

PRACTICE 6

Situation:

You are employed by the Grand Hotel, a long established, high prestige city-centre hotel in your area. Mr Cornelius Voltemand took over the hotel 5 years ago and although it was then the most exclusive and expensive hotel in the area, it has suffered intense competition from more modern luxury hotels in extensive grounds out of town. The hotel's room occupancy rate and restaurant bookings have been steadily falling, and unless drastic action is taken the hotel could face major financial difficulties.

Mr Voltemand, the owner of the hotel, is now making plans to re-position the hotel in the market. He has undertaken a survey of the costs of the hotel and believes that the hotel can offer a less exclusive service at a lower price.

The hotel is now about to launch an advertising campaign to promote a new image but it needs to know exactly what its current image is before it can do this. Some research has been carried out in the area and the findings are printed below.

Mr Voltemand has asked you to put together a report summarising the main findings of the research and making recommendations on which aspects of the image are to be changed when the hotel is relaunched as a mid-market rather than an up-market establishment.

Room occupancy

(average % of rooms occupied)

Year 1 – 67%
Year 2 – 59%
Year 3 – 55%
Year 4 – 48%
Year 5 – 41%

Average length of stay by guests

Year 1 – 10 days
Year 2 – 9 days
Year 3 – 7 days
Year 4 – 4 days
Year 5 – 4 days

(NB – the hotel breaks even at 40% occupancy)

Views of guests

All hotel guests in the last 6 months were asked the following questions. The responses were as follows:

- | | |
|---|---------------------------------------|
| • Are you staying for business or pleasure? | Business 88%, Pleasure 10%, Both 2% |
| • Why did you choose this hotel? | Location 89%, Facilities 6%, Price 5% |
| • Would you come again? | Yes 58%, No 40%, Don't Know 2% |
| • How would you describe the comfort of the hotel? | Good 67%, Fair 24%, Poor 9% |
| • How would you describe the facilities of the hotel? | Good 18%, Fair 37%, Poor 45% |
| • How would you describe the service of the hotel? | Good 58%, Fair 23%, Poor 19% |

A Selection of comments from guests:

"It's still a very pleasant place, but a bit old fashioned. There's not much in terms of facilities (eg games' room, children's room etc)."

"I enjoyed my stay, but I will probably go to one of the out-of-town places next time – they offer more and they are more up-to-date."

"There seem to be very few young guests. It seems to cater for older people."

"I like it. It's old fashioned and starting to look a little shabby in places, but it's nice that it doesn't change."

Task

Write a report as requested by Mr Voltemand. You should comment on the current usage of the hotel and highlight the image the hotel currently enjoys. You should make recommendations on aspects of the image and the facilities of the hotel which should be changed in order to relaunch itself as a modern, mid-market hotel.

(25 marks)