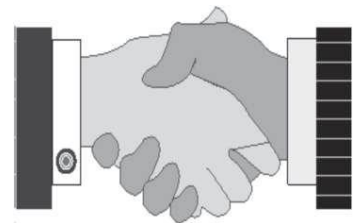


**The Appointment Letter** is the final contract between an organisation and the candidate. The issues mentioned in an appointment letter are:

- **Job Title**
- **Reporting relationship**
- **Joining date**
- **Salary and benefits**
- **Probationary period**

The above are the same as mentioned in offer letters. However, there are more clauses added in an appointment letter.

- **Notice periods** establish the time period required for the severance of service between the organisation and individual. During the probationary period the notice is normally twenty-four hours, while during confirmed service the notice can be from one to three months based on the criticality of the position.





- **Legal provisions** are those that are required by the law like not indulging in criminal activities, being intoxicated at work, involving in malpractices etc.
- **Confidentiality clauses** are added by organisations to prevent company information and secrets being leaked to competition.
- **Job Description** of the candidate's position is enclosed to have a common perception of what is expected from him or her.

There are processes to formally register the employee into the organisation. Some of the formalities are dictated by law, such as salary and employment contracts, while others are dictated by the organisation's policies.

Joining formalities include:

- **Copies of original certificates** Organisations insist on this to confirm that a candidate is qualified for the post. Certificates often asked for are the birth certificate, school leaving certificate, college certificates, and employment certificates and training certificates.
- **A medical check** This is mandatory by many organisations to ensure that a candidate is physically fit to do the job. It also establishes whether the candidate has any communicable diseases like aids, tuberculosis, open sores etc. This becomes critical especially when dealing with guests.
- **Formal application form** Most establishments prescribe their own application form for the candidate to fill though they may have received the candidate's curriculum vitae/resume. This is to ensure that the information that the establishment values is consistent for all employees. For example, an application form may insist on an emergency telephone number in the event of a crisis to the candidate at work. Establishments may want to know the blood group of the candidate in case of an accident at work that requires immediate hospitalisation.
- **Copies of References** We had seen earlier the importance of reference letters. These references are kept on file as a record of authenticity of the reference.
- **Induction/Orientation** Progressive organisations will have an orientation programme to familiarise a new candidate to the organisation in order to make the candidate productive at the shortest period of time. The orientation includes introducing the candidate to the products and services of the organisation, its history, who's who, organisation structure, dos and don'ts, company policies etc.
- **Issue of an identity card** Most organisations would like their employees to carry an identity card to confirm their employment with the organisation. This identity card is useful in case of accidents on the road or as identification for entry into the premises. Organisations also prescribe staff numbers for accounting purposes and the payment of salaries and wages.
- **Information to accounts for the payment of salary** This is a joining formality to inform the accounts department so that they can open a salary account for the new candidate. The accounts may want bank account details to deposit salaries directly into the candidate's account.

## Key Terms

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<b>Contact</b>	getting in touch with candidates for interviews and tests
<b>Cross Training</b>	training of employees in other related job positions
<b>Employment Agencies</b>	public organisations that connect the unemployed population to recruiters
<b>Interviews</b>	face-to-face interface for the purpose of selection
<b>Job Advertisements</b>	job announcements in the media
<b>Job Analysis</b>	to define the broad elements of the job
<b>Job Description</b>	a profile of duties and responsibilities in a job
<b>Job Fairs</b>	Gathering of recruiters and job seekers
<b>Job Postings</b>	announcement of vacancies in relevant notice boards
<b>Job Specification</b>	a profile of the person to do a job
<b>Head Hunting</b>	process of identifying talent in competition to attract for employment
<b>Lateral Transfers</b>	moving employees with similar jobs to other locations
<b>Networking</b>	making contacts with other persons of use
<b>Promotion</b>	advancing someone from a lower position to a higher one
<b>Recruitment</b>	process of getting qualified human resources for vacant positions
<b>Reference checks</b>	process of ascertaining a candidate's work proficiency, character and teamwork from past associates
<b>Selection</b>	process of choosing from eligible candidates
<b>Screening</b>	process of matching resumes with job specifications
<b>Sourcing</b>	identifying suitable places to obtain qualified human resources
<b>Talent Bank</b>	inventory of eligible "drop-in" candidates
<b>Task List</b>	a detailed documentation of duties and responsibilities.
<b>Testing</b>	evaluation of a candidate's knowledge, skills and attitudes

## Review Quiz

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### Write short notes on the following:

1. What are the sources of human resource supply?
2. How is a Job Analysis done?
3. Give the difference between a job description and job specification with the example of a server.
4. What are the different types of tests used in the selection process?
5. What are the different types of interviews?
6. What are the joining formalities of a new recruit?

**Fill in the Blanks**

1. The process of getting human resources from the market for vacant positions is called \_\_\_\_\_.
2. The process from where qualified human resources may be obtained is called \_\_\_\_\_.
3. The moving of people with similar jobs to other locations is called \_\_\_\_\_.
4. An inventory of “drop-in” candidates seeking jobs with the organisation is called \_\_\_\_\_.
5. The training of employees in other related job positions is called \_\_\_\_\_.
6. The process of identifying talent from competition for employment is called \_\_\_\_\_.
7. A facility where recruiters gather under one roof for job seekers is called \_\_\_\_\_.
8. The process of matching resumes with job specifications is called \_\_\_\_\_.
9. Interviews that ask open-ended questions are called \_\_\_\_\_.
10. The process of ascertaining a candidate’s past performance and behaviour from previous associates is called \_\_\_\_\_.

## 14.2 ORIENTATION AND SOCIALISATION

### *What is Orientation and Socialisation?*

**Orientation** is the process of familiarising a new employee to the organisation so as to achieve commitment and contribution.

**Socialisation** is the teaching of the organisation's culture, values, norms and behaviours that are important for the success of the company.

Another joint terminology for both is **induction**.

### *Why should we Orient and Socialise?*

The first thirty days are crucial to get a new employee's commitment. It is a period of anxiety, excitement and uncertainty. The first objective is to remove the anxiety of the individual by adapting him or her quickly to the new environment. The employee can become a positive member of the organisational team or be a de-motivated and disillusioned one. There are many benefits for both the organisation and the individual, to get to know each other at the earliest. The organisation benefits by introducing the individual into the work mainstream. It is an opportunity to communicate expectations as also to show how the job fits into the organisation's mission. *Orientation* and *Socialisation* brings in a consistent awareness about the rules and regulations of the organisation. The individual benefits by getting an opportunity to learn about the organisation and see the broader picture. The new incumbent can clarify doubts of what is expected of him or her. An important benefit is the learning of new skills, if required, especially according to the organisation's standards. Orientation and Socialisation programmes can last from a day to several months based on the policy of the establishment.

### *Types of Orientation and Socialisation*

- **Group Sessions:** This is done when there are two or more new employees. Organisations may find it tedious to do induction on a daily basis. They may allot a day or week to have sufficient number of joiners to attend the orientation and socialisation programme together. This method is important to large organisations that have many joiners in a week. A group session helps individuals know that they are not alone and can foster new relationships, some of which remain throughout their career with the organisation.



- **Individual sessions:** These are done on a one-to-one basis. New managers, who join occasionally, may benefit from one-to-one induction. The greatest benefit is the personal attention that a new employee gets. Some organisations may give a general induction to a group of employees and then assign them to individuals in their department to further induct them on the job.



- **Self-orientation:** Some organisations may not have a fully developed orientation and socialisation programme. They may leave the individual to orient himself or herself, by providing the employee with company brochures, policy manuals, rules and regulations etc. The individual will then list the unfamiliar information and have a question answer session with a designated older employee.
- **Mentor session:** Mentoring is a popular method used these days. A new employee is paired with an older employee of the organisation from another department. The mentor is trained to act as a catalyst to induct the individual without being the direct appraiser of the individual's performance.

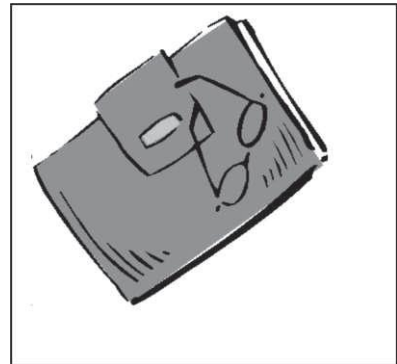
### *What does Orientation and Socialisation Involve?*

The list below explains the various issues that are covered in a professional induction programme. We see that the information is broken into four parts: (1) **those that concern the organisation as a whole;** (2) **unit information**, which becomes more important in a multi-unit operation like fast food chains or hotel chains; (3) **the department for which the individual is recruited for and will be working in** and (4) job related information.

Orientation and Socialisation methods are many and are only limited by imagination. But common Orientation and Socialisation programs include the following:

1. **Distribution of orientation kits** to participants. Obviously, to be able to deliver all the information, an Orientation and Socialisation programme requires a variety of sources and documents. Plenty of planning and preparation is necessary to put this information together in a folder. The person given the responsibility of orientation and socialisation has the following to put together:

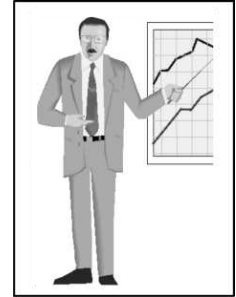
- Organisation Charts
- Facility Map
- Company Videos
- Company publications
- List of key terminology
- Policy Manual
- Union Contracts
- Job Descriptions
- Company Holidays List
- List of important telephone numbers
- Employee Handbook
- List of company benefits
- Performance Appraisal format
- Training Programmes
- Sources of information
- Emergency Procedures Manual



- Orientation Checklist
- Quality Manual

In addition, the folder may include the forms and formats concerning all the joining formalities as mentioned in the earlier chapter. This information can be conveyed by:

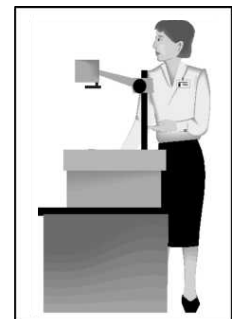
2. **Talks** by the head of the organisation or senior members who welcome the joiners on behalf of the management into the organisation. It is quite possible that the senior person provides the organisational input, as shown in the chart below.
3. **Audio-visual presentations**—support talks with Powerpoint presentations, slides, films and corporate promotional movies. Wherever it is difficult for the head of the organisation to be present for all inductions, his or her message to new employees can be recorded in a film.
4. A **luncheon** is a good way to welcome joiners in an informal setting. Senior members of the organisation are invited to the luncheon to meet and chat informally and convey important information. Progressive organisations make it a must with management appointees. It may even include the spouse of the joining manager.
5. **Tour of the Property** is an essential feature of an orientation and socialisation programme. A hotel may like to show the departments that the new employee will coordinate with, such as telephones, stores, housekeeping etc. The tour also shows the important facilities like washrooms, locker rooms, employee cafeteria, training rooms, uniform exchange counter, accounts where salaries are paid, in-house bank, first-aid kits or in-house clinics etc.
6. **Introductions** are important to facilitate quick work linkages. Introductions are made to senior management, immediate boss, departmental colleagues and others that influence the job position.
7. **Questions and answer** session at the end of each session is held to clarify any doubts.



### **What Facilities are Required for Orientation and Socialisation?**

The induction room may be a classroom or banquet space with theatre style seating or U-shaped seating. It must have a light modifier to dim lights when the audio-visuals are on. The general equipments required are:

- Overhead projector with stand
- Laptop computer
- LCD Projector with stand
- Video/CD Player
- Video Cassettes/CDs
- Flip Chart Board/White Board



### Blueprint of an Orientation and Socialisation Programme

Organisational	Unit	Departmental	Job Related
<ul style="list-style-type: none"> <li>• Vision, Mission, Philosophy</li> <li>• Organisational Structure</li> <li>• Who's Who</li> <li>• Cultural issues</li> <li>• Products and Services</li> <li>• Achievements</li> <li>• Growth Plans</li> <li>• Career Opportunities</li> <li>• Training and Development Plans</li> <li>• Quality and Customer Service Programme</li> </ul>	<ul style="list-style-type: none"> <li>• Organisation structure</li> <li>• Who's Who</li> <li>• Unit objectives</li> <li>• Products and services</li> <li>• Unit Policies and Procedures</li> <li>• Rules and Regulations</li> <li>• Tour of the property</li> <li>• Communication Systems</li> <li>• Laws impacting unit performance</li> <li>• Welfare Activities</li> <li>• Emergency procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Organisation structure</li> <li>• Who's Who</li> <li>• Reporting relationships</li> <li>• Systems and Procedures</li> <li>• Working hours</li> <li>• Equipment</li> <li>• Interdepartmental relationships</li> <li>• System of Performance Appraisal</li> </ul>	<ul style="list-style-type: none"> <li>• Job Description</li> <li>• Working hours</li> <li>• Work schedule/shift</li> <li>• Breaks</li> <li>• Introduction to department members</li> <li>• Training of specific skills</li> <li>• Key terminology</li> <li>• Compensation Details</li> </ul>

### Who does the Orientation and Socialisation?

The Human Resources Department drives the Orientation and Socialisation programme. Large organisations may even employ a full-time Orientation and Socialisation expert. But the programme is the responsibility of everyone. The principal employees would be the Human Resources Manager, Departmental Head, immediate boss and the fellow colleagues.

The person who leads the Orientation and Socialisation programme often has the following qualities:

- A role model
- Well-groomed and fit
- Good communicator
- Thorough knowledge of organisational policies, procedures and functions
- Has a demonstrated respect of others
- Motivator
- People focused
- Enthusiastic



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## Key Terms

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<b>Mentor</b>	an experienced colleague from an unrelated department to guide a new employee
<b>Orientation</b>	process of familiarising a new employee to the organisation so as to achieve commitment and contribution
<b>Induction</b>	a joint term for orientation and socialisation
<b>Orientation Kit</b>	a folder with all relevant information of the organisation
<b>Socialisation</b>	teaching of the culture, values, norms and behaviours of the organisation that are to the success of an organisation

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## Review Quiz

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### Write short notes on the following:

1. What are the types of orientation and socialisation methods available?
2. What is included in an orientation and socialisation programme?
3. What is included in an orientation kit?
4. What facilities and equipment are required to conduct an orientation and socialisation programme?
5. Who conducts an orientation programme? What qualities must the person have?

### True or False

1. Orientation and Socialisation must be administered to all new employees.
2. A new employee must know what is expected of him or her.
3. It is not necessary for top management to communicate with new employees.
4. An orientation kit will include a Quality manual.
5. An essential equipment for an orientation programme is the overhead projector.
6. A mentor is the immediate boss who guides a new employee.
7. An essential feature of a mentor is that s/he should be the immediate performance appraiser.
8. An orientation specialist must be people focused.
9. Training is an important part of induction.
10. The human resources department drives the orientation and socialisation process.



## 14.3 TRAINING AND DEVELOPMENT

### Overview

Training is perhaps the most vital activity today. The world is changing very fast and the only way to keep up is through training. Today we see the use of computers in every aspect of business life. New software makes processing of information easier. Changes like these require new knowledge and skills. Technology has made vast strides in our daily lives. It is not surprising that technology has crept into the hospitality industry, which has been traditionally a hands-on industry. We see micros in food operations, networked reporting systems, wake-up call software, mini bars, food dispensers in hotel floors, etc. Obsolescence is becoming a word much feared these days. Technology is getting outdated every eighteen months. Camera and mobile telephone industries are changing technology every six months. Front office students and professionals need to keep up to date in their careers, to survive. Progressive hotels must build training into their way of life.



To start with, we need to distinguish between training, development and education.

**Training** is the learning process in which an employee acquires the knowledge, skills and attitudes that lead to changes in behavior to meet some performance objectives. Therefore, training is performance driven and used in work environments.

**Development** is the continuous improvement of the human capital. Employees with experience need to develop for higher positions as their jobs enlarge and enrich.

**Education** is learning that contributes to total life growth. The time we went to school and college was indeed boring because we wondered how trigonometry, history or social science would help us in our career. Education is not performance driven, but a system to help us adjust to the environment around us and assimilate it better. The new buzz word, in the work context, is “**continuous education.**” Unless we update ourselves in the way life is unfolding, we are soon to become outdated in our thinking. As a matter of fact, continuous education is not a luxury but a means of survival nowadays.

### Organisational Viewpoint about Training

Organisations train for the following reasons generally:

- **Convert competencies into currencies:** Specialised skills and behaviour can become the cutting edge for many hotels. For example, a professional concierge is a rarity. A multi-skilled front office agent is a distinct advantage to a hotel with limited payroll budgets. A bell boy at a resort can double-up as a room boy during the day.
- **To get a competitive advantage:** Training does get the hotel and restaurants a distinct edge. Large organisations have invested big money in setting up training schools of note. The Oberoi Hotel School, The Welcomgroup Graduate School of Hotel Administration at Manipal, are some

Indian examples. These schools bring out human products that are uniquely special to the organisation. The Educational Institute of the American Hotel and Motel Association in Michigan and Orlando was originally sponsored by large American chains to produce basic standards of knowledge and skills for their hotels worldwide.

- **Fear of obsolescence:** Every organisation fears obsolescence. With so many new outlets opening, the customer is pampered and is quick to forget an old way.
- **Change in new technologies:** The change in technology as explained earlier is a good reason to update oneself. The introduction of computerisation in hotel systems and procedures is a huge reason for training.
- **Globalisation:** This phenomenon has brought great opportunities. Not only has it opened doors to global employment but also has shrunk the divide in work styles. A receptionist in Baku, Azerbaijan would soon have the same job description as the receptionist in Dublin, Ireland. Large American chain operations worldwide have introduced certain common practices to local professionals wherever their hotels have been located, be it in Fiji, Manila or Mumbai.
- **Improve productivity:** As human capital is expensive and scarce, the challenge is to make existing staff productive. This is done by technology, work design and outsourcing. This brings in a whole new dimension to traditional ways of doing things.
- **Retain customers:** The hospitality industry recognises that the cutting edge is customer service. Training in this one aspect can bring customers back again and again.
- **Avoid lawsuits:** The hotel industry is subject to many laws and regulations to protect guests. There are laws concerning hygiene, sanitation, storage, etc. Lawsuits can result in high fines or even the closure of the establishments.

### When is Training Required?

Organisations opt for training when they observe the following symptoms, divided into knowledge, skills and attitude.

#### Training Gaps

Knowledge	Skills	Attitude
<ul style="list-style-type: none"> <li>• Lack of job knowledge</li> <li>• Cost increase</li> <li>• Supervisors doing lower jobs</li> <li>• High waste</li> <li>• Hygiene concerns</li> <li>• More supervision required</li> <li>• Customer loss</li> <li>• Lack of concern for quality</li> </ul>	<ul style="list-style-type: none"> <li>• Under-confidence</li> <li>• Drop in standards</li> <li>• Management complaints</li> <li>• Mistakes</li> <li>• Staff increase</li> <li>• Drop in sales</li> <li>• Productivity drop</li> <li>• Inter-departmental complaints</li> <li>• Delays in service</li> </ul>	<ul style="list-style-type: none"> <li>• Customer complaints</li> <li>• In-fighting</li> <li>• Absenteeism</li> <li>• Shirking responsibility</li> <li>• Falling morale</li> </ul>

## Focused Training Options

Organisations take the responsibility of training for specific performance objectives. Organisations earlier had huge budgets to train employees. This they did because employees planned long careers in an organisation. Today the employee no longer has that loyalty and is willing to change for salary because he or she recognises that his or her career is short. Hotels worldwide are opting for younger workforces to keep the organisation fresh and infused with new ideas. Hotels can also exploit the energy of the young for long hours of work. Organisations have now rationalised this approach and are now willing to invest in critical training that will directly affect performance, such as:

- Customer Service
- Quality
- Teamwork
- Organisation wide technological changes.
- Productivity improvement

## Individual Viewpoint about Training

Individuals do recognise the importance of training to keep up to date. They also know that organisations are not willing to spend big training budgets on them for fear of losing them to competition. Individuals, therefore, have no choice but to put their precious earnings into continuous education and training. The employee also recognises that their careers could be cut short by the next generation who is coming with the latest knowledge and skills. Individuals train for the following reasons.

- Job security
- Growth
- Improvement
- Challenge
- Return on investment
- Sense of discovery
- Improved self-worth
- Recognition
- Sense of achievement
- Knowledge is power
- Social acceptability
- Contributions to work place
- Fear of obsolescence
- Status



## Issues of Adult Learning

At the workplace, adults get trained. There are serious statutory issues of hiring underage people. Training gets more challenging with a mature age group. They need special treatment and have to be addressed in different ways than teaching school or college kids. Let's look at these challenges:

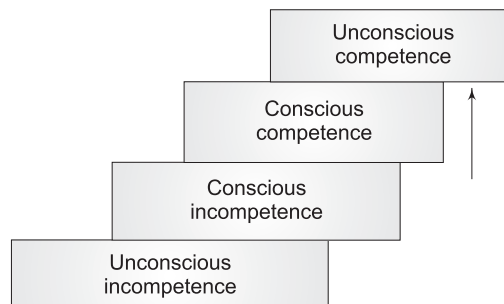
- **“What is in it for me?”** This is the first question asked by adults. Adults look at training as a measure of improving their status or earning power. They evaluate training in terms of hard currency that will come to them. They also look at survival and see training as a way to prolong their career.

- **Life, task or problem centred:** Adults are motivated when they believe that the training is going to directly solve, or enhance some of their performance issues. They like to get to the point and are intolerant or bored with issues that do not directly concern them.
- **Management commitment:** Adults first assess the importance given to training, by the management. If management does not support training and the generation of new ideas, then training becomes a pastime than a vehicle for change.
- **Cost of negligent training:** The food service industry is subject to many laws as they serve people. There are laws concerning hygiene, sanitation, storage of food, safety etc. The law prescribes training in these areas and insists on keeping records for the government inspectors to evaluate. Apart from the statutory requirement, there is the aspect of no training. Staff can follow wrong practices that could result in asset losses, damages, litigations, fines and even closure of the premises. Imagine the implications of wrong food storage resulting in food poisoning or misuse of inflammable material that can result in fire.
- **Diversity:** Modern workforces are multicultural. There are religious issues, language issues, perceptions, sexual preference, gender, socioeconomic backgrounds, literacy levels, learning styles and backgrounds that have to be considered in training. Pork is a subject which is a taboo for Muslims, meat for vegetarians, hand gestures for others. A trainer has to take into account several nuances before going into training. This requires awareness and flexibility on part of the trainer.
- **Learning disabilities:** Adults have visual, auditory and kinesthetic disabilities. There are those who have difficulty to understand the written word. They prefer diagrams, audio-visuals, illustrations or role plays to learn. Some have difficulty in concepts and need to feel objects to learn. They learn better with demonstrations and hands-on training.
- **Ego:** Managing the egos of adult learners is a challenging issue. Adults do not like to lose face with others. They find it difficult to accept that they do not know. A trainer has to be tactful to deal with such situations. One method is by enabling adults towards self-discovery.

### How People Learn

People learn at various stages. The ultimate objective for a learner is to attain mastery in a skill. They go through four stages of learning to achieve mastery.

The diagram below shows the stages well:



## Levels of Learning

**Unconscious Incompetence:** In this stage, a learner is unaware and unable to perform a task. This is applicable usually to raw recruits to a skill. Apprentices fall in this category and require motivation and confidence to proceed further.

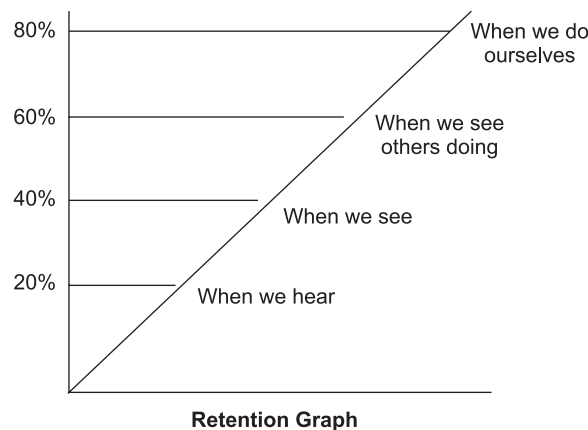
**Conscious Incompetence:** In this stage, the learner has been made aware of the skill. This is acquired through knowledge instruction where a concept is made clear. The learner is still unable to do the task perfectly.

**Conscious Competence:** This stage brings the learner to a degree of skill. This is achieved through demonstration and hands on practice. There is a studied effort to perform the task.

**Unconscious Competence:** This stage is when the learner performs the tasks automatically just like walking, swimming or driving. This is the stage of mastery.

## Training Methodology

The training methodology used is the key to the learning process. The wrong choice of methodology could make learning difficult. As a guideline the following graph indicates the effectiveness of methodology.



It shows how much a person retains after three days of information has been passed on. Any methodology that uses the auditory function only is the weakest. The lecture method, therefore, is the poorest form of ensuring learning. Ironically, it is the one most used. By bringing in visuals like graphs, pictures, etc. we enhance the retention level to about forty percent after three days when we hear and see. However, when we see others doing a task, the retention is greatly enhanced to sixty percent. Methodologies that employ demonstrations or movies that show the performance of tasks are greatly effective. The best level for ensuring retention is when we do tasks ourselves. Hands-on training or on-the-job training has got its popularity on this account.

The chart below gives the complete range of training methodologies available. They have been listed according to where they are most effective in terms of conveying knowledge, skills or attitudes.

Knowledge	Skills	Attitude
<ul style="list-style-type: none"> <li>• Lecture</li> <li>• Tutoring</li> <li>• Symposium</li> <li>• Seminar</li> <li>• Programmed Instruction</li> <li>• Independent study</li> <li>• Group Discussions</li> <li>• Case study</li> <li>• Projects</li> <li>• Audio-visual methods</li> <li>• Conferences</li> <li>• Field trip</li> <li>• Brainstorming</li> <li>• Guided Discussion</li> <li>• Research and Library work</li> </ul>	<ul style="list-style-type: none"> <li>• On-the-job training</li> <li>• Role-Playing</li> <li>• Management Games</li> <li>• Transactional Analysis</li> <li>• Communication exercises</li> <li>• In-basket</li> <li>• Demonstrations</li> <li>• Interactive video</li> <li>• Workshops</li> <li>• Coaching</li> <li>• Incident Method</li> <li>• Field Projects</li> <li>• Simulation</li> </ul>	<ul style="list-style-type: none"> <li>• Sensitivity training</li> <li>• Fish-Bowl exercise</li> <li>• Transcendental Meditation</li> <li>• Mentoring</li> <li>• Performance Counseling</li> </ul>

A thumbnail sketch of each will be useful.

### ***Methodologies to Transfer KNOWLEDGE***

**Lectures** are given when knowledge has to be imparted to a large body of people. It requires an expert on a subject who needs little time to be able to talk. The challenge is to get the attention of listeners.

**Tutoring** is knowledge shared by an expert with a learner, on a one-to-one basis. This method is more effective than a lecture but will need the dedicated time of a trainer to one person. This is effective when there are few learners to be taught.

**Symposium** is a meeting of experts on a particular subject. The participants are passive as they watch the experts exchange their views. It is best used to acquire advanced knowledge on a subject.

**Seminars** are conducted when a group of advanced students want to learn a specific subject. Experts on the subject give presentations on the subject followed by an interactive question and answer session with participants.

**Programmed Instruction** is one in which a learner studies a manual presented in modules (or installments) followed by quizzes to establish the proficiency in that module. Several modules lead to a complete subject. This is a self-study done through distance education.



**Group discussions** get together groups of learners (maximum 15) to discuss a subject. The benefit is that students are exposed to facets of the topic that they may have been overlooked or not visited.

**Case Study** is a group discussion of a real live situation. Learners get the background of the case and work towards finding a solution to the problems. This method remains academic and does not solve problems in the real workplace.

**Projects** are academic exercises that encourage learners to make a report on a subject. This method encourages research, project implementation and report writing.

**Audio-visual** methods include training films, slides, transparencies, etc. Students comment on the displayed visual.

**Conferences** are larger occasions when noted experts are called to give inputs on a subject or theme to learners studying or practicing the chosen subject. The conferences have a plenary session that includes everybody followed by smaller groups who discuss issues to solve specific problems.

**Field Trips** are used to expose learners to locations, which cannot be reproduced in a classroom. For example, learners may visit other hotels and restaurants followed by a debriefing session in the classroom.

**Brainstorming** is used by people, qualified on a subject, to solve specific problems.

**Guided discussion** is one where a facilitator leads a discussion to cover pre-arranged issues of learning.

### **Methodologies to Impart SKILLS**

**On-the-job training** is placing learners in live situations to learn from an assigned coach or against specified tasks. This is the most popular method used and most effective. The only disadvantage is that trainees may pick up the wrong ways of doing things and may make mistakes, which may be costly in terms of money and customer goodwill. They may also come in the way of busy workers who are concerned with their actual operational performance than teaching.

**Role Play** is best used for behavioural training. The learners become the “actors” who are required to act out a scene presented by the trainer.

A good example of this method is in customer service training.

**Management Games** are used to simulate management situations in a study situation. Team building simulations are a good example.

**Transactional Analysis** is an effective method to improve interactions between people. It works on three ego states of Parent, Adult and Child. Each individual is required to respond to the appropriate ego state in given situations to make the transaction effective.





**Communication exercises** are designed to illustrate barriers in interpersonal communication. An example is Chinese Whispers to illustrate the distortion of communication when it passes through many people.

**In-basket exercises** are problem-solving exercises with current live problems of an organisation. These problems are tested in the classroom without fear of wrong decisions.

**Demonstrations** are actual performances of tasks by an instructor to a learner or a body of learners who watch but not participate in the task. The benefit of this method is that learners get to see the actual task, which improves their learning considerably. Cooking demonstrations are a good example.

**Interactive videos/CDs** are used for self-study. Learners respond to questions after a body of instruction presented in parts. The benefit of this method is that situations in a video/CD are dramatised to give a more effective learning.

**Workshops** are meetings by groups to solve actual problems.

**Coaching** is done by an instructor, on a one-to-one basis, either at the workplace or outside the work area. This is best used for skill development.

**Incident Method** is to train learners in problem solving and decision-making by providing information on an incident in phases. Decisions keep changing with new additional information.

**Field projects** are real research studies of real work places. A trip to a brewery or a vineyard would be a field trip.

**Simulation exercises** are computer-aided methods to give the individual a virtual reality of a situation.



## **Methodologies to Develop ATTITUDES**

**Sensitivity training** is a method of dealing with real feelings. The instructor has to be specially trained in this methodology to deal with human sensitivity. The learner goes through three phases of *unfreezing*, *exploration* and *freezing* of attitudes.

**Fish Bowl Exercises** deal with the actual feelings of work groups towards each other. This methodology is ideal for building teams.

**Meditation** is a method of learning to improve concentration and managing stress, towards a total well-being. It too requires a trained person to administer this method.

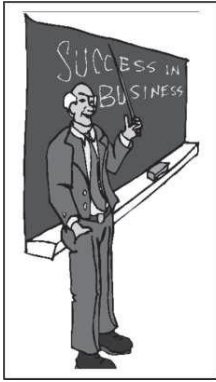
**Mentoring** is a process of assigning an elder and experienced person in an organisation to a new recruit. His or her role would be to lead the learner through the cultural, political and performance aspects in the organization. The mentor is someone who does not evaluate the learner's performance or has a say in his or her salaries, benefits and promotions. This ensures objectivity in dealing with the learner.

**Performance Counselling** is a method borrowed from sports training to give learners the right attitudes to excel through inspirational talks.



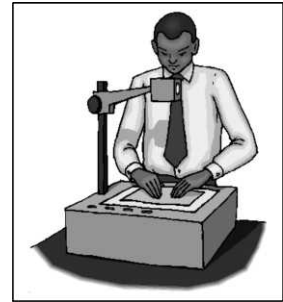
If we are to analyse the methodologies, we can see that the ones that ensure 80% learning after three days are on-the-job training, coaching, sensitivity training, fish bowl, transactional analysis and meditation. The most practical methodologies for skill training at normal workplaces are on-the-job training, role-play and coaching. Performance counseling is the best way to develop attitudes. Knowledge is best developed through projects, exercises, demonstrations, audio-visual methods and workshops. Knowledge must relate directly to work performance to sustain the motivation to learn.

## Training Aids



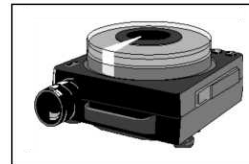
There are many training aids to assist in learning. For a long time the chalkboard was used as the only aid in teaching. Projection equipments were rare and expensive. Whiteboards, with non-permanent marker pens, replaced chalkboards as a cleaner and more efficient method of teaching. The 80s saw the emergence of the over-head projector, which became the standard equipment in most training classrooms. The OHP brought a new way to project written material and diagrams clearly. OHP uses transparencies that give better reproduction of information. Projectors were supported by Flip Chart boards and chalkboards. Today the laptop computers with Microsoft PowerPoint software have made presentations colourful, picturesque and innovative. Laptop presentations are projected through an LCD projector, which is presently expensive.

Soon technology will make them cheaper and replace them with innovative inventions. The whiteboard for instance, has witnessed a revolution. We can take copies from these boards or transfer information to computers.



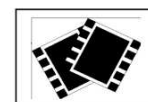
## Projection Equipment

- LCD Projector
- Overhead projector
- Slide carousal
- 35 mm film projector
- Epidiascope
- Laptop computers
- Television
- CD/VCD players



## Motion Picture Media

- Compact Discs (CDs)
- Videos
- 35 mm movies
- Film loops



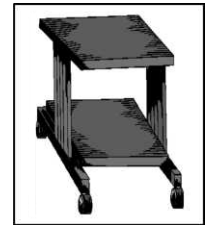
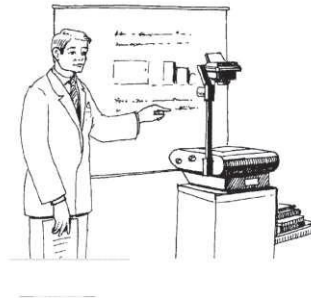
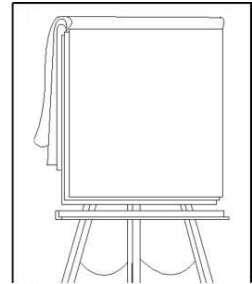
### Personalised Multi-media Systems

- Interactive CDs and videos
- Video cameras
- E-learning
- Instructional kits
- Tape recorders



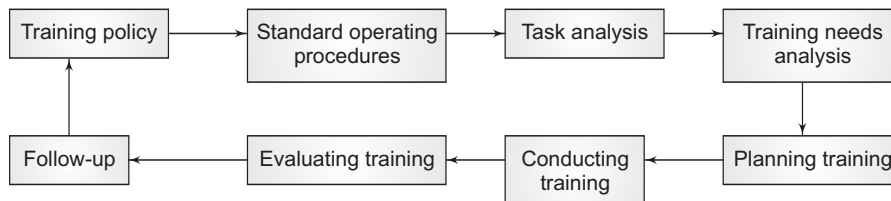
### Accessories

- Pointers – steel and laser
- Oil-based and water-based market pens
- Transparencies
- Audio and Video cassettes
- Connecting cables
- Graph and Chart papers
- Screens
- Flip chart stand
- Projection trolleys
- Training Software
- Real objects
- Cutaways
- Models
- Whiteboards
- Posters
- Charts
- Flip Charts
- Graphs
- Pasteboards
- Pointers
- Handouts
- Training manuals



### The Training Process

The figure below depicts the training process clearly:



- **Establishing a training policy:** Policies regarding training have to emerge from the corporate or the owner to get commitment to training. These corporate policies are translated at the operational policies that makes training a continuous and committed way of life.
- **Establishing standard operating procedures:** The logical flow from policies is the operational systems and procedures, which have to be standardised to ensure consistency.
- **Task Analysis:** From these operational procedures flow the sub tasks that make up the procedure. These are documented through a Task Analysis that addresses what has to be done, how it is done and the standards that have to be maintained for each sub-task. The task analysis becomes the base document for training. (See the task list earlier in this chapter under “Recruitment and Selection”)
- **Defining training needs:** This is an exercise done in response to symptoms as indicated in the earlier section “When is Training required?”
- **Planning training:** Plans include setting training objectives, developing lesson plans and organizing the venue, methodology and training aids.
- **Conducting training:** The training must follow the training objectives, lesson plans and methodologies selected.
- **Evaluating training:** It is important to evaluate training for their effectiveness. Trainers want to know whether training has achieved the desired level of learning; learners want to confirm their level of retention of knowledge and skills; and management want to know whether training has achieved their strategic objectives.
- **Follow-up** is the step taken to correct/improve on the training effort. This exercise revisits every aspect of the training process to make it more effective.

### The Trainer

The trainer is a very special person as he or she influences the learners in a very special way. Trainers are experienced success stories of an organisation, who reflect all that is good about the organisation. A Trainer is a role model whom everyone respects and the learner looks up to. He loves to teach and has the patience to see the slow and painful process of change of the learner. He has exceptional communication skills with perhaps a sense of humor. While these are noble qualities of a trainer, there are other important qualities that are essential.

- Industry awareness
- Leadership skills
- Interpersonal skills
- Technological awareness
- Problem-solving skills
- Systems thinking
- Personal competence
- Disciplined
- Training skills
- Care for people
- Negotiating skills
- Consulting skills



## Key Terms

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<b>Training</b>	the learning process in which an employee acquires the knowledge, skills and attitudes that lead to changes in behaviour to meet some performance objectives.
<b>Development</b>	the continuous improvement of the human capital
<b>Education</b>	learning that contributes to total life growth
<b>Continuous education</b>	process of upgrading one's knowledge periodically
<b>Training Methodology</b>	the way information is imparted
<b>Training Aids</b>	equipment and accessories required to impart knowledge and skills
<b>Trainer</b>	specialist who imparts training

## Review Quiz

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### Write short notes on the following:

1. What is the difference between training, development and education?
2. Why do organizations train?
3. Give the chart explaining training gaps.
4. What are the issues of adult learning?
5. How do people learn?

### Identify the following training methodologies:

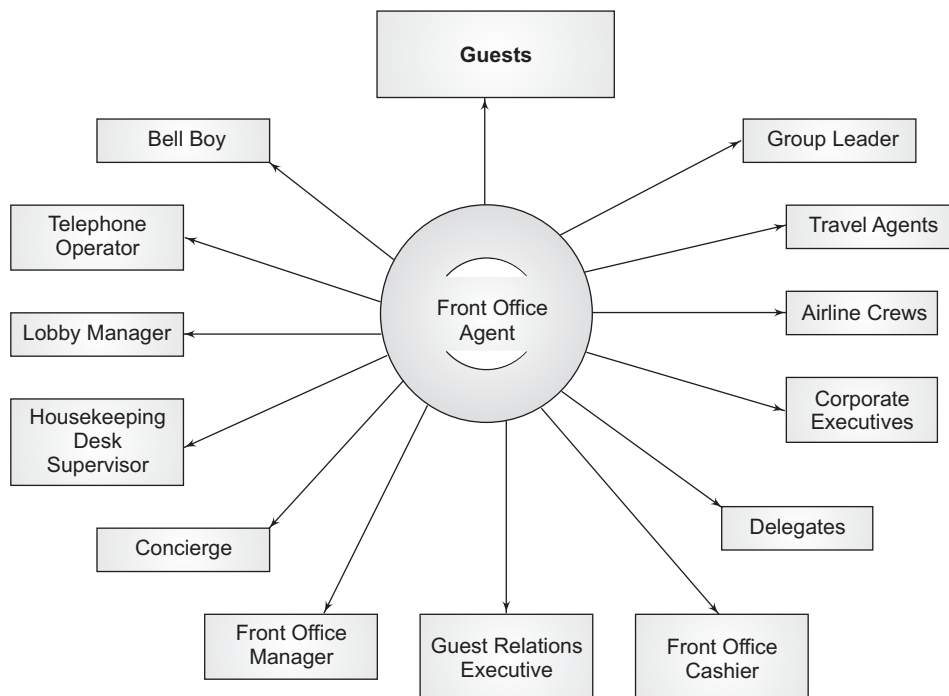
1. Placing learners in live situations to learn is called \_\_\_\_\_.
2. A drama in the classroom that simulates situations is called \_\_\_\_\_.
3. A group discussion of a real live situation is called \_\_\_\_\_.
4. Management situations simulated in a study situation is called \_\_\_\_\_.
5. A methodology that illustrates barriers in interpersonal communication is called \_\_\_\_\_.
6. Meetings by groups to solve actual problems is called \_\_\_\_\_.
7. A method of learning to improve concentration and managing stress is called \_\_\_\_\_.
8. Research studies of real work places is called \_\_\_\_\_.
9. A process of assigning an elder and experienced person in an organization to a new recruit is called \_\_\_\_\_.
10. Problem-solving exercises with current live problems of an organization is called \_\_\_\_\_.

# CHAPTER 15

## Interpersonal Communication

### INTRODUCTION

This subject has been introduced to emphasise the importance of **communication**. All front office staff are in the front in direct contact with guests – either face-to-face or through telephone. It is known that misunderstandings occur resulting in breakdown in relationships because of poor communication. The front office personnel cannot afford to have breakdowns in communication with guests, as it directly affects the image of the property and the resultant ill-will among the travelling public.

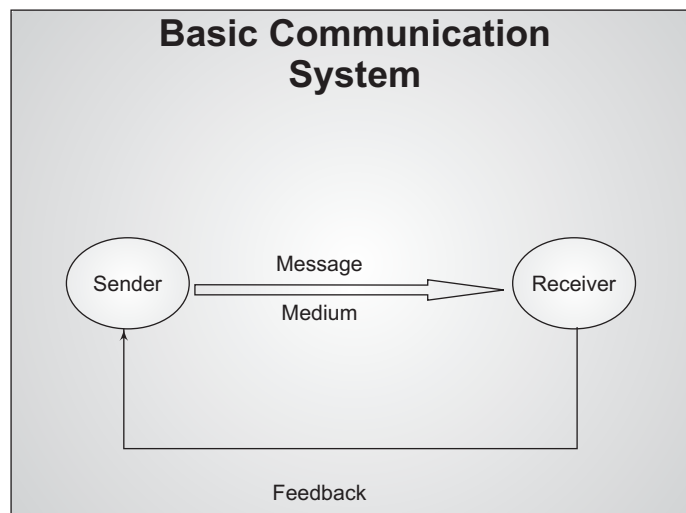


The reader will go through a series of slides developed by the author for presentations at various forums. Each slide will be explained in detail. While communications is a wide subject, which covers internal business communication, marketing communication, public relations, mass communications, etc., this chapter is restricted to basic **interpersonal communication**. Interpersonal Communication means the communication that takes place between two people. Let us see the number of individuals the front office personnel talks to on a daily basis, if not at a moment-to-moment basis:

The diagram above gives ample evidence of the number of people both internal and external that the front office agent is exposed to and communicates with as part of her daily routine. The frequency of communication is constant and therefore, all front office personnel must be effective in their interpersonal communication skills. The following slides shows the hazards of communication and what must be done to avoid them.

### **Basic Communication System**

Let us start with the basic communication system that governs all interpersonal communication.




In the above process flow, we have two participants—the **sender** and **receiver**. The sender can be the front office agent speaking to the guest who is the receiver. The sender communicates a message through various ways (medium). The receiver listens to the communication and responds (feedback) to the sender. Such responses can be in verbal communication, non-verbal communication (body language) or action (physical expression). What is most worrying are those responses that are not expressed immediately but withheld to express to others resulting in word-of-mouth anti-publicity.

Let's take each component of the basic communication system starting with the sender.

## Sender

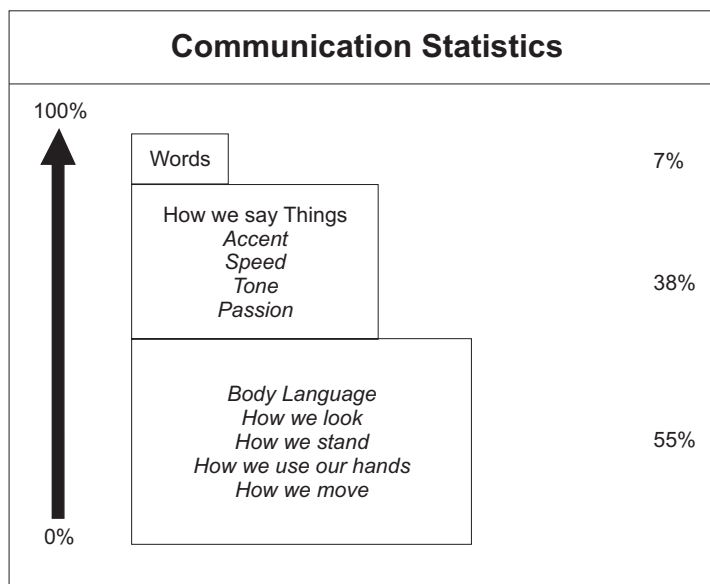
A sender can communicate in **verbal** or **non-verbal** ways. **Verbal communication** brings in the aspect of language. If the front office agent does not speak the language of the guest, then no communication can take place. The front office agent will immediately call someone who speaks the same language to communicate effectively. If there is no employee who speaks the language then the front office agent will use words to express the message. The word “room” may be understood by a travelling guest but the

Sender Communicates in	
<ul style="list-style-type: none"><li>• <b>Verbal</b></li><li>• <b>Non-verbal</b></li></ul>	

word “policy” may not be understood by him. The guest may understand it as “police” and get agitated as to why the police is brought into the picture! The front office agent will then try to use the non-verbal communication to supplement the word through gestures. She may use the word “room” showing a room in a brochure and reinforce the word “policy” by pointing to the rules and regulations book. This may be an improvement but does not guarantee that the communication has been understood.

Even when a language is perfectly understood, misunderstandings can still take place. If for instance, the front office agent does not acknowledge an arriving guest at the counter, the guest can assume that the front office agent is rude, does not care, is too busy, does not welcome him, is ignoring him, etc. There can be as many number of possible interpretations to this gesture of ignoring, as the number of guests. Even though no verbal communication has taken place, the gesture of not acknowledging is a communication that is subject to any number of responses. The best thing for a busy front office agent to do is to smile and say, “Good morning, I will attend to you in a moment”. The chances of misunderstandings are vastly reduced by this simple sentence.


We, therefore, come to the aspect of body language. It is alarming to know-how much we communicate through body language while we speak or do not. The statistics overleaf are ample proof of this.



While verbal communication is reinforced by such things as the accent, speed of sentence delivery, tone of voice and the passion with which we say things, the body language can convey messages differently or can be made to reinforce the words. The hospitality industry, therefore, gives a lot of importance to the way the front desk people look and groom themselves. Poise is essential to show professionalism. A receptionist can lean on the desk or slouch while talking. She may say anything but is portraying to the customer that she is lazy, indifferent, non-professional etc. Our hands are a great give away. Left unlocked, hands express all sorts of emotions including anger, accusative, etc. Professional behaviour will insist that the hands are locked behind or clasped in front when idle. It may be used only to deliberately emphasise a word or sentence like in the example of a room and brochure. Body language is expressed in the following ways:

### Types of Body Language

- Eye contact
- Facial expressions
- Gestures
- How we stand
- Distance and angle
- General appearance





The value of eye-contact cannot be more emphasised. Eye contact indicates a range of positive impressions including, confidence, sincerity, honesty, reliability, etc. Nothing is more loathsome to a guest when a front office agent speaks to a guest while looking into her computer or some other object. Gestures like arms hugging the body can convey closed communication. The nod of the head can indicate attentiveness and also disapproval.

Facial expressions are another way to communicate. The hospitality industry encourages its front line employees to smile while talking. This immediately relaxes a guest and breaks down any negative barriers. Those who communicate on phone too are encouraged to smile while speaking. The tone of voice becomes cheerful. People have forgotten how they look when they smile. A front desk professional will make it a habit to look into the mirror and smile and may make it a way of continuous behaviour.

Gestures are another giveaway. A shrug of the shoulder can show indifference. Pointing at a guest exhibits superiority and accusation. Doodling on paper while a guest is speaking can show boredom. The trick is to use gestures to enhance a guest experience. A handshake, a bow or the Indian namaste shows welcome.

How we stand reflects poise, as discussed earlier. The front desk professional always stands erect.

Distance and angle also conveys different images. Standing too close reflects familiarity. Most people like to maintain their personal boundaries. The front desk counter fortunately maintains that distance. Standing too far gives the perception of distance and aloofness. A front office agent who speaks to the guest while turning her body away from him shows indifference, inattentiveness or under confidence. Front desk personnel must square up and present the full body to the guest.

A lot has been spoken about appearance. It is desirable that public personnel are personable and attractive. The Human Resources department looks into this aspect when selecting them at the time of recruitment. Grooming is another imperative standard for front office personnel. Uniforms must be clean and well pressed. All aspects of personal grooming like hair style, manicured nails, clean hands etc. are monitored in shift briefings.

## ***Medium***

Now let us look at medium. Medium is the channel chosen to communicate a message. This choice is directly the responsibility of the sender. If s/he chooses the wrong medium the message will not be received effectively. The different types of media available to the sender are:

<b>MEDIUM</b>	
<b>Medium</b>	<b>Combination</b>
<ul style="list-style-type: none"> <li>• Physical</li> <li>• Written</li> <li>• Oral/Verbal</li> <li>• Mental</li> <li>• Audio</li> </ul>	<ul style="list-style-type: none"> <li>• Audio-visual</li> <li>• Audio-verbal</li> <li>• Oral-physical</li> </ul>

The physical medium is the most effective at the work place. A simple pat on the back of encouragement has a tremendous impact on the recipient. Of course, the front office agent is not going to pat a guest on

the back as it would show familiarity. We have seen that professional behaviour requires the professional to keep a distance. However, a firm handshake is the most effective physical contact in welcoming a guest. There are several modes of written communication. Some of them include printed material, hoardings, advertisements etc. At the front office, the written documents that drive systems and procedures are very vital for communication. If a reservation agent does not fill the reservation form while taking the reservation, s/he will not be able to communicate to the rest of the team that a reservation has taken place that requires certain procedures by all to follow up on.

We have covered verbal communication which is also referred to as oral communication. **Mental communication** goes into the realms of the mental telepathy and hypnosis which are not in the purview of this chapter. But we can extrapolate that emotions are a giveaway of thought processes. Therefore, the importance of a smile is emphasised to all front-desk personnel even if they are speaking on phone.

**Audio communication** refers to the bells, telephone rings, car horns and alarms that we hear everyday. They communicate through sound precisely what they are intended for. A front office agent knows that she has to answer the telephone when it rings. A guest knows that his attention is sought when the bell boy rings the bells of the paging board. The bell desk knows that a guest has arrived at the porch when the doorman rings the bell.

Communication gets more effective when we have **combinations of these mediums**. So we have **audio-visual** communication when business guest have a teleconference facility, where they can see each other and speak over long distances. A guest can identify the caller's name or number when the phone rings in the room. The television is a strong example of this medium. **Audio-oral** communication goes into the realm of CDs, cassettes and radio. Music is an important part of communication when a hotel wants to create an ambience in the lobby. Coffee Shops are great at creating ambience when they change the type of music during the day from rock and roll songs to lounge music. The telephone instrument is the greatest invention in this genre. The wake-up call systems are good examples of audio-oral communication.

Technology is making great strides in the area of communications. Computers, mobile phones, telecommunications etc. hold great promises to the way we do things in the future.

## *Message*

This refers to the actual content of what is being communicated. One thing that readers must learn is to never assume that what has been said is understood. It takes years of a relationship to reach that perfect point of understanding. Guests who are casual acquaintances cannot reach that level of understanding. So communication has to be very carefully expressed. Let us see what distorts a message:

### **Message**

- People are interested in People, Things and Ideas
- Distortion through many levels
- Short sentences
- Repeat difficult messages
- Long messages in writing
- Positive/active words

While the points above are self-explanatory, one must understand that communication is best when face-to-face. The sender gets immediate feedback through words or body language whether the message has been understood or not. Fortunately, the front office agent communicates mostly face-to-face with guests. This improves the probability of a message being understood. Telephone communication becomes more difficult to pass a message because the sender cannot see the person at the other end of the line and vice versa. Neither does passing verbal messages through another person. There is bound to be a distortion in the message as several experiments have proved. Written communication is better as long as the other person has access to the text. Modern software and common servers allow people to communicate directly through written information. This is a great stride in making information correct. For example, the telephone operator, the room service order-taker, concierge and reception have access to a common server that shows the latest arrivals and departures. There cannot be any distortion in information. The earlier manual system had each party checking with the front desk on phone which had its own pitfalls in communication in spite of the best of efforts.

### *Receiver*

The receiver has the greatest challenge as there are too many barriers in his way to reach a perfect understanding. These barriers are:

#### **Barriers to Communication**

- Perception
- Projection
- Levels of Abstraction
- Role
- Context
- Emotions
- Conflicting information
- Hearing what we want to hear
- Language
- Distractions
- Bias

**Perception** is the selection of what one wants to see or hear from a total message. A front office agent may say, “I am sorry your room is being prepared according to your high standards. It shall be ready in ten minutes, would you kindly wait in the lobby and I shall call you as soon as it is ready”. The guest may perceive only the word “wait” and respond favourably or unfavourably. The guest has selected the worst word that will cause his inconvenience. The wonderful part of the message that the room is being prepared according to his high standards or that the wait is only for ten minutes is lost to the guest. This is unfortunate but a barrier in communication.

**Projection** is the interpretation of the receiver to what s/he has perceived based on his or her past experiences. The word “wait” is now being given a meaning which can be interpreted as rudeness, indifference, inconvenience, poor professionalism or being taken advantage of for another guest. Naturally, the guest is now going to respond in a negative manner.

**Level of abstraction** is another great pitfall. Abstraction means vagueness or something that does not have understandable form. For example, a guest may want a room when he actually means a suite facing the swimming pool. The front office agent can assign him any room. The front office agent must reduce the level of abstraction by asking questions to further clarify the type of room required. She may ask questions like:

- “A single, double room or suite, sir?”
- “A smoking or non-smoking room?”
- “A room facing the swimming pool or one facing the golf course?”
- “Any preference for the colour of the room between blue and orange?”

With each question the front office agent is reducing the level of abstraction. Front Office personnel are trained to ask pertinent questions to reduce the levels of communication. Sometimes forms and formats are so designed to reduce the level of abstraction of information received.

The **role** of a sender is also important when receiving messages. A role is the position or designation that has to offer services. A guest may accept a room being assigned by a front office agent but will ask to see the lobby manager for special discounts or the General Manager for a complimentary stay. Each position has its own level of authority. The modern *mantra* in management is “empowerment”. Managements are pushing greater authority down to guest interface positions. A front office agent may well have the authority to give special discounts and complimentary stay.

The receiver is also influenced by the **context** of a message. So if the guest sees other guests being assigned rooms when he is being asked to wait, he will naturally be provoked to give a negative response.

**Emotions** expressed by the sender are a great influence on the receiver. A pleasant and cheerful front desk agent will convey the same cheer to the guest, while a grouchy agent will get the same response from the guest. Front office personnel irrespective of their personal circumstances have to always present a cheerful exterior and emotion. This is tough but is the requirement of being professional.

A receiver **likes to hear things** based on his or her experiences. S/he likes to be wished the time of the day when entering the hotel or approaching the front desk. S/he hears this throughout his or her travels worldwide. So when this is missed in any hotel, s/he interprets this negatively. Hotels do take great pains in scripting greetings for all staff especially those in regular guest contact. This is to bring about conformity to global standards that guests are exposed to.

**Language** is a great challenge to the global traveller. He cannot receive messages or understand them if there is an obvious language barrier. Hotels now make it a point to recruit multilingual staff to communicate with international guests. While the English language is the global language of communication, French, German and Spanish were credible alternatives because of Europe’s economic situation that encouraged travel. With globalisation, new alternative languages have cropped up such as Russian, Hindi, Japanese and Chinese. This responds to the new economic zones that are developing rapidly where people from these new regions are travelling more frequently worldwide. This means the front desk personnel must have skills in the new languages to be able to communicate effectively.

**Distractions** can be a great barrier in communication. Nothing is more annoying to a guest than a front office agent constantly interrupting conversation to answer telephone calls or to talk to other staff members. Distractions in communications can be caused by loud noises or music, staff talking loudly in the course of their duties, arguments with other guests, etc. Professional hotels would ensure these distractions are eliminated or kept to a minimum through staff training, scheduling and technology interventions.

**Bias** is a predisposition to a thought or idea. These biases are built through experience and cannot be avoided. A Frenchman may not like to speak in English, other than French. You may call it national pride. It is, however, a predisposition. A guest may check and re-check his wake-up call instructions to

the point of being irritating. S/he apparently has had a bad experience of oversleeping before and is petrified of it recurring again.

If these are the number of barriers to receiving a message, communication becomes increasingly challenging. The question arises as to who is responsible to overcome these barriers? It is the sender. S/he has to ensure through training, systems and procedures that these barriers are eliminated at the time of transmitting a message. One of the simplest methods employed to eliminate barriers in communication is to ask the receiver to repeat the message. So when a guest gives instructions the front office personnel will repeat each and every word s/he says to confirm to the sender that the message is understood and correct. This completes the loop of the basic communication system.

### Ket Terms

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<b>Body Language</b>	non-verbal messages conveyed by the body
<b>Interpersonal Communication</b>	communication between two people
<b>Message</b>	content of what has to be communicated
<b>Medium</b>	channel used to communicate a message
<b>Perception</b>	a selection from a total message of what a receiver wants to hear or see
<b>Projection</b>	interpretation of what one perceives based on past experiences
<b>Receiver</b>	one who receives communication

### Review Quiz

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#### True or False

1. Interpersonal communication is critical to front desk personnel.
2. The way one is groomed conveys messages to guests.
3. Bias is a predisposition to a thought or idea.
4. People like ideas first, then information on things and people.
5. Modern front desk professionals can get by with the English language.
6. The designation of the sender has an influence on what is being communicated.
7. There are different levels of abstraction in communication.
8. Long messages can be given in one complete text.
9. Combinations of mediums make communication better.
10. Mental telepathy is not a medium of communication.



## APPENDIX I

# Answers to Quizzes

### I.1 THE HISTORY OF TRAVEL

#### Multiple Choice Questions

- |      |       |      |      |
|------|-------|------|------|
| 1. b | 2. d  | 3. a | 4. c |
| 5. c | 6. b  | 7. c | 8. c |
| 9. a | 10. e |      |      |

#### Fill in the Blanks

- |                        |                        |                |                       |
|------------------------|------------------------|----------------|-----------------------|
| 1. Amelia Earhart      | 2. Toby Janus          | 3. Mesopotamia | 4. Tour Operator      |
| 5. 2000 BC             | 6. Meteorologists      | 7. Madrassas   | 8. East India Company |
| 9. religious education | 10. De Havilland Comet |                |                       |

### I.2 THE TOURISM INDUSTRY

#### Multiple Choice Questions

- |      |       |      |      |
|------|-------|------|------|
| 1. d | 2. d  | 3. d | 4. d |
| 5. a | 6. b  | 7. b | 8. c |
| 9. d | 10. a |      |      |

#### True or False

- |         |          |         |          |
|---------|----------|---------|----------|
| 1. True | 2. True  | 3. True | 4. False |
| 5. True | 6. True  | 7. True | 8. False |
| 9. True | 10. True |         |          |

### I.3 HOTELS AND THEIR CLASSIFICATION

#### Multiple Choice Questions

- |      |       |      |      |
|------|-------|------|------|
| 1. b | 2. a  | 3. c | 4. c |
| 5. c | 6. a  | 7. c | 8. b |
| 9. d | 10. c |      |      |

#### Fill in the Blanks

- |                                    |                       |                 |                   |
|------------------------------------|-----------------------|-----------------|-------------------|
| 1. business                        | 2. residential hotels | 3. condominium  | 4. sports hostels |
| 5. Palace furnished a Chapterments | 7. convention hotel   | 8. segmentation |                   |
| 9. camp                            | 10. airport           |                 |                   |

### I.4 CLASSIFICATION OF GUESTS

#### True or False

- |          |          |         |         |
|----------|----------|---------|---------|
| 1. False | 2. False | 3. True | 4. True |
| 5. True  | 6. True  | 7. True | 8. True |
| 9. True  | 10. True |         |         |

### I.5 UNDERSTANDING GUEST SERVICE

#### Fill in the Blanks

- |                       |                   |                |           |
|-----------------------|-------------------|----------------|-----------|
| 1. habit              | 2. autosuggestion | 3. self esteem | 4. status |
| 5. self-actualisation |                   |                |           |

### 2.2 PRINCIPLES OF MANAGEMENT

#### Fill in the Blanks

- |                    |                      |                     |                        |
|--------------------|----------------------|---------------------|------------------------|
| 1. principles      | 2. perspective plans | 3. functional goals | 4. organizing          |
| 5. job description | 6. coordinating      | 7. delegation       | 8. preventive controls |
| 9. mystery shopper | 10. problem solving  |                     |                        |

#### True or False

- |          |          |          |          |
|----------|----------|----------|----------|
| 1. True  | 2. True  | 3. False | 3. False |
| 4. False | 5. True  | 6. True  | 7. True  |
| 8. True  | 9. False | 10. True |          |

## 2.3 HOTEL ORGANISATION

### Fill in the Blanks

- |                |               |                       |                |
|----------------|---------------|-----------------------|----------------|
| 1. mission     | 2. objectives | 3. organisation chart | 4. specialists |
| 5. coffee shop |               |                       |                |

### Multiple Choices Questions

- |      |      |      |      |
|------|------|------|------|
| 1. c | 2. a | 3. c | 4. c |
| 5. c |      |      |      |

## 2.5 THE GUEST CYCLE

### True or False

- |         |           |          |          |
|---------|-----------|----------|----------|
| 1. True | 2. True   | 3. True  | 4. False |
| 5. True | 6. True   | 7. False | 8. True  |
| 9. True | 10. False |          |          |

## 3.1 FRONT OFFICE ORGANISATION AND JOB DESCRIPTIONS

### True or False

- |         |           |         |          |
|---------|-----------|---------|----------|
| 1. True | 2. True   | 3. True | 4. True  |
| 5. True | 6. False  | 7. True | 8. False |
| 9. True | 10. False |         |          |

### Match the Following

- |      |       |      |      |
|------|-------|------|------|
| 1. h | 2. j  | 3. a | 4. k |
| 5. b | 6. e  | 7. f | 8. g |
| 9. d | 10. c |      |      |

## 3.2 COMPETENCIES OF A FRONT OFFICE PROFESSIONAL

### True or False

- |          |          |          |         |
|----------|----------|----------|---------|
| 1. False | 2. True  | 3. False | 4. True |
| 5. True  | 6. True  | 7. True  | 8. True |
| 9. False | 10. True |          |         |



### 3.3 ESTABLISHING ROOM RATES

#### True or False

- |         |           |         |          |
|---------|-----------|---------|----------|
| 1. True | 2. False  | 3. True | 4. False |
| 5. True | 6. True   | 7. True | 8. True  |
| 9. True | 10. False |         |          |

#### Fill in the Blanks

- |                             |                      |                       |                      |
|-----------------------------|----------------------|-----------------------|----------------------|
| 1. maximum-moderate-minimum | 2. rack rate         | 3. incentive rates    |                      |
| 4. day rate                 | 5. going rate        | 6. extra rate         | 7. market leadership |
| 8. perceived value          | 9. cost-plus pricing | 10. Hubbert's Formula |                      |

### 3.5 FRONT OFFICE BUDGETING

#### True or False

- |          |          |         |          |
|----------|----------|---------|----------|
| 1. True  | 2. False | 3. True | 4. True  |
| 5. False | 6. True  | 7. True | 8. False |
| 9. True  | 10. True |         |          |

### 3.6 FRONT OFFICE ADMINISTRATION

#### True or False

- |          |          |         |          |
|----------|----------|---------|----------|
| 1. True  | 2. False | 3. True | 4. True  |
| 5. False | 6. True  | 7. True | 8. False |
| 9. True  | 10. True |         |          |

## 4 RESERVATIONS

#### Fill in the Blanks

- |                    |                  |                              |                     |
|--------------------|------------------|------------------------------|---------------------|
| 1. twin            | 2. American Plan | 3. Free Individual Traveller |                     |
| 3. a la carte      | 5. cabana        | 6. referral hotel            | 7. Reservation Form |
| 8. Diplomatic Rate | 9. Walk-in       | 10. Fifteen                  |                     |

#### Match the Following

- |      |      |      |      |
|------|------|------|------|
| 1. b | 2. d | 3. e | 4. a |
| 5. c |      |      |      |

## 5 RECEPTION

### Fill in the Blanks

- |                      |                |              |                 |
|----------------------|----------------|--------------|-----------------|
| 1. Position          | 2. Guest Rack  | 3. Stay-over | 4. Position     |
| 5. Foreign Guests    | 6. Crew Sheets | 7. Log Book  | 8. Rooming List |
| 9. Out-of-Order card | 10. Upselling  |              |                 |

## 6 UNIFORMED SERVICES

### Multiple Choices Questions

- |      |       |      |      |
|------|-------|------|------|
| 1. c | 2. a  | 3. b | 4. c |
| 5. c | 6. c  | 7. b | 8. c |
| 9. b | 10. c |      |      |

### True or False

- |         |          |         |          |
|---------|----------|---------|----------|
| 1. True | 2. True  | 3. True | 4. False |
| 5. True | 6. True  | 7. True | 8. True  |
| 9. True | 10. True |         |          |

## 7 CONCIERGE SERVICES

### True or False

- |         |           |          |          |
|---------|-----------|----------|----------|
| 1. True | 2. True   | 3. False | 4. True  |
| 5. True | 6. True   | 7. True  | 8. False |
| 9. True | 10. False |          |          |

### Fill in the Blanks

- |                     |                               |                              |
|---------------------|-------------------------------|------------------------------|
| 1. employee mail    | 2. 'Registered Post' Register | 3. Function Board            |
| 4. Courtesy Coach   | 5. Date and Time              | 6. message light             |
| 8. Reservation Slip | 9. Time Office                | 10. General Manager's Office |

## 8 GUEST RELATIONS EXECUTIVE

### True or False

- |         |          |          |          |
|---------|----------|----------|----------|
| 1. True | 2. True  | 3. True  | 4. False |
| 5. True | 6. False | 7. False | 8. True  |
| 9. True | 10. True |          |          |

## 9 TELECOMMUNICATIONS

### True or False

- |          |          |          |          |
|----------|----------|----------|----------|
| 1. True  | 2. False | 3. False | 4. False |
| 5. True  | 6. True  | 7. False | 8. True  |
| 9. False | 10. True |          |          |

### Fill in the Blanks

- |                                  |                     |             |                           |
|----------------------------------|---------------------|-------------|---------------------------|
| 1. Wake-call sheet               | 2. Three            | 3. Log Book | 4. Chief Security Officer |
| 5. PABX                          | 6. 'Good Afternoon' | 7. EPABX    | 8. Complaints Register    |
| 9. Telecommunications Supervisor | 10. walkie-talkie   |             |                           |

## 10 FRONT OFFICE CASHIER

### Fill in the Blanks

- |                             |                           |                 |                          |
|-----------------------------|---------------------------|-----------------|--------------------------|
| 1. cash bank                | 2. Paid Out               | 3. Central Bank | 4. Allowances            |
| 5. Petty Cash               | 6. safety locker          | 7. Guest Folio  | 8. Miscellaneous Charges |
| 9. DeChapterure Errand Card | 10. Travel Agency Voucher |                 |                          |

### True or False

- |         |          |          |         |
|---------|----------|----------|---------|
| 1. True | 2. False | 3. True  | 4. True |
| 5. True | 6. True  | 7. False | 8. True |
| 9. True | 10. True |          |         |

## 11 NIGHT AUDIT

### Fill in the Blanks

- |   |  |
|---|--|
| 1. Daily Transcript                     | 2. Sales Summary Sheet                   |
| 3. Income Accountant                    | 4. reconcile the cash and credit sales   |
| 5. Estate manager Cashier               | 6. Remittance of Funds                   |
| 7. Void                                 | 8. Record of Foreign Currency Transacted |
| 9. Statement of Bills Exceedingt Limits | 10. Restaurant Manager                   |

## 12 YIELD MANAGEMENT

### Fill in the Blanks

- |                               |                        |                       |              |
|-------------------------------|------------------------|-----------------------|--------------|
| 2. yield                      | 3. rack rate           | 3. historical records | 4. guest mix |
| 5. service mix                | 6. capacity management | 7. discount           |              |
| 8. upselling                  | 9. Period Management   |                       |              |
| 10. room revenue contribution |                        |                       |              |

### 13 QUALITY GUEST SERVICE

#### Multiple Choice Questions

- |      |       |      |      |
|------|-------|------|------|
| 1. a | 2. b  | 3. c | 4. c |
| 5. a | 6. b  | 7. a | 8. c |
| 9. c | 10. c |      |      |

#### True or False

- |          |          |         |         |
|----------|----------|---------|---------|
| 1. True  | 2. True  | 3. True | 4. True |
| 5. False | 6. False | 7. True | 8. True |
| 9. True  | 10. True |         |         |

### 14.1 RECRUITMENT AND SELECTION

#### Fill in the Blanks

- |                          |                 |                      |                |
|--------------------------|-----------------|----------------------|----------------|
| 1. recruitment           | 2. sourcing     | 3. lateral transfers | 4. talent bank |
| 5. cross-training        | 6. head-hunting | 7. job fair          | 8. screening   |
| 9. undirected interviews | 10. referencing |                      |                |

### 14.2 ORIENTATION AND SOCIALISATION

#### True or False

- |         |          |          |         |
|---------|----------|----------|---------|
| 1. True | 2. True  | 3. False | 4. True |
| 5. True | 6. False | 7. False | 8. True |
| 9. True | 10. True |          |         |

### 14.3 TRAINING AND DEVELOPMENT

#### Identify the following training methodologies:

- |                           |                        |               |                     |
|---------------------------|------------------------|---------------|---------------------|
| 1. on-the-job training    | 2. role play           | 3. case study | 4. management games |
| 5. Transactional Analysis | 6. In-basket exercise  | 7. meditation | 8. Field Study      |
| 9. Mentoring              | 10. Fish-bowl exercise |               |                     |

### 15 INTERPERSONAL COMMUNICATION

#### True or False

- |         |           |         |          |
|---------|-----------|---------|----------|
| 1. True | 2. True   | 3. True | 4. True  |
| 5. True | 6. True   | 7. True | 8. False |
| 9. True | 10. False |         |          |

## APPENDIX II

# Major International Airlines of the World

COUNTRY	AIRLINE
Australia	Quantas Airways
Bahrain	Gulf Air
Britain	British Airways
Canada	Air Canada
Denmark (Norway & Sweden)	Scandinavian Airlines (SAS)
France	Air France
Germany	Lufthansa
Holland	Royal Dutch Airlines (KLM)
Hong Kong	Cathay Pacific
India	Air India
Italy	Alitalia
Japan	Japan Airlines (JAL)
Kenya	Kenya Airways
Malaysia	Air Malaysia
Mexico	Mexicana Airlines
Republic of South Africa	South African Airways
Saudi Arabia	Saudia
Russia	Aeroflot
Singapore	Singapore Airlines
Switzerland	Swissair
Thailand	Thai Airways
United States	Pan Am
	United Airlines American Airlines
	Continental Airlines Trans World
	Airlines (TWA) Delta Airlines
	Northwest Airlines
United Arab Emirates	Al Etihad
	Emirates Airlines

*Contd.*

### Other International Airlines of the World

COUNTRY	AIRLINE
Austria	Austrian Airlines
Bangladesh	Bhiman
Brunei	Royal Brunei
Cyprus	Air Cyprus
Egypt	Egypt Air
Ethiopia	Ethopian Airlines
Finland	Finnair
Iran	Iran Air
Ireland	Aer Lingus
Jordan	Air Jordan
Kuwait	Kuwait Airways
North Korea	Korean Airlines
Malta	Air Malta
Mauritius	Air Mauritius
Morocco	Air Maroc
Portugal	Air Portugal
Scotland	Caledonian Airlines
Spain	Iberian Air Lines
Nepal	Royal Nepal
Oman	Oman Air
Pakistan	Pakistan International Airlines (PIA)
Qatar	Qatar Airways
Sri Lanka	Air Lanka
Turkey	Turkish Airlines
Vietnam	Air Vietnam
Zaire	Air Zaire



## APPENDIX III

# Classification Criteria of Hotels

### INTRODUCTION

‘Classification’ is a term that distinguishes hotels in terms of quality, services, facilities and amenities offered. This is introduced by all countries with a thriving tourism industry to help guests identify what to expect when booking a room at a property. The classification is represented in many ways based on the practice each country adopts:

Numbers	1, 2, 3, 4, 5
Terms	Deluxe, First Class, Second Class, Third Class
Letters	A, B, C, D, etc
Stars	★, ★★, ★★★, ★★★★★,

The exact definition as to what is included into each category differs from country to country. For example, Greece has 5 categories, Bulgaria 7 categories, France 13 categories and India 6 categories. While Greece and Austria have classification criteria represented by alphabets, Ireland has the same by terms, Italy by figures, India and France by stars. In USA and UK there is no official classification of hotels but local travel associations like the Royal Automobile Club give classifications to help travellers. The Draft of International Classification was approved in 1967 by 62 member countries of the organisation, suggested by the World Tourism Organisation which has given five main categories:

- Luxury
- First
- Second
- Third
- Fourth

Each country establishes parity with these categories and interprets it accordingly. For example, the three stars of France can be equated with A or B of Spain or I or II of Italy. Travel agents worldwide have mastered the different categories to be able to advise the traveller reliably. The authority for the classification of hotels is usually vested with a government body like the Department of Tourism of a country. They may co-opt other bodies like the hotel association, travel agents association, airlines etc. The main consideration is objectivity in granting classifications keeping the consumer in mind.

Classification takes the local conditions in mind to grant a grade. For example, tropical countries must insist on airconditioning to grant a superior rating. Cold countries likewise must insist on heating. Non-European countries that have predominantly European or American clientele insist on at least one restaurant providing western-oriented food.

### Star Ranking in India

In 1958, the Hotel Standard and Rate Structure Committee (HS & RS Committee) went into great detail into the classification of hotels. After initial opposition from hoteliers who enjoyed a free hand in pricing their products, the HR & RS Committee came to the conclusion that the hotels varied considerably and needed classification and set rules of operation to guide travellers and protect their interests. Based on this recommendation the Hotel Classification Committee was formed in 1962. They adopted the star rating form as it was believed to be universally understood. They introduced stars ranging from one to five, the latter being awarded to superior properties. Broadly speaking one and two stars were considered economy classes, three stars medium class and four and five stars luxury class. They also believed that since the hotel industry was poised for growth, they needed guidelines to provide certain standards for national and international travellers.

The responsibility for classification was reposed on a permanent committee of the central government and regional sub-committees who would inspect hotels and grade them against a checklist of standards that awarded points. On the permanent committee were:

- Senior official of the Department of Tourism
- A representative of the Federation of Hotels and Restaurants Association of India (FHRAI)
- A representative of the Travel Agents Association of India (TAAI)
- A representative of Air India
- Ex-office Convener of the Regional Sub-committee
- A member of the State Tourism Department

Four regional sub-committees are located at Delhi, Mumbai, Kolkata and Chennai. The sub-committee consists of:

- Director, Government of India Tourist Office
- A representative of the Federation of Hotels and Restaurants Association of India (FHRAI)
- A representative of the Travel Agents Association of India (TAAI)
- A member of Air India
- Principal of the regional Institute of Hotel Management, Nutrition and Catering Technology,
- A representative of the State Tourism Department
- Public figures of note.

Hotels have to apply for classification against a fee. They are given a grading for a period of two years renewable after another inspection. Those hotels not making the grade are given time not later than 12 months to improve their facilities based on the recommendations to downgrade or upgrade a property.

Given below is a comprehensive comparison of standards, facilities and services required by the various stars of hotels. These are further qualified as

E = Essential, N = Necessary, D = Desirable and N/A = Not Applicable.



## Classification Criteria of Hotels

Criteria	Five star	Four Star	Three Star	Two Star	One Star
<b>Rooms Areas:</b>					
Single	180 sq. ft.	120 sq. ft.	120 sq. ft.	100 sq. ft.	100 sq. ft.
Double	200 sq. ft.	140 sq. ft.	140 sq. ft.	120 sq. ft.	120 sq. ft.
Bathroom	45 sq. ft.	36 sq. ft.	36 sq. ft.	30 sq. ft.	30 sq. ft.
<b>Room Furnishing:</b> comfortable, quality products, done by qualified interior designer	E	E	E	E	E
<b>Music</b> in each room	D	D	D	D	D
<b>Drinking water</b> in each room	N Vacuum flasks permissible	D Vacuum flasks permissible	D Vacuum flasks permissible	D Vacuum flasks permissible	D Vacuum flasks permissible
<b>Room Linen:</b> high quality, adequate numbers	N	N	N	N	N
<b>Carpeting</b> in rooms and public areas	D	D	D	D	D
<b>Air conditioned</b> Rooms	100%	100%	50% remaining rooms air cooled or well ventilated	25% remaining rooms well ventilated	25% remaining rooms well ventilated
<b>Construction</b> should have distinctive qualities	N	N	N	N	N
<b>Maintenance</b> of highest standards	N	N	N	N	N
<b>Parking:</b> adequate parking	D	D	D	D	D
<b>Swimming Pool</b>	N	N	D	N/A	N/A
<b>Bathrooms:</b> attached with modern fittings & 24-hours hot & cold water	E	E	E	E 75% rooms with attached bathrooms	E 25% rooms must have attached bathrooms 25% bath- rooms must have western style

Contd.

Criteria	Five star	Four Star	Three Star	Two Star	One Star
<b>Reception:</b> with registration, information & cashier counter. Staff must be qualified and well trained, 24-hour service	E	E	E	E Reception counter with phone	D
<b>Lobby:</b> in proportion to the number of rooms. Well appointed	N	N	N	N	N
<b>Conference facilities:</b> banquet halls, meeting rooms and eating areas	N	D	D	D	N/A
<b>Shopping Arcade:</b> book stall, barber shop, beauty salon, travel agency, money changing facility, florist. Drug store, left luggage, safety deposit	N	D	D	D	N/A
<b>Lifts:</b> adequate numbers to the no. of rooms, operational 24-hours	N	N	N	N	N If more than two floors
<b>Lighting:</b> aesthetic and functional excellence	E	E	N	N	N
<b>Telephones:</b> in each room, guest phones in public areas	N	N	N	N Call bell in each room	N Call bell in each room
<b>Channel music</b> in public areas	D	D	D	D	D
<b>Dining Room</b>	E	E	E	D	D
Choice of restaurants & cuisines	N	N	D	D	N/A

Contd.

Criteria	Five star	Four Star	Three Star	Two Star	One Star
<b>Crockery Cutlery &amp; Serviceware:</b> high quality	E	E	N	N	D
<b>Bar:</b> as per local law	N	N	D	D	N/A
<b>Night Club</b>	D	D	D	N/A	N/A
<b>Cuisine:</b> International & doemestic	E	E	E	D	D
<b>Room Service</b>	N	N	D	D	D
<b>Beverage Service:</b> temperatures and professional service standards	N	N	D	D	D
<b>Hygiene:</b> kitchen, pantry, stores, stewarding, receiving, methods employed	E	E	E	E	E
<b>Laundry</b>	N	N	D Outsourced service permissible	D Outsourced service permissible	D Outsourced service permissible
<b>Employees:</b> qualified, trained, experienced, courteous	E	N	N	N Department heads	N Department heads
<b>Housekeeping:</b> high standards, qualified staff	E	E	E	E	E
<b>Public Cloak Rooms</b>	N	N	N	N	N
<b>Kitchen</b>	E	E	E	E	E If dining facility is provided
<b>Boiled water for cooking</b>			D	D	D

Classification points range from a total of 200 to 400 points from one-star to five-star. Each criterion is weighted with points. While food and beverage service will attract 25 points for five-star property a one-star property will have 10 points. Similarly room furnishings will be scored out of 10 points in a one-star property whereas a five-star property will have 25 points. This gives the importance the classification committee places on various facilities and amenities.



## APPENDIX IV

# Currencies of the World

COUNTRY	CURRENCY	COUNTRY	CURRENCY
Algeria	Dinar	Lebanon	Pound
Argentina	Austral	Liberia	Dollar
Australia	Australian Dollar	Libya	Dinar
Austria	Euro	Luxembourg	Euro
Bahamas	Dollar	Madagascar	Franc
Bahrain	Dinar	Malaysia	Ringgitt
Bangladesh	Taka	Malta	Euro
Barbados	Dollar	Mexico	Peso
Belgium	Euro	Mongolia	Tugrik
Belize	Dollar	Morocco	Dirham
Bolivia	Boliviano	Nepal	Rupee
Brazil	Cruzado	Netherlands	Euro
Burma	Kyat	New Zealand	Dollar
Burundi	Franc	Nicaragua	Cordoba
Cameroon	Franc	Niger	Franc
Canada	Canadian Dollar	Norway	Euro
Chile	Peso	Oman	Rial
China	Yuan	Pakistan	Rupee
Columbia	Peso	Panama	Balboa
Costa Rica	Colon	Papua new Guinea	Kina
Cuba	Peso	Paraguay	Guarani
Cyprus	Cypriot Pound	Peru	Inti
Czech Republic	Koruna	Philippines	Peso
Denmark	Euro	Poland	Zloty
Dominican Republic	Peso	Portugal	Euro
Ecuador	Sucre	Qatar	Rial
Egypt	Egyptian Pound	Romania	Euro

*Contd.*

COUNTRY	CURRENCY	COUNTRY	CURRENCY
El Salvador	Colon	Rwanda	Franc
Ethiopia	Birr	Saudi Arabia	Rial
Finland	Euro	Senegal	Franc
France	Euro	Sierra Leone	Leone
Germany	Euro	Singapore	Singapore Dollar
Ghana	Cedi	Somalia	Schilling
Great Britain	Sterling Pound/Euro	South Africa	Rand
Greece	Drachma	Russia	Ruble
Guatemala	Quetzal	Spain	Euro
Guinea	Franc	Sri Lanka	Rupee
Guyana	Dollar	Sudan	Sudanese Pound
Haiti	Gourde	Swaziland	Emalangen
Honduras	Lempira	Sweden	Euro
Hong Kong	Yuan	Switzerland	Euro
Hungary	Forint	Syria	Syrian Pound
Iceland	Krona	Taiwan	Dollar
India	Rupee	Tanzania	Schilling
Indonesia	Rupiah	Thailand	Baht
Iran	Rial	Trinidad & Tobago	Dollar
Iraq	Dinar	Tunisia	Dinar
Ireland	Euro	Turkey	Euro
Israel	Shekel	United Arab Emirate	Dirham
Italy	Euro	United States	US Dollar
Jamaica	Dollar	Uruguay	Peso
Japan	Yen	Venezuela	Bolivar
Jordan	Dinar	Yugoslavia	Euro
Kenya	Shilling	Zaire	Zaire
Korea, South	Won	Zambia	Kwacha
Kuwait	Dinar	Zimbabwe	Dollar



## APPENDIX V

# Glossary

<b>A la Carte</b>	A menu in which each individual food item is priced
<b>Account Balance</b>	Difference between charge and credits in an account
<b>Account</b>	Summary of all cash and credit transactions
<b>Accounts Receivable</b>	Amounts due to the hotel
<b>Adjacent Room</b>	Two rooms beside each other across the corridor
<b>Adjoining Room</b>	Two rooms beside each other
<b>Advertising</b>	Any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.
<b>Airline Contract Rate</b>	A special negotiated rate for airline crews.
<b>Allowance</b>	A benefit given to the guest in cash or credit
<b>Allowances</b>	Amounts for daily expenses paid by the front office cashier for daily expenses to airline crews and some groups.
<b>Allowances</b>	Daily fixed cash paid-outs to airline crews as negotiated with the airlines and recovered from them at a later date
<b>Amendments</b>	Changes made of records concerning his stay
<b>Amendments</b>	Correction in accounts
<b>American Plan (AP)</b>	Charges for room and all meals.
<b>Arrival</b>	A guest intending to check-in to the hotel
<b>Arrivals</b>	A guest who as just checked in
<b>Attendance</b>	A formal record of presence at the job
<b>Attitude</b>	The way one communicates mood to others
<b>Average Room Rate</b>	Rate arrived at by dividing room revenue by the total number of rooms
<b>Baggage</b>	Guest luggage
<b>Bed and Breakfast</b>	Charges for room and English breakfast.
<b>Behaviour</b>	A repeated habit
<b>Beliefs</b>	Accepting a thought as true
<b>Belonging need</b>	Being part of a group

<b>Benchmarking</b>	Setting a standard with a comparable competitor
<b>Blocking</b>	To reserve a room on the room rack for a guest expected to arrive.
<b>Body Language</b>	Non-verbal messages conveyed by the body
<b>Branding</b>	Giving a product or service an identity
<b>Briefing</b>	A two-way communication between management and staff at the beginning of an operation
<b>Budget</b>	A formal financial statement of anticipated revenues and expenses for a future period
<b>Buffet</b>	Food display for self service
<b>Business Plan</b>	A comprehensive statement of objectives and strategies to achieve business goals
<b>Cabana</b>	A room with a sofa cum bed ideally situated beside swimming pools or beaches
<b>Cancellation</b>	A confirmed booking that has been withdrawn by the guest.
<b>Capacity Management</b>	A control on the supply of rooms to market segments
<b>Cash Bank</b>	Cash amount provided by the hotel for daily transactions.
<b>Cash Voucher</b>	Receipt of payment made by cash
<b>Cash</b>	Liquid money
<b>Cashier Remittance of Funds</b>	An envelope in which all sales and documents are enclosed and deposited with the front office cashier.
<b>Charge Payments</b>	Deferred payments
<b>Check</b>	Bill of a revenue outlet.
<b>Check-in</b>	A guest who is registering at the front-desk.
<b>Check-out</b>	A guest who has completed his billing formalities and departed.
<b>City Ledger</b>	Summary of all creditors
<b>Competencies</b>	A set of behavioral traits and technical abilities that is suitable for a job
<b>Competition Analysis</b>	A study of competition
<b>Complimentary</b>	Free use of a room
<b>Confirmation</b>	A room reservation that has been confirmed in writing by a guest
<b>Connecting Room</b>	Two rooms with an interconnecting door, ideal for a family
<b>Contact</b>	Getting in touch with candidates for interviews and tests
<b>Continental Plan</b>	Charges for room and a Continental Breakfast
<b>Continuous education</b>	Process of upgrading one's knowledge periodically
<b>Continuous Education</b>	Upgrading oneself periodically
<b>Controlling</b>	The function of ensuring that plans and objectives keep to schedule and those targets and budgets will in fact be achieved
<b>Coordinating</b>	The act of harmonising activity and efforts to meet objectives
<b>Corporate Rate</b>	A rate for business houses that guarantee a minimum number of room nights per year.

<b>Cost-control</b>	A process of keeping costs to a minimum
<b>Cost-plus pricing</b>	Pricing strategy that builds a mark-up on costs of a product
<b>Credit</b>	Facility that enables a guest to use goods and services now but paid later
<b>Crew</b>	Airline flight and cabin crew.
<b>Crib Rate</b>	A cradle or basinet provided in a room for infants.
<b>Cross Training</b>	Training of employees in other related job positions
<b>Currency Transactions</b>	Exchange Certificates
<b>Current Profit Maximisation</b>	Short-term profit strategy
<b>Customer Orientation</b>	Making the customer the central focus
<b>Daily Sales Recapitulation Sheet</b>	A transcript of all sales of the hotel for the day, prepared by the night auditor.
<b>Day Rate</b>	A rate for guests who are not staying overnight
<b>Debit</b>	Charge to an account
<b>Delegation</b>	The process of giving subordinates higher responsibilities while still retaining the accountability
<b>Departure</b>	A guest checking-out of the hotel
<b>Departures</b>	Guest leaving the hotel after their stay
<b>Development</b>	The continuous improvement of the human capital
<b>Diplomatic Rate</b>	A negotiated discounted rate to attract diplomatic business.
<b>Directing</b>	The art of getting work done by other people
<b>Discipline</b>	The process of exercising self-control
<b>Discipline</b>	Self control
<b>Discounting</b>	Reducing room rates below the normal rack rate
<b>Discretionary Expenses</b>	Unexpected short-term expenses to serve a specific purpose
<b>Distribution System</b>	A network of providers of products and services, geographically spread, to the doorstep of consumers
<b>Do-not-Disturb</b>	A guest requesting not to be disturbed
<b>Double Occupancy</b>	Room occupied by two persons
<b>Double Occupancy</b>	Two guests staying in a room
<b>Double Room</b>	A room with one King size double bed
<b>Double Suite</b>	Two rooms, one serving as a living cum dining area and the other with a double bed
<b>Due Back</b>	Cash amount owed to the cashier
<b>Due out</b>	An occupied room expected to be vacated
<b>Duplex Suite</b>	Two suites on two floors with an interconnecting staircase
<b>Education</b>	Learning that contributes to total life growth



<b>Employee Folio</b>	Account that tracks payments made on behalf of an employee who is given a charge privilege
<b>Employment Agencies</b>	Public organizations that connect the unemployed population to recruiters
<b>Empowerment</b>	Process of enabling individuals to act independently
<b>EPABX</b>	Electronic Private Automatic Brach Exchange
<b>European Plan (EP)</b>	Charges for the room only.
<b>Evaluating</b>	The process of comparing actual performance with desired performance
<b>Executive Room</b>	A room with additional features like internet connections, computer points, mini bars etc; specially designed for the business executive.
<b>Executive Suite</b>	Suite specially fitted for business executives.
<b>Extra Bed</b>	A wheeled foldable bed that is added to a room on the guest's request.
<b>Extra Rate</b>	Rate for additional services in a room
<b>Family Rate</b>	A rate found in resorts for families on holiday.
<b>FIT</b>	Free Individual Traveller
<b>FIT</b>	Stands for "Free Individual Traveler" who is an independent guest who does not use the services of middlemen for booking his or her room.
<b>Fixed Expenses</b>	Expenses that do not change with sales volume
<b>Forecast</b>	A studied prediction of the future
<b>Forecast</b>	A studied anticipation of room business.
<b>Foreign Currency</b>	A document confirming a foreign currency
<b>Encashment Certificate</b>	Exchange for local currency
<b>Free Sale</b>	Rooms that is available for booking.
<b>Frequent Traveller Rate</b>	A rate that gains discounts for frequent use of the property under a Frequent Traveller program.
<b>Front Office Systems</b>	The computerized applications used to serve the front office
<b>GDS</b>	Global Distribution System
<b>GIT</b>	Group Inclusive Traveller.
<b>Going-rate</b>	Prevalent rate quoted in the market
<b>Government Rate</b>	A negotiated discounted rate with government bodies for their travelling officials and foreign visitors
<b>Group Rate</b>	A discounted rate for groups in view of volume business.
<b>Group</b>	Any body of people of 15 persons or more traveling together.
<b>Group</b>	Any body of guest above 15 persons who travel together.
<b>Guaranteed Booking</b>	A room booking that is confirmed in writing by a guest.
<b>Guest Accounting Systems</b>	The computerised applications concerning guest billing

<b>Guest Folio</b>	A master bill of a resident guest
<b>Guest Folio</b>	Statement of account of a resident guest
<b>Guest Folio</b>	The running bill of a guest, recording charges for his/her stay and the use of other hotel services.
<b>Guest Ledger</b>	Statement of accounts of guests/organisations who give advance deposits as also long staying guests
<b>Guest Mix</b>	Different guest profiles included in a yield management plan
<b>Guest Rack</b>	The Whitney rack, at the information section of the reception, arranges guest names of hotel guests staying, in an alphabetical order.
<b>Guest</b>	A client of the hotel.
<b>Habit</b>	A repeated action
<b>Hardware</b>	The physical components of a computerised system like computers, printers, cabling and servers
<b>Head Hunting</b>	Process identifying talent in competition to attract for employment
<b>Hotel Federation Rate</b>	A courtesy rate to all members of the hotel federation.
<b>Hotel Management Systems</b>	The hardware and software used to computerize operations
<b>House Count</b>	The number of guests residing in the hotel.
<b>House Limit</b>	Credit limit set by the management, which has to be cleared by the guest during his/her stay
<b>House</b>	Hotel
<b>Incentive Rate</b>	Discounted rates to attract volume business from source providers
<b>Induction</b>	A joint term for orientation and socialisation
<b>Interpersonal Communication</b>	Communication between two people
<b>Interviews</b>	Face-to-face interface for the purpose of selection
<b>Intrapreneurship</b>	Internal entrepreneurship
<b>ISO</b>	International Standards Organization
<b>Job Advertisements</b>	Job announcements in the media
<b>Job Analysis</b>	To define the broad elements of the job.
<b>Job Description</b>	A formal document that profiles the job
<b>Job Description</b>	A profile of duties and responsibilities in a job
<b>Job Fairs</b>	Gathering of recruiters and job seekers
<b>Job Postings</b>	Announcement of vacancies in relevant notice boards
<b>Job Specification</b>	A profile of the person to do a job
<b>Junior Suite</b>	A room with a seating parlour and a bed
<b>Late Charge</b>	Amount posted to a guest account after check-out
<b>Late check-out</b>	Guest who has requested a departure beyond the official check-out time of the hotel
<b>Lateral Transfers</b>	Moving employees with similar jobs to other locations

<b>Lay-over</b>	Airline passengers checked in by the airlines who are catching a connecting flight sometime later.
<b>Left Luggage</b>	Guest baggage that is temporarily kept with the hotel, to be claimed later
<b>Line functions</b>	Those functions for a good guest experience
<b>Lock-out</b>	A guest room sealed for entry by the guest because he has not settled his bill
<b>Macro-environment</b>	External forces that influence a business
<b>Management Systems</b>	The reports generated for decision-making
<b>Management-by-Objectives</b>	An evaluation process that sets targets and evaluates the achievement of it at the end of the desired period.
<b>Market Leadership</b>	A pricing strategy that achieves dominant market share
<b>Market Research</b>	A study of markets
<b>Market Segment</b>	Section of the market targeted for business.
<b>Market</b>	Place where consumers of goods and service are situated
<b>Marketing</b>	The management process responsible for identifying, anticipating and satisfying customer requirements
<b>Marketing Environment</b>	The source from which business is obtained
<b>Marketing Mix</b>	Tools of marketing
<b>Marketing Plan</b>	A blueprint of marketing action
<b>Marketing Process</b>	Methods used to execute a marketing plan
<b>Master Folio</b>	Common statement of account for more than one guest
<b>Medium</b>	Channel used to communicate a message
<b>Mentor</b>	an experienced colleague from an unrelated department to guide a new employee
<b>Merchandizing</b>	Point of sale advertising
<b>Message</b>	Content of what has to be communicated
<b>Micro-environment</b>	Internal forces that influence business
<b>Minimum Rate</b>	A price range to maximise revenue according to the circumstances.
<b>Minimum-Moderate-Maximum</b>	Range of room rates
<b>Miscellaneous Vouchers</b>	Bills for minor services of the hotel
<b>Modified American Plan (MAP)</b>	Charges for room plus breakfast and lunch or dinner
<b>Needs</b>	Those that are essential one's well being
<b>Networking</b>	Making contacts with other persons of use
<b>No show</b>	Guest with a reservation but does not arrive without prior intimation
<b>No Show</b>	A guest with a confirmed reservation who has not turned up.
<b>Non-guest Account</b>	Account of transactions of companies and non-resident individuals given this privilege
<b>No-show</b>	A guest with a guaranteed booking who does not check-in

<b>Not Cleared</b>	Room that is being prepared by housekeeping for sale
<b>Objectives</b>	Aspirations for achievement in the long and short-term
<b>Occupancy</b>	The number of rooms sold in the hotel.
<b>Occupancy</b>	The number of saleable rooms occupied by guests.
<b>Occupied</b>	A room that is assigned to a guest
<b>On-request</b>	A status when guests are kept waiting for a room booking confirmation.
<b>Opportunity Analysis</b>	Evaluation of opportunities in the market for business potential
<b>Organisation Chart</b>	A schematic depiction of relationships between various job positions in an organisation.
<b>Organisation Structures</b>	A framework which assigns responsibilities and channels of communication to drive decision making and operational accountabilities.
<b>Organising</b>	The arranging of the resources, allotting duties and installing systems and procedures to meet objectives
<b>Orientation Kit</b>	A folder with all relevant information of the organisation
<b>Orientation</b>	Process of familiarising a new employee to the organisation so as to achieve commitment and contribution
<b>Out-of-Order</b>	Room under maintenance
<b>Outstanding balance</b>	Amount due from the guest
<b>Outstanding Postings</b>	Those charges and credits not included in the guest folio
<b>Overage</b>	When cash, cheques, negotiable instruments and paid-outs from the cash bank are greater than receipts into the cash bank
<b>Overbooking</b>	Reserving rooms beyond the hotel room capacity
<b>Overbooking</b>	Booking rooms that are beyond the hotel room capacity.
<b>Overstay</b>	A guest who stays beyond his departure date
<b>PABX</b>	Private Automatic Branch System
<b>Package Rate</b>	A rate quoted when there are events in the city and includes the price of access to the events.
<b>Packaging</b>	Physical presentation of a product or service
<b>Paid-Out</b>	Authorized cash payment made on behalf of the hotel or guest
<b>Paid Outs</b>	Cash payments made by the front office cashier to guests and management for external services.
<b>Par</b>	Cash balance is equal to the cash bank
<b>Pax</b>	Person
<b>PBX</b>	Private Branch Exchange
<b>People</b>	The human resource
<b>Perceived Value</b>	A pricing strategy based on how guest value the property
<b>Perception</b>	A selection from a total message of what a receiver wants to hear or see

<b>Performance Appraisal</b>	Evaluation of performance
<b>Period Management</b>	Rate strategies based on business potential in different periods
<b>Petty Cash</b>	Small amounts of authorized money issued to staff
<b>Physical Evidence</b>	Proof of claims
<b>Physiological needs</b>	Basic needs for survival
<b>Place</b>	Location
<b>Planning</b>	The management task of preparing objectives, strategies and programs of action
<b>Position</b>	Rooms available for sale at the beginning of a shift or day.
<b>Posting</b>	Entry made in the guest folio
<b>Price Leadership</b>	A pricing strategy that sets the highest price in the market
<b>Pricing</b>	The process of setting a price of a good or service
<b>Processes</b>	Methodology
<b>Product Life Cycle</b>	A pricing strategy based on the life of a product in the market
<b>Product Life Cycle</b>	The introduction, growth, maturity and decline of a product
<b>Product Positioning</b>	The placing of a product in the customer's mind
<b>Product Quality Leadership</b>	A pricing strategy based on superior quality
<b>Product</b>	Tangible good
<b>Projection</b>	Interpretation of what one perceives based on past experiences
<b>Promotion</b>	Advancing someone from a lower position to a higher one
<b>Public Relations</b>	Deliberate effort of influencing the public, media and the government
<b>Publicity</b>	Unpaid form of promotion
<b>Quad</b>	A room for four people fitted with twin beds and two roll-away beds
<b>Quality Assurance</b>	Process of inspections at sub-process levels
<b>Quality Circles</b>	Committees at department levels that drives quality movements at the operational level
<b>Quality Committee</b>	Apex body in a an organization that drives the quality movement
<b>Quality Consciousness</b>	An attitude and competence to deliver quality
<b>Quality Control</b>	A process of inspections to ensure quality standards
<b>Quality Controller</b>	One who inspects quality standards
<b>Quality</b>	The process of consistently exceeding guest expectations
<b>Queen</b>	A room with a queen-sized bed for single or double occupancy
<b>Rack Rate</b>	Daily quoted rate
<b>Receiver</b>	One who receives communication
<b>Record of Foreign</b>	A summary of Foreign Currency
<b>Recruitment</b>	Process of getting qualified human resources for vacant positions
<b>Reference checks</b>	Process of ascertaining a candidates work proficiency, character and teamwork from past associates

<b>Registration Card</b>	The formal document that registers a guest into the hotel for stay.
<b>Registration</b>	The act of registering into the hotel by completing the registration card
<b>Reservations</b>	The process of booking rooms
<b>Resources</b>	Tools available for doing business
<b>Restaurant Check</b>	Bill of a restaurant
<b>Revision</b>	Change in booking instructions.
<b>Room Allocation</b>	Assigning a room to a guest after he has registered into the hotel.
<b>Room Availability</b>	The room position when rooms are available for sale.
<b>Room Blocking</b>	Blocking a room in the Reservation Chart.
<b>Room Key</b>	The key of a given guest room.
<b>Room Night</b>	A charge for a one night occupation, spanning two days from noon to noon
<b>Room Night</b>	A room that is booked for a night against which room rates are applicable
<b>Room Plan</b>	A package proposal of rooms and meals
<b>Room Rack</b>	The Whitney rack arranged by room numbers.
<b>Room Revenue Contribution</b>	The contribution that net room revenues make to gross profit
<b>Room revenue day</b>	Noon to noon of the next day
<b>Room tariff</b>	Room rate
<b>Room Sale</b>	Lease of room for a period
<b>Sale</b>	Exchange of goods and services for money
<b>Sale</b>	A room space sold.
<b>Sales Summary Sheets</b>	A record of all cash and credit sales made in a revenue outlet.
<b>Scanty Baggage</b>	A guest with hand baggage or no baggage
<b>Screening</b>	Process of matching resumes with job specifications
<b>Security needs</b>	Needs for physical and emotional well being
<b>Selection</b>	Process of choosing from eligible candidates
<b>Self actualisation</b>	A position of being in control of ones personal environment and the desire to contribute to it
<b>Self-esteem needs</b>	Needs for self respect
<b>Semi-variable Expenses</b>	Expenses that is partly fixed and partly variable
<b>Service Mix</b>	Service value addition made to a room rate
<b>Shortage</b>	When the amount paid out from the bank is less than receipts into the cash bank
<b>Single Occupancy</b>	One guest staying in a room
<b>Single Room</b>	A room with a single bed
<b>Single Suite</b>	Two rooms, one serving as a living cum dining area and another with a single bed

<b>Skipper</b>	A guest who has departed without settling his bill
<b>Skipper</b>	A guest who has departed without clearing his bill
<b>Sleep-out</b>	A registered guest who has not used the room
<b>Socialisation</b>	Teaching of the organisation culture, values, norms and behaviors that are consistent to the success of an organization
<b>Software</b>	The language used to interpret information
<b>Sold Out</b>	A status in which all the rooms in the hotel are sold
<b>Sourcing</b>	Identifying suitable places to obtain qualified human resources
<b>Span of Control</b>	The concept of controlling a maximum of seven people only
<b>Staff functions</b>	Those functions in a supportive role
<b>Staff Scheduling</b>	Allocating time periods of duty
<b>Staffing</b>	The process of recruiting human resources
<b>Statement of Bills Exceeding Limits</b>	Document recording all guest master bills
<b>Status needs</b>	Exceeding house credit limits
<b>Stay-over</b>	Needs to satisfy the ego
<b>Strategies</b>	A guest who checks-in a day before his scheduled arrival date
<b>Studio</b>	Broad directional action plans
<b>Table d' Hote</b>	A room with a sofa cum bed
<b>Tactics</b>	A menu that prices the entire meal
<b>Talent Bank</b>	Manoeuvres in day-to-day operations to meet rising situations
<b>Task List</b>	Inventory of eligible "drop-in" candidates
<b>Team</b>	A detailed documentation of duties and responsibilities.
<b>Testing</b>	A small interdependent group of people with complementary skills who are committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable
<b>Total Quality Management</b>	Evaluation of a candidate's knowledge, skills and attitudes
<b>Tour Operator</b>	A quality movement that empowers all workers to contribute to quality
<b>Tourist Huts</b>	Wholesaler of travel programs
<b>Trade Rate</b>	An independent suite detached from the main hotel. They will be found in resorts for greater privacy and exclusivity. Some suites have independent mini-kitchens.
<b>Trainer</b>	A negotiated discounted rate with trade organizations that guarantee a minimum number of room nights
<b>Training Aids</b>	Specialist who imparts training
<b>Training Methodology</b>	Equipment and accessories required to impart knowledge and skills
<b>Training</b>	the way information is imparted
	The learning process in which an employee acquires the knowledge, skills and attitudes that lead to changes in behavior to meet some performance objectives.

<b>Transaction</b>	Exchange of cash or credit for services purchased
<b>Transfer Voucher</b>	Document to record transfers from one account to another
<b>Travel Agent</b>	Retailer of travel products and services
<b>Travel Agents Rate</b>	A negotiated rate for volume business.
<b>Travel Writers Rate</b>	A discounted rate to encourage them to write about the hotel and facilities.
<b>Triplet</b>	A double room with one extra rollaway cot.
<b>Twin Room</b>	A room with two single beds
<b>U.N. Rate</b>	A negotiated rate for all local United Nations representatives for U.N. staff provided they guarantee a minimum number of room nights.
<b>Under-stay</b>	A guest who checks out before his scheduled departure date
<b>Unity of Activity</b>	The concept of clubbing similar jobs together
<b>Unity of Command</b>	The concept of having one boss only
<b>Up-selling</b>	Process of selling rooms with higher room rates than originally planned by the guest
<b>Variable Expenses</b>	Expenses that change with sales volume
<b>VIP</b>	Very Important Person
<b>Voucher</b>	Document that records a purchase transaction with a cashier
<b>Waitlist</b>	A guest awaiting a confirmation of the room booking
<b>Walk-in</b>	A guest who wants a room without prior reservation
<b>Wants</b>	Cultural interpretations of needs
<b>Yield Management</b>	A strategy of maximizing revenue
<b>Yield Statistic</b>	Ratio between actual room revenues to potential room revenues
<b>Yield</b>	Benefit received from an asset





# References

1. The World Book.
2. *An Introduction to Hospitality* by Dennis L. Foster.
3. *Principles of Grading and Classification of Hotels, Tourism Resorts and Restaurants* by Dr. Jagmohan Negi.
4. *Front Office Operations* by Michael L. Kasavana and Richard M. Brooks.
5. *An Introduction to Hospitality* by Dennis L. Foster.
6. “Historic Hotels in Britain” from the web.



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