
UNIT: 01

HOTEL FRONT OFFICE

Structure

- 1.1 Introduction
- 1.2 Objectives
- 1.3 Hotel Front office and Role in Hotel Revenue Generation
- 1.4 Preparing for Guest Services
- 1.5 Relationship & Coordination with Housekeeping and other Divisions
- 1.6 The Hotel Organization and the front office manager
- 1.7 Effective interdepartmental communications
- 1.8 Front Office Structures, layouts Trends & Practices
- 1.9 Summary
- 1.10 Glossary
- 1.11 References/ Bibliography
- 1.12 Suggested Readings
- 1.13 Terminal Questions

1.1 INTRODUCTION

Front office is the first department of hotel which comes in guest contact, at the time of guest arrival and the last department when they depart from the hotel. This department performs the various functions like reservation, reception, registration, room assignment and bills settlement of a resident guest. The guest remains in contact of front desk for information and any kind of help. Thus we can say that the Front Office is the hub of hotel operations. This unit is aimed to provide a good understanding on the part of Hotel Front office and Role in Hotel Revenue Generation, Preparing for Guest Services, Relationship & Coordination with Housekeeping and other Divisions, The Hotel Organization and the front office manager, Effective interdepartmental communications, and Front Office Structures, layouts Trends & Practices followed in hotel.

1.2 OBJECTIVES

After reading this unit the learner will be able to:

- Describe hotel front office and role in hotel revenue generation
- Prepare plan for guest services
- Manage relationship & coordination with housekeeping and other divisions
- Describe the hotel organization and the front office manager

- Perform effective interdepartmental communications
- Describe front office structures, layouts trends & practices

1.3 HOTEL FRONT OFFICE AND ROLE IN HOTEL REVENUE GENERATION

The term 'front office' is used in hotels worldwide and refers to workers interacting directly with the guests because it is the initial point of contact for the arrivals. Front Office is often a part of the Room Division department and consists of various operational areas namely reception, reservations, guest relations, concierge, switchboard, bell service etc. Front office remains an extremely visible area and a vital data center for the guest and employees throughout the stay duration. The staff is primarily answerable for check-in and check-out of guest, making and processing reservation requests, maintaining guest accounts, responding to guests' telephone calls and messages, helping guests and coordinating various services for the guest. The scope and nature of front desk tasks change from full service lodging facilities to smaller properties but it acts as the main point of contact between the guests and the hotel employees. As Front Office responsibilities can be either categorized into pre- arrival, arrival and departure activities or into Front of the house and Back of the house functions. Front-of-the-house tasks may include taking care of room reservations, registration of the guests, billing and settling visitor charges etc. Back of the house activities include overseeing visitor accounts, rate check, or preparing guest bills and reports.

1.4 PREPARING FOR GUEST SERVICES

A guest's interaction with the hotel is divided into the following four successive stages:

- Pre-arrival
- Arrival
- Occupancy
- Departure

Pre-arrival: This is when the client is planning to book an accommodation at a hotel thus the process starts with finding about information related to the hotel and its facilities. Therefore they look forward to the information available on the internet, websites, brochures, media, magazines, tourist portals etc. Then the enquiry is processed via a phone call or

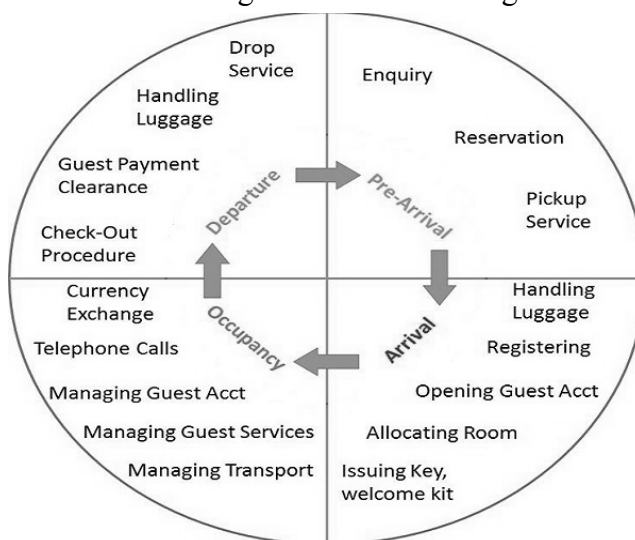


Figure 1 The Guest Cycle (Baker et al. 2001)

an email wherein the guest confirms the information with the hotel that has been selected by the guest for his/ her stay. When the guest interaction happens with the front desk employees the front office software records the guest's information such as name, age, contact numbers, probable duration of stay for room reservation and so on.

Arrival: This stage is when the front desk staff receives the guests in the hotel at the hotel reception. The bell boys get the baggage from the porch to the main lobby and the receptionist then checks the whether the guest has a reservation or not. For guests with confirmed reservation the prefilled Guest Registration Card is presented to the guest for signatures and to fill any information that was not previously shared. For a guest with no reservation i.e. a walk in guest the receptionist presents the tariff card and then explains the types and facilities available, on confirmation the registration formality commences. Once the registration is complete the guest is handed over the welcome kit and the room keys and the bell boy or the executive takes the guests to the allocated room. At the same time the guest record is created in the hotel systems known as the guest folio or guest account where all the charges and payments are posted in the next stages.

Occupancy: The posting of various charges for services used by the guest, payments made, room bill, etc. are updated in the hotel system from different outlets takes place in occupancy stage. Any mails and messages received for the guest when he/she is away or not in the room are processed and delivered with confidentiality. The staff also ensures that the room keys are assigned to the correct individual by asking for key card every time the need arises. The services like booking a taxi, booking travel tickets, booking tickets for special events, babysitting, local sightseeing, etc. on request of the guest are also provided.

Departure: As the name suggests the departure stage includes the preparation of final bills, presentation of bills, receipt of payments and procession of payments for settlement apart from creation of guest history records. The bills which are not settled in full are processed with necessary documents collected from the departing guest for transferring them to the accounts department for follow up. The guest record then gets changed to the non – guest record. The baggage is picked up and loaded into guest vehicle by the bell desk porters. And if any facility like a drop is needed to the airport of nearest transit point it is also provided.

Front of the House Operations

- Creation of guest database
- Harmonizing guest services
- Up-selling the services
- Preparation and management of guest accounts
- Ensuring guest satisfaction

- ## Back of the House Operations

- ## CHECK YOUR PROGRESS – I

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2. Write a brief note on Guest Cycle.

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1.5 RELATIONSHIP & COORDINATION WITH HOUSEKEEPING AND OTHER DIVISIONS

A hotel is a facility with collective responsibilities and cooperation between all the departments to assure that the guest satisfaction is always attained. This inter departmental working relationship is crucial to the unit's success. The varied channels of communication have to work together to create a world class experience for a hotel guest. The managers in respective departments have the responsibility that this communication is constant, complete and quality oriented. The front desk plays a key role in ensuring that the guests' needs are addressed in time and have to coordinate with all the functional departments for smooth operations. The front office manager has an important role in developing cordial relations with other departments to collect and share vital information about the guests and functional activities.

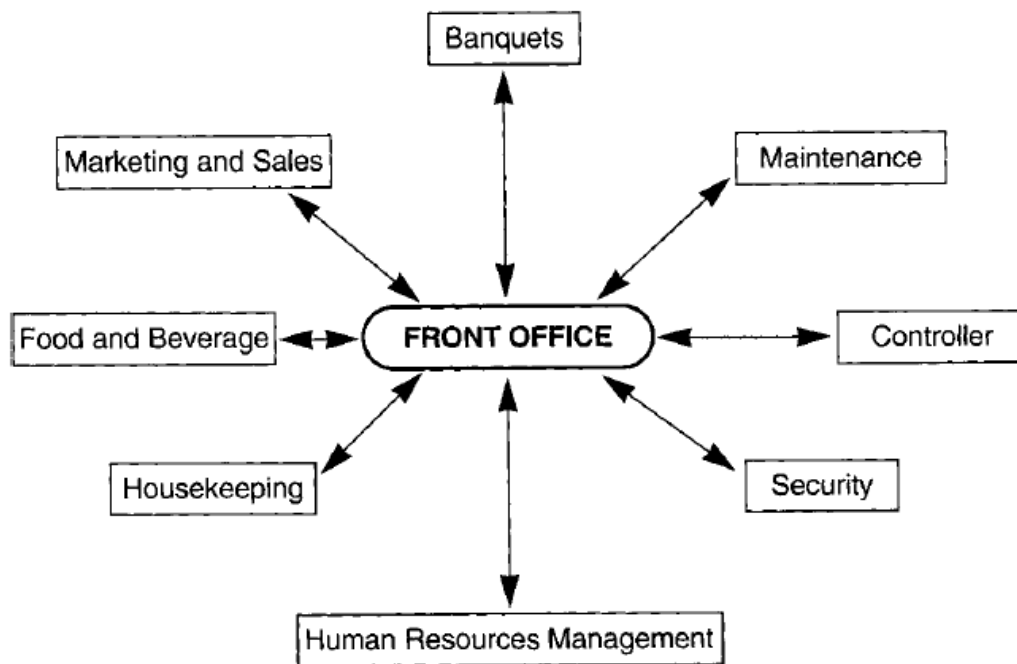


Fig. 2 Coordination of Front Desk

Housekeeping Department: Housekeeping and the front office communicate with each other about housekeeping room status, the report on the availability of the rooms for immediate guest occupancy, availability of rooms, cleanliness and hygiene of front office areas, maintenance of furniture and fixtures. It is important to communicate both ways as this leads to resolution of any issues related to room availability at the earliest and for taking care of guest issues if any in context of room and amenities provided.

Housekeeping room status can be described in the following common terms:

VR: Vacant & Ready(Clean/ Available) - room is ready to be occupied.

O:Occupied - guest or guests are already staying in the room.

SO:Stay over - guest shall not be checking out of a room on the current day.

DR: Dirty or On - Change - guest has checked out of the room, but the housekeeping staff has not released the room for occupancy.

OOO:Out - of - Order - room is not available for occupancy because of a mechanical malfunction

The two departments also exchange information about the details of potential house count (report of the number of guests registered in the hotel), security concerns, and requests for amenities and supplies (personal toiletry items such as shampoo, toothpaste, mouthwash, and electrical equipment).

Housekeeper's room report– the report prepared by the housekeeper that lists the guest room occupancy status as vacant, occupied, or out - of - order. This is prepared at the end of the day to iron out any discrepancies in room status as per the front office and housekeeping systems and manual reports.

In case a guest is waiting for a room to be allocated despite having arrived as per the Check in time but room may not be available due to late check out by previous guest, the coordination becomes direct between the departmental supervisors for speedy service. The front office shares daily arrival and a comprehensive weekly report that indicates the number of departures, arrivals, walk - ins, stay overs, and no - shows etc. This assists the housekeeper to allocate appropriate number of staff for the busy dates and shifts.

The front office depends on housekeeping for security and safety needs of guests and hotel property as any suspicious information and movements are reported by housekeeping immediately as they are noticed. An open fire exit, unwarranted activities in guestroom, an unregistered guest movement in guest floor have to be reported ASAP.

Guest requests for additional or special amenities and guest room supplies, request for extra blankets, towels, soap and shampoo, shaving kit, dental kit etc., may be communicated to the front desk and then from where it is forwarded to the control desk in housekeeping for prompt action.

Front Office Coordination with Other Departments of Hotel: Front Office department also shares the Expected Arrival Report for the next day with food and beverage service, banquets, food production, security, maintenance, GM Office for sharing the information about next date's arrivals and stayovers for them to plan accordingly.

Food Production: The chef is informed about placement of fruit baskets, cakes on special occasions.

1.6 THE HOTEL ORGANIZATION AND THE FRONT OFFICE MANAGER

The front office staff organization is deliberately designed to achieve objectives of the organization. It refers to the structure of well defined jobs, each bearing a definite authority, responsibility, and accountability. The organization structure is built upon the following pillars:

- Division of labor
- Span of control

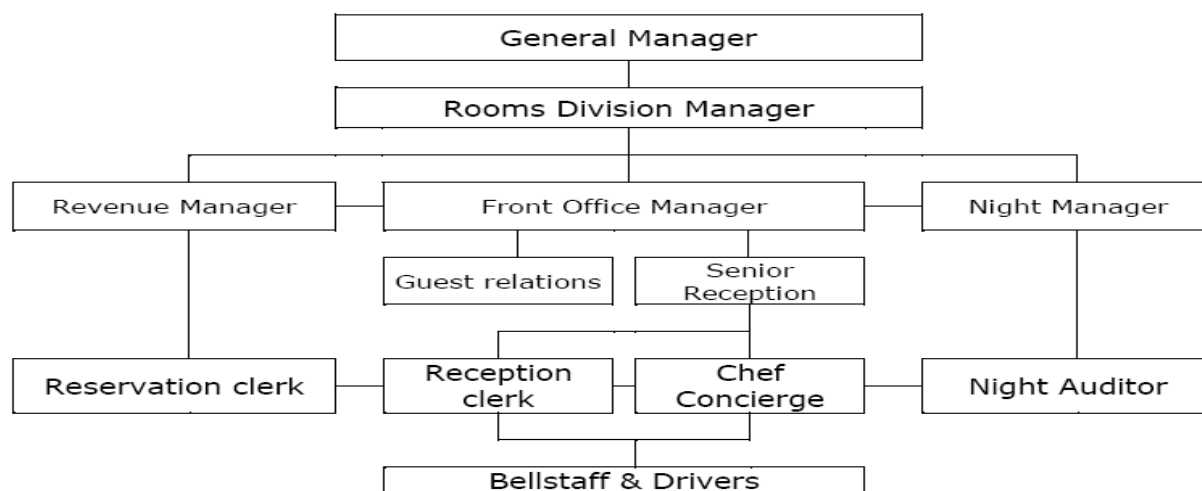


Fig. 3. Front Office Hierarchy (Common)

FRONT OFFICE MANAGER: He directs and coordinates the activities of the front office department; which includes room reservations, mail and information etc. He directly supervises all the front office staff and insures proper and smoother functioning.

Job Description

Title of Position	: Front Office Manager
Reports to	: General Manager
Supervises	: All Front Office Staff
Coordinates with	: Executive Housekeeper, Food and Beverage Manager, Night Manager, Chief Engineer, Human Resource Manager, Sales and Marketing Manager, Accounts Manager, Banquet Manager
Housekeeping	: for cleaning of rooms
Accounts	: for budgets and depositing daily sales
security and safety	: for Security

Marketing : for room sales and promotions

Supervisor: Assistant Manager, Front Office Supervisor, Reservation Agents, Lobby Manager, Guests Relation Executives.

Authority Limits: Discipline of Staff, Can Provide complimentary rooms

Job Responsibilities

1. Directs and coordinates the activities of the front office department.
2. Maintain discipline and conduct staff appraisals regularly or as per policy.
3. Conduct daily department meetings to ensure two way communication, training and policy information.
4. Must understand the functions of and be able to cooperate with closely related departments such as housekeeping, sales, food and beverage service etc.
5. Ensure the safety and hygiene of the front office and its staff.
6. Resolve guest and staff complaints as smoothly as possible.
7. Prepare the budget for the front office department.
8. Coordinate with housekeeping and engineering to ensure room availability for sale.
9. Evaluate the job / performance of each front office employee.
10. Responsible for hiring, training, supervising and disciplinary all front desk reservation and guest services staff members in order to maintain the desired standards of service.

CHECK YOUR PROGRESS – II

1. Write a brief note on role of front office organization.

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2. Write a brief note on Coordination of front office with Housekeeping department.

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1.7 EFFECTIVE INTERDEPARTMENTAL COMMUNICATIONS

Internal verbal communication is generally done through the PBX, IP-PBX system. Formal communication in the hotel is mostly carried out using e-mails and written reports.

Food and Beverage Department: The information is exchanged regarding the posting of charges, bills and payments, departures, POS and PMS interfaces for smooth operations. This leads to identify any un-posted bills or vouchers for services availed by the hotel guests.

Room Service: The front office shares the information about placement of fruit baskets, cookies, mini bar supplies, wines etc., with room service through the amenities voucher. The supervisors in the food and beverage department depend on the potential house count report prepared by the front office manager to schedule employees and predict sales. For example, the restaurant supervisor working the breakfast shift will want to know how many guests will be in the hotel so he or she can determine how many servers to schedule for breakfast service.

Banquet: The daily posting of bulletin boards, electronic boards to convey the information about major banqueting events in the lobby is done by banquets. This assists the guests to identify the place or the banquet hall where the function is scheduled. The preparation of the marquee might embrace gratulatory, welcome, publicity, or alternative necessary messages. This might also be done by Guest Relation Executive in some hotels after the message is received from banquets.

At times the person responsible for paying the bills for a special event may come directly to the front office to settle the city ledger accounts.

Unit Finance Controller: The daily summary of financial transactions through a well - prepared night audit report is shared with the UFC. This information is important to the departments to understand where they stand against the budget targets.

Maintenance or Engineering Department: Maintenance employees must know the occupancy status of a room before attending to plumbing, heating, or air - conditioning problems. In case the room is occupied the two departments coordinate with each other so that the guest is not disturbed while the maintenance job is going on. Likewise, the requests from guests for the repair of heating, ventilating, and air conditioning units; plumbing; televisions; and other room furnishings are directed to the front desk. These requests are then communicated to the maintenance department. The front desk clerk must keep track of the repair schedule, as guests want to be informed of when the repair will be made

Security Department: Communications between the security department and the front office are essential in providing safety and security to the hotel guest. In situations like that of fire or theft or any other emergency the two have to communicate consistently. Fire

safety measures and emergency communication systems as well as procedures for routine investigation of guest security concerns require the cooperation of these departments.

1.8 FRONT OFFICE STRUCTURE (LAYOUTS AND TRENDS)

The front desk is where the guests temporarily await to find an accommodation or to clear



their bill.

Hence, it needs to be positioned appropriately such that the staff and the guests can use them conveniently.

The basic features of structural designs in front office are as follows:

- Adequately positioned with suitable height and reach.
- Well lit-up area.
- Furnishings should be conveying the theme and aesthetic look.
- Lobby and guest elevators should be near each other.
- Lounge or the seating area should be easily accessible and blend with theme.
- Wide enough to make the staff member interact with the guests across the desk.
- Adequately spaced sections of front desk for ease of operation and guest movement.

Layout and Trends in Front Office: The technological developments have made foray into designs and trends in hotel front desk operations as the new customer is tech savvy and used to electronic devices in everyday life. The perceptions have changed from majorly manual interactions to automated interactions that save lot of time and human

intervention. The brands are now focusing on introduction of new features and guest experience with convenience and personalization. Some of the changes are listed below:



CHECK-IN REDEFINED: At select Hyatt hotels the lobby; kiosks allow guests to bypass lines, get keycards and gather information about their stay. At times the staff with iPads approach incoming guests to facilitate check-in and answer questions, entirely excluding the need for a fixed front desk. Starwood Hotels and Resorts have introduced the hotel industry's first Bluetooth-enabled smart locks. With the hotel's app, guests of Aloft and W Hotels can book the rooms, check in, enter and exit the rooms using their smart phones.

DIGITAL CONCIERGE: Traditionally, the Concierge services have been offered by full service hotels employing seasoned individuals equipped to assist guests in finding about a city's cultural attractions, the best restaurants, navigation in unfamiliar geographies and answer guest's travel-related questions. But now, the economy and budget hotels are making use of digital tools to offer similar services.

Virgin Hotels' app, personified by the name Lucy, makes location-specific information, including news, weather, travel details, and maps available to guests, who can also use it to control their room's thermostat, order room service and play movies and music.

Other hotels have created video content that is available through the hotel or group websites, YouTube, or iTunes that showcases area's attractions and guides guests in the travel planning. Also, the concierges respond to guest requests via live chats and Twitter.

THE LOBBY AS A SOCIAL SPACE FOR WORK AND PLAY: The concept of integrated lobby design has become popular wherein the facilities and services are offered at the same place for the guests and hotel employees to work, interact and can conduct business meetings. This combines the front desk, concierge, business center, restaurant into the lobby and lounge that have typically been treated as separate spaces. For this the lobby is typically Wi-Fi-enabled and features a mixture of furniture types and spatial configuration; lounge seating for relaxation, semi-private pods for meetings and social gatherings, and work stations with charging capabilities. These have clearly indicated that hotels are promoting the guests to spend longer time in the lobbies.



The Wyndham Hotel Group's Tryp Hotel in New York, for instance, connects hotel guests through the Lobby Friend app, a virtual tool that, in addition to functioning as a digital concierge, promotes networking and new social encounters. Virgin Hotels hosts a nightly social hour in its Commons Club, a hybrid bar, lounge, restaurant, and study; and other brands are looking at the lobby as a venue for cultural programming, from live music and DJs to art gallery shows.

HEALTH AND WELLNESS: With a growing concern for the environment, health, and wellness among consumers who have a preference for eco-friendly spaces, fresh, organic products, and opportunities to maintain their active lifestyle while traveling hotels are looking into creating facilities that are sustainable and wellness oriented. The properties announce their recycling programs, use of non-toxic cleaning supplies, and commitment to the reduction of energy and water consumption on their internet platforms and social media.

Marriott has developed LEED-certified room prototypes that can be replicated across hotels, thus avoiding the need for multiple certifications, and Kimpton Hotels donates \$10 of every guest's daily room rate to the Nature Conservancy and the Trust for Public Land.

To assure the physical wellbeing of guests, hotels have introduced features like bike sharing, in-room yoga mats, organic, free-trade coffee, and vending machines with healthy snacks.

NEED FOR AUTHENTIC EXPERIENCE: The new millennial traveler does not want a standardized, homogenous travel experience. Instead the preference is to get hands on experience and gain insight into new locales and to come back from their trips with a strong sense of the said place. It's not uncommon today for top-tier hotels to offer excursions that introduce guests to destination-specific cuisine, arts and crafts, and cultural attractions. Increasingly, hotels are distinguishing themselves by showcasing local art, offering locally sourced foods in guest room and creating onsite programs that highlight regional culture. At select Renaissance Hotels, for instance, travelers can get a taste for the local music scene with concerts co-produced with AEG, an entertainment company.

CHECK YOUR PROGRESS – III

1. Write a brief note on interdepartmental communication.

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This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

The organization of a large hotel with a large number of employees, guests and rooms is very difficult task, it is very important to do a proper planning. Division of work is done on the basis of the size of the organization. Front Office manage to bell boys everyone should be aware of their jobs and their limitations. For the efficient and smooth functioning of the front office department it is important to list out the individual duties and responsibilities of the staff. Internal and external communication is very important for smooth hotel operations. The front office department is vital link in both external and internal communication in this unit we have understood how front office coordinates with other departments of the hotel say housekeeping, sales & marketing, security, maintenance, food & beverages, banquets, human resources and others. Coordination among the various departments of a hotel is very important to provide flawless services and facilities to the guest. Front office is the department is the most visible department to the guest so for any kind of requirement/problem the guest comes to the front office and it is front office that passes on the relative information to the relative department and solves the problem of the guest and makes the guest happy. Therefore, to make the guest happy the front office need to coordinate almost with every department of the hotel.

1.10 GLOSSARY

Reservation Section: A section of front involved in taking room reservation.

Reception Section: A section of front involved in receiving guest, handling guest queries.

Information Section: A section of front involved in providing information to guest.

Cash & bills Section: A section of front involved in maintaining guest accounts and settlement of guest account.

Travel desk: A section in front involved in providing travel assistance to guest.

Communication Section: A section of front involved in providing tele-communication facility to guest and maintains the billing of the same.

Bell Desk: Bell desk is located in a very close proximity of the entrance gate of the hotel. This section handle the guest luggage from their entry in hotel porch to their rooms at the time of arrival and from their rooms to lobby and then to the guest vehicle at the time of their departure.

Concierges: The concept of concierges came from the European royalty days; the concierge was the castle doorkeeper. His duty was to ensure that all castle occupants are safely locked in their rooms at night. When the royal families were travelling they often took their concierges with them for security and food and lodging arrangements.

Job Description: A job description is a written account of all the duties and responsibilities involved in a particular job or position.

Job specification: A statement of employee characteristics and qualifications required for satisfactory performance of defined duties and tasks comprising a specific job or function. Job specification is derived from job analysis.

1.11 REFERENCES/BIBLIOGRAPHY

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1.12 SUGGESTED READINGS

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- Hotel Front Office Management – James A Bardi Wiley Publications
- Introduction to the revenue management for Hospitality Industry, Principles and Practices for the Real World, An Kimberly Tranter, Trevor Stuart-Hill, Juston Parker, Pearson Publications

1.13 TERMINAL QUESTIONS

1. Briefly explain the Guest Cycle at a hotel.
2. What is understood by the term sustainability?
3. Discuss the latest trends in Lobby designs in a hotel.
4. What is the importance of interdepartmental communication? How does front desk assure convenience of guests by using it as a tool?

UNIT: 02

ROLE OF FRONT OFFICE IN MANAGING GUESTS FROM CHECK IN TO CHECK OUT

Structure

- 2.1 Introduction
- 2.2 Objectives
- 2.3 Property Management Systems
- 2.4 System wide reservations
- 2.5 Guest registration
- 2.6 Managing the Financials
- 2.7 Guest Check-out Procedures Forms and Formats
- 2.8 Summary
- 2.9 Glossary
- 2.10 References/Bibliography
- 2.11 Suggested Readings
- 2.12 Terminal Questions

2.1 INTRODUCTION

The process of registration starts in the second phase of guest cycle in case of a guest with confirmed reservation. The process begins with the arrival of the guest at the front desk. In the present chapter we will study the activities that speed up the registration of the guest to avoid queuing at the front desk during the peak hours of guest arrivals. The activity that supports the speedy check-in of the guest is termed as Pre-registration activity. The registration of a guest at the front desk involves legal implications on the both hotel as well as the guest. This is a valid contract between guest and the hotel. A registration activity takes place at front desk. The check-in procedure of the guest varies with their status. In this chapter we will study the steps involved in check-in of the guest with confirmed reservation, walk-in, VIPs, Group, Crews and Scanty baggage guest in detail. Success or failure within the hospitality industry ultimately rests on the ability to sell. A roadside motel at an intersection of major highways or a popular restaurant with waiting lines is sometimes viewed as being above the need —to sell. No member of the hospitality industry can accept this as a long run view point. Discourteous front desk agents & cashiers who would impress Grumpy of the Seven Dwarfs are part of one's sales force.

These & all other who face the public can drive away or attract business. In the best cases, they can sell through suggestive selling, thus increasing the check size by effectively suggesting suit room (instead of simple single or double room) or higher margin suites can be sold instead of lower price room.

The aim of the hotel business is to generate profit by providing services like accommodation, food and beverage, and use of facilities such as fitness center, sauna bath, Jacuzzi so on and so forth to the guest in return of money. The maintenance of financial transactions with the guest is utmost important. The hotel is responsible to maintain the guest account. The hotel should ensure that the guest account is maintained properly and accurately. The guest's duration of stay is generally very short in most of the cases and they may have a large number of transactions, only timely posting in the guest account will ensure the hotel to make an accurate bill and receive the payment from the guest. The present chapter is aimed to provide an overview of how hotel maintains the guest accounts and ensures the settlement of the same from the guest. The chapter begins with discussing the different type of account followed by detailed study of folios, vouchers, and ledgers. The process of creating and maintaining of guest account is discussed in the later part of the chapter. The present chapter also deals with credit monitoring and foreign exchange at the end.

Accounting section of any business or organization monitors or tracks, records, and manages the financial transactions that takes place between the hotel and others i.e. resident guests, companies, agencies, non-resident guests etc.. All through the day the hotel undergoes many transactions with its resident guests. The transactions related to various services that the guest can avail, be it room service or laundry service. On most of the occasion the guest does not make any payments after availing the service at the hotel and the amount is posted on his/her room so timely and accurate posting of a guest's transaction in his account is very important for successful running of the business, it help the hotel to make an accurate bill and receive payment from the guest besides that an efficient and error free billing also leads to higher guest satisfaction. So it is very important for hotels to maintain its guest account accurately properly and up to date. The accounting department handles the financial aspect and tracks the performance of hotel directly. It is helpful for the management to take appropriate decisions. When it comes to a hotel business, accounting is managing expenses and revenue. It provides clear information to the guests thereby avoiding any kind of confusion at the time of settlement of the guests.

A property management system is a computer based management system. There are different modules which are utilized to manage the particular operational area of the hotel. There is large number of venders that provides the PMS solution as per the requirement of the hotel. Every hotel opting for computerization should assess their need and level of

automation depending upon the size, location, volume of business operations etc. A property management system consists of modules like front office module, housekeeping module, restaurant management system, back office module etc. The property management system should also be able to interface with individual interfaces like call accounting system, energy management system, point of sales, electronic door locking system etc.

2.2 OBJECTIVES

After reading this unit the learner will be able to:

- Define Property Management Systems
- Describe System wide reservations
- Perform Guest registration
- Describe Managing the Financials
- Perform Guest Check-out Procedures
- Use various Forms and Formats used in performing front office activity

2.3 PROPERTY MANAGEMENT SYSTEMS

Traditionally, a hotel PMS is software that facilitated a hotel or group of hotels to manage front-office functions, such as taking reservations, guest check-in and checkout, room allocation to guests, managing room rates, billing and final settlement. The PMS definitely saves time, energy and money by integration of many functions performed at the hotel front office. The technology has changed the modern Property Management Systems are more complex yet user friendly and have the ability to amazing guest experiences.

Some of the important functions managed by efficient property management software include:

- Bookings
- Hotel inventory management

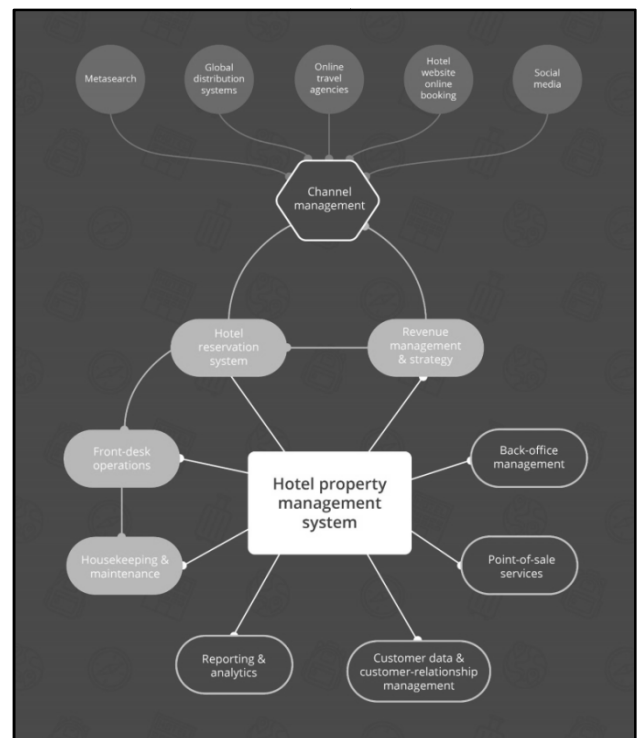


Figure: Hotel Property Management System

- Point-of-sale (POS) integration
- Reporting of KPIs
- Food and beverage costing
- Check-ins and check-outs
- Telephone systems integration

PMS defined: Property Management Systems (PMS) are applications for the operation of hospitality, real estate, hospital and allied businesses where a centralized computer system (ERP) enables the users to organize, schedule, and perform the day-to-day functions and transactions. It helps property owners, managers, and real estate professionals control the functions like advertising of properties, collection of payments, property maintenance, etc.

Automation in hotel PMS has expanded to include the important modules of reservation, front-desk operations, and housekeeping along with a range of features that promote the delivery of an immaculate and personalized guest experience.

The Features of Hotel PMS Systems: Depending on the software provider, the combination of modules in a system and functionalities within a module can be added or deleted as per the hotel's convenience. However, a typical hotel operating software should be able to manage the following tasks:

Front-Desk Operations: This module allows to check guests in and out, issue key cards, track room allocation, manage room-related requests, process payments and issue receipts to guests, perform night and shift audits, and more in one secure system. Front-office staff can access up-to-date information about current and future reservations. The system makes it easy to modify bookings, e.g., change a room or date. The modifications happen spontaneously and are reflected by other modules.

Reservation Management: The different reservation channels like website, internet, HRS, GDS etc. are integrated to offer faster and user friendly services. The room inventory, room status, calendar and booking engine work side by side thus real time transactions can be easily be performed. Managing the bookings, payments, refunds, processing commissions, update of data, confirmation of bookings in auto reply modes, facility for pre – check in etc are few functions that are done through PMS.

Distribution Channel Management: The bookings get managed and updated in hotel records whether done through any distribution mode like hotel's webpage, travel websites and mobile applications, corporate clients and airlines, travel

agents, and other sources. Hotel PMS is crucial in expanding the business reach across the Internet and manage the multiple channels. In integration with online travel agencies (OTAs) and global distribution systems (GDSs) it makes it easy for the users to book hotels.

Housekeeping Management: It gives an easy access to the room status to the housekeeping department thus it is easy to assign staff to clean the rooms and public areas at busy times also. The module also helps them allocate the additional tasks to be completed along with daily tasks by including the task schedules into the PMS with reminders at appropriate times. Some advanced systems allow staff to click the pictures and upload them thus showing the exact location and issue for maintenance to send the right person to fix the complaint.

Revenue Management: The PMS provides a secure module for tracking, management, online payments, instant validation of credit/debit card details, analysis of payments and is helpful in identifying outstanding charges or non-payment issues. It also gives facility to work on formulating and implementing data driven revenue management strategies as it generates the reports like ARR, ADR, RevPAR etc. as and when required by the manager. The competitor analysis, rate analysis, market analysis can be done easily through the PMS revenue management module.

Customer Relationships Management: CRM has become very useful in modern hotels as it reveals information about the likes, dislikes, preferences of the guests who have enquired or stayed at the hotel earlier. This leads to development of loyalty programs, frequent traveler programs, planning events and to collect comprehensive feedback from the guests.

Reports and Analytics: Automated generation of financial, inventory, occupancy reports like night audit, shift audit, room and tax reports, departure/arrival, enables the management to keep a track of revenue, reservations, and inventory. It also presents insights into hotel performance through daily reports, occupancy rate, ADR, and RevPAR and in turn facilitates the manager to assess the current and projected results.

Administrative Support: PMS helps streamline, improve visibility, and optimize back-office and administrative hotel operations. It may include the following functions:

- Human resources management, including shift management and staff allocation.

- Reviews management
- Event management and catering
- Conference room, spa, and gym management
- Sales and catering operations for group bookings
- Assets Management
- Inventory analysis
- Consumption costs and hotel spending analysis
- Sales and management of promotional campaigns

Point-of-sale (POS) Services

Through the PMS various points of sale can be connected with each other and the bills posted from these automatically reflect in the guest and non-guest folios. E.g. the bill posted in room service or laundry is updated in system immediately thus eliminating chances of missing entries esp. in case of departure rooms.

Advantages of Property Management System

- Automated Check in and Check Out.
- Faster reservation, registration, billing and settlement.
- Accounts & Folio Management in real time.
- Revenue Management and measuring results against targets.
- Increased efficiency in operations.
- Integrated hotel back-office systems.
- Assuring distribution through various channels.
- Report generation in all formats as per needs.
- Data Management of all clients, guests, travel partners, business entities, etc.
- Employee assessment and appraisal.
- Cost control, Energy Conservation through intelligent HVAC systems.
- ERP and Data Security.
- Higher levels of guest satisfaction due to faster online services.

Cloud-based, mobile-enabled hotel PMS platforms offer hotels an innovative way to engage with guests while enabling hotels to reduce IT costs and simplify their infrastructure. The systems are administered by the vendor and are easy to use. Updates, upgrades, and patches are done automatically, saving hotels time and money.

Selecting PMS for a hotel: The following should be considered while purchasing a PMS for a hotel:

- a. **Budget:** The budget for PMS services changes with the addition of extra features. It must be given due weightage as the PMS should be good value for money.
- b. **Hotel's needs from PMS:** An assessment of our requirements from the PMS should be listed and then prioritized in order of importance to let the final product satisfy these needs.
- c. **Compatibility with Booking Engine:** Every hotel has multiple booking engines that get bookings for the hotel so the PMS should be able to work with these engines without any issues.
- d. **User friendliness:** The PMS should be easy to understand, easy to use and easy to integrate with the hotel departments and functions. The staff and customers should be able to use the features of system without delays and confusions.
- e. **After Sale Support:** Buying a PMS is an easy task but addressing the complaints, issues. Malfunctions or any failure can lead to major loss of revenue and data thus it is very important that the PMS provider gets into an agreement for timely after sale services and resolution of problems.
- f. **Language Options:** The PMS with multiple language options is always beneficial to the hotel with employees coming from diverse backgrounds and nationalities. It assists in better training and improves efficiency in operations.

Popular PMS for Hotels

- **OPERA:** Oracle Hospitality's OPERA Property is a comprehensive and scalable solution that is available at three levels (Premium, Standard, and Lite) and is also available for both cloud and installed deployment.
- **MAESTRO:** This was specially developed with small properties in focus esp. something as small as a timeshare. Maestro is designed for the cloud, and brings 20 different modules under one umbrella, including reservations, front desk, sales, space and club management, and dining POS. Maestro

aims to simplify things, enabling hotel managers to run everything from one dashboard.

- **HOTELOGIX:** Hotel OGIX was developed specifically for small and midsize hotels, and is used by more than 10,000 properties worldwide. After its launch in 2009 and currently it have users in more than 100 countries.
- **EZEE FRONTDESK:** The EZEE Front desk PMS is used by boutique hotels, hostels/lodges, resorts, and small hotels in approximately 140 countries. More than one million daily transactions in 104 countries happen across this hotel property management solution, resulting in 90,000 rooms managed across the globe.
- **CLOUDBEDS:** Cloudbeds serves as an all-in-one hotel management system that can also connect your property to hundreds of channels (such as Booking.com and Orbitz) with real-time, two-way integration. It allows guests to make direct reservations through their desktop or mobile device, or even via Facebook.
- **FRONTDESK ANYWHERE:** Frontdesk Anywhere is based in the Silicon Valley, founded in 2009, it has grown to more than 1,400 customers and 18,000 users.

CHECK YOUR PROGRESS – I

1. Write a brief note on Property Management System.

[illegible]

This denotes a system where the hotel is connected to the national toll free telephone number through the system wide reservation service. This telephone number is used by the sales and marketing teams to reach out to the potential customers. Any guest who dials this number is connected to the employees in the central reservation system from where the request is further processed as the person has access to the available rooms with each of the participating hotel in the CRS network. This helps the executive redirect the query to the property where the requested services are available on desired dates and also suggest the alternative properties available as per the same.

Uttarakhand Open University

Hotel Groups with CRS/ GDS/ Outsourcing benefits:

a. Choice Hotels International 5900 franchises 30 countries; 479,000 rooms.

- Comfort Inn Cambria Suites
- Comfort Suites Suburban Extended Stay Hotel
- Quality Ascend Collection
- Clarion
- Sleep Inn
- Econo Lodge
- Main Stay Suites
- Rodeway Inn

b. InterContinental Hotels Group 3500 hotels and resorts 100 countries 535,000 guest rooms

- InterContinental Hotels & Resorts
- Crowne Plaza Hotels & Resorts
- Hotel Indigo
- Holiday Inn Hotels and Resorts
- Holiday Inn Express
- Staybridge Suites
- Candlewood Suites
- Park Inn Hotels
- Park Plaza Hotels & Resorts
- Regent International

2.5 GUEST REGISTRATION

Guest Registration means that the guest is received at the hotel and then the receptionist on duty completes the formalities like signing of registration card, collection of photo id, passport, visiting cards, advance deposit collection, preauthorization, and service of welcome drink and allocation of rooms to these guests.

The registration process consists of following steps:

- 1. Pre-registration:** Guest can be pre-registered using the information collected during the reservation process. Pre-registration normally involves producing registration cards in advance of guest arrival. Room and room rate assignment, creation of guest folio, preparing meal coupons for groups, placing orders for welcome drinks, flowers, garlands, and special items to be placed in the guestroom before arrival of the guest, etc. are part of the pre-registration process.
- 2. Creating the registration record:** Once the guest arrives at the hotel; the front desk agent creates a registration record which is a collection of important guest information. The registration card requires the guest to write down his or her name, address and other information in manual systems or in case of walk in guests and it may be preprinted if the guest comes with an advanced reservation in automated systems or PMS.

The formats used during the check-in of the guests are:

- **Guest Registration Card (GRC) / C Form:** Registration card is filled by the guest during check-in. It is a very important document from where a front desk agent gets all the information about the guest. A registration card consists of name of the guest, address, organization name and address, nationality, arrival time and date, expected date of departure, purpose of visit, room number, number of person, room rate etc. Now a days, the details required in “C” Form are also combined in the GRC thus eliminating the need for filling up and signing. The passport and visa details are filled in the GRC with additional columns for getting this vital information for foreigners or NRIs. The original copy is sent as C Form and duplicate copy is retained as registration record.

REGISTRATION CARD									
HOTEL ABC									
NAME.....			FIRST NAME & INITIALS.....				DATE OF BIRTH.....		
COMPANY.....			ADDRESS.....						
DESIGNATION					arrival from		GOING TO		
NATIONALITY					DATE OF ARRIVAL IN HOTEL				
PASSPORT NO.					TIME OF ARRIVAL IN HOTEL				
DATE OF ISSUE			PLACE OF ISSUE		DATE OF DEPARTURE FROM HOTEL				
CERTIFICATE OF REGISTRATION					PROFESSION				
NO.....		DT OF ISSUE.....		OFFICE OF ISSUE.....		PURPOSE OF VISIT			
DATE OF ARRIVAL IN INDIA					CHECK OUT TIME:12 NOON				
WHETHER EMPLOYED IN INDIA			YES		NO				
THE HOTEL WILL NOT BE RESPONSIBLE FOR ANY VALUABLES LEFT BY THE GUEST IN THE ROOM. SAFE DEPOSIT BOXES ARE AVAILABLE FREE OF CHARGE AT THE FRONT OFFICE CASHIER. VISITOR ARE NOT PERMITTED IN GUEST ROOM AFTER 11-00 P.M.									
I AGREE TO ABIDE BY THE RULES OF THE HOTEL AND SHALL SETTLE MY ACCOUNT ONCE IT AMOUNTS TO Rs. 10,000/-									
SIGNATURE OF THE GUEST									
ROOM NO	NO. OF PERSONS		RATE	BOOKED BY	PAYMENT BY & BILL TO				INITIAL
	ADULTS	CHILDREN			CASH		VOUCHER		
					CREDIT CARD		ANY OTHER		
I AGREE TO RELEASE ROOM.....BY 12 NOON ONSHOULD I FAIL TO CHECK OUT, I AUTHORISE THE MANAGEMENT TO PACK AND REMOVE MY BELONGING TO THE HOTEL CHECK ROOM SO THAT THIS ROOM IS AVAILABLE FOR INCOMING GUEST WITH CONFIRMED RESERVATION									

Guest Registration Card or GRC

- C Form:** In smaller establishments the **C Form** is asked to be filled separately along with the guest registration card. It is a legal document which has to be filled by all foreign nationals except those from Nepal. NRI's with green cards do not have to fill this card. Children up to 16 years and diplomats from other countries are also exempted from filling C form. Three copies of C form are made, 1st copy is sent to the FRRO, LIU Office or Local Police Station and the second copy is retained as office copy with the hotel within 24 hours of registration. The C Forms of nationals from Bangladesh and Pakistan are to be submitted to the above offices within 12 hours.

Hotel ABC Form C (Rule 14) Hotel Arrival Report (To be completed in Duplicate)	
Sr. No.:	_____
Date:	_____
Name of the Hotel:	_____
Name of the foreign Visitor:	_____
(In full in block capitals, surname first)	
Nationality:	_____
Passport No.:	_____
Date of Issue:	_____
Place of Issue:	_____
Address in India:	_____
Date of arrival in India:	_____
Arrived From:	_____
Whether Employed in India:	Yes/No _____
Proposed Duration of Stay in India:	_____
Proposed Duration of Stay at Hotel:	_____
Proceeding to:	_____
Registration Certificate No.:	_____
Date of Issue:	_____
Place of Issue:	_____
Manager's Signature	

Form-C

- **Arrival and Departure Register:** In many hotels the A&D register is maintained by the front desk agent to record all the arrivals and departures on a particular day. It also helps in checking the room count, guest count, available and departure rooms to enable front office and housekeeping to coordinate for clearance of rooms. In PMS supported operation A&D report can be generated whenever required as the system itself creates the record and the information is automatically shared with all concerned departments.

3. **Room & Rate Assignment:** The front desk executive assigns the available rooms to the guests based on the type of room and preferred location if requested. Room and room rates may also be pre assigned on the basis of data collected during the booking process.

TARIFF FIXATION / ROOM RATE FIXATION

It is done on the following basis in a hotel:

- a) **Check-in Check-out System:** It is the most common way of charging room rates. The hotel fixes a specific check-out time usually 12 noon which means the guest charging cycle starts from 12 noon and finishes at 12 noon next day.
- b) **24 hours Check Out System:** In this type of fixation the guest has to pay for 1 day up to 24 hours from the time of arrival.
- c) **Overnight System:** The guest is charged on the basis on the number of nights spent in the hotel irrespective of the time of arrival and departure.
- d) **Day rates:** The guest is charged on an hourly basis.
- e) **PLAN System:** The hotel may charge the rooms on the basis of facilities included or not included in the base tariff.
 - **European Plan (EP):** EP includes only the room rate and is usually found in city and transit hotels.
 - **Continental Plan (CP):** CP includes room rate with continental breakfast. It is also called B&B plan and is usually found in motels.
 - **Bermuda Plan:** It includes room rate with American breakfast.
 - **Modified American Plan (MAP):** It includes room rate with English breakfast and buffet lunch or dinner. It is also known as half board plan and is usually found in resorts.
 - **American Plan (AP):** AP includes room rate with English breakfast, buffet lunch and dinner. It is also known as full board plan and is usually found in resorts.

- **All Suite Plan:** It includes room rate with breakfast and cocktails in the evening. This rate is the standard plan for suite hotels.

**Early morning tea or coffee is complimentary with all the plans.*

4. **Establishing the mode of payment:** The mode of payment or settlement of the room and food bills etc. should be ascertained at the time of registration only to avoid any confusion later on. This also helps in decision to offer or reject the credit facility to a registered guest. Credit facility means that the guests can make the payment up to the permitted House Limit as per the room category at the time of checkout. The scanty baggage or no baggage guest is required to submit an advance deposit equivalent to the first night's room rent.

The payments can be done using one or more methods from the following modes:

- a. **Cash:** Cash is the best method of payment as it saves the time in processing the payments made through other modes. Guest can pay their entire room rate and other expenses by cash.
- b. **Payment Vouchers:** The vouchers may be issued by the travel agent, tour operator, or an airline operator to the people using their services against the payments received at their end in advance. The MCO/voucher has information about the charges that shall be valid against the voucher and the rest are collected directly from the guest presenting the voucher. The voucher along with the bill is then forwarded to the issuing authority for redemption of charges to the hotel account.
- c. **Credit Card:** Now days most of the guest pay their room bill through the credit cards. The front office executive has to verify the details like expiry date, credit card number and should also check whether the card is accepted by the hotel. In most cases the person takes a preauthorization on the credit card for the minimum amount equivalent to the first night room rent and the preauthorization printed slip is kept with registration card in room folder.
- d. **Debit cum ATM Cards:** This is another type of card used by the guest. In this method the amount is directly deducted from the guest account.
- e. **Special Promotions Payment Methods:** Here the hotel honors the vouchers, coupons, gift certificates, or special incentive awards received

from businesses, airlines or other authorized agencies that work in close association with the hotel for business.

f. Direct Billing: This facility is extended to the corporate clients with guaranteed business volume where the charges agreed upon are directly paid by the client for their guests staying at a hotel. A letter authorizing the direct billing has to be sent in advance to the hotel at the time of booking and the original letter is collected at the time of check out from the guest. The guest just has to sign the folio. The bill along with Direct Billing Authorization is sent to the company by the hotel for the payments.

g. Personal Checks: Most hotels have a strict policy against accepting personal checks, though some may accept them. Hotels may accept only personal or first party checks that too during standard banking hours to allow the front office staff to obtain bank verification if needed.

5. Verifying the Guest's Identity: The verification includes mandatory collection of the copies of identification documents like passport, aadhar card or any other photo identity card issued by the respective governments, which are then verified against the original documents presented at the time of check in. As an additional security measure, if the guest does not speak the local language, it should also be mentioned in the guest's record. This information helps the hotel staff to identify guests requiring foreign language translation and is also helpful in emergency situations.

6. Issuing the Room Key: After all the above activities are completed and the front desk executive is satisfied with the information and documents furnished by the guest, the next step is issuing the room keys to the registered guest. The room key is presented in a key envelop or in keycard holder if the hotel has electronic lock system, along with the welcome kit.

7. Entertaining Special Request: While registering a guest, the front office person should pay attention to the special requests made by the guest during the reservations process are assure that the request is met.

- Location: e.g. floor level, distance from the elevator, near the pool or with a garden view.
- Bed Type – Single / Double
- Smoking / no-smoking status.
- Amenities.
- Special furnishings for persons with disabilities.

- High-speed Internet access
- Entertainment systems
- Fruit baskets / flowers / champagne/ cakes etc for special occasion celebrations.

1. Write a brief note on Guest Registration Card.

[illegible][illegible]

2.6 MANAGING THE FINANCIALS

Financial Management is essential for any hospitality business to succeed like any other business. In a hotel this is an ongoing activity as the transactions are continuous at any point of the day in daily operations. A slight miscalculation or a missed entry gets reflected during the night audit process thus the rectification has to be processed on the spot for the process to be completed and establish the end of the day.

1. **Budgeting:** The hospitality organizations also create annual, quarterly or monthly budgets to enable the respective departmental managers to monitor their earnings and expenses on daily basis.
 - a. **Annual Budget:** This budget is prepared by the Unit Finance Controller in collaboration with the departmental heads of other departments and then presented to the general manager for approval. This usually gives the picture of net financial wealth of the organization.
 - b. **Half Yearly or Quarterly Budget:** These are bifurcations of the annual budget for easy tracking of financial targets set for various departments in the hotel.
2. **Creating an Operational Tracking Model:** After the budgeting process is completed the hotel then has to create a model to track the financial transactions, to track the meeting of targets, to exercise a control on expenses like payroll, maintenance, fuel and energy and revenue generated. This includes simple worksheets that are updated daily and also the reports that are generated post the daily night audit process. The reports are presented to the General Manager and discussed in the morning meetings.
3. **Actual-Against-the-Budget Comparison:** The night audit process reports the exact position of revenue and expenses of the day for easier tracking and follow up. These reports are extensive and cover each department separately therefore the heads can critically examine the opportunities and threats. They can then plan the changes in strategies and tactics to meet the desired goals. The managers are given proper training and should have the acumen to assess the financial reports and be able to create the task specific reports for a better understanding of departmental issues and solutions to ensure good financial status.
4. **Accountability:** All the team members in a hospitality operation are responsible and accountable for achieving the targets as per budgets whether on a minimum scale of individual performance or at the departmental levels. Each employee makes contribution to the financial well-being of the organization. The managers or the

functional heads are responsible for revenue earned and expenses incurred by the department. They have to assure that inventory control, occupancy management, rate controls, etc. are regularly monitored.

Situational Examples:**a. When a credit card issuer refuses to authorize a transaction:**

- Notify it to the guest in private and discuss the matter.
- Be careful to use appropriate words when explaining the guest's declined transaction (for example, do not call the guest's credit card "bad" or "worthless").
- Offer the use of a telephone to help resolve the matter with a credit card company representative.
- Allow the guest a chance to provide alternate, acceptable means of payment.

b. When a guest's personal check cannot be accepted:

- Explain the hotel's check cashing policy.
- Remain friendly and cooperative.
- Discuss alternative methods of payment with the guest.
- If local banks are open, direct the guest to a nearby branch, or offer the use of a telephone.

2.7 GUEST CHECK-OUT PROCEDURES FORMS AND FORMATS

Whenever the guest forwards a request for check out to the front desk, the front desk executive should follow the procedure as laid down below:

- 1. Check for recent charges:** The front office executive or the cashier should call up the room service, laundry, health club, etc. about the recent charges for the services that the guest may have availed; before preparing the checkout folio. He should also verify that the room charges for the day are duly posted in the folio.
- 2. Posting outstanding charges:** In case the facility of automated posting from POS is not available the bills may be called for at the front desk and manually posted to the guest folio.
- 3. Verifying account information:** The front office agent should verify guest account information properly before settling the guest account because any amendment or cancellation cannot be performed once the guest account is settled by the agent during check out.

4. **Presenting the guest folio:** The guest bill folio is presented to the guest after it checked for correct information and billing details.
5. **Checking for mail, messages:** When the guest is going through the checkout folio we should check for any guest messages or mails received at the front desk. They should be handed over to the guest before check out.
6. **Checking for safe deposit box keys or in room safe keys:** The front office person should check guest valuables or any belongings lying in the safe deposit box by coordinating with housekeeping. If any articles are found they should be handed over to the guest. Front desk agents should also secure in room safe keys from the guest if they are not electronic or password protected.
7. **Securing the room key / Keycard:** It is the responsibility of the front desk agent to collect the guestroom keys from the guest finally settles the bill and leaves the hotel.
8. **Updating of Room Status:** As the process of checkout is completed the system should update the room status in hotel database to departure room from vacant. The status update should be checked manually also as sometimes it may have not changed at all or gets changed to some other status. This takes care of any discrepancy arising later.
9. **Request to fill the Guest Comments Card:** The guest should be promptly asked to fill the GCC to collect the feedback about the services, staff engagement, facilities and amenities and the overall experience at the hotel.
10. **Presenting the settled Bill:** After the final settlement of the bills the folio must be neatly folded and placed in an envelope along with all the supporting bills and vouchers, receipts etc. and presented to the guest. The guest should be bid farewell by requesting him for a next visit and also wishing the best for his journey.
11. **Updating the Guest History record:** The guest history record gets updated in the database immediately after the final settlement is completed in the PMS.

Express Check-Out: The convenience and contactless processes are becoming popular in the modern properties therefore the hotels are now offering Express Checkout services that allow customers to check out of their rooms and return the keys, without actually having to wait for their final bill to be produced at the front desk. Advantages of Express Checkout include saving time, avoiding a stressful delay if the guest has to travel and is late due to personal reasons, clearing the outstanding balance by authorizing the hotel to charge them

to the credit card by signing the ECO Voucher which is delivered to the guest as soon as the request for express check out is received or to settle the bill in full through it.

Express Checkout Process:

1. Confirm the willingness to use Express Checkout facility with the guest at the time of check in. Put the ECO in the guest folder with other documents.
2. Explain the system to the guest and also let the guest know that the charges would be directly collected from the credit card; which has to be authorized by the guest in the Express Checkout Form before the departure. The Express Checkout Authorization Form includes the hotel's name, address, and phone number and has space for the customer's name, address, room number, signature, and account number that may optionally be imprinted.
3. Request a per-authorization approval for the expected amount of the bill. If the authorization request is declined, ask the guest for an alternative form of payment.
4. Once you have obtained an authorization approval, print out a sales ticket with the customer's card account number, and follow regular authorization procedures. Write down the words "Express Checkout" on the ticket (or "Priority Check-Out" for Visa — check with the processor for the correct wording) and once again explain that the bill amount will be charged on the card after the customer checks out.
5. When the customer has left after express check-out, calculate the final bill amount and complete a sales ticket, printing the words "signature on file — express checkout" (or "Priority Check-Out" for Visa, check with your processor) in the customer signature field.
6. If the final bill exceeds the per-authorized amount by more than 15 percent, request the guest for an authorization approval to charge the additional amount.
7. Deposit the sales ticket as per standard procedure.
8. Mail or email a copy of the bill, sales ticket and the Express Checkout Authorization Form to the customer no more than three business days after he or she has checked out.
9. Keep copies of the bill, sales ticket and authorization form for at least 18 months to be used in the event of a dispute.

CHECK YOUR PROGRESS – III

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2.8 SUMMARY

Traditionally, a hotel PMS is software that facilitated a hotel or group of hotels to manage front-office functions, such as taking reservations, guest check-in and checkout, room allocation to guests, managing room rates, billing and final settlement. The PMS definitely saves time, energy and money by integration of many functions performed at the hotel front office. The technology has changed the modern Property Management Systems are more complex yet user friendly and have the ability to amazing guest experiences. Reservation outsourcing is also gaining popularity where a CRS processes reservations received from Internet, telephones and Global Distribution Systems on behalf of hotels. This hybrid group provides reservation systems to clients who wish to monitor their reservation processing while offering all the services of a traditional representation company. In addition, these companies offer their services through web-enabled application-service provider (ASP) models.

The convenience and contactless processes are becoming popular in the modern properties therefore the hotels are now offering Express Checkout services that allow customers to check out of their rooms and return the keys, without actually having to wait for their final bill to be produced at the front desk. The fully automated properties give the facility of self-check in and check-out facilities to the hotel guest just like the ones at the airports through the terminals or kiosks in the lobby. The details of the guests are picked up by the terminal the moment the guest swipes the credit card which is Guests can access and review their folios and settle their accounts using the credit card from these terminals directly without having to go to the front desk.

2.9 GLOSSARY

All Suite Plan: It includes room rate with breakfast and cocktails in the evening. This rate is the standard plan for suite hotels.

American Plan (AP):AP includes room rate with English breakfast, buffet lunch and dinner. It is also known as full board plan and is usually found in resorts.

Annual Budget: This budget is prepared by the Unit Finance Controller in collaboration with the departmental heads of other departments and then presented to the general manager for approval. This usually gives the picture of net financial wealth of the organization.

Arrival and Departure Register: In many hotels the A&D register is maintained by the front desk agent to record all the arrivals and departures on a particular day. It also helps in checking the room count, guest count, available and departure rooms to enable front office and housekeeping to coordinate for clearance of rooms.

Bermuda Plan: It includes room rate with American breakfast.

C Form: In smaller establishments the **CForm** is asked to be filled separately along with the guest registration card. It is a legal document which has to be filled by all foreign nationals except those from Nepal. NRI's with green cards do not have to fill this card. Children up to 16 years and diplomats from other countries are also exempted from filling C form.

Cash: Cash is the best method of payment as it saves the time in processing the payments made through other modes. Guest can pay their entire room rate and other expenses by cash.

CLOUDBEDS: Cloudbeds serves as an all-in-one hotel management system that can also connect your property to hundreds of channels (such as Booking.com and Orbitz) with real-time, two-way integration. It allows guests to make direct reservations through their desktop or mobile device, or even via Facebook.

Continental Plan (CP): CP includes room rate with continental breakfast. It is also called B&B plan and is usually found in motels.

Creating the registration record: Once the guest arrives at the hotel; the front desk agent creates a registration record which is a collection of important guest information. The registration card requires the guest to write down his or her name, address and other information in manual systems or in case of walk in guests and it may be preprinted if the guest comes with an advanced reservation in automated systems or PMS.

Credit Card: Now days most of the guest pay their room bill through the credit cards. The front office executive has to verify the details like expiry date, credit card number and should also check whether the card is accepted by the hotel. In most cases the person takes a preauthorization on the credit card for the minimum amount equivalent to the first night

room rent and the preauthorization printed slip is kept with registration card in room folder.

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Debit cum ATM Cards: This is another type of card used by the guest. In this method the amount is directly deducted from the guest account.

Direct Billing: This facility is extended to the corporate clients with guaranteed business volume where the charges agreed upon are directly paid by the client for their guests staying at a hotel. A letter authorizing the direct billing has to be sent in advance to the hotel at the time of booking and the original letter is collected at the time of check out from the guest. The guest just has to sign the folio. The bill along with Direct Billing Authorization is sent to the company by the hotel for the payments.

Distribution Channel Management: The bookings get managed and updated in hotel records whether done through any distribution mode like hotel's webpage, travel websites and mobile applications, corporate clients and airlines, travel agents, and other sources. Hotel PMS is crucial in expanding the business reach across the Internet and manage the multiple channels. In integration with online travel agencies (OTAs) and global distribution systems (GDSs) it makes it easy for the users to book hotels.

European Plan (EP): EP includes only the room rate and is usually found in city and transit hotels.

Express Check-Out: The convenience and contactless processes are becoming popular in the modern properties therefore the hotels are now offering Express Checkout services that allow customers to check out of their rooms and return the keys, without actually having to wait for their final bill to be produced at the front desk.

EZEE FRONTDESK: The EZEE Frontdesk PMS is used by boutique hotels, hostels/lodges, resorts, and small hotels in approximately 140 countries. More than one million daily transactions in 104 countries happen across this hotel property management solution, resulting in 90,000 rooms managed across the globe.

FRONTDESK ANYWHERE: Frontdesk Anywhere is based in the Silicon Valley, founded in 2009, it has grown to more than 1,400 customers and 18,000 users.

Front-desk operations: This module allows to check guests in and out, issue key cards, track room allocation, manage room-related requests, process payments and issue receipts to guests, perform night and shift audits, and more in one secure system. Front-office staff can access up-to-date information about current and future reservations. The system makes it easy to modify bookings, e.g., change a room or date. The modifications happen spontaneously and are reflected by other modules.

Guest Registration Card (GRC) / C Form: Registration card is filled by the guest during check-in. It is a very important document from where a front desk agent gets all the information about the guest. A registration card consists of name of the guest, address, organization name and address, nationality, arrival time and date, expected date of departure, purpose of visit, room number, number of person, room rate etc.

Guest Registration: Guest Registration means that the guest is received at the hotel and then the receptionist on duty completes the formalities like signing of registration card, collection of photo id, passport, visiting cards, advance deposit collection, preauthorization, service of welcome drink and allocation of rooms to these guests.

Half Yearly or Quarterly Budget: These are bifurcations of the annual budget for easy tracking of financial targets set for various departments in the hotel.

HOTELOGIX: Hotelogix was developed specifically for small and midsize hotels, and is used by more than 10,000 properties worldwide. After its launch in 2009 and currently it has users in more than 100 countries.

Housekeeping Management: It gives an easy access to the room status to the housekeeping department thus it is easy to assign staff to clean the rooms and public areas at busy times also. The module also helps them allocate the additional tasks to be completed along with daily tasks by including the task schedules into the PMS with reminders at appropriate times. Some advanced systems allow staff to click the pictures and upload them thus showing the exact location and issue for maintenance to send the right person to fix the complaint.

MAESTRO: This was specially developed with small properties in focus esp. something as small as a timeshare. Maestro is designed for the cloud, and brings 20 different modules under one umbrella, including reservations, front desk, sales, space and club management, and dining POS. Maestro aims to simplify things, enabling hotel managers to run everything from one dashboard.

Modified American Plan (MAP): It includes room rate with English breakfast and buffet lunch or dinner. It is also known as half board plan and is usually found in resorts.

OPERA: Oracle Hospitality's OPERA Property is a comprehensive and scalable solution that is available at three levels (Premium, Standard, and Lite) and is also available for both cloud and installed deployment.

Payment Vouchers: The vouchers may be issued by the travel agent, tour operator, or an airline operator to the people using their services against the payments received at their end in advance. The MCO/voucher has information about the charges that shall be valid against the voucher and the rest are collected directly from the guest presenting the voucher. The voucher along with the bill is then forwarded to the issuing authority for redemption of charges to the hotel account.

Personal Checks: Most hotels have a strict policy against accepting personal checks, though some may accept them. Hotels may accept only personal or first party checks that too during standard banking hours to allow the front office staff to obtain bank verification if needed.

Point-of-sale (POS) Services: Through the PMS various points of sale can be connected with each other and the bills posted from these automatically reflect in the guest and non-guest folios. E.g. the bill posted in room service or laundry is updated in system immediately thus eliminating chances of missing entries esp. in case of departure rooms.

Pre-registration: Guest can be pre-registered using the information collected during the reservation process. Pre-registration normally involves producing registration cards in advance of guest arrival. Room and room rate assignment, creation of guest folio, preparing meal coupons for groups, placing orders for welcome drinks, flowers, garlands, and special items to be placed in the guestroom before arrival of the guest, etc. are part of the pre-registration process.

Property Management Systems: A hotel PMS was a software that facilitated a hotel or group of hotels to manage front-office functions, such as taking reservations, guest check-in and checkout, room allocation to guests, managing room rates, billing and final settlement. Hotel inventory management

Reports and Analytics: Automated generation of financial, inventory, occupancy reports like night audit, shift audit, room and tax reports, departure/arrival, enable the management to keep a track of revenue, reservations, and inventory. It also presents

insights into hotel performance through daily reports, occupancy rate, ADR, and RevPAR and in turn facilitates the manager to assess the current and projected results.

Reservation Management: The different reservation channels like website, internet, HRS, GDS etc. are integrated to offer faster and user friendly services. The room inventory, room status, calendar and booking engine work side by side thus real time transactions can be easily be performed. Managing the bookings, payments, refunds, processing commissions, update of data, confirmation of bookings in auto reply modes, facility for pre – check in etc are few functions that are done through PMS.

Reservation Outsourcing: This system is also gaining popularity where a CRS processes reservations received from Internet, telephones and Global Distribution Systems on behalf of hotels. This hybrid group provides reservation systems to clients who wish to monitor their reservation processing while offering all the services of a traditional representation company.

Revenue Management: The PMS provides a secure module for tracking, management, online payments, instant validation of credit/debit card details, analysis of payments and is helpful in identifying outstanding charges or non-payment issues. It also gives facility to work on formulating and implementing data driven revenue management strategies as it generates the reports like ARR. ADR, RevPAR etc. as and when required by the manager. The competitor analysis, rate analysis, market analysis can be done easily through the PMS revenue management module.

Self – Checkout: The fully automated properties give the facility of self-check in and check- out facilities to the hotel guest just like the ones at the airports through the terminals or kiosks in the lobby. The details of the guests are picked up by the terminal the moment the guest swipes the credit card which is Guests can access and review their folios and settle their accounts using the credit card from these terminals directly without having to go to the front desk.

Special Promotions Payment Methods: Here the hotel honors the vouchers, coupons, gift certificates, or special incentive awards received from businesses, airlines or other authorized agencies that work in close association with the hotel for business.

Systemwide Reservations: This denotes a system where the hotel is connected to the national toll free telephone number through the systemwide reservation service. This telephone number is used by the sales and marketing teams to reach out to the potential customers. Any guest who dials this number is connected to the employees in the central

reservation system from where the request is further processed as the person has access to the available rooms with each of the participating hotel in the CRS network.

2.10 REFERENCES/BIBLIOGRAPHY

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2.11 SUGGESTED READINGS

- Front Office Operations and Management- Jatashankar R Tewari, Oxford University Press
- Hotel Front Office Management – James A Bardi Wiley Publications
- Introduction to the revenue management for Hospitality Industry, Principles and Practices for the Real World, An Kimberly Tranter, Trevor Stuart-Hill, Juston Parker, Pearson Publications

2.12 TERMINAL QUESTIONS

1. What is understood by the term Revenue in hospitality business?
2. What are the duties and responsibilities of Revenue Manager play in a hotel?
3. Discuss the Property Management System and its advantages for the hotel.
4. Write short notes on the following:
 - a. Folio
 - b. Self - Check Out
 - c. Annual Budget
 - d. Night Audit Reports
 - e. Preauthorization
5. How does Express Check out assist a hotel and the hotel guests?

UNIT: 03

REVENUE MANAGEMENT: AN INTRODUCTION

Structure

- 3.1 Introduction
- 3.2 Objectives
- 3.3 Customers' Knowledge and Consumer Behavior
- 3.4 Internal Assessment and Competitive Analysis
- 3.5 Economic Principles and Demand Forecasting
- 3.6 Reservations and Channels of Distribution
- 3.7 Dynamic Value-Based Pricing
- 3.8 Channel and Inventory Management
- 3.9 The Revenue Management Team
- 3.10 Strategic Management
- 3.11 Summary
- 3.12 Glossary
- 3.13 References/Bibliography
- 3.14 Suggested Readings
- 3.15 Terminal Questions

3.1 INTRODUCTION

In the simplest terms Revenue Management means how a commercial organization does its business to ensure that profitability is managed at all times ensuring the policies and procedures laid down by it are followed. The goal of Revenue Management is to increase the revenue earned utilizing the strategies and tactics deployed.

In case of hospitality industry the revenue generation is through multiple sources like the income from sale of rooms, food and beverage services, banquet and meeting areas, rentals in shopping arcade, laundry, telephones, theme events, fairs and festivals organized by the hotel etc. The difference in the revenues earned in various shifts and business seasons is due to its dependability of variables like seasonality, political, social and economic stability, service standards, staff skills and customer satisfaction, etc., thus there is a marked difference between the revenue earned in varying periods of business.

The purpose of managing the revenue is to make optimum use of available resources available to the company or even a particular department. Initially the concept of Revenue Management was introduced and applied by aviation companies to assure ideal revenue earning and profits from the limited supply that they had in form of passenger seats on the aircraft. The term encompasses the subsidiary functions like pricing, resource allocation, marketing strategies, departmental policies and procedures to appropriately assess the forecasted revenues. The simple application may be limited to increasing the room rents when the demand is high and supply is low in peak business season. Similarly, reducing the prices when the situation is opposite in lean seasons. Revenue management is a continuous process that has to be looked into throughout the year by adapting and creating new tactics and strategies to increase the sale.

3.2 OBJECTIVES

After learning this unit the learner will be able to

- define Customers' Knowledge and Consumer Behavior
- discuss Internal Assessment and Competitive Analysis
- describe Economic Principles and Demand Forecasting
- distinguish between Reservations and Channels of Distribution

3.3 CUSTOMERS' KNOWLEDGE AND CONSUMER BEHAVIOR

Who is a Consumer? In general everybody is a consumer as we regularly purchase and use the common goods and services as per our choices, budgets, and preferences in everyday life. All such individuals who are potential buyers or are actually using the company's products and services after purchasing them are known as consumers, clients or users.

- A consumer is anyone who engages himself in physical activities of evaluating, procurement, using or disposal of goods and services.
- A customer is one who actually purchases a product or service from a particular organization or a shop.
- A customer is always defined in terms of a specific product or organization delivering the goods and services.

Consumer Behavior: The consumers follow a definite pattern in making a purchase depending on the knowledge and preferences. The way we buy these products like consumables, electronics, industrial goods and services like the ones offered by hospitality operations are dependent on our knowledge, social and economic backgrounds, the exposure to the shopping sites, and our buying power. Therefore, it is very important for any marketing firm to understand their consumers.

Consumer behavior is the study of what preferences and ideas impact the decisions consumers make when they look forward to satisfying a need by engaging in purchase of a good or service. Why and how a purchase is made is of interest to any organization in service or manufacturing sector to develop a product that may be readily accepted to create a larger market base of consumers. The hospitality institutions also study their clientele to understand the nature, types and demands of existing and potential customers to design a service that generates better revenue.

The common factors that influence the buying behavior of a customer can be listed as follows:

1. Product Design
2. Prices and Packaging
3. Marketing and Distribution Methods
4. Family and Reference Group
5. Budget
6. Availability – Demand and Supply
7. Buying Purpose
8. Gender and Age
9. Religious Beliefs and Traditions.
10. Urgency.

Consumer Behavior is ever-changing as it is influenced by time and technological advancements in our daily life. The younger generation now prefers to go on short duration adventure trips as compared to family holidays that were in trend a decade ago. The baby boomers and millennial have emerged as profitable segments for hospitality industry. The guests now prefer contactless check in and checkout, more electronic gadgets in their rooms. In view of the Covid 19 pandemic hotels have also introduced higher safety standards and protocols that are appreciated by the guests who cannot avoid travelling for different reasons.

The behavior of consumers also changes with a change in region, nationality, income level, locations where they stay or are visiting. At the same time there are consumers who prefer low key purchases and go out to make a physical deal despite better options available online.

The hotel gets individual and group business where the needs and motives to go on a vacation are different. The hotel sales and marketing teams need to gather information that can be conveyed to the respective departments for understanding the new needs and wants of potential guests at the hotel. The appropriate knowledge and understanding of hotel guests increases the satisfaction levels and repeat business.

3.4 INTERNAL ASSESSMENT AND COMPETITIVE ANALYSIS

Internal Assessment: Internal assessment relates to the evaluation of an organization's strengths and weaknesses that can be done by management or an external agency appointed for the same. It takes into consideration one on one evaluation of processes, systems, employees, quality of products and services offered by the establishment.

In the new world the importance of value chain has been included in internal assessment in terms of adding on to the satisfaction quotient of hospitality consumers. It includes the following variables:

- a. **Quality Service:** All employees and the management of the hotel organization have a direct or indirect responsibility to assure premium quality services to the guests that can be measured against the price they agree to pay. The hotels have to assess the quality of services offered based on the standard operating procedures that are developed for each task. The SOPs may have to be modified or changed with time to ensure maintenance of service standards.
- b. **Trained and Efficient staff:** When a guest is visiting a good hotel with all facilities the expectation of meeting professional and trained staff on duty cannot be ignored. Every customer expects to be treated in the most hospitable and best manner possible, thus MHCCCH should be certain that the staffs is well-trained and efficient when it comes to dealing with the customers. Along with the annual performance appraisal the hotels should also assess their productivity during the day to day operations also. The performance review process has to be evaluated for best results.
- c. **Satisfaction of customer needs:** The needs and wants of hospitality consumers are varied and cannot be put into a definite arrangement. Each guest has own preferences thus the staff adjusts accordingly whether it's the taste of a dish or the type of room one wishes to stay in. The hotels assess the understanding of the staff about their outlook towards guest satisfaction and they are continuously trained and counselled with respect to the standards set by the organization.
- d. **Marketing and Brand building:** Every hospitality brand has the vision to become the leader in the market it operates. A good reputation helps build the brand. The establishment has to develop ideas and procedures that become enviable for the competing brands in the segment. E.g. The Oberois have followed standard procedures, developed a reputation and subsequently become one of the best brands in hospitality across the world.

Competitive Analysis: The competitive analysis means that the business is evaluating itself against the competitors in the same trade or the ones who offer the similar products and services to the market. This has to be a consistent exercise because the companies in a sector like hospitality have to keep on adding new features to their bouquet if they wish to retain their guests. The competition happens various levels like products, services, marketing strategies, packages, events, etc.

A proper understanding of the competition gives the opportunity to the establishment to reinvent itself, change the offerings like additional services, existing and new competitive properties, upcoming events in the near future. E.g. during the new year time the hotels keep a track of new year ball being hosted by the nearby hotels just to be sure of the expected footfall if the similar event is organized.

This competition amongst the hospitality groups or properties may be analyzed in the following areas:

- **Market Intelligence:** This means that we undertake the primary research and it is followed by a secondary research to ascertain the actual competition and how or why the other hotels gain advantage in the market.
- **Business Advantages:** To understand the positive and negative outcomes of our own branding and marketing strategies. This also results in developing better plans, systems and recruitments in marketing and sales department. Here it is highlighted that what products and services give us an upper edge over our competitors.
- **Brand Building:** The establishments work towards being recognized as better brands against the competitors. To do this we have to keep a track of what new things are being introduced by our direct competitors, also known as the Competitive Set.
- **Demand & Supply:** This is important as if the hotel is hosting an important event it should be clear that what type of activities, food, theme, promotion, etc. should be included so that the demand is increased. When the supply is limited the hotels revise the prices.
- **Core Competencies:** The analysis of how our internal policies, operating procedures, training, skill development, revenue and marketing management, employee engagement are monitored to deliver maximum

results. The hotel also identifies what is the unique selling proposition that can make it lead.

- ***Positioning the property:*** The business development team strives to ensure that our property is properly positioned in the markets so that maximum business is generated irrespective of the seasonality and number of competitors in the market.
- ***Market Share:*** The actual and fair share in the existing market as a whole. Any new brand starts with the minimal share but with correct assessment of markets and adoption of suitable strategies it subsequently increases the market share.

To better understand the competition in the business segments David Parish's checklist abbreviated as "**PRIMEFACT**" can be used:

- a. People:** What are the strengths and weaknesses of our people? Employees, directors, members, associates, advisers and other stakeholders.
- b. Reputation (or Brand):** What is our reputation with our target customers? What are the strengths – or weaknesses – of our brand or brands?
- c. Intellectual Property:** What intellectual property do we have? How is it protected? How easily can it be turned into income streams?
- d. Market Research/ Market Information:** What information do we have about market segments and market trends? What do we know about individual clients and their specific needs?
- e. Ethos (or Values or Culture):** What is our ethos, our values and our organizational culture? Do all stakeholders subscribe to this same ethos?
- f. Finance:** What is the current state of profitability, cash flow and assets? How much money do we have to invest or can we borrow?

- ## CHECK YOUR PROGRESS – I

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- This image shows a single page of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page, leaving small margins at the top and bottom. There are no vertical margin lines, and the page is completely blank except for the lines themselves.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

The economists have suggested numerous concepts that can be used to make informed decisions and finding reasonable solutions to the business and financial problems.

- a. **Opportunity Cost Principle:** This principle comes into use when there is a scarcity of available resources and the organization has to make a decision to choose between them. A decision has to be made in choosing or dropping one or more of such resources. The hotels that operate in highly seasonal environments e.g. dependent on climate; have to take a decision to alter the packages for attracting more guests to the property. The packages have to be modified to add more facilities that are cheaper to offer as compared to facilities that are costly to the company. Retain only key personnel in the low season and make the other employees either sit at home or leave the company to take care of low revenue and controlled expenditure. But there is always a risk of losing many skilled employees who may choose not to come back later.
- b. **Incremental principle:** This principle emphasizes that if the organization wants to increase the profitability it should invest more in production of goods and services with a simple logic that higher investment yields higher returns. The addition of more rooms, food outlets, meeting and banqueting spaces is increase in costs but would

definitely increase the revenues. The impact of such decisions should be assessed for direct impact on costs and revenues.

The two basic components of incremental reasoning are:

- Incremental cost: It is defined as the change in total cost resulting from a particular decision.
- Incremental revenue: The change in total revenue resulting from a particular decision.

The incremental principle states that a decision is a profitable one when:

- It increases revenue more than cost; the sale is higher than the increase in cost incurred.
- It decreases some costs to a greater extent than it increases others
- It increases some revenues more than it decreases others and
- It reduces cost more than revenues.

- c. **Principle of Time Perspective:** Time perspective principle states that the management should always consider the effect of decisions they make in the short term and also in the long run. Every decision has immediate and long range effects thus a careful and considerate path should be undertaken to reach the decision. The General Manager's decision to add more rooms to a property should be discussed not only with the corporate management but also with the team that is involved in the day to day operations at the hotel. This shall lead in finalizing the optimum number of rooms that can be added if the expansion is approved.

Short-run refers to a time period in which some factors are fixed while others are variable. In this time period the hospitality guests respond immediately to any change in prices esp. when they are travelling in lean or peak business season and do not have the choice to make.

While long-run is a time period in which all factors of production can become variable. This can be understood as the response to increase in room prices in a longer duration where the hotel guests have the time to evaluate such change against their personal preferences and choices in selecting the hotel room.

- d. **Discounting principle:** This principle discusses the comparison of value for money in current and future time periods. The bookings done well in advance for the peak business periods fetch cheaper rates as compared to the prices for the same booking done in the corresponding period. E.g. a guest who books the room for celebrating New Year i.e. January 1st in the month of June only, the rates given to him are lower as

compared to the rates given to other guest who makes a similar booking in the month of December.

In most of the businesses cash transaction is preferred as compared to any deferred payment method like payment by credit cards, vouchers etc. as the hotel gets revenue on the same day the sale was made thus the hotels offer better discounts to guests who are ready to settle the bills in cash. The guests or companies that make deferred payments are given lower discounts.

- e. **Equi-marginal Principle:** Also popular as the principle of maximum satisfaction this principle propagates that in order to derive optimum benefits the establishment should put in the available resources in different segments or functions. E.g. in the hotel business the resources can't just be allocated only to one department but they have to be optimally divided between the functional departments that work together to achieve the maximized revenue. This also ensures the satisfaction of functional teams and the guests who are served by such team members.

There are times when the hotel undergoes renovation to add more value to the goods and services provided to the future guests. But the decision to allocate funds should be taken by first understanding which areas would be giving more business after the process is completed. The addition of more banqueting space to a venue which has maximum business from MICE segment is always more profitable than invest in addition of more rooms.

Demand Forecasting: This becomes important only after the potential markets have been properly segmented for better output and the hotel has finalized the tariff structure. The hotel has to now define the quantum of business that would be sourced from these segments to get an approximation of revenue figures in the times to come. The demand fluctuates in markets because of seasonality, economic conditions, trends, new developments and demographic variables like age or gender. When a hospitality organization makes a forecast it also considers the corresponding business period over the last three to five years. This is a consistent process that is done on daily, weekly, monthly, half yearly or yearly basis as there is lot of uncertainty in a way that any untoward incidence in future that may result in unexpected losses can be taken care off.

Any such uncertainty is minimized by doing a reliable forecast; looking into all the variables that may have an impact on revenue. The shortfalls expected should be duly acknowledged in the forecast so that all the people who are involved are prepared for any such probability.

The revenue manager has the responsibility of doing a reliable demand forecast for the business, operating costs, salaries and wages, etc. The pricing for rooms in a five star property changes according to the business season but this decision is taken by the Rooms Division Manager in consultation with the unit's finance head.

Demand forecasting techniques and methods keep on evolving even when we talk about the best properties or brands in hospitality industry. The process gives the best results when the human beings and the automated processes work together. An appropriate demand forecast assures optimal allocation of resources like funds and human resource in varying business periods. The hotel business has to forecast the demands of room business, MICE business, food & beverage sales, ancillary sales to be comfortably placed in the market despite the competition.

3.6 RESERVATIONS AND CHANNELS OF DISTRIBUTION

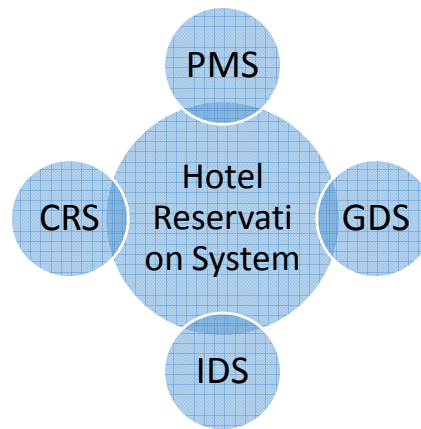
The distribution channels are the resources through which a hotel makes its services reach the potential clients. There are multiple sources of reservations like the traditional travel agencies and tour operators who give business in offline mode, hotels sales teams, hotel employees, etc. but the internet has suddenly taken over the business and gives the sales in bulk. The trendy user today prefers the use of websites and apps for booking a facility at the hotel or a restaurant. The Smartphones are another source that have inbuilt programs and modules along with the smaller booking engine apps. All these together are the distribution channels for a hotel that have made the facility available on the fingertips.

Types of Distribution Channels:

- a. Offline Distribution Channels:** The sources that work in offline mode i.e. without the use of internet. These are telephonic reservations, walk-ins, groups, wholesale/tour business, and the HRS, CRS and GDS. In these channels there is always an intermediary involved thus the prices that a guest gets are a little higher to accommodate the intermediary's commissions.
- b. Online Distribution Channels:** All the channels that make use of internet fall under this category.
- c. Direct Booking Channels:** A direct online booking is a reservation that is made by a traveler directly with a hotel without using an intermediary. The advantage is directly passed on to the customer as the rates quotes are lower than the standard tariff. Direct online channels are hotel's website, mobile app, and brand or group website. For direct bookings, no commissions are paid by the hotel to an intermediary. In some cases the

hotel may pay a booking engine fee, brand fee, pay-per-click fees or other related fees to the hosting company.

- d. **Indirect Booking Channels:** An indirect booking is a reservation made by a traveler through an intermediary website. The intermediary is paid a fee for completing the transaction, as fixed commission or as a fixed percentage of the room rate. They are Online Travel Agents like Expedia, Cox & Kings and their affiliates and assisted booking channels like TripAdvisor's Instant Booking and Book on Google. Metasearch channels like Make my trip, Goibibo, Kayak, Trivago, Google Hotel Ads, TripConnect and Skyscanner act as intermediaries but ultimately send bookings to hotels and OTAs for completion, charging a pay-per-click fee.



- e. **Hotel Website:** The most commonly used distribution channel is the hotel's own website as it is accessed first by the person making a booking. This is also most cost efficient and handy tool for the hotel. The website has the advantage of presenting all the services offered by the hotel to the user. The addition of new information, events and happenings, changes in tariff, pictorial representation get updated as and when they happen thus letting the site visitor see all developments in one go. The revenue earned here is completely coming to the hotel as no share has to be given to any intermediaries.
- f. **Online Travel Agents (OTAs):** As the name suggests these are the channels of distribution that work using their own booking platforms. These OTAs have multiple brands for which they are working and giving business unlike the hotel CRS that is linked just to one property. The commissions are negotiated based on the number of room nights, payment & credit terms. This is one important link between the customer and the hotel.
- g. **Global Distribution Systems (GDS):** A network that offers multiple services to clients at multiple locations across the world. The services include everything from

booking a hotel, a taxi, getting a travel ticket for different modes of travel under the same umbrella. This global consolidation of services is convenient for guests who are travelling larger distances and need all the above services. Travelsky, Travelport, SABRE, Worldspan and Amadeus are some of the leading GDS systems in the world. The key to success with this distribution channel is to keep information up-to-date, so that rates remain competitive.

CHECK YOUR PROGRESS – II

1. Write a brief note on demand forecasting.

2. Write a brief note on Distribution channel.

3.7 DYNAMIC VALUE-BASED PRICING

When the hotel offers a percentage discount on the BAR (Best Available Rates) to the corporate accounts the pricing is known as dynamic. Such pricing gets adjusted automatically as per the yield policies applied to the tariff structure. This is also termed as demand pricing, time based pricing or surge pricing where in the final price is calculated on the basis of existing market demand.

Dynamic pricing makes the use of artificial intelligence to understand and assess the demands of potential and current buyers by making use of information input like length of stay, room and food preferences, trip timing, likes and dislikes about services and hotel features, seasonality, ARR, occupancy driven booking restrictions ; keeping an eye on the competitor prices.

Advantages of Dynamic pricing

- Helps in reaching out to a larger customer base and OTAs.
- Real-time Updation of information.
- Easy access to different room types with hoteliers facilitated to adapt their offerings as per the occasion.
- Pricing is real - time-based.
- Room Rates can be changed based on demand.
- Accuracy in forecast thus an increase in RevPAR may be seen.
- It enables hoteliers to increase their profit margins even at lower room rates by raising their quality of service.
- Change in prices based on what the guest is willing to pay against the services and amenities.
- Pricing control by keeping a track of market prices.
- Gives best rates in all business periods in auto mode.

3.8 CHANNEL AND INVENTORY MANAGEMENT

In hospitality industry revenue management practices the channel or inventory management denotes the control applied to different distribution channels through whom the business is generated. The purpose of the inventory management is to keep a check on yield against investment and profits against the expenditure.

- a. **Price Control:** The change of rates as per business season is ensured to maximize the return in peak and valley periods. Discounts, incentives, commissions, additional charges to OTAs, website hosts are controlled by use of dynamic pricing.
- b. **Distribution Control:** The hotels have the right to decide the share or quantum of business that can be generated via the different sources. The channels that give good business and timely payments may be offered a larger number of room nights at lower prices. Similarly, the front desk agents, sales and marketing team members may be given specific targets to be achieved in terms of both the booking and revenue. All the intermediaries may be given specific business targets for availing the desired percentage of return.
- c. **Market Segmentation:** Hospitality organizations have to divide the entire market into smaller segments to identify the most profitable segments out of all. This also helps in recognizing the segments where the demands may be higher but the profits are lower thus assisting the revenue team to make a decision to drop or continue doing business with such segment.
- d. **Integrated System:** The integration of processes and systems is important to manage the room bookings, room rates, occupancy, and channel distribution at the same time to enable the hotel to earn maximum revenue from the hotel systems as well as the partner channels.
- e. **Decision Making:** All the decisions related to pricing, inventories, operating ratios like ADR, ARR, RevPAR, BAR, promotional campaigns and forecast are easy to make with availability of accurate data.

3.9 THE REVENUE MANAGEMENT TEAM

In hospitality operations a strong revenue management team always gives advantages by assuring a check on opportunities in the markets. A professionally trained team in this area takes care of the ever growing competition in the industry and also informs the senior personnel about the recent changes in demands of the guests and business partners.

Revenue Manager: All the revenue management teams are headed by the revenue manager who takes care of the processes, procedures, implementation of strategies and tactics, recruitment and performance evaluation of team with the sole aim of maximizing the establishment's revenue.

The primary role of the revenue manager is to maximize the businesses' opportunity for revenue and profits. In order to do that, the revenue manager is in charge of compiling and analyzing data to make decisions regarding pricing. The revenue manager compiles data on the business as well as the competition. They keep up with market changes and identify trends.

Qualities of a successful Revenue Manager:

1. Keeping a track of hotel's performance in the day after the night audit is done by analyzing the Flash Reports, Daily Business Summary, Departmental Revenue and Expenditure Reports in reference to MTD & YTD figures against the allocated budget.
2. The revenue manager must be aware of the performance of the identified market segments to create a value proposition.
3. Assuring that information is collected for assessing the packages, discount policies, etc. for proper review and modifications if necessary.
4. Pace Report Analysis is essential to be done so that the current performance of the business may be mapped as per the forecast.
5. Clear understanding of inventory control to be able to identify the lean and sold out days in business for making decisions related to holding the business, blocking the rates, restriction on days and rates etc.
6. Assessment of cancellations, over bookings, no show, early departures etc.
7. Price Analysis is an important quality of revenue manager to formulate pricing strategy to assure highest volumes in booking.
8. Ability to review the competition and do the market share analysis in the fast changing markets. It is important to look into the differential of actual share and fair share in the given market.

3.10 STRATEGIC MANAGEMENT

Strategic Management: The word strategy is derived from the Greek word "STRATEGIA" which means the art and science of directing the military forces. A strategy can be defined as an integrated, inclusive and cohesive plan of a business entity to meet the set targets.

Every organization faces intense competition in the business environment day in and day out therefore to meet these challenges the strategy management becomes the central task. The strategy formulation is systematic and well researched outcome of proper planning. It includes the plans to stand against the competitors and to stay ahead of the competitors.

Functional Strategy: A department in a hotel represents one function therefore the strategy that is helpful in managing the daily operations and procedures becomes functional strategy. The development of SOPs is part of functional strategy as the focus is to improve efficiency and increase productivity on individual and collective levels.

Business Strategy: Next level of strategies is that of Business Strategy that is formulated to assure that the organization attains a respectable and long standing positioning in the markets. The checks that a hotel keeps on its competitors to ascertain the rates, occupancies and business segments are necessary for staying in a competitive market.

Corporate Strategy: The highest level of strategy is Corporate Strategy. It defines the comprehensive long term thinking of the central team for managing the actual business, its subsidiaries, branches, and multiple services it offers to the market. This includes the strategies focused on expansion, modification in products and services, adding dropping a particular segment etc. In hospitality organization this may be inclusion of new category of hotels to an existing set or upgrading an economy hotel to a higher star rated property.

Reverse Mapping (RevMAP): RevMAP Model is the framework that assists in judging the overall impact of the strategic management process. “RevMAP” is expanded as Reverse Mapping which gives an insight into careful development, implementation and evaluation of the strategies formulated at the three levels of functional, business and corporate. This can be understood as reviewing the entire set of strategies to evaluate their effectiveness on the employee productivity and business revenue generation. It has tools to forecast the trends and upcoming developments in the sectors that the establishment is doing business. It not only looks into the company’s growth strategies but also takes care of individual career progression of employees and managers.

RevMAP also gives an input for evaluating the offline and online reviews of the hospitality services users about the organization and its competitors to understand the new demands and booking patterns. The products and services of a hotel can be evaluated for different variables that constitute overall experience of the guest. A justified self-appraisal of the reviews paves the path to create policies and procedures that would have a direct effect on the business’s reputation. Good reviews and ratings definitely help the hospitality brand to attract more business and influence the buyers who may simply be surfing the internet looking for awesome properties and destinations.

Revenue Management Tools & Tactics: The revenue management has many constituents that become applicable at different times of the business seasons. These basic tools and tactics are utilized by the functional managers depending on the skills and resource availability.

Some of the basic techniques in practice are:

- **Inventory Management:** Each market segment is evaluated for inventory allocation and the inventory may be reduced if the targets are not met or added if the segment is expected to give better returns. Here the discounts, packages, change in rack rates, change in commissions may be agreed on.
- **Cost Control:** The expenses incurred and other costs are continuously checked to keep a close watch on whether the costs are as budgeted or have gone up / down. Some marginal costs can be curtailed if the room are unsold e.g. the housekeeping staff does not replenish the supplies in vacant and ready rooms. The amenities like cookies and fruit baskets are also placed only after the front desk notifies.
- **Forecasting:** The functional departments keep on updating the forecast to be able to assess the demand and supplies in terms of human and mechanical resources. E.g. Front Office circulates the daily arrival reports with other functional departments, the auditor shares financial reports with the GM and all heads of departments for a factual picture of revenue.

HIGH DEMAND TACTICS

- **Close or restrict discounts** – The percentages of discounts may be reduced or done away with in the peak seasons but it may be increased when the business is low.
- **Apply minimum length of stay** – This becomes useful when we are nearing the closure dates of highest occupancy in hotels. In such a case anyone booking a stay for less than two nights may not be given the booking despite availability as the demand is in excess.
- **Reduce group reservations** – The business from FITs is always high as they travel independently and make purchase decisions without any restrictions.
- **Reduce or eliminate non-guaranteed reservation** – The non-guaranteed reservations are informed well in advance about the Cut Off Dates and then they

are strictly adhered to. The hotels may put a restriction of taking the non-guaranteed reservations.

- **Apply early deposits to maximize early departures** – For any guests willing to arrive early and have a room at that hours may be asked to make an advance deposit.
- **Raise room rates-** The hotels follow a pattern of two tariff structures depending on half yearly duration. The tariff from April to September is lower as compared to the applicable tariff from October to March in Indian Subcontinent.

LOW DEMAND TACTICS

- **Sell hotel facilities and benefits** – The outlets and services that are restricted to resident guests are opened for all guests.
- **Offer packages** – The new packages are prepared and shared with potential guests through the travel companies and hotel websites.
- **Accept discounts to encourage room night:** The offers like giving two nights stay at the cost of one adds to extra revenue from other services in the hotel and encourages the guests to stay a little longer than scheduled.
- **Encourage and provide incentives to staff for increasing occupancy** – The team members involved directly and all those who can contribute to an increased the business be it from the room or other services should be given an incentive thus encouraging them to be active in business generation.
- **Encourage upgrades** – A hotel guest who generally stays in a pre-decided category may be given the room from the next category just to let one experience the comfort and luxury without any extra charges may just motivate for booking a higher category room on next visit.
- **Establish relationships with competitors to share** – The hotels in the city in the similar category should communicate with each other for sharing business that is not coming their way due to high occupancy or distance from the city centers. The information on tariff is also to be shared to assure that no hotel offers predatory rates.

- **Offer stay-sensitive price incentives –**
 - Provide discounts for guest who stays longer
 - Guest with a five days stay may get a discount while a guest with two days stay may not.
 - Provide freebies like movie tickets, site seeing, shopping coupons from the hotel's concessionaire.

REVENUE MAXIMIZATION TOOLS

1. Capacity Management or Selective Overbooking –the hospitality organizations should be extremely conscious of overbooking practices followed by them as a small mistake may lead to loss of good clients. Overbooking percentage has to be carefully calculated on the basis of historical data available with the functional manager. All elements like overstays, under stays, cancellations and no shows, etc. have to be considered before arriving on a final percentage of overbooking to be done.

The number of rooms available for sale may be reduced thereby reducing the inventory and marginal costs. Entire floors or blocks may be taken out of saleable room inventory and may be used for major renovations or repairs.

2. Discount Allocation or Differential Pricing – In hotel business pricing plays an important role in decision making of a potential customer. The optimum value for money is expected by each guest thus pricing should be at par with the expectations of the customers. The price is elastic in varying periods of the year due to gaps in demand and supply. E.g. in the lean season it is advisable to apply discounts and discourage front desk executives from insisting to sell on rack rates only. Sales and marketing department may be involved with the reservations to reach out to maximum number of customers through the respective data bases. Meal Plans at lower prices attract good business. The sources partners should be offered higher commissions to divert more business.

3. Duration/ Room Night Restriction – This becomes a handy tactic to increase the revenue as long stays may be reduced to get new guests. Restrictions in number of minimum room nights is done in off season and limiting the maximum number of room nights if not on rack rates is useful in peak season.

1. Write a brief note on strategic management.

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3.11 SUMMARY

In this unit we have learnt about Customers' Knowledge and Consumer Behavior, Internal Assessment and Competitive Analysis, Economic Principles and Demand Forecasting, Reservations and Channels of Distribution, Dynamic Value-Based Pricing, Channel and Inventory Management, The Revenue Management Team, and Strategic Management in detail.

3.12 GLOSSARY

Brand Building: The establishments work towards being recognized as better brands against the competitors. To do this we have to keep a track of what new things are being introduced by our direct competitors, also known as the Competitive Set.

Business Advantages: To understand the positive and negative outcomes of our own branding and marketing strategies. This also results in developing better plans, systems and recruitments in marketing and sales department. Here it is highlighted that what products and services give us an upper edge over our competitors.

Business Strategy: Next level of strategies is that of Business Strategy that is formulated to assure that the organization attains a respectable and long standing positioning in the markets. The checks that a hotel keeps on its competitors to ascertain the rates, occupancies and business segments are necessary for staying in a competitive market.

Capacity Management or Selective Overbooking –the hospitality organizations should be extremely conscious of overbooking practices followed by them as a small mistake may lead to loss of good clients. Overbooking percentage has to be carefully calculated on the basis of historical data available with the functional manager. All elements like overstays, understays, cancellations and no shows, etc. have to be considered before arriving on a final percentage of overbooking to be done.

Consumer Behavior: The consumers follow a definite pattern in making a purchase depending on the knowledge and preferences. The way we buy these products like consumables, electronics, industrial goods and services like the ones offered by hospitality operations are dependent on our knowledge, social and economic backgrounds, the exposure to the shopping sites, and our buying power. Therefore, it is very important for any marketing firm to understand their consumers.

Core Competencies: The analysis of how our internal policies, operating procedures, training, skill development, revenue and marketing management, employee engagement are monitored to deliver maximum results. The hotel also identifies what is the unique selling proposition that can make it lead.

Corporate Strategy: The highest level of strategy is Corporate Strategy. It defines the comprehensive long term thinking of the central team for managing the actual business, its subsidiaries, branches, and multiple services it offers to the market. This includes the strategies focused on expansion, modification in products and services, adding dropping a particular segment etc. In hospitality organization this may be inclusion of new category of hotels to an existing set or upgrading an economy hotel to a higher star rated property.

Cost Control: The expenses incurred and other costs are continuously checked to keep a close watch on whether the costs are as budgeted or have gone up / down. Some marginal costs can be curtailed if the room are unsold e.g. the housekeeping staff does not replenish the supplies in vacant and ready rooms. The amenities like cookies and fruit baskets are also placed only after the front desk notifies.

Demand and Supply: This is important as if the hotel is hosting an important event it should be clear that what type of activities, food, theme, promotion, etc. should be included so that the demand is increased. When the supply is limited the hotels revise the prices.

Demand Forecasting: This becomes important only after the potential markets have been properly segmented for better output and the hotel has finalized the tariff structure. The hotel has to now define the quantum of business that would be sourced from these segments to get an approximation of revenue figures in the times to come.

Direct Booking Channels: A direct online booking is a reservation that is made by a traveler directly with a hotel without using an intermediary. The advantage is directly passed on to the customer as the rates quotes are lower than the standard tariff. Direct online channels are hotel's website, mobile app, and brand or group website. For direct bookings, no commissions are paid by the hotel to an intermediary. In some cases the hotel may pay a booking engine fee, brand fee, pay-per-click fees or other related fees to the hosting company.

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Duration/ Room Night Restriction – This becomes a handy tactic to increase the revenue as long stays may be reduced to get new guests. Restrictions in number of minimum room nights is done in off season and limiting the maximum number of room nights if not on rack rates is useful in peak season.

Dynamic Value-Based Pricing: When the hotel offers a percentage discount on the BAR (Best Available Rates) to the corporate accounts the pricing is known as dynamic. Such pricing gets adjusted automatically as per the yield policies applied to the tariff structure. This is also termed as demand pricing, time based pricing or surge pricing where in the final price is calculated on the basis of existing market demand.

Forecasting: The functional departments keep on updating the forecast to be able to assess the demand and supplies in terms of human and mechanical resources. E.g. Front Office circulates the daily arrival reports with other functional departments, the auditor shares financial reports with the GM and all heads of departments for a factual picture of revenue.

Functional Strategy: A department in a hotel represents one function therefore the strategy that is helpful in managing the daily operations and procedures becomes functional strategy. The development of SOPs is part of functional strategy as the focus is to improve efficiency and increase productivity on individual and collective levels.

Global Distribution Systems (GDS): A network that offers multiple services to clients at multiple locations across the world. The services include everything from booking a hotel, a taxi, getting a travel ticket for different modes of travel under the same umbrella. This global consolidation of services is convenient for guests who are travelling larger distances and need all the above services. Travelsky, Travelport, SABRE, Worldspan and Amadeus are some of the leading GDS systems in the world. The key to success with this distribution channel is to keep information up-to-date, so that rates remain competitive.

Hotel Website: The most commonly used distribution channel is the hotel's own website as it is accessed first by the person making a booking. This is also most cost efficient and handy tool for the hotel. The website has the advantage of presenting all the services offered by the hotel to the user. The addition of new information, events and happenings, changes in tariff, pictorial representation get updated as and when they happen thus letting the site visitor see all developments in one go. The revenue earned here is completely coming to the hotel as no share has to be given to any intermediaries.

Incremental principle: This principle emphasizes that if the organization wants to increase the profitability it should invest more in production of goods and services with a simple logic that higher investment yields higher returns. The addition of more rooms, food outlets, meeting and banqueting spaces is increase in costs but would definitely increase the revenues. The impact of such decisions should be assessed for direct impact on costs and revenues.

Indirect Booking Channels: An indirect booking is a reservation made by a traveler through an intermediary website. The intermediary is paid a fee for completing the transaction, as fixed commission or as a fixed percentage of the room rate. They are Online Travel Agents like Expedia, Cox & Kings and their affiliates and assisted booking channels like TripAdvisor's Instant Booking and Book on Google. Metasearch channels like Make my trip, Goibibo, Kayak, Trivago, Google Hotel Ads, TripConnect and

Skyscanner act as an intermediaries but ultimately send bookings to hotels and OTAs for completion, charging a pay-per-click fee.

Inventory Management: Each market segment is evaluated for inventory allocation and the inventory may be reduced if the targets are not met or added if the segment is expected to give better returns. Here the discounts, packages, change in rack rates, change in commissions may be agreed on.

Market Intelligence: This means that we undertake the primary research and it is followed by a secondary research to ascertain the actual competition and how or why the other hotels gain advantage in the market.

Market Share: The actual and fair share in the existing market as a whole. Any new brand starts with the minimal share but with correct assessment of markets and adoption of suitable strategies it subsequently increases the market share.

Marketing and Brand building: Every hospitality brand has the vision to become the leader in the market it operates. A good reputation helps build the brand. The establishment has to develop ideas and procedures that become enviable for the competing brands in the segment. E.g. The Oberois have followed standard procedures, developed a reputation and subsequently become one of the best brands in hospitality across the world.

Offline Distribution Channels: The sources that work in offline mode i.e. without the use of internet. These are telephonic reservations, walk-ins, groups, wholesale/tour business, and the HRS, CRS and GDS. In these channels there is always an intermediary involved thus the prices that a guest gets are a little higher to accommodate the intermediary's commissions.

Online Travel Agents (OTAs): As the name suggests these are the channels of distribution that work using their own booking platforms. These OTAs have multiple brands for which they are working and giving business unlike the hotel CRS that is linked just to one property. The commissions are negotiated based on the number of room nights, payment & credit terms. This is one important link between the customer and the hotel.

Opportunity Cost Principle: This principle comes into use when there is a scarcity of available resources and the organization has to make a decision to choose between them. A decision has to be made in choosing or dropping one or more of such resources. The hotels that operate in highly seasonal environments e.g. dependent on climate; have to take a decision to alter the packages for attracting more guests to the property. The packages have to be modified to add more facilities that are cheaper to offer as compared to facilities that are costly to the company.

Positioning the property: The business development team strives to ensure that our property is properly positioned in the markets so that maximum business is generated irrespective of the seasonality and number of competitors in the market.

Revenue Manager: All the revenue management teams are headed by the revenue manager who takes care of the processes, procedures, implementation of strategies and tactics, recruitment and performance evaluation of team with the sole aim of maximizing the establishment's revenue.

Reverse Mapping (RevMAP): RevMAP Model is the framework that assists in judging the overall impact of the strategic management process. "RevMAP" is expanded as Reverse Mapping which gives an insight into careful development, implementation and evaluation of the strategies formulated at the three levels of functional, business and corporate. This can be understood as reviewing the entire set of strategies to evaluate their effectiveness on the employee productivity and business revenue generation. It has tools to forecast the trends and upcoming developments in the sectors that the establishment is doing business. It not only looks into the company's growth strategies but also takes care of individual career progression of employees and managers.

Strategic Management: The word strategy is derived from the Greek word "STRATEGIA" which means the art and science of directing the military forces. A strategy can be defined as an integrated, inclusive and cohesive plan of a business entity to meet the set targets.

3.13 REFERENCES/BIBLIOGRAPHY

- Jatashankar R. Tewari— Hotel Front Office Operations and Management - Oxford University Press.
- Sudhir Andrews- — Hotel Front Office a Training Manual - Tata Mc Graw Hill Companies.
- S.K. Bhatnagar- — Front Office Management - Frank Bros & Co.
- James A. Bardi- — Hotel Front Office Management - Van Nostrand Reinhold, New York

3.14 SUGGESTED READINGS

- Front Office Operations and Management- Jatashankar R Tewari, Oxford University Press
- Hotel Front Office Management – James A Bardi Wiley Publications
- Introduction to the revenue management for Hospitality Industry, Principles and Practices for the Real World, An Kimberly Tranter, Trevor Stuart-Hill, Juston Parker, Pearson Publications

3.15 TERMINAL QUESTIONS

1. What is understood by Revenue Management?
2. Explain Low Demand and High Demand Practices in hospitality business.
3. Discuss the advantages of Dynamic Pricing.
4. What are the best channels of distribution in hotel industry?
5. Write short notes on the following:
 - a. RevMAP
 - b. Understay
 - c. Corporate Strategy
 - d. Duration & Rate Restriction

UNIT: 04

MANAGING HUMAN RESOURCE, SAFETY AND SECURITY

Structure

- 4.1 Introduction
- 4.2 Objectives
- 4.3 Staffing Challenges
- 4.4 Recruitments & Training
- 4.5 Gearing for Interviews
- 4.6 Managing Hospitality
- 4.7 Promoting in house sales
- 4.8 Handling Emergencies
- 4.9 Managing Guest Safety & security
- 4.10 The role of Supervisor and Managers Responsibilities
- 4.11 Summary
- 4.12 Glossary
- 4.13 References/Bibliography
- 4.14 Suggested Readings
- 4.15 Terminal Questions

4.1 INTRODUCTION

The revolution in the Information technology has brought significant and drastic changes in our day-to-day life. Indian software professionals made significant strides in the information technology industry of USA. Employees of Rourkela Steel Plant turned the loss-making unit into a profit-making company, whereas most of the public sector companies like Hindustan Machine Tools Ltd. (HMT), and Hindustan Cables Ltd., became sick. Thus, there are several number of live examples available where people or employee can make or mar an organisation. Therefore every company or organisation is deeply interested in having an answer to this question that How to induce the employees or people to make an organisation but not to mar it.

Today it is unanimously accepted by all the organizations that Human resource or manpower has a paramount importance in the success of any organization because most of the problems in organizational setting are human and social rather than physical, technical or economical failure. In the words of Oliver Sheldon, “No industry can be rendered efficient so long as the basic fact remains unrecognized that it is principally human.”

4.2 OBJECTIVES

After learning this unit the learner will be able to:

- Identify Staffing Challenges
- Define Recruitments and Training
- Prepare for conducting Interviews
- Describe Managing Hospitality
- Promote in-house sales
- Deal with Emergencies
- Describe Guest Safety & security
- Perform the role of Supervisor

4.3 STAFFING CHALLENGES

Staff Turnover: Hospitality industry has one of the highest staff turnovers in the Tier I or entry level jobs as the profession is stressful in terms of mental and physical wellbeing of an individual. The comparative low salaries with respect to other professions also makes it difficult for the human resource manager to get skilled and qualified staff. A slight change of salaries and benefits motivates people to switch jobs and companies. The skilled employees leave the organization if they are not valued and not recognized in due time.

Competency: The competency of staff members has to be upgraded regularly since the possibility of getting a team member who matches the job specifications and job descriptions to hundred percent is nil. The availability of qualified manpower is there but the changing demands of industry block their progression despite being efficient therefore they have to be given the facility of training and retraining at the cost of the hotel.

Staff Retention: The retention of staff is a major issue with HR as it is difficult to differentiate a guest who may be a possible recruiter from a regular guest. The employees tend to change jobs on the same emoluments if they have a chance to move from a 3 star property to a 5 star property.

Long Work Hours: Despite the availability of appropriate manpower the hotels generally employs 20% to 30% lesser staff thereby transferring the burden to the employees on board. This has a huge impact on health and psychological conditions of staff members. This leads to poor efficiency, deliberate wastage of resources and a fall in guest satisfaction from services.

Cultural Diversity: The management has crucial role in managing the cultural diversity as the customers and employees both come from varied backgrounds. The challenge is to ensure that all such staff members from diverse backgrounds are acknowledged. The differentiation of religion, castes, locations, cities have to be eliminated to form a responsive and cohesive team.

Recruitment Process: In search of promising and outgoing candidates and a significantly large number of applicants the process of hiring becomes tiring and time taking, resulting in better candidates leaving the opportunities and picking other jobs in similar organizations. The wastage of time and effort from the hotel's HR department becomes evident.

4.4 RECRUITMENTS & TRAINING

Every hospitality institution has to undertake the recruitments and training process almost round the year to have sufficient number of employees on board and to assure that they are up-skilled consistently. The managers in the departments are continuously inclined with the HR & Training division for recruiting, training, appraising, solving issues that may become discouraging for staff.

Job Descriptions and Job Specifications: Clarity of job specifications and job descriptions is essential for hiring the right person for the right job. The positions and its requirements have to be clearly defined so that the human resource department can shortlist the suitable candidates only.

Application Process: An easy application process is the way the organization assures maximum candidates to apply for the advertised jobs. Asking for too many details which are irrelevant at the shortlisting stage make the applicants leave the application process in between. Upload of too many documents especially for lower levels of hierarchy is not comfortable for a fresher. Now a days with the facility of online scrutiny and shortlisting without human intervention should be applied to the recruitment processes.

Career Section in Website: The website itself should be appealing to the candidates, projecting a professional image of the organization. The career section should be regularly updated, properly segregated as per departments, positions and hierarchy to make the applicant complete the process ASAP. It should also mention the career progression, benefits and additional facilities the company would be offering once the person joins.

Job Advertisements& Brand Image: The vacancies must be posted sequentially and in co-relation with the brand image the establishment carries. Job advertisements whether in

print media or electronic media should be carefully designed to attract the attention of job seekers and associated who help us in getting better employees. The reputation of the brand has to be reflected in the brief connect of readers and the company. The potential candidates need to be convinced for applying.

Referrals: There are many forms of referral candidates for any establishment in the process of selection. The most suited is employee referral as it takes care of major part of background verification that is done by the company. At the same time the employees also get valued and may also be given incentives for helping in the process. Training and Placement Officers in hospitality institutions who are in continuous touch with the hotel also become good sources of referrals in case of urgent requirements. These potential referees may be easily reached using the social media that is one of the most efficient and time saving modes of communication.

Assessments: With change in times the probable, shortlisted candidates may be asked to undergo a professional assessment which are done online. Psychometric testing has become common with bigger brands especially when recruiting at senior positions. This makes the job of hotel HR professional easier and saves substantial resources.

The process of recruitment at a hotel may be understood as follows:

1. Forwarding of vacant positions to the HR and Personnel department by respective HODs with Job Specifications and Job Descriptions.
2. Assessment and finalization of vacancies in common meetings for justification with respect to essential qualifications and experience.
3. Identifying the Sources of recruitment: Employee referrals, Print and Electronic Media, Social Media, Company, Group and partner Websites, Employment Agencies, Colleges and Training Centers, etc.
4. Short listing of suitable candidates by evaluating against details shared in advertisements in HR.
5. Sharing the details with respective HODs for verification and further inputs.
6. Online Assessment and psychometric testing if applicable.
7. Evaluation of results by HR and forwarding it to departments.

8. Personal interview and selection. Online interviews may be conducted for candidates who cannot travel or appear for PI.
9. Issue of Joining Letter to selected candidates.
10. Completion of joining formalities on the day the candidates report.

TRAINING: Hospitality organizations have their own systems and processes that need to be practiced regularly to align oneself with the organizations' goals and objectives. The variety of positions, functions, roles and responsibilities, qualifications and experience have made training an integral part of the hospitality ecosystem. The requirements for a doorman or a valet is much different from that of a bartender or a front desk executive but when they work they are true representatives of the brand's values and culture. The hotel's training department continuously works to add skilled professionals by providing the employees the opportunities for learning and development. The process begins right from the day of induction into the hotel and the department the person in joining and continues irrespective of the positions the person reaches in the time spent with the organization.

The schedule of training is circulated to the departments with a view to enable the heads and supervisors to get relieved and to relieve the designated individuals to join the training sessions organized under the guidance of specialists in the trade. The outcomes of training activities are evaluated on the job by reporting authorities in terms of performance and attitude of the employee. Training is also a key to establishment of common standards of services across the hotel's brands.

The training includes everything from making a person conversant, improving communication skills, team building, acceptance of diversity, positive attitude building to the professional guests' interaction assuring the highest satisfaction from the brand's services.

At different levels of hierarchy and recruitment stages the training may be given both on and off the job. The skills of a particular job role are taught and practiced in on the job mode whereas software training may be imparted in offline modules.

4.5 GEARING FOR INTERVIEWS

A person interested to make a career in the hospitality industry should be very well prepared to go through the recruitment process. An important stage of the process is personal interview where the candidates interact with senior departmental and management team.

Some basic essentials for appearing in the interview are as follows:

1. **Collect the company information:** The candidate should take time to find out relevant information about the brand, hotel and parent company. The employer may ask questions related to the hotel and if the candidate answers them accurately the chances of selection are higher as it shows the interest.
2. **Personal Grooming and Dressing:** Every potential employer evaluates the candidates in the first instance by observing the way the person is groomed and dressed. A formal dress preferably a business suit, with matching accessories is essential. A professional outlook also becomes helpful in a situation where the candidate may be slightly lacking in skills. The hotels select such individuals as they have the confidence to learn and improve with next sessions of training at the hotel.
3. **Patience:** This is an important quality being observed silently throughout the waiting period outside the interview rooms. The candidates need to be patient while awaiting their turn. Any signs like hastily moving around, shaking legs, opening and checking the documents many times, frequently going through the notes are noticed and may lead to rejection in the personal interaction. It is always a good idea to visit the venue beforehand if possible as a common guest and keenly observe the standards set at the hotel in services.
4. **Practice:** Success depends on preparation thus before the interview practicing how to respond to probable questions, situations is a good sign. Take help of the colleagues and check online for questions and answers related to the department and position applied for.

Some probable questions may be:

- What do you know about our establishment?
- Why do you want to work for our company?
- How long do you plan to stay with this company?
- Why you did leave/why are you leaving your last position?
- Describe an instance where a guest was unhappy, and how you handled the situation.
- Describe an instance where you had to disappoint a guest, and how you handled the situation.
- What are the essentials of excellent guest service?

1. Write a brief note on Staffing Challenges.

This image shows a blank sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.[illegible]

4.6 MANAGING HOSPITALITY

Hospitality operation management is a mix of administrative, business, personnel, managerial, interpersonal and practical skills. The range of products and services is so wide that fitting it all in one frame is almost impossible. A manager in the hospitality brand has multitude of skills that are learned and practiced over time. The entire focus of the management is to look into making a hotel guest's stay comfortable and memorable. The old adage ideologies like; "A Home away from Home" and "The guest is always right" require the senior people to have a broader outlook and be concerned about keeping the team motivated under all situations.

The change in management styles is visible in the way the employees get promoted from the entry levels to the senior positions as they learn the technical, human skills and progress to conceptual skills. The job opportunities improve with the staff members becoming proficient at skills necessary for being excellent managers. The hotels need managers in various roles and departments like the General Manager, Front Office Manager, Executive Housekeeper, Executive Chef, Food & Beverage Manager, Human Resource Manager, Unit Finance Controller, etc. Their responsibility include daily operational success with financial goals in mind and team building. But hospitality industry also has the roles of managers on cruise lines, casinos and event management also.

The common roles and responsibilities shared by the management can be listed as:

- Managing the departmental operations.
- Staff appraisal and performance review.
- Budgeting and Revenue Management.
- Employee Engagement.
- Creating a strong brand image.
- Customer interactions, solving all issues and complaints.
- Conceptualizing new inputs for business improvement.
- Recruitment and Training.

4.7 PROMOTING IN HOUSE SALES

In-house sales is referred to as merchandising that is used to promote the products and services available at the hotel by promoting them in the rooms, elevators, public areas and guest interaction areas. This yields better sales as the average spending per customer increases. The new launches are managed through this as it directly communicates with the resident guests in the hotel. A simple picture display card showing the Chef's Special for

the Day or a tent card in the room inviting guests for an evening dinner with special theme is an example of in house promotion.

Happy Hours at the Bar are intended to add to the bar sales volume. A free dessert and coffee course with a regular meal may motivate guest to order a particular menu which may not be so popular. Gueridon Trolley service in the restaurant acts as a catalyst for the guests and the showmanship of the server influences buying decisions.

Merchandising may also include giving free coupons and incentives to the frequent travelers and visitors to the hotel or dining outlets. There are multiple in houses sales promotion tools used in the hotels which may be used singly or in combination.

Tent Cards: The neatly folded cardboard tent cards are useful for in room promotions and menu promotions on individual guest table in a restaurant. These can also be used to promote social and environmental causes like asking the guest to fold the towels if they do not want them to be washed just to save water.

Floor Stands: These are bulletin or information boards that are used to share information about special events in the hotel with venue and time conveniently displayed. These are useful in the cases where we may have guests waiting for a table at the dining outlet or awaiting a check-in at the lobby.

Pictures and Posters: Interesting activity pictures are displayed in corridors and elevators prompting them to make purchases. In the restaurants and bars pictures of food specialties, cocktails and mocktails give a clearer view of what shall be served.

Touch Screen Panels: Interactive screen displays have been introduced in lobbies of the hotels to gather information about products and services at the touch of fingertips. They are huge screens in where the guests can avoid going to the desk executives and get the information themselves.

Illuminated Wall Displays: These are visible in any fast food outlet one visits which is self-service oriented. The displays also have pictures with the prices and a brief narration of the dish assisting the buyer to select the items of preferred taste or flavor.

Clip-Ons: Menu clip-ons are most commonly used in restaurants to advertise specialty items e.g. plat d'jour, special table d'hote lunches offered in an a la carte restaurant and so on; they may also be used on wine lists to promote a particular wine or region.

Children's Menus: Most of the food outlets now offer a special menu for children to keep them engaged and interested in the dishes of their liking. This gives a little extra time for serving orders to the remaining members and also add to the sales of the outlet.

Pastry and Chocolate Displays: Hotels feel proud in promoting their own produce and special items prepared by the hotel's bakery. These displays are often placed in the lounges and waiting areas.

Flambé Trolleys/ Wine Carts: The specialty restaurants may include these carts to upsell the menu items and wines available at the outlet. The trolleys may also present an assortment of desserts, horsd'oeuvres, carving joints, cigars etc.

4.8 HANDLING EMERGENCIES

Hotel operations may experience unwarranted situations that demand utmost sincerity and professional attitude from the staff members to keep the guests calm. The emergencies may arise due to natural disasters, technical failures, human errors, etc. thus the hotel employees are supposed to assist and supervise the rescue work.

- e. **Fire Emergency:** It may happen as most of the equipment used in the hotel is electrical and the cooking operations are using fossil fuels which may cause fires if not handled properly. A faulty plug, a damaged electrical equipment, over loaded circuit board, loose hanging clothes near the tandoor or fireplace inside the rooms may become causes of fire. The staff is thus trained in basic firefighting and use of fire safety gadget and fire extinguishers, evacuation plans in case of fire through regular training programs and fire drills. They are briefed about proper waste segregation and disposal, periodic maintenance of equipment, identification of hazardous material in guestrooms, care and upkeep of fire exits sign boards, and maps.

General causes and preventive actions:

- **Smoking:** no smoking should be allowed in restricted areas. All cigarette ends must be extinguished completely. Adequate ashtrays should be provided.
- **Electrical:** regular checking and maintenance of electrical appliances. Regular checking of building wiring. Train staff not to use faulty equipment. Do not permit overloading of electrical outlets.

- **Heating equipment:** use fire guards where possible. Position fire away from furnishings or inflammable material. Apply fire retardant finishes to all furnishings.
- **Storage of chemicals:** all chemicals, including cleaning agents, must be stored in special stores. Inflammable liquids should be stored in dark colored bottles away from naked light or direct light.

Mandatory Fire Safety License: As per provisions of Fire Prevention Act 1971, wherein all hotels providing sleeping accommodation for more than 6 persons-guest or staff, hotels providing sleeping accommodation for less than 6 persons, but where this accommodation is above the first floor and below the ground floor, are covered by this Act. This Act makes provision for adequate means of escape and related fire precautions in places of public entertainment, recreation, instruction, etc. All hotels and boarding houses have to apply for a fire certificate issued by the fire authority of the area.

The following requirements must be fulfilled if applying for Fire Safety Certificate:

1. Means of escape- escape routes being provided and safely maintained, unobstructed routes, use of emergency lighting, clear signs to exits, etc.
2. Firefighting equipment of different types as required by nature of activity in location should be placed at identified places with clear visibility.
3. Means of giving warning in case of fire like smoke alarms and manual sirens.
4. Staff training and certification of minimum 30% of the team members if applicable.
5. Fire detectors / Smoke Detectors/ Heat Sensors at appropriate places and in guestrooms.
6. Instructions to guests like exit maps.
7. The front office may be given the responsibility of monitoring fire alarms and alert systems. A good management will formulate a plan for possible fire emergencies and train staff accordingly.

The plans should include:

- Emergency escape procedures and route assignments
- Procedures to be followed by employees who remain to operate critical hotel operations before they evacuate
- Procedures to account for all employees after evacuation
- Rescue and first aid duties for those employees who are to perform them
- The preferred means of reporting fire and other emergencies
- Correct methods of informing guests but ensuring that panic is not created,

- Names or regular job titles of persons or departments who can be contacted for further information or explanation of duties under the plan

f. Accidents: Accidents may happen in operations due to negligence, overindulgence, or unnecessary movements in restricted areas. The staff should be prepared to handle any such urgency. The public area attendant forgetting to put a warning signboard during cleaning may invite trouble as the passersby may trip or fall resulting in minor to major injuries. The employees are thus given the basic first aid training and few are trained for advance assistance like giving CPR. In any such situation the staff should be trained to be at ease, not to spread rumors or wrong information with other employees and guests.

The accident prevention and cure is assured by the following:

- Training of staff.
- Availability and usage of safety signage and warning signboards.
- Availability of doctor on call.
- An ambulance can also be available in an emergency.
- The housekeeping department is normally responsible for dealing with First Aid and must maintain a first-aid box for dealing with such incidents.
- It also makes sense to maintain first-aid facilities or box in areas more prone to accidents such as the kitchens and the maintenance departments.
- The services of a (house) doctor should be available whenever required.

Handling an accident:

1. If possible remove the accident victim from the site of accident as soon as possible to a quiet isolated place. Make the victim comfortable, use a stretcher in case it is needed.
2. Preferably, take someone with you to the accident site and to help in handling the person.
3. Call the hotel doctor as per the situation.
4. Handling of the accident victim should preferably be done by a trained first aid staff member till the arrival of doctor. Never try to move an accident victim who seems to have suffered a fracture- seeing an unnatural angle of the limbs, or if guest is in too much of pain, etc.
5. Keep calm, but don't take too much time to decide on any action, time lost may be important.
6. Try to protect your establishment against any false allegations later.
7. Making a full report when the event is recent and fresh helps here. This record needs to be maintained by management in case of any queries later on or if the guest blames the hotel later on.

Guest Illness:

1. When a guest or staff does not feel well, the housekeeper and front office manager should be informed.
2. They may visit the guest/staff, enquiring of the welfare and looking into what needs to be done next for the treatment giving a reassurance the patient.
3. If the hotel doctor feels that the patient should be moved to hospital the guest is advised so, and if he agrees, then he is moved to a hospital as per choice.
4. The guest is explained that he/ she has to pay for the hospitalization expenses and any other expenses arising out of the procedure.
5. The charges for a specialist doctor if not on the hotel panel has to be borne by the guest but the general physician on hotel panel may be paid for by the hotel.
6. In case of a notifiable or communicable disease, the doctor will advise removing the person to a hospital. In this case the room is and thoroughly cleansed. A proper clearance and authorization is needed from the housekeeping, maintenance and the front office before the room is released for new guests.
7. The relatives of the patient are to be informed by front office from the information obtained from the patient.

g. Death in the hotel: There may be a situation like this arising in a hotel wherein the guest may be deceased during the stay at the hotel for known or unknown reasons. The front office manager, housekeeper and the chief security officer should be immediately informed in this case by the supervisor on duty. The general manager should be informed and briefed about it at the earliest. The hotel doctors should be called to confirm the incident and possible cause of death. The room should be sealed with centralized heating or air-conditioning switched off. The relatives should be informed by locating the details of residential address and phone numbers, if available. In any doubtful circumstances the local police has to be informed for further investigation but the entry and exit has to be preferably from the time office. The body is removed only if allowed by the hotel doctor or the police if the cause of death is natural.

1. An incident report should be prepared covering the details of the occurrence of death- time, room number, steps taken, etc.
2. In case there is luggage and other belongings of the guest, these should be collected, a list prepared and the items placed in the luggage room with a note and the signature of the person performing this activity must be

recorded as well. The incident report should be submitted to the management.

- h. Bomb Threat:** The hotel being a public place may have to face such circumstances but again the training and positive outlook of the team members may help in keeping the situation under control until professional help arrives. The person receiving such a call should become extra conscious and take notes of the conversation to avoid any mishap later. The hotel should immediately inform the local police station for assistance. The local police then intervenes and looks into the matter and informs the bomb squad to come and remove or diffuse the bomb. The hotel's G.M and security officer has to be informed. If the location is identified the department head should be also informed. People from that suspected area have to be evacuated from that particular location. After "all clear" signal from the police, the normal process of the hotel can be continued.
- i. Theft:** The front desk usually has lot of cash transactions thus any negligence may lead to theft. The hotel guests are also informed to take care of their expensive belongings and cash by keeping them safe in in room lockers or by using the safe deposit locker at the front desk if the locker facility in the room is not provided. The best way to prevent a theft is to be vigilant of any suspicious person in and around the cash drawers and guest areas. Any such movement should be immediately reported to the department head and then to the security in-charge on duty.
- j. Vandalism:** Hotel security must be called for as soon as any such incident is noticed. In case the situations worsens the security officer must call the police for intervention. The hotel has to look into the safety and security of its guests, employees and property.
- k. Drunk Guest:** As the guest who is in inebriated condition may create nuisance for other guests such person should be calmly removed from the public area to the back area. The standard procedure should be followed to handle a drunk guest and with the help of security the guest may be shifted to the room once the guest starts behaving normal or controlled. No drink guest should be shifted to the guestroom in drunk condition because if anything goes wrong the hotel would be held responsible.
- l. Damages to hotel property by resident guests:** In most cases the damages are promptly added to the guest bill and are usually paid for without any arguments. But if the guests refuses to pay the incident report and proof should be shared with the guest in presence of the department head.

1. Write a brief note on promoting in-house sale.

[illegible]

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on its right side, suggesting it's resting on a surface.

4.9 MANAGING GUEST SAFETY & SECURITY

In the hotel premises the guest safety and security is paramount as they are the ones who give us business. The management take special care of the areas that are visited by the resident and non-resident guests. The modern technology has eased the operation as it facilitates 24 X 7 security arrangements through CCTV installations that are centrally monitored. This is possible with a continuous exchange of information between the front desk, housekeeping and hotel security departments.

The feeling of secure and safe environment makes the guests comfortable, relaxed and satisfied with the decision to stay in a particular hotel. It is assured that there is no damage to the individuals or to their belongings in any issue arising due to safety concerns. On premises the internal security arrangements are made for minimizing or eliminating the possibility of theft, incidents, accidents, etc. The security guards are posted at various locations and also keep on patrolling the areas for guest support if need arises. The housekeeping and security departments also maintain the lighting, maintenance and fire safety equipment respectively. External security is also managed by the hotel using CCTV cameras, motion sensors placed in outer areas to detect any unwanted movements.

The guestrooms are equipped with Electronics Locking Systems, magic eyes, double lock system, in room safes, door chains to assure the guest is safe inside the room also. House phones are placed in common areas for use in any such situation. The hotel staff members who are in direct contact and have access to confidential guest information are prohibited from sharing the details with unknown persons or even with the departments which are not concerned with it.

Security measures adopted by the hotels are:

- a. **Key Card System:** in this the hotel PMS and the electronic locking system work together to avoid unwanted access to unauthorized persons to the guestroom. The key cards can be disabled at a single click if a security issue is evident.
- b. **CCTV:** Closed Circuit Television Cameras are installed in public areas inside and outside the hotel and manned round the clock by the security supervisor.
- c. **Fire Fighting Equipment:** It is strategically placed for easy access and usage instructions are displayed nearby.

- d. **House Phones:** These are installed in common and easily accessible areas like corridors, near the elevators, lounges for calling the telephone operator directly without having to dial the numbers.
- e. **Security Guards:** The hotel employs trained security guards who are also trained to deal with emergency situations. The guards are also required to be soft spoken and conversant to answer any queries from the hotel guests.
- f. **Access Control:** The guest and staff entrances are properly manned for preventing any unauthorized access. The hotels have now placed baggage scanners and scanners for personal entry that scans any banned articles.
- g. **Fire Alarm System:** Smoke detectors and fire alarms are installed in the rooms, corridors and other areas.
- h. **Power Back Up:** All hotels are equipped with power back up arrangements in case of requirement. The silent gensets, UPS, etc. keep the systems running despite the power failure.
- i. **Safety Training:** The hotels ensure that all the staff members get trained in basic first aid, firefighting, evacuation drills and learn the Emergency Manuals by rotation.
- j. **Pandemic Protocols:** In view of Covid 19 like pandemic hotels have increased the safety predations to make the guest feel confident to visit the hotel. The pandemic protocol training is essential for everyone.
- k. **Identity Cards & Name Tags:** The hotel issues photo identity cards and name tags to all the employees for easy identification by the guests.

4.10 THE ROLE OF SUPERVISOR AND MANAGERS RESPONSIBILITIES

The role of Supervisor: A supervisory position is the stepping stone in the management team. At this level the promoted employee has to learn to manage the team one may have been working with as colleagues. The responsibility changes from just doing the jobs to getting them done and working as a channel between the functional head and employees under the supervisor. As supervisor the overall responsibility of managing the operations in your section for the allocated shift is handed given. All the decisions whether related to shift allocation, leaves, sales monitoring, assuring that the SOPs are followed lie with the

supervisor. Training of new recruits is an important task as they look forward to seniors for getting an opportunity to learn and practice new skills for smoother adjustment in the department.

The supervisor also needs to learn how to follow the reporting lines and become better communicator for conveying information accurately. Developing an understanding and analysis of financial reports is important to be able to communicate genuine information to the management and colleagues.

General responsibilities of a supervisor may be:

- Managing workflow
- Training new hires
- Creating and managing team schedules
- Reporting to HR and senior management
- Evaluating performance and providing feedback
- Identifying and applying career advancement opportunities
- Helping to resolve employee issues and disputes

The role of a Manager: The manager's position demands proficiency in interpersonal personal, technical, human, communication and conceptual skills. This is an evolving role where the manager is continuously learning and applying the skills in daily operations. Alignment with organizational and departmental goals becomes imperative to move ahead in the ladder.

The manager's roles are:

- a) Hiring and staffing
- b) Training new employees
- c) Coaching and developing existing employees
- d) Dealing with performance problems and terminations
- e) Supporting problem resolution and decision-making
- f) Conducting timely performance evaluations
- g) Translating corporate goals into functional and individual goals
- h) Monitoring performance and initiating action to adhere to budgets
- i) Monitoring and controlling expenses and budgets
- j) Tracking and reporting financial results to senior management
- k) Planning and goal-setting
- l) Organize and coordinate people and operations
- m) Supervise and oversee staff members
- n) Check supplies and equipment quantity and quality
- o) Manage budgets and approve expenditures

4.11 SUMMARY

In this unit we have learnt about Staffing Challenges, Recruitments & Training, Gearing for Interviews, Managing Hospitality, Promoting in house sales, Handling Emergencies, Managing Guest Safety & security, and The role of Supervisor and Managers Responsibilities.

4.12 GLOSSARY

Clip-Ons: Menu clip-ons are most commonly used in restaurants to advertise specialty items e.g. plat d'jour, special table d'hote lunches offered in an a la carte restaurant and so on; they may also be used on wine lists to promote a particular wine or region.

Access Control: The guest and staff entrances are properly manned for preventing any unauthorized access. The hotels have now placed baggage scanners and scanners for personal entry that scans any banned articles.

Accidents: Accidents may happen in operations due to negligence, overindulgence, or unnecessary movements in restricted areas. The staff should be prepared to handle any such urgency.

Application Process : An easy application process is the way the organization assures maximum candidates to apply for the advertised jobs. Asking for too many details which are irrelevant at the shortlisting stage make the applicants leave the application process in between.

Bomb Threat: The hotel being a public place may have to face such circumstances but again the training and positive outlook of the team members may help in keeping the situation under control until professional help arrives. The person receiving such a call should become extra conscious and take notes of the conversation to avoid any mishap later.

Career Section in Website: The website itself should be appealing to the candidates, projecting a professional image of the organization. The career section should be regularly updated, properly segregated as per departments, positions and hierarchy to make the applicant complete the process ASAP.

CCTV: Closed Circuit Television Cameras are installed in public areas inside and outside the hotel and manned round the clock by the security supervisor.

Children's Menus: Most of the food outlets now offer a special menu for children to keep them engaged and interested in the dishes of their liking. This gives a little extra time for serving orders to the remaining members and also add to the sales of the outlet.

Competency: The competency of staff members has to be upgraded regularly since the possibility of getting a team member who matches the job specifications and job descriptions to hundred percent is nil.

Cultural Diversity: The management has crucial role in managing the cultural diversity as the customers and employees both come from varied backgrounds. The challenge is to ensure that all such staff members from diverse backgrounds are acknowledged. The differentiation of religion, castes, locations, cities have to be eliminated to form a responsive and cohesive team.

Death in the hotel: There may be a situation like this arising in a hotel wherein the guest may be deceased during the stay at the hotel for known or unknown reasons. The front office manager, housekeeper and the chief security officer should be immediately informed in this case by the supervisor on duty.

Drunk Guest: As the guest who is in inebriated condition may create nuisance for other guests such person should be calmly removed from the public area to the back area. The standard procedure should be followed to handle a drunk guest and with the help of security the guest may be shifted to the room once the guest starts behaving normal or controlled.

Fire Alarm System: Smoke detectors and fire alarms are installed in the rooms, corridors and other areas.

Fire Fighting Equipment: It is strategically placed for easy access and usage instructions are displayed nearby.

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Floor Stands: These are bulletin or information boards that are used to share information about special events in the hotel with venue and time conveniently displayed. These are useful in the cases where we may have guests waiting for a table at the dining outlet or awaiting a check-in at the lobby.

House Phones: These are installed in common and easily accessible areas like corridors, near the elevators, lounges for calling the telephone operator directly without having to dial the numbers.

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Key Card System: In this the hotel PMS and the electronic locking system work together to avoid unwanted access to unauthorized persons to the guestroom. The key cards can be disabled at a single click if a security issue is evident.

Long Work Hours: Despite the availability of appropriate manpower the hotels generally employs 20% to 30% lesser staff thereby transferring the burden to the employees on board. This has a huge impact on health and psychological conditions of staff members. This leads to poor efficiency, deliberate wastage of resources and a fall in guest satisfaction from services.

Pandemic Protocols: In view of Covid 19 like pandemic hotels have increased the safety precautions to make the guest feel confident to visit the hotel. The pandemic protocol training is essential for everyone.

Pastry and Chocolate Displays: Hotels feel proud in promoting their own produce and special items prepared by the hotel's bakery. These displays are often placed in the lounges and waiting areas.

Pictures and Posters: Interesting activity pictures are displayed in corridors and elevators prompting them to make purchases. In the restaurants and bars pictures of food specialties, cocktails and mocktails give a clearer view of what shall be served.

Power Back Up: All hotels are equipped with power back up arrangements in case of requirement. The silent gensets, UPS, etc. keep the systems running despite the power failure.

Referrals: There are many forms of referral candidates for any establishment in the process of selection. The most suited is employee referral as it takes care of major part of background verification that is done by the company. At the same time the employees also get valued and may also be given incentives for helping in the process.

Safety Training: The hotels ensure that all the staff members get trained in basic first aid, firefighting, evacuation drills and learn the Emergency Manuals by rotation.

Security Guards: The hotel employs trained security guards who are also trained to deal with emergency situations. The guards are also required to be soft spoken and conversant to answer any queries from the hotel guests.

Staff Retention: The retention of staff is a major issue with HR as it is difficult to differentiate a guest who may be a possible recruiter from a regular guest. The employees tend to change jobs on the same emoluments if they have a chance to move from a 3 star property to a 5 star property.

Staff Turnover: Hospitality industry has one of the highest staff turnovers in the Tier I or entry level jobs as the profession is stressful in terms of mental and physical wellbeing of

an individual. The comparative low salaries with respect to other professions also makes it difficult for the human resource manager to get skilled and qualified staff.

Tent Cards: The neatly folded cardboard tent cards are useful for in room promotions and menu promotions on individual guest table in a restaurant. These can also be used to promote social and environmental causes like asking the guest to fold the towels if they do not want them to be washed just to save water.

Theft: The front desk usually has lot of cash transactions thus any negligence may lead to theft. The hotel guests are also informed to take care of their expensive belongings and cash by keeping them safe in in room lockers or by using the safe deposit locker at the front desk if the locker facility in the room is not provided.

Touch Screen Panels: Interactive screen displays have been introduced in lobbies of the hotels to gather information about products and services at the touch of fingertips. They are huge screens in where the guests can avoid going to the desk executives and get the information themselves.

Vandalism: Hotel security must be called for as soon as any such incident is noticed. In case the situations worsens the security officer must call the police for intervention. The hotel has to look into the safety and security of its guests, employees and property.

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4.14 SUGGESTED READINGS

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- Hotel Front Office Management – James A Bardi Wiley Publications
- Introduction to the revenue management for Hospitality Industry, Principles and Practices for the Real World, An Kimberly Tranter, Trevor Stuart-Hill, Juston Parker, Pearson Publications

4.15 TERMINAL QUESTIONS

1. Discuss the importance of Guest Safety & Security in a hotel.
2. Why should a supervisor have good communication skills?
3. How do we handle an emergency situation of Fire in a guest floor?
4. What is importance of training for new employees?
5. Explain the duties and responsibilities of a manager in hospitality industry.