



International Case Studies for Hospitality and Tourism Management Students and Trainees

Edited by:
Elizabeth Ineson
Melanie Smith
Valentin Niță

**International Case Studies for
Hospitality and Tourism
Management Students and Trainees**

**Volume 4
2013**

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Elizabeth Ineson, Melanie Smith and Valentin Niță

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Dedication

From Alistair Emery:

to a loving grandfather, whose theatrical personality, business acumen, huge variety of interests and sense of integrity and loyalty has always provided me with a bedrock of inspiration.

Sir Hugh Wontner CVO Kt GBE

The founder of

La Fondation pour la Formation Hôtelière

Sir Hugh was managing director of the Savoy Hotel Group from 1941 to 1979 and chairman from 1948 to 1984, continuing as president until he died in 1992. He was chairman of the Savoy Theatre from 1948 to 1992 and was Lord Mayor of London from 1973 to 1974 after being Master of two City of London Livery companies, the Clockmakers and the Feltmakers. He also held a position advising the Royal Household.

Disclaimer

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Preface

Volume 4 comprises a further series of international case studies, focusing on problems and key issues related to hospitality and tourism management, set not only within Central and Eastern Europe, including Bulgaria, Hungary, Latvia, Romania, Slovakia, but also in Austria, Canada, China, India, Namibia, Syria and the United Kingdom. The contributors, who represent 11 countries, have developed the cases based on their specialist knowledge and real-life experiences. The cases offer students and management trainees opportunities to consider and to respond to realistic scenarios of varying complexity.

The introduction provides a brief overview of the case study and its possible role in teaching, and training, particularly in cross-disciplinary fields. In order to provide a suitable format, the cases have been divided into two sections: Part 1, non-revealed and Part 2, revealed. The main topics covered are: brand equity; conservation; corporate social responsibility; customer satisfaction; destination marketing; tour operation; event management; franchising; health, safety and security; human resources; internet sales and marketing; legal issues; and sustainability;

The non-revealed case studies may be distributed as part of a teaching or training session, and responses can be prepared by the individuals, or debated by groups of students or trainees, or enacted using role play, to develop a joint solution; the cases focus on at least one curriculum area or department, for example: food and beverage; human resources; customer satisfaction; etc. Each non-revealed case poses at least one question for consideration by students or trainees, and there are also a few activities and some recommended preparatory or follow-up reading where appropriate and as determined by the facilitator. Furthermore, they may include some recommended reading which is considered advantageous in preparation for the discussion sessions.

The revealed case studies are more complex. They are inter/cross-disciplinary, encouraging consideration of issues and problems that focus on broader managerial, international and cultural perspectives. Almost all of the revealed cases are accompanied by reading suggestions which are recommended in order to respond to the questions and/or inform the participants so that they can conduct the follow-up activities which include debate; secondary information collection and provision; online searching, production of documents and guidelines; projects;

management and policy decision-making, and strategic planning. The case questions and activities are designed to encourage and promote experiential learning, embracing a practical problem-solving approach to the achievement of learning outcomes. They are of variable levels of difficulty from very simple to extremely complex, posing different types of questions and activities such as practical, theoretical, problem-solving and brain-storming. Part 3 includes a series of points to promote discussions or further considerations of the issues pertaining to each case.

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- **the contributors** for providing another series of cases that present a variety of interesting international issues for consideration and debate.

Introduction

by Graham Stone and Elizabeth Ineson

Cases provide a learning strategy through which students and trainees are required to consider debate and offer possible solutions to the questions posed. They can apply their knowledge of a range of academic theories, and/or their work experiences, to analyse and evaluate the problems involved. Such experiential learning is of value in developing in students and trainees informed and considered managerial decision-making within a learning and/or training environment where the importance of problem identification and problem solving skills are emphasised. In turn, a variety of cultural and different legal contexts provide a framework within which a broad spectrum of learning outcomes can be achieved.

The Role of Case Studies

Case studies are summaries of real-life or simulated business situations based on personal or “second-hand” experiences, observations, interviews, word-of-mouth data and/or research. The cases might incorporate information from within an organisation, for example, past events; stories; critical incidents; etc. as well as external factors and influences. The cases included in this book are all based on, or developed from, real events. They enable management students and trainees to appreciate, comprehend, consider and resolve real departmental, inter-departmental and unit/Company problems and situations that may be encountered by operatives, supervisors, managers and/or senior managers in hospitality and tourism. There are also further opportunities to conduct research and to make management decisions and plans as indicated by the additional activities.

It is emphasised that case studies are designed to make students and trainees aware that in solving problems there may not be a clear or single solution; they enable students to apply theories in a real-life context, and they provide insight into issues that can assist them in developing and refining their knowledge and understanding. The cases selected for study at any point in the academic course or training programme should follow these principles and should be appropriate to the abilities and experience of the students and/or trainees.

From an academic perspective, case study research is more comprehensive than conducting research on one specific topic. In addressing the more advanced cases, students are encouraged

to collect relevant and appropriate data from a variety of sources and then not only consider this information but also employ divergent thinking to brainstorm the case, followed by convergent decision making in order to devise and justify the solution(s). Questions such as: ‘How?’ and ‘Why?’ need to be addressed in the context of the scenario, paying particular attention to the human element in terms of customer care and the fair and correct treatment of employees and peers. Such studies allow students to gain valuable work related problem-solving and planning managerial experience without losing money, upsetting customers and staff, or putting themselves into positions that might evoke embarrassment, pressure or stress. From a practical perspective, students and trainees need to employ their work and life experiences to offer possible feasible, practical and, when appropriate, cost effective solutions

Assessment

Case studies allow the assessment not only of knowledge and application but also of higher order skills comprising analysis, synthesis and evaluation. The forms of assessment employed depend on the learning outcomes to be measured, and are at the discretion of the teacher, trainer or facilitator. These may include individual or group assessment; they may involve contribution to debates, written responses in the form of answers to questions, reports, the development of strategic plans, training manuals et al. and/or individual or group presentations. No time limits are set or even recommended for responding to/solving the cases, as these depend on the nature and type of the requested feedback, the specific nature of the assessment employed and the depth to which the issues are examined

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Part 1

Non-revealed Case Studies

Human Resource Management in the Hotel Mountain

by **Anna Šenková**

The Mountain four-star hotel is located in the Low Tatras in the heart of Slovakia. In the surrounding area you can see mountain valleys and steep slopes covered with new coniferous forest. The location and climatic conditions make it possible for the development of an exclusive resort that provides enjoyment, and various opportunities for recreation, relaxation and keeping fit. The hotel offers 95 double rooms and two suites. The windows of all the rooms look out on to superb views of the Low Tatras. In the restaurant there is a wide choice of typical Slovak meals and various types of international cuisine. Guests can have a great time chatting with friends in the café, in the nightclub or on the open terrace. Such facilities as the swimming pools and the fitness club offer various activities and lots of fun. The hotel also has two banqueting rooms, one congress hall and a few lounges. The size and furnishing of the banqueting rooms offer convenient conditions for organising meetings, conferences, seminars etc.

Various relaxation activities make the stay in the hotel enjoyable during both summer and winter time. In the winter downhill skiing, cross-country skiing, sleighing and skating are offered, even at night-time around the premises of the hotel. Moreover, the necessary equipment is at the disposal of the hotel guests. In the summer time, besides swimming in the hotel pools, the local hiking, cycling and mountain tourism routes are very attractive. Not far from the hotel there is an 18-hole golf course. The hotel staff consists of 60 employees (including seasonal recruits).

The hotel was built in the 1960s and belonged among the best hotels of this kind in the former Czechoslovakia. In 1992 the hotel was privatised by the entrepreneurs who still run the hotel; however, there were no positive starting points or possibilities for using the existing features when modernising the hotel. The entrepreneurs had to make a huge investment to reconstruct the hotel and modernise its equipment. The biggest problem at that time was the large number of employees ($n=131$) and very low room occupancy - only 23.1%. From the beginning of the refurbishment programme, the owners had to solve a very serious and urgent problem – the state of the hotel and its maintenance were absolutely unsatisfactory. The proposed modernisation was too costly and the performance of the staff was inadequate, even given the

number of employees and the room occupancy. Nevertheless, the hotel owners, who were also the managers, succeeded in reducing the number of employees by 50% increasing the average room occupancy to 70%.

The current problem is the nightclub. Until 2011 it was very popular with the hotel guests and also with the people living nearby and there used to be long queues in front of the door. The barmaid was an attractive young woman who was the 'right person in the right place'. In 2011, in a nearby town, two competing nightclubs were opened and, in the same year, the successful barmaid quit. Over the time the number of visitors has declined. The owners have tried hard to make the club as enjoyable a place as it used to be. The bartender was chosen from the employees and also a waiter was employed in the club. Various attractive forms of entertainment have been organised – night programmes with live music including striptease, alternated with disco-music and delicious specialities were served. The opening hours were 9 p.m. – 3 a.m. daily except for Mondays when it was closed. However, during the prime season, the club was open daily but the number of visitors has never reached the previous numbers. Since 2011 four bartenders have been replaced, including one woman. Gradually only cold dishes were served because preparing hot dishes was not profitable. All these measures did not lead to the required success – that is to have a prosperous nightclub. The owners have not given up; they believe that a good solution to their problems is feasible.

Questions

1. Why, in your opinion, had the nightclub become less profitable?
2. Would you reduce the current number of employees? If so, why and how? If not, why?
3. What alternatives would you consider regarding the future of the current employees? Exemplify and justify the criteria you would use to make your decisions.
4. What qualities should a successful bartender in a nightclub possess?
5. What methods for seeking potential bartender and service employee applicants would you use?
6. How would you make your new bartender and service employee recruitment decisions?

Recommended Reading

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A Case Study in Tourism: Cēsis-800

by Anita Emse and Kristīne Liepiņa

Cēsis (a town in Latvia) is celebrating its 800th anniversary. The town festival has brought together thousands of people including guests from all the regions of Latvia and many foreign countries. The guests wander along the narrow medieval streets of the town admiring the beautiful flower arrangements, listening to the music and looking at the home made handicrafts offered by local craftsmen in the market square, in a word – enjoying the special atmosphere created once in 800 years.

As it is a hot summer day, a moment comes when their tired feet make the guests look for some food and refreshment. The majority of guests prefer to have a beer and sausages right in the middle of the activities and entertainment, but others want to have a hot meal in a restaurant.

Next to the central venue of the festival there is a private restaurant, 'Province', with a patio where the town guests gather. Many tables are already occupied, but some are still free. The people are sitting and waiting for the waiter to come. Ten minutes pass, 20 minutes pass, half an hour passes, but there is still no sign of the waiting personnel. One of the guests notices a draft beer dispenser and decides to pour a beer for himself and his friends. A waiter shows up and says it is not allowed to pour for oneself but they can now order some beer. And he pours it for them. The guests are sipping beer and waiting for another waiter to return to take their order for food, but there is no sign of the waiting personnel again.

Then a woman from the group decides to go to the kitchen to prepare salads. Right at the kitchen door she is stopped by three waitresses, one of whom is registering orders at the bar counter; the other two are assisting her. The woman is informed that guests are not allowed to make salads in the kitchen by themselves and that someone will come to take their order right away. One of the waitresses comes and takes down the order. In 10 minutes the salads are served.

Some other guests who arrived at the restaurant an hour ago have already left, but this group of four people is curious to find out how long it will take for the main course they have ordered - pork chops with boiled potatoes – to be served. They are drinking beer and waiting

As salads have already satisfied their hunger, haunting music is coming from the street and the setting sun is painting the sky shades of orange and blue, making a perfect background for greenery and flowers, the group of guests are chatting cheerfully and waiting for their pork chops.

In an hour and a half the main course is finally served – a Latvian traditional dish that can be made in five, maximum 10 minutes.

Questions

1. If you were the owner of this restaurant, how would you take advantage of this great opportunity to earn some profit?
2. What is the correct timing for serving food after a restaurant guest has arrived?
3. What mistakes did the waiting personnel make?
4. How should the guests have behaved?
5. Do you think the group of people mentioned in the case will return to the restaurant? Why? Why not?

Recommended Reading

Information on Cēsis available at: <http://cesis.lv/en/>

Information on Cēsis' anniversary available at: <http://cesis.lv/en/?p=267>

Alafar Airlines and the Staple in the Sandwich

by **Gopal Srinivasan**

Alafar Airlines is a famous air carrier based in South America. It has transported millions of passengers over the past decades. One fine day, a customer, who was travelling in an Alafar Airline flight bound for Utopia, bit into his sandwich and found a staple in his mouth. He complained immediately to the airline staff, who were horrified. The airline authorities launched an investigation into the incident. The fact is that Alafar Airline sources its sandwiches and other inflight food from an independent supplier, who also supplies an impressive number of 15 airlines. The brand image of the Alafar airlines and their global partners is at stake and the management is under tremendous pressure regarding this issue.

Questions

1. Is outsourcing the flight service food production to a caterer a good idea? Discuss the pros and cons. of outsourcing
2. Should Alafar Airlines take sole responsibility for the incident?
3. Is it the responsibility of the Alafar Airline staff to guarantee the quality of the food served to its customers? Discuss.
4. How might the damaged brand image of the airline be recovered?

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Never Judge a Book by its Cover

by **Pat Aspey**

Bob and May loved going on holiday in the United Kingdom. They enjoyed the preparation, reading lots of brochures, planning their route and deciding what clothes to pack, but even more importantly, they considered it a bonus if they were able to take their big bouncy Boxer dog Cassius with them.

In the 21st Century, more and more hotels have acknowledged that particular bond between man and dog and the internet was always a good place to start when searching for somewhere 'pet friendly'. The three of them had stayed in some lovely establishments, mostly in rural settings, where long country walks were readily available for Cassius, and good food and fine wine could be enjoyed by Bob and May in the evenings.

However this next trip was area-specific as they were hoping to spend some time at a literary festival. They searched for, and very quickly found, what seemed to be a suitable hotel that would cover all their needs. The photos of the hotel on the internet looked stunning. "Olde Worlde", with pristine white paint and mullioned windows. Two stone dogs flanked the front steps and inside the bar and restaurant looked really cosy, warmed by a roaring log fire. Bob and May booked themselves in and then counted the days before their trip.

The weather was particularly inclement for the whole week prior to their holiday. Parts of the country were heavily flooded and the area to which they were travelling was no exception. After a very trying and tiring journey they finally arrived at the hotel and the sight that greeted them simply left them speechless. Many years ago it seems the hotel had been painted white but most of the paint had peeled off leaving a dull grey exterior appearance. The stone dogs still sat on sentry duty but one of them looked decidedly drunk and the other one was minus an ear.

If it had been an option, Bob and May would have turned round and gone back home but it was already beginning to go dark and they were tired and hungry so they decided to go inside. After they had waited for over 10 minutes, the landlord arrived to book them in then he escorted them to their bedroom, which was not only very small but also extremely old

fashioned and shabby. Bob was hoping that May had not seen the cobwebs hanging from the lamp she had just switched on. He need not have worried as she was too busy checking all the stains on the carpet. Even Cassius, usually such an inquisitive dog, seemed reluctant to leave his basket and explore. Mr Brown advised that dinner would be served between 6 pm and 8 pm after which time the kitchen would be closed. They unpacked swiftly, had a quick wash in cold water and went downstairs.

They were shown to a table which was in a dark corner of the bar as opposed to the main restaurant. After making their choices from the menu, they sat back and relaxed for the first time that day. The bar was obviously very popular with the locals, who were standing in groups drinking and shouting across the room to each other. The more they had to drink, the louder they became.

When their meals arrived Bob and May ate in silence; they were too tired to make conversation. They just tolerated the chatter of the other revellers in the bar. The food was at best adequate. The steak was tough and the vegetables watery but the chips were acceptable. The dessert was fine but obviously not homemade as the menu proclaimed.

Once back in their room they were soon in bed and fast asleep. At least the sheets were clean. It would all look better in the morning

After a brisk early morning walk Bob and May were ready for a hearty breakfast and this time they were shown into a tiny dining room behind the bar. The smell of grilling bacon filled the air and they both sniffed appreciatively. They were served by a very pleasant waitress, who took their order and returned with a large pot of coffee and toast with lots of butter. Bob and May looked at each other and smiled. Perhaps their concerns had been exaggerated because they had been so weary.

When their breakfast, arrived about 20 minutes later, they had devoured all the toast and emptied the coffee pot. Bob took one look at his plate and his smile faded. Draped across his egg was a long black hair. He knew it was not his as he was almost bald and May was a blonde. The waitress, however, had luxurious long black curly hair. There was no more to be said.

Claiming an emergency at home, Bob and May checked out and drove 20 miles up the road to find another hotel. Whilst paying their bill they were asked if they would be coming back. Not wanting to hurt the landlord's feeling they kept their comments to themselves. Maybe they should have told him the truth. After all the hotel was in a great location and must have been well loved and visited in the past. Bob and May felt that with more care, and some enthusiasm from the staff, it could be restored to its former glory.

Questions

1. Who is to blame for the problems encountered by Bob and May?
2. What actions should Bob and May have taken and at what points?
3. What advice would you offer to Mr Brown if you were an hotel inspector?
4. How can Mr Brown avoid such problems in the future?

Handmade Tools for Measuring Customer Satisfaction in Hotels: Designing a Questionnaire

by **Giuseppe Emanuele Adamo**

Customer satisfaction is one of the central constructs in service sector education and, above all, in marketing. Satisfied consumers are more likely to develop positive attitudes such as trust and a positive image as well as beneficial behaviours including loyalty and positive word of mouth. Deriving insights into customer satisfaction might drive company strategies in relation to products and services and, at the same time, managing consumer complaints constructively and effectively. In the hospitality industry especially, by analysing customer satisfaction, managers are able to recognise and understand customers' perceptions of quality and their corresponding expectations as well as developing the ability to empathise with their emotions and feelings.

Measuring satisfaction is usually part of a bigger research plan which includes an initial identification of the marketing problems and opportunities; accordingly, the research is designed following an explorative or conclusive approach and data are collected. Later, data analysis is required and, on the basis of results, insights are derived.

There are numerous methods that can be used to collect qualitative and/or quantitative primary or secondary data on customer satisfaction, for example: surveys; focus groups; in-depth interviews; structured and unstructured observations; time series analysis; and profit and sales' analysis. Nowadays the most popular tool used to gather data and research information on respondents' attitudes, behaviours and feelings is the survey. Its popularity, especially in the hotel and restaurant sector, is due to its ease of use and adaptability to different contexts such as a limited budget, language barriers and time constraints. However, the survey method requires certain rules to be complied with if sufficient and reliable information is to be collected. Lack of knowledge and expertise in constructing the questionnaire, organising the questions, the style, presentation, language and format, collections and delivery methods can all affect the success of the study.

Dr. Omad has 20 years of experience in the field of marketing research and has served as data research manager in several marketing consulting companies. "Many hotels", he said,

“especially family run hotels, have neither the economic resources nor competent internal personnel to conduct and interpret reliable and valid research on guest satisfaction. Instead of requiring and buying services from unknown, and possibly suspect, marketing companies, my suggestion is to develop an in-house research strategy and, above all, to design a suitable questionnaire”.

Dr. Omad advises us on research: “Independently of the condition of your profits, sales, trends or contextual factors such as demand periodicity, hotel restoration or reorganisation, keeping a continuous record of customers’ satisfaction is an excellent idea in order to be aware of their perceived quality of the offering. The qualities of questionnaire design, and appropriateness of its content, are very valuable contributors in this context, especially in relation to the response rate”.

Different forms of distributing surveys include: telephone; mail; in person; and internet, but, as Dr. Omad underlines: “Be careful!! Never leave a printed copy of the survey in a bedroom. Whether guests are in your hotel for leisure or on business, your survey is likely to be ignored. It is better to ask at check-in if they would be prepared to complete a survey at the end of their stay and, ideally offering them a small reward, such as a free drink at the bar prior to departure, if they agree to cooperate”.

A questionnaire should motivate and encourage the respondent to become involved in the research and to complete the survey whilst minimising the respondent’s response effort and errors. The questionnaire should have a coherent structure, with separate headed sections which link to each of the aspects under study such as quality, services and satisfaction. In general it is preferable to ask general questions before specific questions. For example, it is preferable to ask firstly about overall satisfaction with the hotel or restaurant and then to follow with specifics such as satisfaction with the food service or the product offering. The personal questions should always be at the end of the questionnaire

Many surveys fail to provide valid and/or reliable data due to errors in question writing and formulation. Before starting you need to explain why the data are needed in order to legitimise and increase the respondent’s willingness to answer. Keep the survey as short as possible, deleting questions that are not necessary or redundant and always add a small incentive as mentioned above. Make sure you conduct a pilot (test) survey. For a good questionnaire you

need good questions! Dr Omad has simple and clear ideas about this issue: “Just 12 points that might increase the quality of your survey”. Consider the following:

1. Avoid double-barrelled questions, when within one question the respondent is asked to answer to more than one issue, such as: ‘Do you like to find amenities and a robe in your bathroom?’
2. Avoid causal sentences such as: ‘Do you think that a loyalty card would increase the frequency of your visiting this hotel?’
3. Avoid leading questions that suggest to the respondent what the answer should be, for example: ‘Don’t you think that daily room cleaning services should be provided before 1 pm?’
4. Be careful with dichotomous questions and, when possible, supplement the two alternatives of interest by a neutral alternative, such as “don't know,” “both,” or “none.”
5. With respect to the format, use adequate spacing between questions and clear font. Try to fit the entire questionnaire onto no more than two sides/pages.
6. Use positive and negative statements because respondents are more likely to agree with a statement than disagree with it. Balance positively-phrased statements (such as "I found the hotel website easy to use") with negative ones (such as "I found the hotel website difficult to navigate).
7. Be careful with the categories you are using: they have to be mutually exclusive.
8. Do not ask to make generalisations or compute estimates or ask questions that the respondent cannot answer, maybe due to a time lag.
9. Use everyday words since most of your respondents may not be highly educated.
10. Give people a space at the end of the survey to write about other important information that is relevant. Some people feel constrained by having to always tick boxes.
11. Measuring respondents’ attitudes, feeling and behaviours use scales with different scores (for example, Likert, Semantic Differential and Stapel)
12. All aspects of the questionnaire should be piloted, including wording, content, sequence and format.”

In order to avoid situations where guests are complaining to the proprietor, a measure of satisfaction should be run periodically.

Activities

1. List the hotel services that might be included in a potential survey on guest satisfaction.
2. Describe the main steps in preparing an on-line survey. Identify the benefits and drawbacks of on-line compared with off-line surveys.
3. With respect to point 11 in Dr. Omad's list, research and describe briefly the characteristic of each scale, the main features and in which circumstances, and discuss for what specific purpose, each might be used.
4. Imagine that you are the manager of a family hotel. Following Dr. Omad's suggestions, design a survey to assess a clients' satisfaction with the hotel's services.

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Discount Portals' Offers in the Tourism Sphere

by **Daniela Matušíková**

Background

Marketing and its tools play an important role in the tourism sphere. The current situation in tourism brings many opportunities that sometimes make the customer's/tourist's decision making very complicated. Price can represent a crucial element in many cases. Nowadays the tourism market applies so-called 'discount portals'. This modern way of promotion provides services and products with markedly reduced prices over a limited time span. Discount portals are basically about mass marketing through which tourism service providers try to promote the highest possible sales of their own products. Mass marketing uses low price to its advantage. These low-priced products are particularly attractive to unassuming, modest and inexperienced consumers in tourism.

In Europe, different countries operate various discount portals that offer different types of products. Among the most widely spread discounted services are hairdressing and beauty services, followed by fitness centres, cosmetics, therapies and so on, all with a variety of products on offer. Other advantageous offers may be found in the tourism sphere which employs the principle of buying products/services within a certain time limit. For most such offers, a minimum and/or maximum number of purchases is announced and dates within which the discount is valid. The maximum discounts usually reach 50% of the initial selling price. In current conditions, offers of weekend stays (3 days/2 nights) mostly bed and breakfast but sometimes half board are prevalent in Slovakia. Concerning the type of break, the most popular offers are curative stays in spas, wellness accommodation establishments or mountain resorts with a wide scale of accommodation and additional service possibilities. On the other hand international trips are offered, most commonly sightseeing tours to European countries. The strategy of discount portals works also with social networks through which information is disseminated to a wider public audience. Most of the discount portals benefit from selling coupons or vouchers. The portal operators charge the operators a commission on each sold voucher. Payments by the holiday-makers for the vouchers are usually by credit card or by cash. A further related concept is the "discount aggregators" – an assembly of a large number of discounts from many discount portals – through which can customers more easily check a higher number of possible options.

The Case

Mr. Smith bought a voucher for a mountain weekend stay. The price for three days/two nights was 119 Euros for two persons. The catering was half board and, on arrival, they were promised a bottle of wine in their room. As a special bonus he was offered free wellness treatments, specified as a 30 minute massage, access to the sauna and 30 minutes entrance to the salt cave. He booked a double room for himself and his wife with a mountain view. When he arrived at the hotel, a curious situation arose.

Mr Smith was informed that discount voucher was not valid and that the hotel was almost fully booked. He could not understand what the receptionist was talking about as he had paid for his coupon. Subsequently, he had made a reservation before the expiration deadline, so he was quite confused. The receptionist looked for a reason for this mistake and discovered that this unfortunate situation had occurred because the minimum specified sales limit of purchased discount coupons had not been reached so the discount was not valid. The rules of the ticket portal said that: 'in case of insufficient number of candidates, the offer is not implemented'. The money (value of the product) is kept by the bank until the time period for redemption has expired and then the money is refunded to the customer's bank account. The discount portal's communication with the accommodation provider had failed and so Mr. Smith was not informed about cancellation of the offer; the hotel reservations' department had not been informed about the unfulfilled minimum number and the money had not been returned to Smith's account.

The early booking had caused a misunderstanding because the reservations' department did not know that the discount would not be valid. Finally, to fulfil the customer's expectations, the hotel management decided to provide a room for Mr. Smith and his wife and accommodated them for three days stay with the same additional services and the same price. That situation was instructive for all three parties. For the discount portal: fast communication is necessary and, in case of cancellation, they should immediately inform the service provider. For the hotel: they should verify the offer status and not make the early booking before the time limit ends. For Mr. Smith: next time when considering the purchase of a discount coupon, he will be much more careful.

Questions

1. Who was responsible for the service failure?
2. How would you deal with this situation if you were: (i) responsible for the discount portal; (ii) managing the hotel reservations' department; and (iii) Mr Smith?
3. Would you suggest any penalty for the discount portal?
4. What measures would you suggest to each party to avoid future complications?

Litter and Pollution in Hogenakkal (the Niagara Falls of India)

by Gopal Srinivasan

Hogenakkal waterfalls (See <http://www.hogenakkal.com/>) are famously referred to as the Niagara of India. They are located on the border of Tamil Nadu and Karnataka States in Southern India. They are particularly renowned for their stunning beauty in the monsoon season. Thousands of visitors and tourists from all over South India come to view the falls. A famous local activity for visitors includes an oil body massage and then bathing in the water falls. However, these activities are polluting the fresh water source because of the excessive use of gingley (sesame) oil, shampoos and soaps along with the plastic sachets which hold these materials. Also the ecosystem surrounding of the falls, which comprises trees and sands, is littered with the remnants of tourists' picnics and other discarded waste, carrier bags and non-biodegradable items. Even though the local Tourism Board has displayed many signs around the site and message board to communicate and educate the tourists on environmental protection and effects of littering, they appear to disregard all of this information.

Questions

1. What would be the best way to communicate policies about pollution and the effects of litter on the environment to the visitors and tourists?
2. How would you staff the site in order to alleviate this problem? Discuss.
3. What are the adverse effects of pollution and litter on humans and wildlife?
4. If you were the Hogenakkal destination manager, how would you address these issues?

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Wildlife conservation: lessons to be learned from Namibia

by **Gopal Srinivasan**

As the millions of species, both flora and fauna, are under threat of extinction around the world the Namibian conservation programme stands out as an example of community based wildlife conservation. Previously, the wildlife in Namibia was threatened by hunting, poaching and other similar illegal activities. However, since the introduction of a community based wildlife tourism and conservation programme for the locals, the situation has reversed. Now the locals participate actively in wildlife tourism activities along with other stakeholders. Such actions have not only dramatically increased the locals' income level and standards of living but also, instead of hunting, the locals have started to raise, support and conserve the wildlife. It is pleasing to see that a diplomatic solution to the long drawn human and animal conflict in the region has been reached. This conservation programme has received attention from governments around the world, who face similar situations in their countries.

Questions and Activities

1. Can the success story of Namibia be replicated around the world? Discuss the opportunities and challenges?
2. If you were a tour manager, how would you sell a wildlife tourism package in Namibia to a group of potential customers?
3. Discuss the importance of educating local communities and creating their awareness of wildlife conservation.

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Civil War and Tourism Resources: Case of UNESCO World Heritage sites in Aleppo city, Syria

by Gopal Srinivasan

Since the civil war between the government armed forces and opposition broke out in Syria in 2013, the ancient city of Aleppo, which is rich in UNESCO World Heritage monuments, is under continuous severe threat. The monuments in the Aleppo city date back 5000 years and are a symbol of the ancient Silk Road trade in the region. Also further ancient cities and structures, including Damascus, Palmyra, Bosra, the Crac (castle) des Chevaliers, Qal'at Salah El-Din and Saladin castle have already been targeted and may be on the brink of even further severe damage or complete destruction (See <http://rt.com/news/syria-ancient-artifacts-plunder-482/>). In March 2013, the UNESCO World Heritage Organisation's Director General appealed to the international art market regarding the trafficking of archaeological remains and appealed for professional responsibility and strict application of the UNESCO rules of conduct in line with the 1970 and 1995 Conventions on the purchase of possibly looted or stolen antiques by looters and criminals (UNESCO, 2013a; UNESCO, 2013b). The customs' officials and Interpol (See <http://www.interpol.int/Crime-areas/Works-of-art/Works-of-art>) are on high alert in this regard and it is very clear that this situation may worsen in the near future.

Activities

1. Discuss the role of local government in the conservation of heritage sites.
2. Identify the stakeholders involved in this issue and discuss their role in conservation.
3. Discuss the proverb "prevention is better than cure" as may be applied to this case.

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Tour Operator's Liability under the Package Travel, Package Holidays and Package Tours Regulations 1992

by Ajay Patel

Tracy, Justine and Bouncer just finished their end of year exams at a UK university. To celebrate they booked a holiday with Dreams, a travel agent on their local high street. The tour operator was Heaton's Airways and they paid a total of £900 including flights and accommodation for 10 days. They chose the Hotel Solar in a Portuguese resort because it was described as 'a luxury hotel with first class facilities suitable for the young and discerning traveller'. When they arrived at the resort, they found that parts of the hotel were still being built. Only the wing in which they were staying and one pool, out of the promised seven, was completed. The brochure had advertised a wide choice of restaurants, each with a specialist cuisine, including Thai, French and Italian but only the Russian restaurant was open for business. When they raised this issue with the holiday rep., they were told that the other restaurants were closed.

To make matters worse, their rooms were cramped and in poor condition. The floor and bathroom tiles were cracked and the bed linen was dirty. The television only received Portuguese channels and not sky as they expected. When Tracy went to speak with Fernando, the Dreams holiday rep., she asked whether they could be moved to a different hotel. However they had booked in the high season and everywhere else was full.

Question

1. Are Tracy (T), Justine (J) and Bouncer (B) entitled to compensation? If so, from whom? Consider the liability of the travel agent, tour operator and/or hotel, if any.

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Communication with Foreign Guests in a Hotel

by Libena Jarolimkova

Introduction

Every year, approximately four million foreign tourists visit Prague, the capital city of the Czech Republic. The development of international tourism has brought changes in the composition of the foreign visitor base. The ratio of visitors from traditional Czech source markets in Western Europe (Germany, Netherlands and Great Britain) is decreasing and the spectrum of visitors' nationalities is broadening. The number of guests coming from France, Spain, Russia, Ukraine, Poland, Latvia, Asian countries such as Japan, China, South Korea and also South America is increasing. Therefore, the demand for effective communication in customer service continues to grow.

Background Information

In a four star hotel in the centre of Prague (capacity of 120 beds), the structure of guests has changed. Guests from a large variety of countries stay at the hotel. Even though the hotel staff are qualified and are able to speak English and German, communication with guests is becoming more and more problematic. Many guests, especially from France, Italy and the countries of former USSR don't speak any foreign languages and they have no desire to overcome this language barrier. Visitors from Asian and South American states often don't speak English well enough to understand all the important information, which causes misunderstandings and uncomfortable feelings. Successful communication is especially difficult in the following cases:

- explaining how the guests are supposed to park in the hotel garage.
- the necessity to make a deposit (usually by registering a credit card) on arrival for possible consumption from the minibar.
- description of the dishes and drinks served in the hotel restaurant.
- solving of guests' health issues and similar problematic situations.

Questions

1. In which additional situations might you expect similar problems with language barriers?

2. What means of overcoming a language barrier are you familiar with? Discuss and compare the advantages and disadvantages of each possible way of overcoming language barriers.
3. What is the structure of foreign visitors in a city or town with which you are familiar? Do you think that these guests encounter a language barrier as well? In which situations?
4. Are you familiar with a hotel with such problems in the above city or town? How do the staff solve the language barrier?
5. Create a list of potentially problematic situations in a hotel, restaurant then determine and justify the ways of overcoming the language barrier in each situation.
6. What information is expressed by the pictograms below? Are all of them easy to understand?

Appendix Examples of Pictograms used in Hotels



Staff speak English



Staff speak German



Credit cards accepted



Non-barrier access



Restaurant



Bar



Exchange



Roofed parking lot



Animals are welcome



Safe



Air-conditioned room



Fitness



Rental of sport equipment

Source: <http://www.cestovniinformator.cz/cs/piktogramy.html>

Reducing Energy Costs in Hotels

by Klára Karakasné Morvay

Introduction

Due to the economic crisis which began in 2008 the Hungarian hotel industry is facing liquidity problems, exacerbated by the continuous rise in energy costs which poses a huge threat for the cost management in hotels (HAH - Hungarian Association for Hotels and Restaurants <http://www.hah.hu>). In 1996, the energy cost was only 2.5% of the income; in 2006 this rate doubled to 5%, and by 2011 it had reached 10%. However, with foresight, planning and conscientious staff control and energy saving investments it is feasible to reduce energy and water consumption quite dramatically so increasing the profitability of hotels.

The Case of the Klarak

To exemplify: the Klarak, a four-star hotel in Budapest, has 392 rooms on eight floors. Due to its location and limited financial resources the Director of Maintenance and Development was instructed to resolve the hotels increasing energy consumption issues within a limited investment budget. Below are some of his energy saving recommendations for the Rooms' Division Department:

The average occupancy rate in November last year was 35%. If the Front Office staff of the Hotel Klarak were instructed to direct the guests and incoming reservations to particular floors to allow the closure of four floors in the building. This decision means that the minibar refrigerators, television stand-by, the heating and the corridor lights on the empty floors can be turned off and no water will be used.

The minibars consume about 0.8 kWh in 24 hours. There are, on average, 49 rooms per floor. If the refrigerators are switched off in the guestrooms that means $0.8 \times 49 = 29.2$ kWh less daily energy consumption per floor so if four floors are closed, the saving is $29.2 \times 4 = 116.8$ kWh per day. On a normal day in November the electricity consumption is approximately 4120 kWh, so switching off half of the minibars in the hotel can save 2.8% of the daily energy consumption.

The television standby lights consume a small amount of energy, only 0.17 kWh per day. However, as there are 49 televisions per floor, the consumption per floor is 8.33 kWh which

for 4 floors is 33.32 kWh per day. This is 0.8% of the daily energy consumption. It may not seem to be much, but if we add the minibar consumption we save 3.6% of the daily electric energy.

With respect to the corridors lights, a normal 40W bulb consumes $40 \times 24 = 960$ W per day which converts to 0.96 kWh. There are 20 corridor bulbs per floor so they consume 19.2 kWh in total per day which is 76.8 kWh for the 4 floors, amounting to 1.9% of the total electricity consumption.

Therefore, in total, the hotel can save 227 kWh of electricity, which is 5.5% of its daily energy consumption (See Table 1).

Table 1 Total Daily Saving of Electric Energy in Rooms and Corridors

	Energy consumption (kWh/day)	One floor	Four floor	Savings as a % of the daily consumption
Minibars	0.8	29.2	116.8	2,8%
TV stand by	0.17	8.33	33.32	0.8%
Corridor lighting	0.96	19.2	76.8	1.9%
Total	1.93	56.73	226.92	5.5%

In the case of night lighting, the Klarak Hotel uses normal 60W bulbs, which they propose to change to energy-saving bulbs. The 11W energy-saving bulb is equal to the 60W bulbs in brightness. The hotel has 3 bulbs in 137 rooms and 2 bulbs in 242 rooms as night lights, which means that there are a total of 895 night bulbs in the hotel. The 895 60W bulbs consume $895 \times 60W = 53.700W$ (53.7 kWh) energy per hour, which takes $895 \times 11W = 9845W$ (9.845 kWh) with energy-saving bulbs.

1 kWh costs 27 HUF (~0.1 € or 10 cents), which means $53.7 \times 27 = 1.450$ HUF cost per hour with normal bulbs, but with the energy-saving bulbs it is just $9.845 \times 27 = 265.8$ HUF.

In case of the total amount of bulbs the difference is 1.184,2 HUF per hour.

Table 2 Comparison of the Cost of Normal and Energy-Saving Bulbs

	Normal	Energy saving
Consumption of one bulb (W/hour)	60	11
Consumption of 895 bulbs (kWh)	53.7	9.845
Energy cost (HUF/hour)	1.450	265.8
Savings (HUF/hour)	-	1.184.2

A medium quality 11W bulb costs 690 HUF (~2.50 €), so the change of bulbs cost $895 \times 690 = 617.550$ HUF. The cost of investment divided by the sum of the saving equals that after 522 hours of usage our investment shows a return.

How much saving can the Klarak Hotel make by replacing the current shower heads with water-saving ones (See Diagram 1 for an example and then complete Table 3.)



Diagram 1: Water-saving shower head

Source: <http://www.argep.hu/popup.asp?pid=163534599&pnr=10001&foto=1>

In the case of ordinary shower heads 10 litres of water flow away per minute. However, in the case of water-saving shower heads this is only seven litres. This means, that three litres of water can be spared per minute during a shower. An average person showers for eight minutes, so during a shower 24 litres of water can be spared per night, assuming that each guest take a shower each day. The number of guests in the Klarak Hotel was 105.245 in 2012.

Table 3 Comparison of Normal and Water-Saving Shower Heads

	Normal shower head	Water-saving shower head
Water consumption (litre/minute)	10	7
Water consumption (litre/ 8 minutes)	80	56
Water consumption (m ³ /year)	??	??

The Klarak Hotel has to pay 530 HUF/ m³ (~2 €) for the use of water and sewage. Let's add to this the amount of the necessary gas! To make one m³ of warm water requires 5 m³ gas. One m³ gas costs about 103 HUF (~ 0,4 €). One water-saving shower head costs 4.090 HUF (~ 14 €).

Questions:

1. Calculate how much total saving the hotel can achieve in the water consumption and costs then complete Table 4 (??) below.

Table 4 Saving with Water-Saving Shower Heads

Total annual water consumption (m³)	27.454
Amount of water saved (m ³ /year)	??
Savings in % of yearly water consumption	??
Savings in water and sewage cost (HUF/year)	??
Savings in gas cost (HUF/year)	??
Total savings (HUF/year)	??

2. How much would it cost to change all the shower heads in the hotel and how much time would the return require, i.e. when would the break-even point be reached?
3. How would the results above change if only 70% of the guests took a shower every day?
4. Name any other methods of energy saving which do not require high investment costs!
5. What does “sustainability” mean in the tourism and hotel industry?
6. What steps have been made by any hotels with which you are familiar for sustainability or ‘going green’?
7. How much do the energy sources cost in your country? Inform yourself!
8. What kind of alternative energy sources exist?

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Part 2

Revealed Case Studies

The Measuring of Brand Equity in a Small Hotel Chain

by Detlev Remy and Wolf Magnus Gerstkamp

Over time a small Austrian hotel chain has developed a branding strategy with an internationally acknowledged brand in the markets. The Austritz hotel chain was founded in 1972 in Innsbruck with the opening of a four star hotel with 68 rooms, including six suites. The owner still targets mainly tourists for winter and summer activities. Following general success in the first years of operation, and the fact that Innsbruck was hosting the Olympic Winter Games in February 1976, the owner decided to expand his business and open some new hotel properties (See Table 1). Further developments followed in St. Johan in Tirol in 1978, Zell am See in 1983, Saalbach in 1989 and Kitzbühl in 1993. Subsequently, another hotel was opened near Salzburg in 1995 with the idea of diversifying the target market of the small hotel chain to include business clients in addition to leisure customers.

Table 1 An Overview of the Austritz Hotel Chain

Location	Hotel Name	Opening	Rooms	Suites	Restaurants	Tourism Focus
Innsbruck	Rote Blume	1972	62	6	1	Leisure
St. Johan (Tirol)	Weisser Berg	1978	34	6	1	Leisure
Zell am See	Weiter Blick	1983	45	15	2	Leisure
Saalbach	Brauner Bär	1989	25	8	1	Leisure
Kitzbühl	Villa Alpha	1993	24	12	2	Leisure
Salzburg	Gelbe Blume	1995	75	4	2	Business

All of the hotels have been successful over the past few years. Each property has its own general manager and they all report directly to the owner. Each branch has its own marketing strategy and is responsible for placing advertisements in magazines, newspaper and internet booking pages. All of the general managers maintain good relationships with local tourism authorities, participate in local events and support the local tourism brochure in which, in return, each hotel is offered free advertising.

All of the hotels with solely a leisure customer focus are built in local chalet style and offer unique interiors in Austrian style. All of the rooms and suites are equipped with normal four star standard facilities including television, minibar, free internet and amenities in the bathrooms. Each hotel has a partnership with a local spa for their guests included in room prices. The city hotel in Salzburg is a modern property catering perfectly for the needs of business clients.

In the year 2002 the owner decided to implement a customer loyalty programme for all of the properties. To date, the loyalty programme runs only at property level in which repeat guests receive preferred rates for packages.

Recently the newly appointed corporate brand manager has learned from a marketing conference in Germany that it is nowadays essential to focus on brand equity and especially to maintain and measure brand equity. One common used model borrowed from academic research is that of Keller's customer based brand equity (Keller, 1993; 2008). Keller (1993, p.48) stated that brand equity is “the differential effect that brand knowledge has on consumer response to the marketing of that brand”.

In short the proposed academic model states that brand equity is built from the customers' perspective, meaning that customers own the brand, based on their level of brand awareness, their perceptions of performance and imagery, their judgment and feelings about the brand and, on the top layer, their brand loyalty. Having studied the theoretical background, the corporate brand manager thinks about the next step to implement a branding strategy with the goal to develop a measurement of its brand equity.

First the Austritz brand manager reviewed all existing promotional activities of the brand and arranged a couple of pre-tests to measure the existing level of brand awareness of the chain's customers. Second, he conducted a survey, using the existing customer database, to gather information about their customers' perceptions of the brand including its performance attributes. Following this survey, the Austritz company invited a pre-selected sample of customers for a focus group in order to identify judgmental factors and their feelings about the brand. In the final step the brand manager met with the sales and marketing manager to review

the loyalty programme of the Austritz hotel chain and to analyse the rate of repeat customers, their engagement with the brand and their loyalty status.

Questions and Activities

1. Determine and critically evaluate all the relevant factors, which impact on the above case.
2. Discuss the layers of the brand equity model and suggest possible adjustments for the hotels.
3. Examine any possible barriers to the measurement of brand equity and suggest how they might be overcome.
4. Review and discuss the importance of this branding strategy.

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Budget Hotel Franchising Issues in China

by Matthew H. T. Yap

The expansion of China's tourism at an unparalleled rate has led to continuous growth in the budget hotel industry (Huang and Chathoth, 2011) with more than 6,400 budget hotels spread throughout China by the end of 2011 (Research and Markets, 2011). Budget hotels offer inexpensive and affordable accommodation, with limited service provision (Brotherton, 2004). Frequently, they are easily recognisable, due to their standardised building construction, and easily accessible due to their prominent locations (Senior and Morphew, 1990). Ownership of budget hotels in China can be state or private with the use of management contracts and franchising business models (Huang and Chathoth, 2011). Hotel franchising is a fixed term contractual agreement whereby the franchisor permits the franchisee to use a brand name belonging to the franchisor to spread the products and services of a hotel business in return for a specific fee (Adams, Hickey and Jones, 2006). In particular, the franchising business format enables the franchisor to establish a complete step-by-step plan for managing and operating the hotel in order to maintain consistent quality. Furthermore, the franchisor provides continuous advice and assistance to the franchisee and, to a great extent, controls the way in which the franchisee does business (Seid and Thomas, 2006). The benefits of expanding a hotel brand quickly, with the risks and costs shared between the franchisor and franchisee, cannot be underestimated (Alon, Ni and Wang, 2012). However, franchisees often encounter franchising issues as depicted in the following case.

Tycoon Li (TL)'s friends encouraged him to tap into the lucrative budget hotel business in China and he was eager to do so. However, he was inexperienced in operating and managing budget hotels. His circle of friends recommended him to establish a business format franchise agreement with a reputable company advising him that the brand name could help him to increase his profits. Based on his friends' recommendations, TL signed a business format franchise agreement with Franchise Hotels International (FHI), a foreign company, to set up a chain of budget hotels across major cities in China. During an initial discussion, FHI recommended TL to lease buildings suitable to set up budget hotels. However, TL rejected this suggestion in favour of buying the buildings in order to show off his wealth amongst his circle of friends. As per TL's preference, FHI agreed. With respect to the franchise agreement, FHI provided TL with a step-by-step operation and management plan for the new budget hotels.

As TL did not have any experience in budget hotel management, FHI insisted that he used this plan in order to maintain service quality consistency of the brand. TL agreed reluctantly as he was eager to show off the success of his budget hotels to his friends in the shortest time frame possible.

During the first year of operation, the budget hotels were doing well with good occupancy rates and TL learnt a lot from FHI's management manuals and standing operation procedures. However, TL found the standardised services and products did not reflect local knowledge and culture. Hence, TL proposed a modification to FHI but they rejected his proposal outright. In addition, TL did not find the central purchasing from FHI's suppliers necessary as he could get better merchandise from his business associates at more competitive rates. Once again, TL's suggestion to FHI to modify central purchasing was rejected. TL felt that FHI was trying to increase its profits via central purchasing. On a few occasions, TL visited the budget hotels of his own accord so as to check on the day to day business operations. TL was a fairly strong, dynamic personality and his attempts to 'interfere' in the management of the hotels resulted in reprimands from FHI.

By the end of the first year's operation, FHI was happy that TL's chain of budget hotels had made a profit, fulfilling the requirements as stipulated in the franchise agreement. However, TL felt that he had totally lost control over his business and he expressed his discontent with FHI. He commented that FHI could have increased the bottom line by eliminating central purchasing. TL also complained that FHI had not taken into consideration the local knowledge and culture in providing only standardised services and products. Moreover, TL felt that FHI's human resource training was inadequate. In response, FHI informed TL that his concerns would be addressed. By the middle of the second year of operation, TL's franchising issues had not been addressed and TL's working relationship with FHI was getting sour. On top of that, FHI increased their random inspections and audits. TL felt that the additional audits and inspections were unnecessary and punitive.

Questions

1. How should the franchisor (FHI) and franchisee (TL) mitigate the conflicts?
2. What recommendations would you make to TL so that he could realise his dream of setting up a chain of budget hotels in China through means other than franchising agreements?

3. What would you recommend franchisees to be aware of before entering into an agreement?

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Analysing Tourism Destinations' Competitiveness. The Case of Romania

by Juan Ignacio Pulido-Fernández and Yaiza López-Sánchez

Competitiveness is a broad, multidimensional and complex concept which has led to many definitions and models of analysis. From a macroeconomic perspective, most of the definitions known so far share the idea that competitiveness is the key to national prosperity. Perhaps the most comprehensive definition given so far is that of the Organization for Economic Cooperation and Development (OECD, 1994, p.18), which defined competitiveness as “the degree to which a country can, under free and fair market conditions, produce goods and services which meet the test of international markets, while simultaneously maintaining and expanding the real incomes of its people over the longer term”.

In the case of a tourism destination, competitiveness is understood as the ability of its stakeholders "to create and integrate value-added products that sustain its resources while maintaining market position relative to competitors" (Hassan, 2000, p.239); or "the ability of a destination to maintain its market position and share and/or to improve upon them through time" (D'Hautesserre, 2000, p.23). Therefore, the competitiveness of tourism destinations seems to be exclusively related to their relative position in the tourism markets. Dwyer and Kim (2003) define tourism competitiveness as the relative ability of a tourism destination to meet visitor needs in different aspects of the tourism experience or to provide products and services better than those in other tourism destinations on those aspects of the tourism experience considered to be important by tourists.

Other authors, however, consider that the key issue in tourism competitiveness is that related to the economic prosperity of its inhabitants. Thus, Crouch and Ritchie (1999) maintain that, since tourism destinations compete mainly for economic reasons, in trying to attract the highest level possible of tourism spending the analysis of tourism competitiveness should focus on long-term economic prosperity; this criterion should be used in order to assess whether a certain tourism destination is more or less competitive. These authors present an approach for the analysis of the ability of a tourism destination to compete taking into account its comparative advantages, competitive advantages, tourism management activities and environment.

On the other hand, Dwyer, Forsyth and Rao (2000) emphasise tourism prices, considering that the measure of price competitiveness plays a decisive role in the analysis of the competitiveness of tourism destinations, to the point that for these authors tourism competitiveness “is a general concept that encompasses price differentials coupled with exchange rate movements, productivity levels of various components of the tourist industry and qualitative factors affecting the attractiveness or otherwise of a destination” (Dwyer, Forsyth and Rao, 2000 p.9).

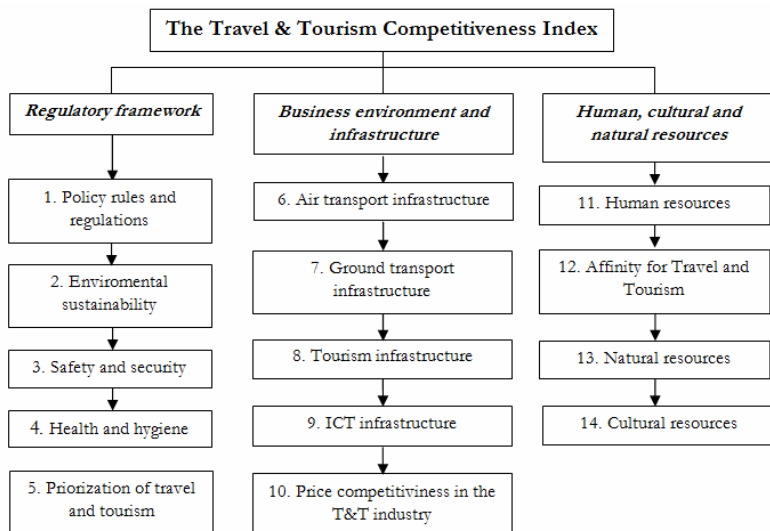
Finally, the noteworthy contribution of Crouch (2011) states that the tourism product is, in fact, an experience offered by a destination to its visitors. Therefore, the competitiveness of a destination is strongly influenced by the quality of that experience, which will depend, in turn, on tourism businesses, other organisations and support institutions, those organisations managing the destination, the public sector, local residents, etc.

In short, a territory can be competitive in the market due to many circumstances, so the degree of competitiveness of a destination may not reflect the efficiency of its economy, nor the welfare level achieved by its population. In fact, the competitiveness of a tourism destination can be based on low wages and limited benefits, or on the availability of natural resources unique in the world; alternatively it may be based on the existence of high productivity levels that make it possible to pay high wages and have excellent benefits or an improved quality of services or, in general, of the tourist experience. In each case, the tourism destinations would be competitive, but the meaning and, in turn, the consequences of that competitiveness are radically different.

As the competition between tourism destinations is increasing, there is a growing need to generate knowledge about the capacity of a destination to compete, as well as about the strengths and weaknesses of its competitors. The World Economic Forum (WEF) began in 2007 by producing an annual report on the competitiveness of tourism in over 100 countries around the world. It was entitled: *The Travel & Tourism Competitiveness Report (TTCR)*, which aims to provide a comprehensive strategic tool to measure the factors and policies that make the development of the tourism sector attractive in the different countries, enabling all stakeholders to work together to improve the competitiveness of the tourism industry within their national economies, contributing therefore to their national growth and prosperity.

In this report, which annually has tried to address different global problems of the tourism sector (tourism and economic development, environmental sustainability, crisis overcoming, etc.), the tourism competitiveness of each country is measured on a scale of 1 to 7. In addition to a global tourism competitiveness index (See Diagram 1), three competitiveness sub indices are also calculated: one for the regulatory framework of tourism policy; another for the business climate and infrastructure; and a third one for the human, natural and cultural resources. In order to obtain these indices, the information is structured in a total of 14 pillars of tourism competitiveness that are divided into 75 competitiveness variables or indicators. Among other sources, the WEF uses information from IATA, IUCN, UNWTO, WTTC, UNCTAD, UNESCO, etc.

Diagram 1 The Travel & Tourism Competitiveness Index



Source: The Travel & Tourism Competitiveness Report (2011, p.5).

The information provided in the TTCR is very useful to identify the competitive advantages and disadvantages of a country as a tourism destination and to generate public policies that reinforce the tourism sector in that country. Annexe 1 includes, for example, Romania's profile. However, students can access the web page of any country via the World Economic Forum (2011) website and obtain the profile of any country, with which they can carry out an analysis of the competitive performance of this country and, particularly, identify and process the variables that help or hinder the competitiveness of the country as a tourism destination.

Questions

1. The WEF (See Diagram 1) uses a total of 14 pillars to measure competitiveness. Identify the three pillars of competitiveness in Romania with a better relative position.
2. Analyse the distinctive features that explain the good relative position (study the ranking indicators shown on page 2 of the profile, exclusively related to the three pillars identified in question 1).
3. Identify the three pillars of competitiveness in Romania with a worse relative position.
4. Analyse the features that explain that poor relative position (study the ranking indicators shown on page 2 of the profile, exclusively related to the three pillars identified in question 3).
5. In your opinion, are the variables analysed sufficient and representative? Should any others be included? If 'yes', which ones and why?

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Tourism Destination Marketing: the Case of Atlantic Provinces in Canada

by **Roselyne N. Okech**

Introduction

Tourism destinations are faced with increased and intense competition in marketing and tend to use all means to promote and attract tourists to their sites. The need to market a destination has been well-established as one of the essential management components required to ensure a competitive tourism destination (Crouch and Ritchie, 1999; Ritchie and Crouch, 2003). Destination marketing has traditionally focused on image creation and promotion aimed at achieving growth in domestic and international visitation (Cox and Wray, 2011). Recent research shows that destination marketing should adopt a sustainable approach where marketing is integrated with sustainable destination management and development objectives to ensure the needs of both visitors and residents are met in regional communities (Buhalis, 2000; Cox and Wray, 2011). Web-based marketing has emerged as a vital, if not dominant, medium for tourism marketing. Indeed, the effective use of web-based marketing activities is pivotal not only for marketing and promoting destinations but also for creating a competitive advantage for them (Buhalis, 2000). The key to successful on-line destination marketing efforts depends primarily upon the integrative application of destination information provision, communication mechanisms, e-commerce functions, and relationship building (Wang and Russo, 2007; Cobos et al., 2009). On-line information users are typically younger and better educated than off-line information seekers (Bonn, Furr and Susskind, 1999; Morrison, Jing, O'Leary and Cai, 2001; Jang, 2004; Miller and Henthorne, 2006). World tourism officials have come to recognise the significance of the Internet in reaching and influencing the travel-conscious consumer (Organization of American States, 1998; Douglas and Mills, 2004; Miller and Henthorne, 2006).

Early on, Weber and Roehl (1999) predicted that the tourism industry would be one of the top product/service categories to be most influenced by the emergence of the web. For travel information, consumers have become more dependent on the web as an information resource and are turning to it in place of more traditional forms of advertising media, for example, television and magazines (Jeong and Choi, 2004). A study conducted by Trip Advisor in 2007 revealed that 96.4% of the respondents use the Internet as an information source for planning

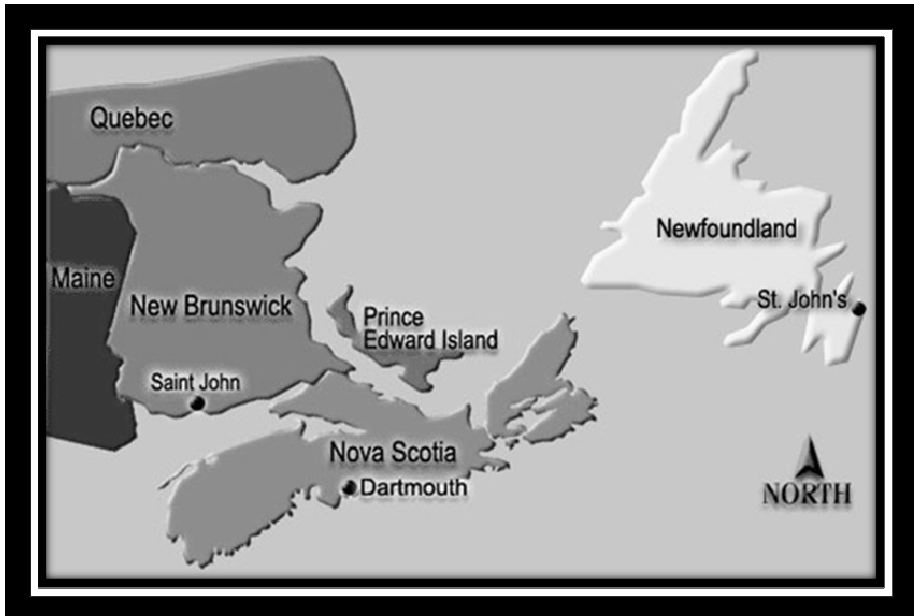
pleasure trips. Their most frequent travel planning-related on-line activities are: looking at other consumers' comments/ materials (90%); printing out maps/directions (82.7%); reading travel-related blogs (64.2%); requesting printed materials/brochures (59.9%); and printing out coupons (40.7%). Travel review readers also stated that other travellers' on-line reviews have a variety of impacts on their travel planning. Almost all of the respondents strongly or somewhat agreed that other travellers' reviews influenced them in the following ways: learning about a travel destination, product or service (94.6%), evaluating alternatives (91.9%), avoiding places or services they would not enjoy (91.8%), and providing them with ideas.

Tourism in Canada

Canada is a country with 10 Provinces and three Territories and is considered among the top global destinations to visit (The Canadian Press, 2013). Tourism is an important driver of economic activity in all regions of Canada. Tourism contributes as much to the country's wealth as agriculture, fisheries and forestry combined (Canadian Tourism Commission, 2012). In 2008, tourism activity generated over \$74 billion in revenues, represented 2% of Canada's gross domestic product (GDP) and directly employed over 660,000 Canadians. The Canadian Tourism Commission (CTC) developed a regional hub approach in 2011 to achieve greater consistency and effectiveness in marketing while remaining responsive to local market needs and opportunities. By taking a global approach to executional strategy and communications' planning, the CTC strives to create a universal 'Canada travel brand', reflect the business practices for multinational sales and marketing and maximise available funding for important programme activities (CTC, 2012). The CTC focuses on those markets and consumer segments where there is the highest potential for return on investment, promoting Canada's tourism brand in the emerging and transition markets of Brazil, China, India, Japan, Mexico and South Korea, as well as the core markets of France, Germany, Australia, United Kingdom and the United States. This plan focuses on the need for Canada to stimulate international visitation. Over the past decade, there has been a dramatic shift in the profile of travellers. Currently, 80% of tourism revenue comes from domestic travellers, an increase from 65% in 2000 (CTC, 2012). Relying on more than 80% of revenue from the domestic market reduces the large opportunity to generate international revenues as Canada's tourism industry becomes increasingly reliant on supporting regional and domestic tourism experiences at the expense of those experiences demanded by high yield international travellers. This will over time reduce Canada's competitive set in global markets (CTC, 2012). Travellers' choices for 2011 from Trip Advisor highlighted the Top 25 destinations in Canada. Of the destinations listed, Halifax,

Nova Scotia was number 9, Charlottetown, PEI was number 13 and St. John's Newfoundland was number 17 (www.tripadvisor.ca). Many travellers often have to consider factors such as the weather, travel costs, attractions on offer and the overall marketing experience on the web to enable them consider travelling to a particular place. Increasingly, internet users are relying heavily on the reviews' section on various sites to decide whether or not to visit a particular location and so destination marketers cannot ignore or overlook this factor.

Study Areas - Map



Source: www.listingsca.com.

Destination Features

Domestic Tourism

The four Atlantic Provinces (See Study areas map), according to Table 1, seem to have the fewest number of domestic tourists compared to other provinces in Canada, with Nova Scotia in the lead and PEI ranking last in this subgroup. Perhaps the story of Anne of Green Gables, which is known throughout the world, could be positioned strategically and marketed to the locals then used as a unique selling point to attract domestic tourists. Newfoundland could use its unique English language, culture and heritage sites as marketing tools to get more traffic to the islands.

Table 1 Trips by Canadians in Canada

Country/Provinces	Person-trips (destinations) thousands					Total for period
	2007	2008	2009	2010	2011	
Canada	214,559	214,498	227,121	229,158	317,021	1,202,357
Newfoundland	2,939	3,006	3,256	3,500	4314	17,015
Prince Edward Island	1,057	1,082	1,196	1,091	1386	5,812
Nova Scotia	7,087	7,131	7,604	8,115	9812	39,749
New Brunswick	5,349	4,937	5,358	5,458	7300	28,402
Quebec	57,240	58,410	62,736	60,169	83,739	322,294
Ontario	86,903	84,995	88,412	90,174	123,926	474,410
Manitoba	7,294	7,109	7,935	7,984	10,191	40,513
Saskatchewan	8,164	8,028	8,464	8,624	11,355	44,635
Alberta	20,052	20,601	20,398	21,558	33,162	115,771
British Columbia	18,418	19,126	21,619	22,380	31,756	113,299
Yukon/Northwest Territories/ Nunavut	56 ^E	74 ^E	144 ^E	F	81 ^E	F

* Source: www.statcan.gc.ca;

Key: *E use with caution *F Too unreliable

Table 2 Top 10 Attractions in Canada

No.	Attraction	Province
1.	The Canadian Rockies	British Columbia/Alberta
2.	Niagara Falls	Ontario
3.	Pacific Rim National Park	Vancouver Island, British Columbia
4.	Cabot Trail	Nova Scotia
5.	Baffin Island	Nunavut
6.	Vancouver/Victoria	British Columbia
7.	The Prairies	BC/Ontario/Saskatchewan/Manitoba
8.	The Rocky Mountaineer	British Columbia/Alberta
9.	Old Quebec City	Quebec
10.	Bay of Fundy	New Brunswick/ Nova Scotia

Source: www.DestinationCanada.

The Destination Canada (Table 2) records Canada's many unique attractions and has picked these 'top' 10 to recommend to visitors to Canada – or to Canadians who wish to experience more of their own vast and beautiful country. The selection has been made subjectively, based on personal experience and extensive research. Other potential destinations that could have easily been picked included the Viking trails and Green Gables in PEI. Only two of the

attractions in Table 2 are in the Atlantic Provinces in comparison to other provinces, with a strong focus on British Columbia.

Questions

1. Discuss ways in which the four Canadian Atlantic Provinces (Newfoundland, Prince Edward Island, New Brunswick and Nova Scotia) can enhance their marketing to attract more tourists.
2. Analyse the relationship and impact of those features and images induced by travellers' reviews of the four destinations in Atlantic Canada via websites such as Trip Advisor.
3. What role does the impact of on-line tourist information sources play in promoting destination marketing.
4. How should the local governments be engaged in establishing tourism destinations in Islands?

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The Value Chain as a Useful Tool for Managing Destinations

by Yaiza López-Sánchez and Juan Ignacio Pulido-Fernández

The market positioning of any tourism destination depends on its ability to generate value as perceived by the potential tourist. Zeithaml (1988, p.14) defined perceived value as "the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given". The concept of *value chain* was made popular by Porter (1985) as a basic instrument to describe the progress of the activities within a business organisation, generating value to the final customer. In this way, according to this author, it is possible to analyse the origin of the competitive advantage of a certain organisation by the systematic examination of all the activities that are carried out and the way in which they interact. When applied to destination management, the value chain allows for identification of each of the links through which value is added to the experience that tourists enjoy at the destination.

To date, there are few published research papers about the tourism value chain, more specifically about tourist destinations, for example, Poon (1993), Evans, Campbell and Stonehouse (2003), Yilmaz y Bititci, 2006; Zhao, Cao and Liu, 2009; Yunpeng, Min, Yu and Lina, 2011). As stated by Zhao, Cao and Liu (2009, pp.522-523), the tourism value chain can be defined as "the process tourism products transferring from suppliers to consumers, which is generally comprised of tourism products, traditional tourism intermediaries or e-commerce tourism intermediaries, and tourists". According to Zhao, Cao and Liu (2009), tourism resources, tourism products, distribution channels and tourists constitute the tourism value chain. Each sector generates the added value that is ultimately perceived by tourists. These authors therefore consider that the tourist is the core and starting point of the tourism industry and that the entire value-added process can be summarised as a "demand-supply" process.

In spite of the early adaptation of the concept of value chain for the tourism industry made by Poon (1993), the scientific literature about tourism management has not paid much attention to the management of its value chain until recent times, and thus, systems or models for the analysis of the value chain in this field have not yet been consolidated (Yilmaz and Bititci, 2006).

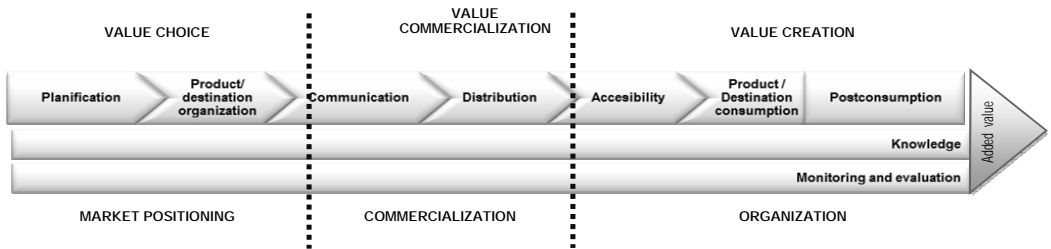
From Poon's adaptation, Fabricius (2001, p.76) proposed a value chain based on two types of activities: primary and support. Primary activities are those taking place in the "production process of the tourist product" (creation, marketing, distribution, after-sales service), while support activities make the development of the former possible. For their part, Evans, Campbell and Stonehouse (2003) adapted the value chain for the analysis of the tourist product, highlighting as basic activities all those business activities with which the tourist product is provided, namely: transport; destination services; commercialisation activities with wholesalers, retailers and travel agencies; marketing actions; and customer service. As support activities, they identify all those organizations and policies that manage, support or work against the tourist product itself, together with the employment of new technologies and information systems, the human resources and the suppliers.

Yilmaz and Bititci (2006) consider that the tourism industry involves diverse actors and the tourism demand is satisfied by their common efforts. They propose a model to measure the performance of the tourism value chain, although their approach starts from a biased conception of the chain, as only the private agents implicated in the tourist destination development are included. Michel and Phuc (2007) studied the value chain of a tourist product in Vietnam, but considered only the agents directly linked to the tourist activity, such as travel agents, transport companies or accommodation enterprises. On the other hand, Zhao, Cao and Liu (2009) suggest a demand-based reconfiguration of the concept of value chain based on e-commerce. In contrast to the previously mentioned authors, they consider that the actors that enable the tourist consumption are not only those who provide tourist services or who act as intermediaries, but also those agents who supply basic services. Yunpeng, Min, Yu and Lina (2011) lay emphasis on the incorporation of Information and Communication Technologies (ICT) and the way in which they transform the value chain of tourism and contribute to an improved information exchange, promoting efficiency between the different links and the actors involved in the decision making process. As indicated by these authors, "a tourist destination serves as a 'resources collection' to achieve the value of the complete industry in a particular region" (Yunpeng, Min, Yu and Lina, 2011, p.193), and so they suggest that future research must be focused on the possibilities of optimisation of the tourist destinations' value chain.

The value chain of a cultural destination should have the configuration shown in Diagram 1. The proposed model comprises nine links, organised, at the same time, in three stages that

follow the logical time sequence in the process of generation of value of a destination to its potential clients.

Diagram 1 Proposed Model for the Value Chain of the Destination



Source: Model developed by López-Sánchez and Juan Ignacio Pulido-Fernández (2013)

Thus, in the first stage, the aim is to position the destination in the market, which implies: (i) planning the destination, that is, adapting the territory for the tourist use it will be intended for, selecting the target audience to which the offer of such a destination will be aimed at and conceptualising the value that will be offered to the market; and (ii) organising the destination by generating a specific supply of products and services that meets the needs and expectations of the selected target audience, as well as the characteristics, limitations and potentialities of the territory where they will be developed.

The second stage involves the development of the most appropriate actions and strategies to present the generated supply to the target audience, achieving the desired market positioning. It comprises two links: communication and distribution.

Finally, in the third stage, the main challenge is to ensure consistency between the product planned and the product that is finally offered. This is the provision and consumption stage, known as value creation, though, in fact, value creation begins in the first stage, with the organisation of the destination. The links comprised in this third stage are accessibility, product-destination consumption and post-consumption.

In short, the value chain of a tourism destination is a tool of great worth for the diagnosis, planning and subsequent management of the tourism policy. Its use enables a holistic view of

the tourism phenomenon to be taken as well as of each one of the links through which tourism agents generate value to the tourist. In recent years, the main trend analyses are making constant reference to the need to "think" the value chain as a whole rather than in isolation, by subsectors, as it has been traditionally done; hence the interest in introducing this concept as a tool for the efficient planning and management of tourism destinations.

Questions and Activities

1. Briefly describe the key stages in any tourism planning process.
2. Choose a destination that you know and describe at least two possible actions for each link in the value chain.
3. What actions could generate value after sales to tourists in the post-consumption stage? Explain at least three actions.
4. Justify why the actions of creation and knowledge management should be carried out throughout the entire value chain of the destination.

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Safety and Security Issues in “GO Exotic” Travel Bureau

by István Kővári

Having worked for a few years in outbound tourism, you discover that, in your country, there is a small but niche market which is not covered by the existing tour operators and travel agencies, that is organising tours to the so-called ‘exotic’ destinations. Therefore, you decide with two of your colleagues to accept the challenge and start a new travel bureau specialising in exotic tours. As a result of a unanimous vote, the following name has been accepted for the new travel bureau: “GO Exotic”. You distribute among yourselves the main professional tasks for completion in the pre-opening period. You personally have agreed to deal with the safety and security issues, which seem to be very important when organising tours to exotic destinations. The three of you decided, of course, that all questions should be talked over together but the “rapporteur of the question”, that is a rather bumptious way of describing the person responsible for a task, has to prepare and forward the proposals.

The Go Exotic name has hardly been born when you discover that it is not easy to answer the question: ‘What is exotic?’ For a resident of Eastern Europe, Florida is exotic, for a New Yorker Florida might be interesting but definitely not exotic.

- What destinations are exotic for the inhabitants of your country?

You decide to draw up a list of countries and towns that might be interesting as exotic destinations to your potential travellers. However, as your original decision was to find a real niche market, you delete from the list those destinations which are exotic but to which at least one local agent offers trips to. Therefore, according to your location, countries such as Egypt, Thailand, United Arab Emirates or Jordan might be removed from the list.

Let’s say there are eight countries remaining on your list: Bolivia, Ethiopia, Iraq, Somalia, the People’s Republic of Korea (North Korea) and three other destinations in Africa, Central America and Asia. When proposing to include a destination on the list, a requirement is to enumerate several very special attractions. In the case of Ethiopia, for instance, these are the following: (i) The obelisks and other historical sites of the ancient city; Aksum, being at one time the heart of the Aksumite Kingdom, (ii) Lalibela Rock Temples; (iii) Lake Tana and Blue

Nile Falls. As for Iraq the listed attractions may be: (i) The rebuilt ruins of Babylon, capital of ancient Mesopotamia; (ii) The minaret of the Great Mosque of Samarra, as a UNESCO world heritage site; (iii) The Imam Ali Holy Shrine (the Mosque of Ali) located in Najaf. There are several historical, cultural and natural heritages and wonders mentioned in favour of Bolivia and Somalia; although the latter has been very much disputed it might be agreed that it could offer a really unique curiosity as a destination.

The next questions to be discussed and responded to are:

- What does tourism security mean?
- What kind of risks do your future tourists have to face in the visited country?

Gathering the list of potential risks it turned out that security and safety in tourism is a complex notion with several components, such as: political stability; public safety; health and sanitation issues; traffic safety; the possibility of disasters; personal data safety etc. You conclude that the list of risks varies by destination. After this examination of risks you decide that the preliminary list of potential destinations, drawn up by brainstorming attractions in countries considered exotic, should be revised from the point of view of safety and security.

Two main questions are raised:

- At what point do you decide not to organise tours to a listed destination given the extent of the risks?
- If you decide to launch trips to a listed destination, what are the necessary precautions and measures you have to take to ensure safety and security of your guests and their possessions?

One of your colleagues suggests a third viewpoint, that is to take into consideration not only the attractions that are included in the general visit plans but also other possible activities that may figure in the guests' on-site personal programmes. Walking in the historical areas downtown or in the local markets need different precautions than climbing a mountain or swimming in the sea. The viewpoint of activity related risks is accepted as having serious implications in your decision-making.

Following the criteria requirements to revise the country list, you decided that Iraq, because of the war and political instability, should be crossed off the list. The same thing happens to

Somalia, which is reputed to be the most dangerous place in the world, being a land governed by rival landlords and pirates. Although the case of North Korea may be just the opposite in that the public security, especially in the places which tourists are allowed to visit, is indisputably good, the political and socio-cultural gap between this communist country and western values is so wide that specialised advice on security issues would be necessary and there is also the threat of unrest in 2013

You continue to discuss safety and security issues in GO Exotic

Questions and Activities

Research the current offer on your country and draw up a short list of six countries that might be feasible 'exotic' destination contenders.

1. What kind of information sources would you use to evaluate the political situation in the planned destination? Look at the official website of the Ministry of Foreign Affairs of your own country and some others, like the travel advice given by country by the Foreign and Commonwealth Office of the United Kingdom (<https://www.gov.uk/government/.../foreign-commonwealth-office>) and the international travel information proposed by the Service of Bureau of Consular Affairs of United States Department of State (travel.state.gov).
2. Where can you find the official information about your listed countries?
3. Identify the nature and extent of the risks to tourists for each of your countries and use this information to revise your list accordingly. Justify the exclusion/inclusion of the countries on your original list as destinations to which your travel bureau will/will not launch organised package tours.
4. What are the main health and sanitation problems that tourists may have to face in the country/ies remaining on your list?
5. Are any vaccinations compulsory or recommended when visiting the countries on your list? Would you accept last minute travellers for a package tour to a country where vaccinations are required? (Note: Consider the time needed to be covered safely after receiving the vaccine).

It is clear that your tourists should be well informed of all kinds of security and safety issues that may arise during their travel and stay. The best way to do this is in written form,

to offer appropriate and adequate insurance cover and it may be necessary to ask them to sign a disclaimer.

6. The more the better - is it true when giving travel advice to your potential tourists? Is it good to be lavish with your security advice? What is the necessary but sufficient extent of security information to be given to tourist?
7. Document your recommendations and essential travel advice for the countries remaining on your list.
8. You are advised to have a special database of security related information in your Travel Bureau. What sort of information (phone numbers, addresses, names of contact persons etc.) should be on this list?

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Corporate Social Responsibility in an Hotel

by Mariana Assenova and Dimitar Matev

The Hotel – Background Information

Montagne Hotel is a relatively new hotel, opened in Slovenia at the beginning of 2007. It is located in the central part of a mountain resort town of about 22,000 inhabitants. The hotel is a three-star category hotel and has a total of 60 beds. It has a restaurant (80 seats), lobby bar (30 seats), fitness centre, sauna and massage hall, and an outdoor swimming pool with a garden so attracts leisure tourists. The hotel is also suitable for business tourism with its convenient conference hall. Montagne Hotel offers room service, tourist information and free parking for its customers. Presently there are no facilities for children in the hotel. Although the hotel is a four-storey building, to date no elevator has been constructed, posing difficulties for the housekeepers and also a problems for disabled people, because it makes it impossible for them to access the upper floors.

The hotel has 26 full-time employees and five seasonal employees. It hires seasonal staff for the summer, because then it opens its garden next to the swimming pool. Most of the hotel employees are women. Most of the hotel staff are aged between 18 and 35 years. The hotel relies mainly on local suppliers because they can provide good quality products and services at a reasonable price. The hotel management selects the hotel suppliers according to the quality of their materials and goods in the first place and then according to price. The relationships with the suppliers are not on a contractual basis but rather ad hoc.

The hotel has a constant flow of guests, regardless of the season. The lowest demand is January and the peak periods are weekends, national holidays and summer holidays. The distribution of customers according to their purpose of visit is almost equal; 50% visit the hotel for business and the other 50% visit it for holiday and relaxation with half of the latter group being families. Nearly 90 % of the hotel visitors are national tourists and the remaining 10 % come from abroad, mainly from Europe.

The hotel does not have a complete record of the number of stays or the number of meals it has sold. The accounting staff separate the income generated by the hotel under two headings:

income from accommodation (237,000 euros per year) and income from restaurant and other services - including fitness, sauna, lobby bar, swimming pool, etc. (230,000 euros per year).

The hotel management is familiar with the general principles of Corporate Social Responsibility (CSR) and their policy to provide good working conditions, excellent customer service and the strategic development of their business coincides with the philosophy of socially responsible behaviour. The hotel management is open to innovative strategies; therefore they are eager to learn about the possibilities for improving the current hotel performance. They believe that CSR will generally improve the hotel's image and thus its competitiveness in the region.

For that reason Ms. Ivanova, the general manager, was inspired to participate in an international programme for auditing the hotel with respect to CSR. Subsequently, it was hoped that the measures suggested by the external experts could be implemented.

Some of the findings in the external experts' report are as follows:

Human Resource Management

The owner of the hotel makes all the decisions related to the hotel development in consultation with the general manager and accounting department. Generally, there is no strict employee hierarchy in the hotel. The receptionists report to the accounting department (two staff members). Besides the registration of customers, the receptionists' job also includes supervision of the housekeeping staff. All other hotel departments operate with flat structures and are managed directly by the hotel general manager.

The receptionists (three) are among the most qualified staff in the hotel and most difficult to replace if there is such a need. The bartenders (three) serve in the lobby bar and offer drinks to the hotel customers. The room service staff (two) also work as bell persons in the hotel and are responsible for running errands to the rooms and for carrying the customers' luggage. The restaurant staff include the waiters/waitresses (seven), who work in the restaurant, and the chef and assistant cooks (three). The hotel also has a fitness instructor, who works as a lifeguard in the open swimming pool during summer, when there are generally very few customers using the fitness centre. Montagne Hotel has four housekeepers, who are responsible for the maintenance and cleanliness of the hotel rooms.

Recruitment, Training and Motivation Issues

Staff applications for jobs are invited through job announcements or recommendations from friends and relatives. Before employing a person, the hotel management organises an interview with the candidate.

There is no formal induction training for new staff. Each newcomer receives information about his/her duties from the hotel management. During the first two weeks of their work they are supervised by a colleague. The hotel management organises formal training only for the bartenders and waiters/waitresses; the training is subcontracted to external consultants.

There is no formal system of performance evaluation. However, the hotel general manager has introduced a policy to provide additional bonuses to employees and it has led to increased positive feedback from the customers. The hotel does not have any code of conduct.

Work Atmosphere and Employee Satisfaction

The results of a mini audit anonymous questionnaire survey conducted among the employees to evaluate the employee satisfaction show that:

1. 65 % of the employees are not satisfied to some extent with their workloads;
2. Half of the interviewed employees share that they are not satisfied to some extent with the extra bonuses, provided by the company;
3. 25 % of the employees are extremely unsatisfied with the salary scheme;
4. 25 % of the employees are not satisfied with their work schedule;
5. 25% of the employees are not pleased with the health and safety conditions.

Customer Relations/Service Quality

The Montagne Hotel is committed to offering high quality service to its customers. This is the reason why customer satisfaction questionnaires are left in the rooms for the guests to complete.

Table 1 The Average Grading of the Indicators

Indicator	Average result (based on grades from 1 to 3)
Service range/offer	2.26
Service performance	2.5
Personnel attitude	2.6

Based on the comments from these questionnaires, the hotel undertakes the necessary measures to improve the quality of the services provided. Some of the results of the customer satisfaction survey are presented in Table 1.

The lack of children's facilities has been noted as one of the hotel's drawbacks in the customer satisfaction questionnaires.

Environmental Policy

The hotel has a policy regarding the environmental aspects of CSR, which incorporates the following actions:

- Separate glass from the other waste and supply it to recycling companies;
- The use of solar energy via solar collectors on the roof, designed to heat the water in the boilers. When the water heats to the necessary temperature, the heat is directed to the swimming pool.
- Separate collection of organic waste for animal feed.

However, no information on the environment and the use of resources both internally and externally is provided (for example, there are no signs in the rooms advising guests on the efficient use of water, etc.). The hotel uses electricity both for heating and cooling. Its total use of electricity and water is above the benchmarks for Europe and the temperate climatic zone in which the hotel is located. No further measures are taken to reduce the waste or to implement "green" planning for goods and services.

Key Performance Indicators

Some key performance indicators are presented in Table 2

Table 2 Key Performance Indicators for the Hotel Montagne

No	Indicator (measure)	KPI	Remarks
1	Customer satisfaction (average number of marks-category 3 to 1)	2.78	Questionnaire survey, developed by the hotel
2	Employee satisfaction (average number of marks-category 4 to 1)	3.1	Mini audit questionnaire among all employees
3	Turnover of staff (No. of employees gone/total of employees per year)	0.23	The seasonal workers are not included in the calculation
4	Training (training hours / No of collaborators per year)	4.6	120 hours/26 people
5	Average salary -without management (average salary per month/collective agreement salary or legal minimum in %)	170%	The average salary is the contracted one and does not include additional payment for overtime, bonuses, food, etc.
6	Lowest salary (lowest salary per month/collective agreement salary or legal minimum in %)	104%	The lowest salary is the contracted lowest salary.
7	Absenteeism (days lost/No of total work days per year)	≈0	The hotel does not track absenteeism, but it is very rare.
8	Social investment (investment in benefits for society/total investment per year (%))	N/A	There is no specific data on this. The hotel sometimes provides its premises free of charge for charity events.
9	Water consumption (m ³ /guest night)	0,25	For small/budget fully serviced hotels (temperate zone) < 0.20 is excellent.
10	Electrical energy consumption in: - kWh/guest night; - kWh/heated m ² x a (year)	42 126	> 80 is excessive (www.benchmarkhotel.com)

Questions and Activities

1. Based on the information provided try to identify the existing problems and their causes and suggest appropriate CSR options to improve current performance. Present the cause analysis and the generation of CSR options formatted as per the table below:

Topic/Problem	Cause	CSR Options

2. Develop a Human Resource Development Strategy for the Montagne Hotel. Include a comparative analysis of different recruitment methods, discussing the disadvantages of these different methods for each of the requisite jobs and determine an appropriate stimulation policy in each case.
3. Develop a Customer Satisfaction Policy for the Montagne Hotel.

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The Irresistible Rise of Cello

by Mac McCarthy

Introduction

Cello Event Management Group developed out of the desire on the part of the four partners to run their business dynamically, grow organically and manage positively with a regard for people, commitment and fun. Their aim was to provide originality and notability to clients that would lead to Cello being their choice for future events. At the same time, they wanted to ensure that they avoided being bogged down in excessive bureaucracy that would slow the business down and eventually kill it.

Joe Dickens, the founding partner, is a great fan of the cellist, Pablo Casals, whose words provided Joe with his inspiration for the company: “The most perfect technique is that which is not noticed at all”.

The Partners

Cello Event Management Group began in 2004, with four partners:

1. Chloe Chen (37 years of age)

Chloe had eight years’ experience as conference coordinator with Cinta Intercontinental Hotels, based in Singapore and London. Her excellent planning skills with a strong eye for detail ensured she got noticed very quickly by her managers; she is very organised and procedural, which sometimes resulted in her closing her eyes to more imaginative ideas at times, but which also virtually guaranteed her success in every project she tackled. She had organised some of Cinta’s biggest corporate events and thus brought strong contacts with her, including a contract to deliver selected events for Cinta, when she joined Cello. She described herself with the words: “Flair isn’t quality; imagination doesn’t beat planning ...”

2. Paul Savage (45 years of age)

Paul had a very varied career in airlines, retailing and entertainment before joining Cello. He was a comedian playing night clubs in Manila for four years! He organised many entertainment-focused events in South East Asia and New Zealand and he was very heavily involved in the first Gay Pride event in Bangkok. He has an excellent creative mind – he is, without doubt, an ideas person, enthusiastic and inspiring to others with his enthusiasm,

energy and drive. A former colleague once said: “It isn’t over until Paul sleeps! Until then we keep going”.

3. Sinead Paert (30 years of age)

Sinead was recruited by Chloe after spending her university internship with Cinta in London. She is an excellent organiser and planner, with very good customer relations skills. A highly effective team leader and tireless worker during an event, she knows what is happening at every point and every stage of a live event and believes in planning even the finest detail, “leaving nothing to chance except chance itself”.

4. Joe Dickens (51 years of age)

Cello was Joe’s idea! Many years’ experience in corporate and community event organisation and management, together with over 10 years’ experience as a Management Trainer, focusing on hospitality and events, led him to the belief that he needed to run his own firm. He has excellent business skills, particularly around strategy and marketing and he has steered the business through eight years of success and growth, even during the recession. Although a quiet man, his oldest friend and former colleague once said of him: “Charisma ... pure charisma”.

Values and Mission

Cello is based in Manchester because of the company’s commitment to regional development [Joe is from Manchester] and ecological ethos; London was too expensive and too environmentally unsound as a choice for business location, Joe thought. They all wish to reduce the organisation’s carbon footprint by practical and effective means, and thus have avoided being based in London. This principle is often a challenge when organising many events. They also embrace other values, including equality and diversity, focus on people, giving value for money and working with clients in an ethical way. The latter has led to them turning down work with some clients! Chloe and Joe have not always seen eye to eye on the loss of clients over differences of ethos and ecological principles, as Chloe is rather more pragmatic than Joe. She thinks there has to be room for compromise on some issues, even if it means working with companies that have a less than positive record on some of those core values.

Staffing

As of November 2009, staffing at Cello consisted of:

- four admin persons who take care of all paperwork, including invoicing, contracts and accounts.
- one marketing manager and an assistant; they are responsible for Cello's marketing and also for the marketing of contracted events
- three contracts' coordinators who work on specific, assigned events, coordinating staffing needs, resourcing and working with one of the four partners as well as linking with administrative staff. They identify additional personnel needs, from sub-contracted Event Team Leaders to casual staff and sometimes volunteers, depending on the needs of the contract.
- one personnel records' clerk who works with the contract coordinators to maintain contacts with new and existing part-time workers around the country; in addition, she is responsible for maintaining personnel records and ensuring all legal aspects are complied with.
- one finance officer who takes care of billing payments and payroll. She also acts as office manager.
- The "Left Bank" - a group of independent Event Organisers around the United Kingdom and Western Europe with whom Cello works on a subcontracting basis according to need. Joe chose the nickname as a result of his many years based in Paris in his younger days. He wanted people who could be hired quickly and who would be effective within hours, with flair and imagination. "They should be", he declared, "the kind of people you would hire permanently if you could".
- The "Party People" – these are a group of casual workers and volunteers, many of them known to the company, while others are recruited as required, via local job centres and advertising, and are mostly students. The nickname is a reference to the emphasis on choosing volunteers with a sense of fun, imagination and commitment. Paul is the inspiration for the group, declaring "if we're not having fun then we're not committed. And if we're not committed, who the hell is going to enjoy the event?!"

All Human Resources (HR) functions are performed by the partners on an ad hoc basis and this approach has worked well over the years but, more recently, it has become onerous because of business growth and consequent demands from the events themselves. The partners frequently feel that they are being pulled in several different directions, with the

demands of people management, planning, business development and, of course, strategy. Chloe has said that “one day we will find ourselves in a mess – and that day may not be too far away. We are a constant success and that’s dangerous because we just keep pushing more and more”. Whilst he agrees with the sentiment, Joe does not want to sacrifice the organic approach that typifies Cello’s growth and management style for excessive bureaucracy and control. He seems less keen on planning for his business development than for the events that have become the beacons of Cello’s success. He likens the business to a doctors’ surgery with the partners coming in and out, doing what they do and not interfering too much with each other and with what is working. He believes in a light touch.

Current Demands and Challenges

2010 proved to be the slowest year on record for the business, despite still maintaining profit and even showing a very small growth so the partners renewed their efforts to gain more clients. By late 2011 there were some very promising signs which brought their own challenges so that 2012 looked healthy for the business, although growth was slowing again. By having a strong base of part-time staff [the “Left Bank”] and volunteers [the “Party People”], the company had managed to avoid losing any permanent staff and efficient contract management had ensured that losses from the part-timers and the volunteers were kept at a satisfactory level.

New Contracts

New contracts are generally brought in by one of the partners, either as a result of submitting a bid for an advertised event or because of an approach by a client. Contracts are generally large scale corporate or cultural events, though not exclusively. Paul is particularly proud of Cello’s involvement in the corporate events surrounding the Olympics and the party they co-organised for the lesbian and gay athletes. Chloe continues to maintain a strong presence in many of the Cinta’s bigger corporate events. Cello will be involved on a consultancy basis, contributing to the existing Cinta team or occasionally as event organisers, with full control over the entire proceedings.

To date, clients have included the major High St. banks, investment banks, oil companies, major retailers, a range of record companies, sports organisations (although this is relatively new and unexplored) and civic organisations.

Sustained efforts over the last year have resulted in Cello landing some very important contracts:

- The Pride of the North West [PNW] – this event is scheduled for 2014; it is essentially a tourism showcase for the region supported by two major exhibitions, a series of concerts, a sporting tournament and a gala finale with firework show. Important parts of the PNW have been subcontracted to Cello; these include ensuring high profile involvement of local community groups in three key cities in the region as part of the cultural celebrations. Cello will be working with the Muslim Community, the Afro-Caribbean community, the gay community and disability groups to develop their ideas for participation and make them a reality. At the same time, Cello has been asked to take charge of the recruitment of part-time paid and volunteer workers who will assist at specific events throughout the period of the main events (largely August and September 2014). In addition, Cello will take responsibility for the training of these newly recruited staff.
- The Three Cities International Games – Manchester City Council has proposed hosting an athletics tournament as part of PNW with teams invited from its twin cities around the world. Positive responses have been received from Kanpur in India and Wuhan in China. Events will include running, gymnastics, swimming, diving and cycling. The Director for Sport and Leisure in the city has described the proposal as a mini Olympics and is excited about the contribution it will make to the city's reputation and to tourism, as well as contributing to the growing reputation of Manchester as a sports venue. The Director is keen to publicise the presence of the teams, to provide public access to training sessions and to organise some kind of cultural event to strengthen the link between the teams' presence and the PNW celebrations. Cello has been given the contract to manage this enterprise by working closely with the Sports' Director and his team who are responsible for staging the sports fixtures. Cello will advise on the sports events to ensure maximum coordination and publicity.
- Both contracts will have significant staffing issues and thus bring Cello a raft of HR challenges. In the past, HR has been dealt with on an ad hoc basis but 18 months ago, the partners agreed that HR management was now a priority for the company – and then promptly put it on hold as the recession began to loom large in everyone's sights. They all agree that a clear HR strategy that can be utilised for all contracts is needed although the new ones are the driving force for change. What is not yet clear is how to develop the strategy and how to manage HR effectively into the future.

Your Task

Cello management team require advice regarding their HR needs now and in the immediate future. You are required to:

1. analyse current Human Resource Management needs
2. assess the additional needs that will arise as a result of the new contracts
3. propose a strategy for developing HR management in the organisation.

You may work together in small groups in order to analyse the case study. The final report containing your answers to the points above should be entirely your own work.

Recommended Reading

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Strategic Issues in Hospitality and Licensed Retail Management: The Manchester Taverns' Group

by John Hobson

Historical Background

The Manchester Brewery was originally founded in 1845 and, up to the First World War, the brewery concentrated on the production of the famous Manchester bitter – a very popular local beer. The Brewery was built in the centre of Manchester and, through its brewing activities, it was able to capitalise on the excellent quality of the local water, local barley, which was roasted and converted into malt, and in its hops which were grown in hop fields owned by the company in Kent.

Over the years the product base expanded; mild beers and stouts were produced to satisfy the expanding Manchester market. Manchester had moved from a dependence on cotton for its wealth to heavy industry and the original mix of the Manchester Brewery products was appropriate to the industrial base. In the early 1900s the market was predominantly male and the brewery bought and developed many pub sites in order to sell its beers but the owners of the brewery realised that they must diversify and started to look at the hotel market. During the First World War, and the depression of the 1930s, this market helped the brewery to survive. The Board of Directors still maintained brewing as the focus of their operations.

After the Second World War as transport had improved, they decided to expand their pub operations farther away from Manchester and so acquired various 'Midland' and 'London' Breweries. Then, they began to develop units with a food focus. This latest division of the company was called 'Manchester Taverns'. Their first steak house operation was opened in 1960. In the early 1970s family dining operations were developed. This was a golden era for the company and the profits.

In 1989 the company faced a major challenge when the Monopolies and Mergers Commission (MCC, 1989, now the Competition Commission) report on the brewing industry found that companies such as the Manchester Brewery owned a major stake in this industry. Through acquisitions, Manchester Taverns now owned 5500 pubs and in some villages they owned all the pubs. The Commission insisted that more competition should be encouraged and that brewery companies, like the Manchester Brewery, should only be able to own 2000 pubs and

must sell the surplus. Furthermore, they must sell a guest beer from a local competitor (See Office of Fair Trading, 2000).

In the late 1980s, both the United Kingdom and European Governments indicated that this method of managing licensed premises was causing concern and they were proposing to outlaw the tenancy (See http://www.reckon.co.uk/open/The_beer_tie_and_competition_law for further information and links). Therefore, for tenanted properties, the brewery owned the property but the tenant had to run the business and try to make a profit. However s/he was 'tied' to the brewery and forced to buy products from the parent brewery. At this point in time, the Manchester Brewery owned many companies that produced not only spirits such as whisky, gin and vodka but also soft drinks. Effectively the tenant was not allowed to buy from an independent supplier. Furthermore, the brewery could inflate the cost price of the drinks making it difficult for the tenant to develop a profitable business. The brewery could also control the rent of the properties.

The Manchester Brewery decided, in a major break with tradition, to sell its brewing interests to 'Eurobrew' a brewery company based in Belgium, including the sale of the secret recipes for its traditional beers. In return Eurobrew agreed to produce its beers and Manchester Taverns agreed to buy back the products from Eurobrew at a discounted rate. As a result of this transaction, the EEC recommendations to sell its pubs were no longer applicable as the new company had divested itself of the brewing interests and was now focussing on the development of the pub company. They started to diversify into hotels, including full service hotels and budget accommodation, restaurants within pubs and cafés, but still under the Manchester Taverns banner. Many of the original sites were converted from pubs to other business entities and the company now operates a fundamentally different portfolio of licensed retail operations.

The Current Situation

Manchester Taverns' organisational structure is continually changing but, at present, it has five divisions. These include: the budget or limited service hotels called 'Premium Inns'; the full service hotels division operated as a franchise in the United Kingdom (UK), called 'Harriet Hotels'; the pub/restaurant chain, which includes 'Jonathan's Table'; the family dining experience and 'Carnivores', a steak house operation; the 'High Street restaurants' division, which includes coffee shops and Italian and American themed restaurants; and finally the 'Pubs Division'.

The Chief Executive Officer (CEO) is Michael Bland and each division has its own ‘Head of Operations’ reporting directly to the CEO. Further information about each division follows:

Division 1: Premium Inns

Premium Inns is the leading budget accommodation company in the UK. It has been formed by acquisition of two of its major competitors and now operates 450 units across the UK.

The financial data for Day and Night Inns is shown below for the last year of trading

Sales	£248 m
Operating Profit	£ 98.2m
Return on Capital Employed	15%

The CEO’s comments for this division are as follows:

“Our Budget hotels business continues to grow and deliver outstanding performance in terms of sales, profits and return on capital. This is an exciting segment of the UK lodging market with 28,000 rooms. Premium Inns is by far the largest hotel brand in the UK with 440 units located across the UK. In the current year sales are up by 11% against last year and operating profit is up by 17% in this division despite the recession. Occupancy strengthened from 82% last year to 84% in the current year and the average room rate was up to £42.66 with the net operating profit up to 35.3%.”

Division 2: Harriet Hotels

The company operates Harriet Hotels as a franchise. Harriet is the largest hotel group in the world with 2000 hotels worldwide. In the UK, Manchester Taverns had a number of sites dating back to their diversification into the hotel market in the 1930s and had developed their estate to 46 hotels. Although many of these older units were adjacent to local railway stations, Harriet had 20 hotels in the UK and Scotland which were typically 4 and 5 star properties. Manchester Taverns decided to enter the exclusive full service hotel market in 1995 and have now developed a slightly smaller UK division of 40 units by demolishing the old hotels and redeveloping the sites, or selling those units which did not meet with Harriet’s franchise specification.

The performance of Harriet Hotels for the last six months is shown below.

Sales	£292m
Operating Profit	£72.4m
Return on Capital Employed	6.2%

The CEO's comments are as follows:

“The ‘Full Service Sector’ continues to be challenging although there are clear signs of recovery, following a downturn in sales over the last six months. For the first time in three years we are able to report growth in both sales and profit with room rates and occupancy driving this resurgence. Our average room rate is ahead of last year and occupancy has moved from 72% to 74%. The operating profit has improved 0.1% to 18.8%; however, the return on capital employed remains unacceptably low at 6.2%. In October we welcomed Patrick Hatchbet from Manchester Taverns. He will focus on growing a business that has more bedrooms under direct management and will operate from a smaller asset base and generate higher returns on capital employed.”

Division 3: Pub Restaurants

Premium Inns, with 450 units, trade on offering a room for two people at £49. There are en-suite facilities, comfortable beds and a TV. There are no phones in the rooms and no catering facilities in the Inns. A 40 bed Inn is budgeted to produce a £500,000 profit each year. Adjacent to each Premium Inn is a food and beverage outlet. Within the Manchester Taverns portfolio these include the ‘family’ dining brand of ‘Jonathan’s Table’ and the steak house brand of ‘Carnivores’. Carnivores has proved so popular with the business market and the adult dining market in the evening, that the company has opened many of these units alongside their busy pub units adjacent to the intersections of major UK highways

The performance of the Pub/Restaurant division is shown below.

Sales	£612m
Operating Profit	£97m
Return on Capital Employed	10.1%

The CEO's comments for this division are as follows:

“Our largest pub restaurant brand is ‘Jonathan’s Table’ and this brand continues to deliver solid growth. However, the brand is in need of a market re-positioning. Whilst family dining in the early evenings is still popular, the restaurant activity which supports many of our budget accommodation operations is quiet at lunch time and also in the late evenings. The breakfast operation remains popular with passing trade improving. The ‘Carnivores’ brand has continued to decline and has resulted in the disposal of 50 units across the South East of England. Fifty seven units have been converted into healthy eating pub restaurants called ‘Inn and Out’. These units continue to show encouraging growth and profits. However, the operating profit has declined over the last year by 1.5% to 15.9%. We will be bringing together all our pub restaurants under a single management team headed up by Ray Hardman. This move will give greater focus and deliver the benefits of synergy”.

Division 4: High Street Restaurants

This division includes brands such as ‘Beans’ coffee houses, ‘Fasta-Pasta’, Pizza Shed’ and ‘Mondays’. Beans has made astonishing developments selling a variety of coffee brands for £3.50 alongside cakes and pastries. The Sheds brand offers Italian cuisine to children and the family market and has a massive takeout and delivery market. Mondays offers all the razzmatazz of American cuisine and the cocktail market. The performance of the High Street restaurant market is seen by the company as a rising star and the last year’s performance figures are shown below.

Sales	£442m
Operating Profit	£24.4m
Return on Capital Employed	25.3%

Michael Bland’s comments on this division are:

“Our high street business continues to drive forward with performance improvements in sales, operating profit and return of capital employed. Building on their solid UK base, Beans coffee houses have developed into a successful franchise model that is taking the brand name overseas. Mondays is broadening its distribution through the development of smaller footprint stores. The first new outlets will open in Harrogate, York, Chester, Stratford and Warwick. Sheds continues to grow through a mixture of full service restaurants and a franchised home delivery service.”

Division 5: The Taverns

This division is the remaining pub division and consists of 1750 community pubs, student pubs, gay bars and female oriented bars. The common theme is that all these operations are leasehold. They are operated throughout the UK by their own management teams. The division’s results are shown below for the previous year.

Sales	£262.5m
Operating Profit	£21.0m
Return on Capital Employed	8.7%

The CEO’s comments are as follows:

“This division represents the greatest challenge for the company. It comprises four distinct market segments.

(i) The community pubs are showing a decline in market share and the company is attempting to invest in

these units and introduce food, family and community activities. However, in some cases their location has been a problem and 190 sites have been sold to provide investment for those units with greater potential.

- (ii) The student market which shows the greatest growth with its brand 'Hell on Earth' and features cheap beer and entertainment. Again location is fundamental to success in this market; conversions of appropriate units are continuing.*
- (iii) The gay oriented bars which are aimed at a niche market and developed to satisfy the gay market in Manchester. The brand name for this segment is "Roundabout" and it has expanded into other UK cities including Leeds, Nottingham, Bristol and London with great success.*
- (iv) The female orientated bars, which are also showing solid growth under the brand name 'Lady in Red'.*

The division continues to improve through the market segmentation. However, extensions to opening hours, binge drinking issues, alcohol fuelled violence and the smoking ban continue to challenge the management of this division."

(Note: At the time of writing £1=1.1 euros)

Questions and Activities

1. You have been employed by Michael Bland to advise the Board of Directors as to the strategic direction of the company. For the next Board meeting you will be expected to review the data above and produce a report and make a presentation indicating the possibilities for future growth of the company and you are expected to justify your decisions.
2. Added to this the company is worried about the current recession and, whilst the hotels, restaurants and managed operations are holding up in terms of performance, the leasehold 'Taverns' which are mainly wet led are not performing as well. How do you propose to deal with these issues?
3. Finally there is a number of current issues which the board needs to review before deciding on strategic developments. These issues include the recent problems associated with government policy including the impact of the smoking ban and its implications for the company, binge drinking and its impact on sales, drinking and

driving and underage drinking in its pub division. Your report and presentation should also address these issues.

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Part 3

Points for Discussion

Non-Revealed Case Studies

Human Resource Management in the Hotel Mountain by Anna Šenková

Points for Discussion

- The methods and procedures for seeking and choosing employees
- Professional training and work experience in the context of employing people at a hotel (yes – no; what particular positions)
- Motivation strategies for different employees and the programme for stabilising the staff numbers
- Possible reasons for staff turnover in a nightclub
- Marketing activities focused on acquiring new customers

A Case Study in Tourism: Cēsis-800 by Anita Emse and Kristīne Liepiņa

Points for Discussion

- Service quality
- Service recovery
- Consumer psychology
- Critical path analysis

Alafar Airlines and the Staple in the Sandwich by Gopal Srinivasan

Points for Discussion

- Outsourcing
- Flight catering providers
- Inflight food quality and hygiene
- Brand image and makeover

Never Judge a Book by its Cover by Pat Aspey

Points for Discussion

- Internet sales and marketing issues
- Trip advisor
- Staff training
- Service recovery

Handmade Tools for Measuring Customer Satisfaction in Hotels: Designing a Questionnaire by Giuseppe Emanuele Adamo

Points for Discussion

- Show how situational factors at the time and place of survey influence consumer response rates.
- Discuss the difference among the exploratory, descriptive and causal research techniques available to managers.
- Review the growing use of on-line surveys. Discuss the advantages and disadvantages.

Discount Portals' Offers in the Tourism Sphere by Daniela Matušíková

Points for Discussion

- Specify the advantages of discount portals for the customers.
- Specify the advantages of discount portals for the tourism service providers.
- Try to identify the clientele that search for discounted tourism products.
- Do you think “the name” of the tourism establishment is affected by promoting and selling its products on discount portals? Explain and justify your response.
- Identify the risks of buying products or services through discount portals.
- Problems caused by lack of communication between discount portals and service providers.
- Planning where to publicise the offer – responsibilities of providers regarding the reputation of chosen discount portal
- References from previous discount portal customers.

Litter and Pollution in Hogenakkal (the Niagara Falls of India) by Gopal Srinivasan

Points for Discussion

- Destination management
- Litter and pollution control
- Consumer communication and education
- Water quality degradation
- Staff management and efficiency

Wildlife conservation: lessons to be learned from Namibia by Gopal Srinivasan

Points for Discussion

- Wildlife conservation
- Wildlife tourism and marketing
- The role of local participation in conservation
- Human and animal conflict resolution

Civil War and Tourism Resources: Case of UNESCO World Heritage sites in Aleppo city, Syria by Gopal Srinivasan

Points for Discussion

- Protection of Heritage Site
- The potential impact of civil war on tourism and its facilities
- The importance of culture and tradition
- Lead planning and conservation
- Contingency plans

Tour Operator's Liability under the Package Travel, Package Holidays and Package Tours Regulations 1992 by Ajay Patel

Points for Discussion

- The contract is between the tour operator and the customer and therefore the tour operator rather than the travel agent or hotel will be liable in contract and under the Package Travel, Package Holidays and Package Tours Regulations 1992 (PTRs). There may be scope for Heaton's Airways to seek reimbursement of losses from the hotel Solar.
- In relation to the partially built hotel and the lack of restaurant and pool facilities: the tour operator's brochure descriptions should be accurate and should provide warnings of any significant factors that could affect the holiday. Were such warnings included in the brochure or online? The tour operator should have warned the group that the hotel was not completed and arguably it should have offered them another hotel since the one offered was significantly different to the one chosen. There appear to be specific breaches in relation to the closure of the restaurants and the pools.

- As the claimants, T, J and B, have the burden of proof to establish the breach of contract and the extent of their losses. In quantifying the damages for these, T, J and B are entitled to the difference between the holiday that was promised and the holiday that was in fact provided. They are likely to be entitled to compensation for loss of enjoyment, disappointment and inconvenience. In addition they are likely to be awarded any out of pocket expenses. This may include the cost of purchasing alternative meals at a restaurant, taxi fares and payments to use the facilities of neighbouring hotels.
- In relation to the dirty room, Heaton's Airways is also liable as the contracting tour operator. It may argue that at £300 each the holiday was very cheap notwithstanding the extravagant brochure claims. They may argue that luxury and discerning are not precise contractual terms but the mere puff of advertising and a reasonable and circumspect consumer should not rely on such a description.
- However much or little paid for a holiday, T, J and B are entitled to a reasonable standard of cleanliness. Their expectations of the holiday should be related to the type and price of the package and the brochure descriptions but, whatever these say, the room should not be dirty.
- The lack of sky television is unlikely to form the basis of an action unless it is specified in the brochure.
- T, J and B have a duty to mitigate their loss. By contacting Fernando while still on holiday they have discharged that duty.
- If Heaton's Airways does not compensate them they may make a claim of up to £5000 in the small claims court. Alternatively they may consider using the Association of British Travel Agent's (ABTA) arbitration scheme (Grant and Mason, 2012)

Communication with Foreign Guests in a Hotel by Libena Jarolimkova

Points for Discussion

- The negative consequences of a language barrier?
- Are there any other issues with communication apart from a language barrier? (For example, cultural differences, communication with blind or deaf people.) How would you deal with such issues in a hotel?
- Means of overcoming a language barrier used in the hotel:
 - Staff with the knowledge of several foreign languages, possibly wearing indicative badges

- Free Russian courses for employees
- Usage of dictionaries
- Multilingual websites with detailed information
- Multilingual information in a cable TV in the hotel
- Multilingual information leaflets and menus in key languages
- Usage of pictograms
- Illustrations and photos, for example in the restaurant menu
- A picture with illustrative information on how to park
- Written information concerning troublesome situations such as putting down a deposit for minibar consumption should be translated into several languages
- Cooperation with translators (contact details may be held in a database) for difficult or serious situations
- Non-verbal communication

Reducing Energy Costs in Hotels by Klára Karakasné Morvay

Points for Discussion

- Sustainability in tourism and hotel industry?
- Energy costs
- Alternative energy sources

Revealed Case Studies

Measuring Brand Equity in a Small Hotel Chain by Detlev Remy and Wolf Magnus Gerstkamp

Points for Discussion

- Consider ways of measuring the tangible and intangible factors such as repeat customer rates and brand loyalty.
- How might loyalty be measured?
- What might be the possible impact of loyalty on the hotel brand?
- Critically discuss the importance of brand equity in relation to other subject areas such as finance.

Budget Hotel Franchising Issues in China by Matthew H. T. Yap

Points for Discussion

- Advantages and disadvantages of budget hotel franchising.
- Compare and contrast budget hotel franchising with management contracts and referral associations' business models.
- Franchise provisions – supports, training, staffing, central purchasing, brand and inspection and audits.
- Franchise issues – encroachment, goodwill and opportunisms, earnings representation, dispute resolution, information disclosure, license renewal and termination.

Analysing Tourism Destinations' Competitiveness. The Case of Romania by Juan Ignacio Pulido-Fernández and Yaiza López-Sánchez

Points for Discussion

- Index on competitive advantages and disadvantages in tourism
- Analysis of the factors and policies that affect tourism competitiveness
- Starting point to propose public policies that strengthen the country's tourism sector
- The ability of The Travel & Tourism Competitiveness Index to provide information and comparisons to make business decisions and investment

Tourism destination marketing: the case of Atlantic provinces in Canada by Roselyne N Okech

Points for Discussion

- Destination marketing and the role of local government
- On-line tourist information sources and the role of destination marketing

The Value Chain as a Useful Tool for Managing Destinations by Yaiza López-Sánchez and Juan Ignacio Pulido-Fernández

Points for Discussion

- The use of the value chain as a tool for policymakers and managers of tourism destinations to guide their decisions.
- Managing a destination as a whole; identification of the key factors that increase value generation.
- Measuring the efficiency of each agent involved in the value chain.

Safety and security issues in “GO Exotic” Travel Bureau by István Kővári

Points for Discussion

- Travel safety issues
- Travel risks
- Travel advice
- Travel insurance
- Responsibilities

Corporate Social Responsibility in a Hotel by Mariana Assenova and Dimitar Matev

Points for Discussion

- Social responsibility focuses (according to ISO 26000 on Social Responsibility) on the following seven core subjects: organisational governance, human rights, labour practices, fair operating practices, consumer issues, community involvement and development and the environment.

- Recruitment policy - there are several methods for recruiting new personnel in an hotel: (i) looking in the local labour office; (ii) hiring a recruitment agency; (iii) advertising in the local/national media; (iv) putting a message on the internal information board (word of mouth); (v) others. Advantages and the disadvantages of the different approaches (comparative analysis).
- Training policy -there are different ways of training the staff, the main being (i) induction training after hiring the person and (ii) raising the qualification of the personnel;
- Stimulation policy - (i) material stimulation – different systems of remuneration including fixed wage/salary, with wage/salary and bonuses, only tips, etc. as well as different levels of remuneration for one and the same position depending upon various criteria; (ii) moral stimulation – different forms of immaterial stimuli.
- Customer satisfaction –consumer issues include fair marketing development, factual and unbiased information and fair contractual practices, protecting consumers' health and safety, consumers' service, support and satisfaction, education and awareness, etc.

The Irresistible Rise of Cello by Mac McCarthy

Points for Discussion

- How does an organisation that has grown organically manage the shift towards a more structured approach to development and key functions such as Human Resources' Management (HRM)?
- Assess the advantages and disadvantages of an event company's reliance on contract, part-time and volunteer staff. Consider the implications of Atkinson's Flexible Firm model (Atkinson, 1984) for the organisation's future development.
- In a volatile business such as events, with significant competition in the market place, is it possible to develop a strategic approach to the business and to HRM?
- What are the challenges facing an events organisation in trying to achieve a balance between planning and creativity, between control and spontaneity? What are the implications for management and staff?

Strategic Issues in Hospitality and Licensed Retail Management: The Manchester Taverns Group by John Hobson

Points for Discussion

- Development of products and businesses with innovative ideas to maintain market position; the shifting paradigm from brewing to a diverse portfolio of hospitality businesses
- Possible strategies the company should pursue in order to continue to be successful in the future, for example, a business model which includes wet, food, accommodation and leisure activities; possible diversification into hotels, pub restaurants, coffee bars, popular catering operations and leisure in order to spread the business risk
- Consider a monopolistic situation on the supply side and steps taken to protect the smaller operators and the customers.
- Consider the pros and cons of a tenancy model in which the brewer can control the rents and product prices versus the pub company's purchasing from whichever supplier gives them the best deal.
- Discuss the legal requirement to introduce "guest" beers from smaller producers.

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This book offers a range of cases written by specialists from industry and academia who have drawn on their knowledge and experiences to offer problem solving exercises and activities in hospitality and tourism management. Although reference is made to specific national settings, the problems can be transposed to other locations and so offer management students and trainees a wide range of opportunities for interactive learning.

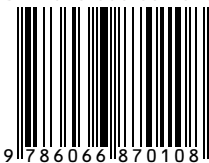
Each case concludes with a series of questions for students and trainees and, in some instances, ideas for associated follow-up activities. With some cases, recommended reading, references and websites are also provided. Additionally, for the guidance of teachers, trainers, students and trainees, the authors have indicated points for discussion and suggested further activities relevant to the scenarios.

The cases may be used for individual, group or team exercises and offer students and trainees who aspire to hospitality or tourism management careers opportunities for considering, debating, analysing and evaluating real and simulated scenarios set in various international locations.

“The use of case studies to examine decisions taken in real life situations allows students to gain a practical understanding of the issues faced in management choices and by studying them draw conclusions on the practical and strategic challenges faced in decision making. This 4th volume draws on a wide range of cases from all corners of the globe exemplifying the different and common themes within global tourism and hospitality management. It is an excellent tool for students and academics alike.”

**John Thurso, Board Member,
La Fondation pour la Formation Hôtelière.**

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