Materials of Conferences

HOTEL MANAGEMENT PROBLEMS

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In virtually all hotels are almost corporate-culture issues. There are profitable hotels that have a few shortcomings, but they may be the ones to keep your eye on when things get tough. Conversely, some of the most beautifully groomed hotels that feature all the amenities and perfect guest service are, quite simply, losers—and that's because no one in management is aggressively focused on the bottom line.

What are some of the positive commonalities—the good signs—that a hotel offers? To begin with, well-groomed, uniformed, name-tagged employees who greet guests with a smile make an excellent first impression, both on guests and new management companies. Sharp curb appeal and public-space cleanliness are usually signs of good things to come. Once you get more "into" a hotel's behind-the-scenes areas, things become clearer: Orderly offices, storage spaces and housekeeping areas are examples of the good signs that usually follow good first impressions.

On the other hand, we always seem to find a messy front desk—not necessarily on the working surface but in drawers, cabinets and storage closets—when we take over a troubled hotel. Clutter, disorganization and years of dust and trash appear in virtually every problem property. We inevitably find old furniture, out-of-date supplies and never-to-be-used "spare maintenance parts" left in storerooms and maintenance shops. This usually happens in hotels where management claims to lack sufficient storage space—another sign of rampant disorganization.

And these shortcomings are not the cause of mediocre profitability—but they're signs of management's poor organizational skills and lack of focus on orderliness and cleanliness. And here's another thing: Management's lackadaisical attitude toward keeping things organized and clean most certainly influences employees' attitudes about their own work habits. Unkempt employee restrooms, for example, not only are a sign of management's lack of concern for staff, but set a poor standard for what management expects of those same employees in keeping guest areas clean.

Here's another sign of a poorly run hotel: low linen pars. They're not the result of poor profitability—they're a cause. If we see housekeepers stripping rooms to get linen back to the laundry, washed and used again immediately, that's a sure sign that there are more things wrong than insufficient linen supplies. For example, it means there are undoubtedly days where not all the rooms get made up—and therefore occupancy may suffer due to unavailability of rooms. As absurd as it may sound, linen wears out more than twice as fast if it is washed and used daily rather than every other day or so. Circulating linen daily by stripping beds and running it back and forth also takes more labor.

Likewise, if printed and other collateral materials are poor in quality, it's a sign that the hotel is too. In full-service hotels, menus are threadbare—good hotels get new ones, poor hotels don't. Raggedy in-room telephone books are another example of things poorly run hotels pay no attention to—and phone books cost nothing to replace.

Finally (and perhaps most important), a hotel's accounting methods also are reliable indicators of what's really going on—after all, if you can't keep score, you can't win the game. There are really three issues involved in good accounting: gathering all data on a timely basis from all areas of the hotel (payroll, revenues, statistics and accounts payable); compiling it quickly and accurately in the form of financial statements; and interpreting and acting on the information once it's gathered. If this isn't being done, it's another symptom of poor organization and lack of attention to details. Without this information, management cannot effect changes for the better in a timely manner. Of course, management must know what the data means and what they can do to make the numbers improve—sadly, this business basic is too often missing in hotel management.

In well over half the problem hotels we've been retained to manage, financial statements do not conform to the Uniform System of Accounts for the Lodging Industry. This makes it difficult, if not impossible, to compare a hotel's operating results to similar hotels. Most of the owners and managers of these properties were aware of the Uniform System but didn't consider it worthwhile to change their accounting system—in other words, they thought had a better way of looking at their accounting data than more 80 percent of the other hoteliers in the world. Now that's arrogance and this how Russian management thinks sometimes.

If we don't make sure every last detail of our hotel is well attended to, we're out of step and marching rapidly toward big trouble. Make lists of what needs to be done to make your property as immaculate as can be—not only in terms of cleanliness and orderliness, but operationally as well. Maybe a good place to start is organizing and cleaning the front-desk area and working your way through the back-of-the-house areas that your guests don't see.

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ASSESSING THE EFFECT OF THE CONSUMER LOYALTY FOR A CHAIN RETAILER

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Numerous researches in the USA and Europe show, that the majority of the leading companies in most branches of economy have a stable customer base. This success factor is also called the loyalty effect. Some researchers believe, that the loyalty effect is a more powerful factor required for ensuring the success of the business, than the market share or cost structure. The level of the customer's loyalty depends on his commitment to a specific product brand and is usually measured in the number of recurring purchases. The highest degree of the consumer loyalty is a brand fanaticism, when a customer continues to buy the product regardless of the price-quality ratio.

So, it should be emphasized, that loyalty means a possibility for a company to focus its attention on a specific consumer group, and, correspondingly, focus its marketing efforts on clients, who bring the largest payoff, and thus, to conduct target marketing.

Loyalty means adhesion to one's values. A loyal customer does not change the source of his values and recommends it further. The most loyalty-sensitive businesses are those, that require a high level of intelligence and professionalism.

Consumer loyalty management (L_i) should be regarded as formation of a consumer value, which can be presented as a system of functional dependences between some quantitative and qualitative elements:

$$L_i = L_i(x_{i1}, x_{i2,\dots,} x_{in}),$$ where

L_i is a loyalty function for the i-client; $L_i \in [0,1]$, $i \in N$

n – number of total quantitative and qualitative characteristics of a client, where $n \in N$;

x_i – qualitative or quantitative criterion;

$x_{1,\dots,} x_m$ - qualitative criteria, $1 \leq m < n$.

$x_{m+1,\dots,} x_n$ – quantitative criteria, for example, a product's price, which includes terms of payment, credit, delay of payment, financial dependence, discounts, lump-sum bonuses and etc.

Let us use the method of paired comparison. Suppose K is the number of clients, i.e. $i = 1, \dots, K$. Let us use elements of a group expert choice to build a model. Let assume, that a company invites a group of experts, consisting of V-experts, who range K-consumers ($V \in N, K \in N$) according to all available m-criteria (according to the intensity level of some qualitative characteristics). Here a condition of expert preference transitivity is to be met. In other words, each expert first ranges the objects, then shares his opinion in form of a paired comparison matrix of. As a result, we receive V-lines of paired comparison vectors as follows:

$$V = \begin{cases} a_{10} \succ a_1 \sim a_8 \succ a_7 \dots \\ \dots\dots\dots\dots\dots \\ a_{78} \succ a_{20} \sim a_1 \succ a_{2\dots} \end{cases}$$

In order to get a consistent group expert opinion, let use the Vega method. As a result, we get, for example, the following line

$$a_1 \succ a_2 \succ a_3 \sim a_4 \succ \dots \sim a_k$$

In other words, for example, the first client has rank 1, the second - rank 2, the third and the forth get rank (3+4)/2=3,5 and so on. But we need, that the most preferable client has the largest loyalty index. Therefore, after some transformations, j-criterion of loyalty for an i-client equals:

$$x_{ij} = \frac{K-i+1}{K} \in [0,1],\ 1 \leq i \leq K$$

Let S_i be a quantitative value of a j-characteristics for an i-consumer.