**INSTITUTE OF HOTEL MANAGEMENT AND CATERING TECHNOLOGY, KOVALAM**

**FC IN FRONT OFFICE OPERATIONS I / II**

**FIRST / SECOND SEMESTER**

**BSc.(H&HA)**

**Subject Code : BHM 308**

**Student Handout**

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 **THE TOURISM INDUSTRY**

Tourism is the temporary movement of people to destinations outside of the place of where they normally leave and work and their activities during their stay at these destinations.

**Tourists**

People who travelled for a variety of reasons and are out of their own area for more than 24 hours for various reasons such as leisure/pleasure, cultural activities, visit to historical place, business, conference, studies, religion, to pursue some hobby, pilgrimage etc. . A tourist is temporally leisured person who voluntarily visit a place for the purpose of experiencing a change.

Various categories of tourist are:

1. ***Domestic –*** Tourist coming from various states and other parts of the same country.
2. ***International***- Tourist coming from other countries
3. ***Inbound-*** Tourist coming from other areas/countries to your area/country
4. ***Outbound-***Tourist going from their local area to other areas.

**Components of Tourism**

Tourism industry is composed of numerous components ranging from travel sector to accommodation sector, to sight seei ng to see facilities and all other such allied sectors which provide product and service to the traveller. Hence airlines, cruise ships, railways and road travel, are part of it. Similarly the total accommodation sector which covers hotels, motels, motor hotels, classified and unclassified and other accommodation sector such as supplementary accommodation etc. also belong to tourism industry. Tourism is concerned with providing travel and transport and tours, accommodations, food and beverage products and services in a warm and welcoming way, entertainment, recreation, information and assistance, souvenirs and guides.

Tourism industry comprises of two important components:

1. **Transport Industry:** which consist of airlines, railways, steam ships, cruise and road transport
2. **Hospitality Industry:** which consist of hotels, restaurants, recreational facilities etc.

**Importance of Tourism**

Tourism as an industry is very important for every country all over the world. There are many countries in the world whose economy os fully dependent tourism. It is one of the largest industries in the world. Approximately 14% of all employed are involved in various sectors of tourism industry. Tourism, hence today is a great economic force as well as cultural and social force.

Some important impact areas of tourism are as follows:

***Social***

When the tourist comes into contact with the places he visits and its population, a social exchange takes place. His social background affects the social structure and mode of life of his destination, he is in turn affected by it and sometimes carries back home with him new habits and ways of life. The early motivation of travel is regarded as cultural and tourism has always stood as a unique carrier for the cultural propagation that is necessary for a deeper understanding of people and broadening of knowledge.

***Economic Impact of Tourism***

One of the most important economic aspects of tourism is **foreign exchange** earning for the country, particularly for developing countries. It provides foreign exchange without exporting anything out of the country and it provides more stable earning for the country. The governments of almost all companies have always a vested interest in the financial gains through tourism industry. Depending upon the tax and fiscal policies, government derives substantial income from tourist industries and direct and indirect taxes are levied on different forms of income and economic activities. Hotel companies are required to pay various taxes on income, security, payroll, properties, utilities etc. Tourist pay airport taxes, luxury tax etc. and duties on items.

The **infrastructure development** of the country is another important benefit of tourism Although the investment made in a country on the infrastructure either by the government or private sector may be attributed as expenditure towards the tourism sector, yet the benefits are derived by other industries also eg.roads, water supply, airports and other public amenities are not only for tourism sector but also for all the sectors of economy.

***Educational Significance of Tourism***

Not only in the present age, tourism has been of great importance for education always. Its beneficial effects are in the close and friendly contact between people of different races, cultures and nationalities .Study tours and short term courses in foreign universities, educational exchange programmes, scholarship programmes by different developed countries for developing countries are only a few examples of programmes that promote educational tourism. Even the sports exchange programme can be considered under this.

***Cultural Importance***

Tourism is a big motivator for promotion of culture and spreads the cultural values of the host country to the visitors, who in turn when they go back talk and discuss with others. Culture of a country includes various things such as life style, music, dance, food, architecture, art and many other such things. Tourism helps in spreading these to various parts the world over. India is one country which has very old and rich cultural heritage and has a diversified culture. Proper planning can make this the biggest tourism asset of India.

***Regional Development***

Regional development is another very important aspect of impact of tourism, the more the region or the area is visited by the tourist, the more it needs to be developed, and thus development has to be in all fields and sectors be it historical places, hotels, picnic spots, roads or airports, railway connections, environment etc.

***Image Building***

Tourism helps in building the image of a country, of course the same image will be carried over what we project for example a tourist coming to India may carry with him a mixed image of good and bad after visiting the country. The historical places and monuments etc. form a good image while at the same time the way they are maintained, their approach roads and inadequate transport facilities etc. might project a bad image. It is the duty of not only the department of tourism to project a positive image abroad through tourist offices, fam tours etc. but of every citizen of India who comes in contact with foreign tourist to project a healthy image of the country.

***Tourism and Employment***

Tourism is a manpower intensive activity process and one of the major direct economic effect of tourism relates to employment. It provides both direct and indirect employment to both skilled and unskilled people. This sector is a valuable source of employment for the people of developing countries. Jobs which are in tourism industry are in industries such as hospitality, transportation and travel agencies.

***Tourism importance for national understanding and international goodwill***

It is important for developing nations to frame tourism promotion policies and tourism is a great promoter of national understanding. Further, the interaction of large number of people, especially foreign tourist who come in contact with the local population who are not only providing services and products to tourist but are good providers of the way of living and culture to them by their friendly and courteous manner. People from all over the world speaking different languages, with different lifestyles, come close to each other, breaking down prejudices, barriers, suspicion that exist between their nations. Tourism is a vehicle for international understanding by way of bringing diverse people face to face.

***Tourism and Environment***

Another benefit of tourism is the preservation of environment which covers up the area of historical sites and cultural values. Conservation involves safeguarding the visual beauty of the country side and implies wise use of resources. It also means survival of animals and other living things such as flora and providing ample space for them to live and breathe fresh air.

1. **Basic issues surrounding service**

Hotels sell both tangible and intangible products to their customers. Services have certain unique characteristics:

**Intangibility:** Unlike physical products, services cannot be felt by the senses before they are purchased. To reduce the uncertainty caused by intangibility, customers look for tangible evidence that will provide them the required information and confidence about the service being bought.

**Inseparability:** In most hospitality services, both the service provider and the customer must be present for the transaction to occur. Customer contact employees are part of the product. Inseparability also means that customers are part of the product. The third implication of inseparability is that customers and employees must understand the service delivery system.

**Variability:** Service quality depends on who provides service and when and where they are provided. Services are produced and consumed simultaneously. Fluctuating demand makes it difficult to deliver consistent products during periods of peak demand. The high degree of contact between the service provider and the guest means that product consistency depends on the service provider’s skills and performance at the time of exchange. Standard operating procedures and regular training could help in reducing variability to a great extent.

**Perishability:** Services cannot be stored. If service providers are to maximize revenue, they must manage capacity and demand since they cannot carry forward unsold inventory. Because of service perishability some hotels charge guests holding guaranteed reservations even when they fail to check into the hotel. Some restaurants have also begun to charge customers who do not turn up after making a reservation.

***Recommended Reading* :**

**Front Office Management by S.K.Bhatnagar**

 **Front Office Operations and Management by Ahmed Ismail**

 **FIRST YEAR BHM - FRONT OFFICE OPERATIONS**

 **Introduction to Hotel Industry**

**Hotel** is a place where a bonafied traveller can receive food and accommodation, provided he is in a position to pay for it and is in a condition fit to be received.

**Growth and Development of Hotel Industry**

**Inn Keeping -** A history of the hotel industry to be absolutely complete would necessarily go back some 12000 years, however from a practical stand point, inn keeping as such was not possible until the adoption of a standardized medium of exchange. With the establishment of money at some time in the 6th century B.C. came the first real impetus for people to trade and travel. Then as the travellers’ radius of movement widened, his need for lodging became greater. Early inns were nothing more than small parts of private dwellings. Typically, the inns were self-service institutions, rarely clean and more often than not run by disreputable and unprogressive landlords.These conditions prevailed with little change for several hundreds of years.

**Early Development -** As thehistory of lodging unfolded, innovations began to emerge. At some point, inn keepers began to incorporate food and beverage service in their operations. This led to change in the way people travelled. No longer did people have to carry enough supplies for an entire overland journey. Another development was the Roman network of roads that crisscrossed Europe and parts of Asia and Africa.

 The industrial revolution in England brought new ideas and progress in the business of inn-keeping. New modes of transport were introduced. During the era from 1750 to 1820, English inns gained the reputation of being the finest in the world. Their early development was central in and around London where inn-keepers increased services, maintained standards of cleanliness and to some extend catered to guests. As highways were improved, the new ideas that originated in the Metropolitan areas were adopted by the country-side inns. The inns of England reached their peak of development during the 1850s and then for some reason, the progress declined.

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**American Inns -** In the colonies the early inns were patterned directly after those of the mother country. But while the English landlord was content to remain in the same state, his American counterpart demonstrated no such inhibitions. Another difference between the two was that English Inns rented out individual sleeping rooms whereas colonial inns regularly offered large rooms with several beds inside. Shortly after the revolution, American inns were the largest in the world and were well on their way to offering the finest services available anywhere. It was evident that the United States was assuming leadership in the development of the modern first class hotel.

While European hotels operated with the idea that only aristocracy was entitled to luxury and comfort, American hotels were run for anyone who would take advantage of the hotel services as long as he could pay for them. The amount of traveling done by the American was a contributing factor. In fact, this extensive traveling habit of Americans has continued to be a tremendous influence even to the present day on the entire hotel industry.

**First Building for Hotel Purpose in U.S.A -** The real growth of the modern hotel industry took place in the U.S.A, beginning with the opening of the ‘City Hotel’ in New York in 1794. This was the first building specially erected for hotel purposes. City Hotel’s 73 rooms made it quite large for its time. This eventually led to great competition between different cities and resulted in frenzied hotel building activity. Some of the finest hotels in U.S.A. were built in this era eg. 1829, ‘Tremont House’ known as the Adam and Eve of the Modern Hotel Industry since it is considered as the first five star hotel was built in Boston (U.S.A). At the close of the 19th century, there was the ‘Waldorf Astoria’ in New York.

The early twentieth century saw the beginning of chain operations under the guidance of Mr.Ellsworth.M.Statler. In 1908, the ‘Buffalo Statler’ was built in U.S.A. and was the start of the Statler chain of hotels. In 1919 Conrad Hilton purchased his first hotel in Texas and he started his own chain of hotels. J.William Marriott began as a restaurateur in Washington , he opened his first hotel called Twin Bridges in 1957. Today Marriott is a widely recognized name with several hotels. Kemmons Wilson created the Holiday Inn concept and the first Holiday Inn was opened in Memphis in 1952.

**Depression -1930** - The Depression in 1930 had a disastrous effect on the hotel industry, but the outbreak of the World War II brought a tremendous upsurge. This prosperity continued through the war years into the fiftees, when two new concepts emerged:

**Motels and International Chain Operation**

While the growth of motels was restricted to the North American Continent, international chain operations spread to all continents. Individual entrepreneurs found themselves crushed in this race for multi dimensional, multi national industry. International chains could provide the expertise, technology and marketing thrust that individual owners could not provide. Individual owners thus merged themselves with International chains such as Sheratons, Hiltons, Hyatt. Holiday Inn, Ramada Inn etc. These International chains provide partnership, franchise, management and marketing services to individual owners.

**Some Hotel Chains in India**

**Taj Group of Hotels:** In 1903, JRD Tata constructed the Taj Mahal hotel in Bombay, the flagship hotel of Indian Hotels company. It was the first hotel of International standards and repute, built by an Indian for Indians. The group has hotels in all the major cities in India and also operates abroad.

**ITDC : India Tourism Development Corporation**

Started in 1966. The flagship hotel of ITDC is Hotel Ashok, New Delhi. Many of the hotels belonging to ITDC were disinvested recently.

**ITC Group**: It is the hotel division of I.T.C.Ltd. I.T.C. entered into hotel business in 1975 with the opening of Hotel Chola Sheraton, Chennai. ITC Group has hotels in various cities in India such as Agra, Delhi, Aurangabad, Jaipur, Goa, Gwalior etc. They also have a hotel school by name WMI at Gurgaon.

**Oberoi Hotels** : Rai Bahadur M.S.Oberoi started the Oberoi Group of Hotels. The Oberoi Group has hotels in New Delhi, Mumbai, Calcutta etc. and is one of the most reputed hotel chains in India. Oberoi has a Hotel Training Institute in Delhi.

**Leela Chain of Hotels**: The chain is owned by Capt. C.P.Krishnan Nair of Kerala. The USP of this chain is Butler service where specially trained butlers pamper the guest.

**Recommended Reading:**

**Front Office Operations and Management by Ahmed Ismail**

**Introduction to Hotel and Catering Industry**

12000 years ago Inn keeping

6th Century B.C. Establishment of money

Early inns Self service institutions

Industrial Revolution Period English Inns gained popularity

1850s’ Peak period of development

American inns More progressive

European Hotels Only for Aristocracy

American Hotels Also for the common man

**Landmarks**

1794 – U.S.A. (New York) The City Hotel – first building

 specially erected for hotel purposes

1829 – U.S.A.(Boston) The Tremont House – Adam and Eve

 of the Modern Hotel Industry

Close of the 19th Century Waldorf Austoria Luxury Hotel

 New York

1908 – U.S.A. (Buffalo) Buffalo Statler- Start of the Statler

 Chain of Hotels by Mr.E.M.Statler

1930 – Depression in the world Decline of hotels

1939-45 World War II Upsurge in hotels

1950s’ – 2 new concepts 1.Motels

 2. International Chain Operations

 eg. Sheratons, Hilton, Hyatt, Holiday Inn, Ramada Inn

 **CLASSIFICATION OF HOTELS**

**Objectives :** On completing this unit the student should be able to

* Define the term hotel and describe four general ways of classifying hotels
* Define the term - target market and Identify hotels which target specific guest markets
* Describe World class, Mid range and Economy / limited service hotels
* Explain the potential advantages and disadvantages of various types of ownership and affiliation
* List the classifying bodies and criteria for classification of hotels in the domestic context
1. **Definition of hotels and general ways of classifying**

The word hotel is a general term for motels, hotels, suite hotels, convention hotels and other types of lodging properties. Hotels offer overnight accommodation, food and beverage service and recreational facilities to their guests. Hotels are usually classified according to four general criteria namely:

* Size : typically grouped into four categories
* Under 150 rooms - small
* 150 – 299 rooms - medium
* 300 – 600 rooms and - large
* More than 600 rooms - mega
* Target Markets
* Levels of service and
* Ownership and affiliation

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1. **Target Markets and classification based thereon**

**Target markets are distinctly defined groups of people which the hotel hopes to attract or retain as its guests.** Based on their target markets hotels may be classified as commercial hotels, casino hotels, resorts etc.

**Commercial hotels:**

Target Market : Mostly corporate business travelers. Tour groups, individual tourists and small conference groups also patronize these hotels.

Location : Located in the heart of the city or business district.

Reservation lead time: 2-3 days to a maximum of a week

Basis of charging room tariff: 12 noon check-in and check-out system

Duration of guest stay: usually not more than 2 - 3 days

Facilities provided: Most commercial hotels have conference rooms, guestroom suites and banquet meal service. They may offer uniformed services as well. Swimming pools, health clubs, tennis courts, saunas and jogging areas may also be provided.

**Resort Hotels**

Resort hotels offer breathtaking scenery and a leisurely and relaxed atmosphere that sets the apart from the other types of hotels.

Target Market : Holiday makers, vacationers

Location : In the mountains, on an island, or in some other exotic location away from crowded areas. Hotels that create their own special attraction can also be considered resorts. Health spas, private golf facilities, expansive pool areas and other unique **signature attractions** created by the hotel itself allow for the resort location classification.

Reservation lead time: varies from a few weeks to even unto a year in advance

Basis of charging room tariff: Most of these hotels use the 12 noon check-in and check out system while some prefer the 24 hrs check in and check out system

Duration of guest stay: Usually 1-2 weeks.

Facilities provided: The recreational facilities provided are extensive. Most resort hotels provide extensive food and beverage services. They also provide special activities for guests such as golf, horseback riding, nature hikes etc.

**Airport Hotels**

Target Market : Business clientele, airline passengers with overnight travel layovers or cancelled flights, and airline personnel.

Location : In proximity to airports. **Gateway cities** aretraditionally those located in an area that makes them the first practical stop for an international flight coming into a country.

Reservation lead time: Most guests are walk-ins and hence the lead time may be 1-2 days to zero.

Basis of charging room tariff: These hotels are ideal candidates for the 24 hrs, check in and check out system but most prefer using the 12 noon check in and check out system as it is more lucrative.

Duration of guest stay: Ranges from a few hours to a day or two.

Facilities provided: The courtesy van facility between the hotel and airport is a facility seen in almost all airport hotels. They have multilingual staff. Conference rooms are a feature added to attract those guests who travel to a meeting by air and wish to minimize ground travel. In the Indian context, most airport hotels offer services similar to that of commercial hotels and are directly in competition with them.

**Bed and Breakfast Hotels**

B & B hotels range from houses with a few rooms to small commercial buildings with 20 to 30 guestrooms.

Target Market: Budget conscious travelers looking for clean and comfortable accommodation

Location: There is no specific characteristic as regards location

Reservation lead time: Mostly walk in guests

Basis of charging room tariff: mostly use the 12 noon check in check out system

Duration of guest stay: Mostly overnight stay

Facilities provided: The owner usually lives on the premises and is responsible for serving breakfast to the guests. Meeting rooms, laundry, recreational facilities etc are not offered. They offer lodging and limited food service and are hence able to price their rooms at highly competitive rates.

**Residential Hotels**

Residential hotels provide long-term or permanent accommodations for people in urban or suburban areas

Target Market: Mainly people looking for long term accommodation.

Location: They are generally located in suburban areas.

Reservation lead time: May be a month or even more since the stay is planned well in advance.

Basis of charging room tariff: The charges for accommodation and other services contracted are usually settled on a monthly basis.

Duration of guest stay: 6 months to a year or more.

Facilities provided: The accommodation usually consists of a sitting room, bedroom and small kitchenette. Residents may choose to contract for some or all of the services provide to guests in a commercial hotel. A residential hotel may provide daily housekeeping, telephone, front desk, and uniformed services. A restaurant and lounge may be there.

**Motels**

Motels or motor hotels are designed to serve the needs of motorists.

Target Market: Motorists.

Location: They are generally located on highways or at road junctions.

Duration of guest stay: Mostly overnight.

Facilities provided: Car parking, Garage, Accommodation, recreational facilities, filling stations, service stations, restaurants etc.

**All Suite Hotels**

Target Market: People who are relocating, frequent travelers who do not like the idea of staying in a single room, and vacationing families who prefer the privacy and convenience of non-standard hotel accommodations for extended stays. Professionals such as accountants, lawyers, and executives find suite hotels particularly attractive since they can work or entertain in an area besides the bedroom.

Location: All suite hotels are located in the heart of the city or business district.

Reservation lead time: similar to that of commercial hotels.

Basis of charging room tariff: 12 noon check in and check out basis.

Duration of guest stay: longer than that of commercial hotels but most often less than that of residential hotels.

Facilities provided: They feature guestrooms with a living room or parlor area and a separate bedroom. Some guest suites include a compact kitchenette with a refrigerator and in-room beverage service. Some suite hotels offer complimentary evening receptions, breakfasts, or evening hors d’oeuvre service. Suite hotels generally have fewer and more limited public areas and guest services than other hotels.

**Casino Hotels**

Casino hotels are known primarily for the ***gambling facilities*** they offer despite the fact that the guestrooms and food and beverage operations may be luxurious. They provide specialty restaurants and extravagant floor shows and may offer charter flights for guests planning to use the casino facilities.

**Conference Centres**

Conference centres are specifically designed to handle group meetings. Most full- service conference centers offer overnight accommodations. Because meetings are their focal point, conference centers typically place great emphasis on providing all the services and equipment necessary to ensure a meeting’s success-for example, technical assistance, high-quality audiovisual/equipment, business service centers etc.

Conference centres are often located outside metropolitan areas.

They provide extensive leisure facilities: golf courses, indoor and outdoor swimming pools, fitness centers, spas, jogging and hiking trails, and more.

Conference centres typically charge meeting planners a single price, which includes attendee guestrooms, meals, meeting rooms, audiovisual equipment, and other related services.

**Convention Hotels**

Convention hotels have a sufficient number of guestrooms to house all the attendees of most conventions. Most of these properties house dining facilities ranging from self-service restaurants or cafeterias to elaborate formal dining rooms. Convention hotels are primarily directed toward business travelers. A full line of business services are generally available, including teleconferencing, secretarial assistance, language translation, and facsimile machine.

**Time share Hotels**

Time share properties involve individuals who purchase the ownership of accommodations for a specific period of time- usually one or two weeks a year. These hotels are very popular in resort areas.

**Condominium Hotels**

The difference between the time - share and condominium hotels lies in the type of ownership. Units in condominium hotels (A condominium is a unit consisting of a living room, dining area, kitchen, bathroom and one or more bedrooms) only have one owner instead of multiple owners. In a condominium hotel, an owner informs the management company of when he or she wants to occupy the unit. The management company is free to rent out the unit of the remainder of the year. Condominium owners receive revenue from the rental of their units and pay the management company a fee for advertising, rental, housekeeping and maintenance services.

**Supplementary Accommodation**

This group includes all forms of rented accommodation other than the above mentioned categories such as youth hostels, dak bunglows, forest lodges, travelers’ lodges, dharamsalas, convalescent centres and camping grounds.

1. **World class, Mid range and limited service hotels**

World class hotels target top executives, entertainment celebrities, high ranking political figures, and wealthy clientele as their primary market. World-class hotels provide upscale restaurants and lounges, exquisite décor, concierge service, and opulent meeting and private dining facilities. Guests may find oversized bath towels, soap bars, shampoo, shower caps, clock radios, and more expensive furnishings, decor, and artwork in the hotel's guestrooms. Bath linens are typically replaced twice daily, and a nightly turn-down service is usually provided. Magazines and daily newspapers may be delivered to each guestroom.

The public areas of a world-class hotel may be large and elaborately decorated and furnished. Several food and beverage outlets are frequently available to cater to the tastes of the hotel's guests and visitors. Guests and visitors may also enjoy a variety of retail outlets, such as gift shops, clothing and jewelry stores, specialty retail shops, and international news stands.

 World-class hotels stress personal attention and maintain a relatively high ratio of staff members to guests. This ratio enables the hotel to offer a wide variety of guest services and responds quickly to guest requests.

World-class hotels frequently employ a multilingual concierge who provides extra help for guests. Among their many activities, concierges may help guests register, obtain tickets for transportation or entertainment, or arrange for secretarial or business services.

**Executive Floors:** In some hotels, certain floors are designated to provide some of the hotel's guests with world-class attention. Hotels offering *executive floors* or a *tower concept* provide non-standard guestroom furnishings and additional guest services in these areas of the hotel. Executive floors usually consist of very large, deluxe guestrooms that may contain a number of amenities. The guestrooms or suites might have a refreshment center and may be stocked with bathrobes, fresh fruit, and fresh-cut flowers.

Usually, the luxury services offered by executive floors are not confined to the guestroom. A concierge may be stationed on each executive floor. Access to these floors may be restricted by the use of special elevator keys that allow only authorized guests to enter. In many cases, the executive or towers floors contain a private lounge. Special food and beverage services may be offered in the evening, and a continental breakfast may be served in the morning. Conveniences such as secretarial services or special check-in and check-out arrangements may also be available.

**Hotels offering mid-range services** appeal to the largest segment of the traveling public. Mid-range service is often modest but sufficient. Although the staffing level is adequate, the mid-range property does not try to pro- vide elaborate services. A mid-range property may offer uniformed guest services, airport limousine service, and food and beverage room service.

The property may offer a specialty restaurant, coffee shop, and lounge that cater to visitors as well as hotel guests. The lounge may feature entertainment on the evenings when the hotel is expected to be most busy. Guests likely to stay at a mid-range hotel include businesspeople, individual travelers, and families. Rates are lower than world-class or first-class hotels since the properties offer fewer services and a smaller range of facilities. This often makes these properties appealing to travelers who want some services, but not all the luxuries of world-class or first-class properties. Since meeting rooms are usually found at mid-range hotels, people planning small conferences, group meetings, and conventions may also find these hotels attractive.

**Economy-or limited service-hotels** are also a growing segment of the hospitality industry. These properties provide clean, comfortable, inexpensive rooms and meet the basic needs of guests. Economy hotels appeal primarily to budget-minded travelers who want rooms with the minimal amenities required for a comfortable stay, without the extras they don't feel they need or desire to pay for. Since a large proportion of the population travels on limited funds, economy lodging properties have a large market from which to draw. The clientele of economy properties may include families with children, bus tour groups, traveling businesspeople, vacationers, retirees, and groups of conventioneers.

Most economy properties now offer cable or satellite television, swimming pools, limited food and beverage service, playgrounds, small meeting rooms, and other special features. What most economy properties *do not* usually offer is room service, uniformed guest services, laundry or dry cleaning services, or any of the other elaborate amenities found at world class and mid range properties.

**Star Classification**

Hotels are given star classification depending upon the  standard of facilities offered by the hotels. According to star  classifi­cation,  hotels are classified into six. They are one star,  two star, three star, four star, five star and five star deluxe.  The rating is done by special committees.

The   Hotel   and   Restaurant   Approval   and    Classification Committee (H.R.A.C.C) is in charge of the classification of  four star  hotel and above and Heritage hotels. Its headquarter is in New Delhi.

The members of the **H.R.A.C.C.** consists of people chosen from Department of Tourism

**F.H.R.A.I** - Federation of the Hotel and Restaurant Association

of India.

**T.A.A.I -** Travel Agents Association of India

**I.H.M.C.T** -Principals  of  the regional  Institute  of  Hotel Management and Catering Technology.

A five star hotel must have a minimum of **10** rooms .The facilities that must be present in a hotel are divided into three. They are essential, necessary and desirable facilities. The  hotel  must have  all the essential facilities. Two failures are  allowed  in case  of necessary facilities and the desirable  facilities  need not be all fulfilled. Classification is valid for a period of five years.

1. **Ownership and affiliation- features, advantages and disadvantages**

Ownership and affiliation provides another means of classifying hotels. Two basic structures exist: independent hotels and chain hotels. An independent hotel has no affiliation with other properties. Chain hotel ownership may take a number of forms, depending on the association that the chain organization has with each property.

**Independent hotels** have no ownership or management affiliation with other properties. They have no relationship to other hotels regarding policies, procedures, or financial obligations.

 A typical example of an independent property is a family-owned-and-operated hotel that is not required to conform to any corporate policy or procedure. From a business perspective, some independent properties are organized as sole proprietorships or partnerships, while others are incorporated by their owners to limit their insurance risks and personal liabilities.

The unique advantage of an independent hotel is its autonomy. Since there is no need to maintain a particular image, the independent operator can offer a level of service geared toward attracting a specific target market. Moreover, the flexibility inherent in a small organization often allows the independent hotel to quickly adapt to changing market conditions. An independent hotel, however, may not enjoy the broad exposure or management insight of an affiliated property, and does not enjoy the purchasing power of a chain hotel.

**Chain Hotels** usually impose certain minimum standards, rules, policies, and procedures on their affiliates. In general, the more centralized the organization, the stronger the control on the individual property. Chains with less dominant central organizations allow individual hotel managers to exercise more creativity and solve more problems on their own.

A chain is usually classified as operating under a **management contract, or as a franchise or referral group.**

**Management Contract:** Management companies are organizations that operate properties owned by other entities. These entities range from individual businesspeople and partnerships to large companies. They contract with a professional hotel management company to operate the proposed property, probably on a long-term basis. Assuming the hotel management company was acceptable to the lenders, a management contract would be drawn up between the developers and the management company.

Under this type of contract, the owner or developer usually retains the financial and legal responsibility for the property. The management company usually operates the hotel, pays its expenses and, in turn, receives an agreed-upon fee from the owner or developer. After operating expenses and management fees have been paid, any remaining cash usually goes to the owners, who may use this cash to pay debts, insurance, taxes, and so forth.

Management contracts have proven successful for many major hotel chains (for example, Hyatt, Westin, and Stouffer). In contrast, some management contract companies do not have a brand name. These companies operate hotels usually franchises or independents without a chain affiliation. The franchising company provides the purchasing power, advertising, and central reservation systems, while the management company provides the management expertise.

Management contracting is usually a means of rapidly expanding a hotel company's operations with far less investment per property than direct ownership requires. Hotel management companies are sometimes established just to manage hotels for other investors. These companies appear to offer a unique advantage to property owners and managers because of their expertise in operations, financial management, staffing, marketing and sales, and reservation services.

**Franchise and Referral Groups:** Some of today's best-known hotels belong to franchise and referral groups. They can be found in most cities and towns, and in resort areas. There is, however, an organizational distinction between these two types of chain hotels.

**Franchising** is simply a method of distribution whereby one entity that has developed a particular pattern or format for doing business-the *franchisor*-grantsto other entities*-franchisees-*theright to conduct such a business provided they follow the established pattern. In the lodging industry, most organizations offering franchises have first established the quality of their product and expertise in operations by developing parent- company (franchisor-owned) hotels. Franchise organizations typically have set standards for design, decor, equipment, and operating procedures to which all its properties must adhere to. This standardization is what enables franchise chains to expand while maintaining a consistent, established product and level of service. The franchisor usually provides the franchisee with other reasons for purchasing a franchise aside from a strong brand name-: these include national or international central reservation services, national advertising campaigns, management training programs, and central purchasing services. Some franchisors also provide architectural, construction, and interior design services. Some of the better-known franchising companies are Holiday Inn; Choice International (Quality Hotels and Inns); Ramada, Inc.; and Days Inns.

Franchises are not necessarily right for all properties. Some operations are so distinct that belonging to a franchise system and conforming to a set of standards is perceived as harmful. For these operations, a referral group might be appropriate.

**Referral groups** consist of independent hotels which have banded together for some common purpose. While each property in a referral system is not an exact replica of the others, there is sufficient consistency in the quality of service to satisfy guest expectations. Hotels within the group refer their guests to other affiliated properties. Through this approach, an independent hotel may gain a much broader level of exposure. Best Western International-one of the largest hotel systems in the world- is an example of a referral group.

Belonging to a franchise or referral group provides several benefits, the most obvious being a more extensive reservation system, and expanded advertising through pooled resources. These advantages are so important that lending institutions may often be reluctant to loan money to potential investors unless the investors have established an affiliation with a franchise group or referral organization.

As with franchise organizations, referral groups provide central purchasing services. These services reduce expenses to the individual hotels since items are purchased in very large quantities. Owners can purchase interior furnishings, bath amenities, linen and towels, and restaurant items at quantity prices.

**Assignment:**

**Find out details about the following categories of hotels. Give examples of each.**

1. **Heritage Hotels**
2. **Ecotels**

**Time Share**

World Tourism Organisation (WTO) defines time share as the advance purchase of time in holiday accommodation. The purchaser pays a capital sum to acquire the time share and then pays an annual contribution towards the maintenance of the property. The period of time is usually based on modules or week. This also known as ‘**vacation ownership’** or **‘holiday ownership’** concept. The concept is that for a set period which may be one week or more each year and for a number of years the person gets the right to enjoy stay and other facilities and service in any type of an apartment or any other type of lodging in a tourist complex. It is like advance purchase of time in holiday accommodation. The fee paid usually covers services such as cleaning and maintenance of apartments and public areas, electricity, gas and water, insurance, operation of resort facilities

E.g.- swimming pool, local taxes, and funds for redecoration and replacements of equipments etc.

The property in which the owner makes his first investment is referred to as his “home property”.

Time share concept was started in 1960 in France and Switzerland. Paul Doumier who introduced the concept in France came up with the marketing slogan “ No need to rent the room, buy the hotel, it is cheaper”, to popularize timeshare.

**Condominiums**

It involves a joint ownership of a complex. Each owner purchases and has full benefit of unit such as guest rooms, suite, apartments or a villa and shares the cost common to the whole complex such as taxes, maintenance and upkeep of buildings and parks, grounds etc.

Each owner can occupy or sell his unit independently but is obliged under the terms of the contract to contribute towards the pools of common facilities and services. Condominiums have many advantages over simply leased properties. In a condominium the capital appreciates with the rising

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value particularly on coast or lake sides. It relieves the owner of maintenance and upkeep worries the owner can enjoy extensive recreational facilities exclusive to the complex. Condominium management looks after the unit in absence of the owner and if required let it out to provide income. In some instances letting or lease-back conditions may be written into contract, particularly where the condominium unit in a complex may be used as a back up to a hotel operation.

It may be necessary for the developer to appoint an independent management agent in the initial stages and for subsequent control to be exercised by an association of owners. In some cases the developer may act as an estate manager.

**Classification of time shares**

**Fixed time shares**: The most basic timeshare unit is a fixed week, the resort will have a calendar enumerating the weeks roughly starting with the first calendar week. A timeshare owner may own a deed to use a unit for a single specified week every year**.**

**Floating time share:** Sometimes a timeshare is sold as floating weeks. The ownership will be specific on how many weeks you own and from which weeks you may select for your stay. As example of this, a timeshare may be floating summer weeks where the owner may request any weeks during the summer season. In this case there would be competition for prime holiday weeks. The weeks when schools may still be in session would not be so high in demand. Some floating contracts exclude major holidays so they may be sold as fixed weeks

**Rotating:**  Some time shares are sold as rotating weeks. In an attempt to give all owners a chance for the best weeks, the weeks are rotated forward or backward through the calendar, so one year the owner may have the use of weeks 25 and 26 whereas in the next year it would be 27 and 28. This method does give each owner the use of prime weeks but its not flexible.

**Deeded v/s right to use timeshare**

A major difference in type of timeshare ownership is that between deeded and right to use contracts. With *deeded contracts*, the use of timeshare resort is usually divided into week long increments and these are sold as fractional ownership and are real property. As with any other piece of real estate, you may use your weeks, rent your weeks, give it away or leave it to your heirs. While this form of ownership can offer additional security to the owner as a form of physical ownership, deeded timeshare ownership can be as complex as outright property ownership in that the structure of the deed varies according to local property laws. Leasehold deeds are common and offer ownership for a fixed period of time after which the ownership reverts to the property owner. Deeded timeshares are also called fee simple timeshares.

With *right to use*, the timeshare purchaser has the right to use the property in accordance with the contract but at some point the contract ends and all rights revert to the property owner.

**Vacation Clubs**

Vacation clubs are organizations that may own timeshare units in multiple resorts in different locations. Some clubs consist only of individual weeks at other developer’s resorts. They are sold both as deeded or right to use and club members may reserve vacation time at any of the owner resort units based on availability.

**Methods of use of timeshare**

Timeshare owners may elect to :

Use their usage time

Rent out their owned usage

Give it as a gift

Exchange internally within the same resort or resort group

Exchange externally into thousands of other timeshare resorts

Bank your week and use it the next year

Timeshares offer owners the possibility of exchanging their week, either independently or through several exchange agencies, to stay at one of the thousands of other resorts worldwide. Resort Condominium International (RCI) and Interval International (I I) are examples of timeshare vacation exchange network agencies.

**Types and size of time shares**

Time share properties tend be apartment style units ranging from studio units to three and four bedroom units. These larger units can comfortably house large families. Timeshare properties could be **apartments, castles, ski lodges, bunglows, cottages, villas, restored farmhouses**. Timeshare units normally include fully equipped kitchens with a dining area, dishwasher, television, VCRs and more. It is not uncommon to have washers and dryers in the unit. Kitchens are equipped to the size of the unit, so that four persons should have at least four glasses, plates, knives, spoons, and bowls so that all four guests can sit and eat at once.

Timeshare units are usually listed by how many will sleep in the unit and how many will sleep privately. Sleep 2/2 will generally be a bedroom or a studio, sleep 6/4 would be a two bedroom with a sleeper sofa.

Sleep privately refers to the number of guests who will not have walk through another guests sleeping area to use the restroom. Time share resorts tend to be strict on the number of guests per unit. Unit size can affect demand at a given resort where a two bedroom unit will be in higher demand than a one bedroom unit. The same does not hold through for resorts in different locations. A one bedroom with a great location may still be in demand than an inland resort. The concept of timeshare has been extended to luxury cars and planes.

**Advantages and Disadvantages of Timeshare**

**Advantages:**

* Time share units are usually self catering with a full or partial kitchen and have readily available laundry facilities.
* Vacation flexibility is the premium advantage of timeshare ownership. Owners can exchange their weeks for other resorts anywhere in the world and at their desired vacation time.
* Timeshare owners benefit financially as well. They have the option to sell their timeshare, rent their unused weeks or even give it as a gift.
* Timeshare properties make it easy to enjoy luxury accommodations year after year without having spent time at expensive hotels or sub par motels with no amenities.
* Timeshare hotels provide home like surroundings and are good choices for families with young children as they provide more space and the option for preparing meals at home.
* They come in many sizes such as one bedroom apartment, two bedroom or three bedroom homes with a patio, lounge area and many bathrooms.
* Timeshares are also a good way to save money on your lodging expenses. Timeshare owners vacation year after year and are not dependent on hotel pricing fluctuation because their vacations are already paid for.
* Timeshares build customer loyalty and maximizes repeat business, thus enhancing brand loyalty.

 **Disadvantages:**

* The timeshare requires a major payment up front. Doubts exist as to whether timeshare buyers ever recover their money spent.
* The biggest issues for exchange are that it depends on another owner to deposit a desired week which may not happen.
* Another issue is some exchange systems have rules and the unit may not strong enough to allow the owners to get the vacation they want. Also some owners can not make a decision on when to vacation or where to vacation until the last minute which often results in a bad exchange or no exchange at all.
* Yearly maintenance fee, other complaints involves issue surrounding the fees like home owners fee, rental fee, fees for trading property taxes and an assortment of hidden fees that buyers were not aware of. When they bought timeshare. In addition, if a resort suffers as a result of a natural disaster, it may need special assessments.

**Some of the Major Timeshare Brands:**

* Marriott Vacation Club International
* Hyatt Vacation Club
* Four Seasons
* Hilton Grand Vacations
* Starwood
* Disney Vacation Club
* Mahindra Holidays
* Shell Vacations
* Wyndham Timeshare Resort Group

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 **HOTEL ORGANIZATION**

Objectives : On completing this unit the student should be able to

* Explain how an organization chart depicts the lines of responsibility among positions, departments and divisions.
* Classify the functional areas of a hotel.
* Draw the organization chart of a small, medium and large size hotel.
* Describe the primary functions of the front office.
* Describe the positions and functions of the uniformed service
* Understand the relationship between the front office and housekeeping departments
* Outline the functions of other departments typically found in a full-service hotel.
* Discuss the use of job descriptions and job specifications
* List and describe the typical front office positions and their duties.

 **Organization Charts**

An **organization chart** is a schematic representation of the relationships between positions within an organization. It shows where each position fits in the overall organization, as well as where divisions of responsibility and lines of authority lie.

Solid lines on the chart indicate direct-line accountability.

Dotted lines indicate relationships that involve a high degree of cooperation and communication, but not a direct reporting relationship.

An organization chart should be flexible and should be reviewed as and when business conditions show a significant change.

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**Classifying functional areas of a hotel**

One method of classifying functional areas involves classifying an operating department as either a **revenue center** or **support center**. A revenue center sells goods or services to guests, thereby generating revenue for the hotel.

e.g., front office, food and beverage outlets, room service, telephones.

Even if the revenue center is not operated by the hotel itself as is the case with the shops in the shopping arcade), the money the revenue center pays to lease the hotel space contributes to the hotel’s income.

Support centers include the housekeeping, accounting, engineering and maintenance, and human resources division. These departments do not generate direct revenue, but provide important support for the hotel’s revenue centers.

The terms **Front of the House** and **Back of the House** may also be used to classify departments and personnel. Front of the house areas are areas where the guests interact with the employees.

e.g., Front office, restaurants and lounges.

In back of the house areas, interaction between guests and employees is less common.

e.g., housekeeping, engineering and maintenance, accounting, and human resources.

**Rooms Division**

The rooms division comprises departments and personnel essential to providing services guests expect during a hotel stay. The front office is one department within the rooms division. Others are housekeeping, uniformed services, and the concierge. The functions of the front office are to:

* Sell guestrooms, register guests, and assign guestrooms.
* Coordinate guest services.
* Provide information about the hotel, the surrounding community, and any attractions or events of interest to guests.
* Maintain accurate room status information and room key inventories.
* Maintain guest accounts and monitor credit limits.
* Produce guest account statements and complete proper financial settlement.

**Front Office Operations**

Traditional front office functions include reservations, registration, room and rate assignment, guest services, room status, maintenance and settlement of guest accounts, and creation of guest history records.

The front office is often organized according to functions, with different employees handling separate areas. This division of duties can enhance the control the front office has over its own operations. Such separation of duties may not be practical in small hotel. The positions typically found in a large hotel include:

* A front desk agent who registers guests and maintains room availability information
* A cashier who handles money, posts charges, and oversees guest account settlement
* A mail and information clerk who takes messages, provides directions to guests, and maintains mail
* A telephone operator who manages the switchboard and coordinates wake-up calls
* A reservations agent who responds to reservation requests and creates reservation records
* A uniformed service agent who handles guest luggage and escorts guests to their rooms

Small hotels may have a single front desk agent who performs nearly all the functions with little assistance.

## Reservations

Every lodging property has its own way of monitoring and managing its reservations function. The reservations department is responsible for receiving and processing reservation requests for future overnight accommodations. The purpose of reservations is to accommodate guest requests in a manner that maximizes occupancy and room revenue.

Rreservation agents should be true sales people. They should convey the desirability, features, and benefits of staying at the hotel, rather than simply processing an accommodation request. The agent should reinforce the guest’s decision to stay at the property and thank the guest for his or her business. It is essential for the reservations department personnel to work closely with the hotel’s sales and marketing division when large group reservations are being solicited or processed. On a day to day basis, reservation agents must maintain accurate reservation records and closely track room availability in order to avoid overbooking. Overbooking can create bad feelings and contribute to lost business in the future if it is not handled properly.

## Communications

The telephone department may also be referred to as an **Electronic Private Automatic Branch Exchange** or **EPABX.** Their main tasks are to:

* Keep telephone channels of communication open
* Play an important role in the case of fire and keep the hotel connected within and outside the hotel in case of emergency
* Maintain sophisticated telecommunication equipment which may have the following features:

 Make local calls and international calls directly from guest/office rooms

##  Post call charges automatically onto guest folios

 Have message indicators on telephones

 Voice mail services

 Do Not Disturb

 Room to room connections

 Call waiting

 Wake up call and alarm systems

## Uniformed Service

Employees who work in the uniformed service department of the hotel generally provide the most personalized guest service. Among the primary positions within the uniformed service department are:

### Bell attendants

They provide baggage service between the lobby area and the guestroom. Bell attendants should have good oral communication skills and display genuine interest in each guest. Depending on the size and complexity of the hotel, bell attendants may be counted to:

* Transport guest luggage to and from guestrooms.
* Familiarize guests with the hotel’s safety features, as well as the guestroom and any in-room amenities.
* Provide a secure area for guests requiring temporary luggage storage.
* Provide information on hotel services and facilities.
* Deliver mail, packages, messages, and special amenities to guestrooms.
* Pick up and deliver guest laundry and dry cleaning.
* Perform light housekeeping services in the lobby and entry areas.
* Help guests load and unload their luggage in the absence of a door attendant.

### Door attendants

 They are dedicated to welcoming the guest to the hotel. Some of the duties door attendants perform include:

* Opening doors and assisting guests upon arrival.
* Helping guests load and unload luggage from vehicles.
* Escorting guests to the hotel registration area.
* Controlling vehicle traffic flow and safety at the hotel entrance.
* Hailing taxis, upon request.
* Assisting with valet parking services.

Performing light housekeeping services in the lobby and entry areas.

Door attendants must be well informed about the hotel facilities and the local community. Guests frequently ask door attendants for directions to businesses, restaurants and local landmarks and attractions.

***Valet Parking Attendants***

Valet parking is generally available at hotels offering world class or luxury service. Specially trained employees park guest and visitor automobiles. The personal attention and security of valet parking is considered both a luxury and a convenience. Valet parking attendants are also responsible for the security of vehicles being moved to and from the hotel entrance. Attendants should not take a car into their care without issuing a receipt to the guest or visitor, usually in the form of a ticket. On the hotel portion of the ticket the attendant should note any existing damage to the vehicle. Vehicle keys must be kept in a secure area, and issued only by qualified personnel. The uniformed service department is responsible for all vehicles under its care and reports information to the front desk so that parking charges can be posted to guest accounts.

***Transportation personnel***

Already common to most airport hotels, transportation services are gaining in popularity at other types of properties. Bus or courtesy van service drivers must be well trained and properly licensed to operate the vehicle. Since these drivers are sometimes the first contact the guest will have with the hotel, it is important for them to be polite, efficient, and knowledgeable about the property. It is customary for drivers to provide some information about the hotel while in transit, either through a live spoken presentation or a pre-recorded audio tape. Drivers should also help guests entering and exiting the vehicle. An experienced driver efficiently and carefully loads guest luggage into the van.

Guest privacy must be maintained. Any conversation among guests must be considered confidential and should not be discussed with hotel employees, family, or friends. Drivers must know how to check their vehicles to ensure that all equipment is working correctly. Safety equipment such as fire extinguishers must be checked regularly and drivers must be familiar with their use.

***Concierges***

Certified concierges may be identified by the prominent gold crossed keys displayed on their jacket lapel. To earn these keys, a concierge must be certified by the international association of concierges, known as *Les Clefs d’Or (Golden Keys).* While many hotels employ experienced staff to assist guests with special needs, the title *concierge* technically applies only to members of *Les Clefs d’Or*.

Concierges may provide custom services to hotel guests. Duties include making reservations for dining; securing tickets for theater and sporting events; arranging for transportation; and providing information on cultural events and local attractions. Concierges are known for their resourcefulness. Most successful concierges have developed an extensive network of local, regional, and national contacts for a variety of services. To be highly successful, a concierge should be able to speak several languages. In some hotels, the head concierge is the manager of uniformed services and assumes additional responsibilities for supervising all uniformed service personnel.

**Housekeeping**

Housekeeping is probably the most important support department for the front office. Like the front office, housekeeping usually is part of the rooms division of the hotel. The department is responsible for the cleanliness, maintenance and aesthetic standards of the hotel. The brief responsibilities of Housekeeping are:

* Clean and prepare guest rooms for sale
* Clean public areas
* Provide laundered staff uniform
* Provide fresh room and restaurant linen
* Decorate the hotel for special functions
* Control the lost and found procedures
* Manage the in-house laundry
* Manage the horticulture and landscaping of the hotel
* Make flower decorations for various venues

 **FOOD & BEVERAGE DIVISION**

The hotel’s food and beverage division generally ranks second to the rooms division in terms of total revenue. Many hotels depend on more than one food and beverage outlet. There are almost as many varieties of hotel food and beverage operations as there are hotels. Possible outlets include quick service, table service, and specialty restaurants, coffee shops, bars, lounges, and clubs. The food and beverage division also typically supports other hotel functions such as room service, catering, and banquet planning. Hotels that appeal to group and convention business typically generate large amounts of banquet and catering revenues. Catered functions, such as weddings and anniversaries, may also provide significant revenue opportunities for the food and beverage division.

**SALES AND MARKETING DIVISION**

Sales and marketing responsibilities are typically divided into four functions: sales, convention services, advertising, and public relations. The primary goal of the division is to promote the sale of the hotel products and services. To this end, sales and marketing staff need to coordinate their efforts with the front office and other hotel divisions to effectively assess and communicate guest needs.

Marketing employees strive to attract guests to the hotel. Marketing staff research the marketplace, competing products, guest needs and expectations, and future demand. These employees then develop advertising and public relation programs for the hotel based on their findings. Sales staff, on the other hand, strives to create revenue through the sale of hotel products to guests and groups. Front desk agents also may act as salespersons, especially when negotiating with and registering walk-in guests.

**ACCOUNTING DIVISION**

A hotel’s accounting division monitors the financial activities of the property. Accounting activities include paying outstanding invoices, distributing unpaid statements, collecting amounts owed, processing payroll, accumulating operating data, and compiling financial reports. In many hotels, the night audit and the food and beverage audit are considered accounting division functions. The front office cashiering and guest accounting functions include monitoring cash, checks, credit cards, and other methods of guest account settlement. The most common financial transactions handled by front office staff members are receiving cash payments, verifying personal cheques, imprinting credit cards, making change, and monitoring guest account statements. In small hotels the front office is also responsible for monitoring the credit status of registered guests.

**ENGINEERING & MAINTENANCE**

A hotel’s engineering and maintenance division is responsible for maintaining the property’s structure and grounds, as well as its electrical and mechanical equipment. This division may also be charged with swimming pool sanitation, parking lot cleanliness and fountain operations. Quite often, the operation of the hotel’s safety equipment comes under this division as well.

The front office must efficiently exchange information with a representative of the engineering and maintenance division to ensure guest satisfaction. Guest complaints must be quickly relayed to the engineering and maintenance staff for corrective action. Conversely, front desk staff must be informed quickly about maintenance problems that render a room unsuitable for use. They must also be informed when the room becomes ready for sale again.

**SECURITY DIVISION**

All employees should be concerned about the safety and security of hotel guests, visitors, and employees. Security responsibilities may include patrolling the property; monitoring surveillance equipment; and, in general, ensuring that guests, visitors, and employees are safe and secure. A hotel’s security program is strongest when employees outside the security division participate in security efforts. A key role of the security division is to maintain a strong awareness in the hotel’s staff of safety issues through training and enforcement of standards.

**HUMAN RESOURCES DIVISION**

Hotels have increased their investment in and dependence on human resource management. The size and budgets of human resources division have grown steadily, along with their responsibility and influence. Recently, the scope of the human resources division has changed in response to a shrinking labor pool, and growing pressures from competition. Although techniques have changed, the basic functions of the human resources division remain the same: employment (internal reassignment and external recruitment); training; employee relations (including quality assurance); compensation; benefits; administration (including employee policies); labor relations; and safety.

**Other Divisions**

***Retail outlets:*** Lodging properties often establish gift shops, newsstands, or other retail outlets in their lobbies or public areas. These outlets generate revenue for the hotel based on a percentage of sales or a fixed space rental fee.

***Recreation***: Most resorts staff a division dedicated to providing group and individual recreational activities for guests. Golf, tennis, bowling, snorkeling, sailing, walking tours, bicycle trips, horseback riding, hikes, and other activities may be arranged by the recreational staff. The division may also plan and direct activities such as arts and crafts shows or children’s programs.

## Job Descriptions

A ***job description*** lists all the tasks that compose a work position. A job description may also outline reporting relationships, responsibilities, working conditions, equipment and materials to be used, and other important information specific to the place of employment. To be most effective, job descriptions should be customized to the operational procedures of a specific lodging property. Job descriptions should be task-oriented; they should be written for a position, not for a particular employee. Job descriptions will become dated and inappropriate as work assignment changes, so they should be reviewed at least once a year for possible revision. Employees should be involved in writing and revising their job descriptions.

A well-written job description can also be used:

* In evaluating job performance
* As an aid in training or retraining employees
* To prevent unnecessary duplication of duties
* To help ensure that each job task is performed
* To help determine appropriate staffing levels

Each front office employee should be given a copy of the job description for his or her position. Final job candidates may also be given a copy of a job description, even before an employment offer is made. This is preferable to having someone accept a job and then decide it is unsuitable because he or she was unaware of the job’s requirements.

## Job Specifications

Job specifications list the personal qualities, skills, and traits a person needs to successfully perform the tasks outlined in a job description. Factors considered for job specifications are: formal education, work experience, general knowledge, previous training, physical requirements, communication ability, and equipment skills. Job specifications are often the basis for advertising job opportunities and for identifying eligible applicants; they may also be used to identify current employees for promotion.

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 **Qualities of Front Office Staff**

As the Front Office is a critical department in a hotel in view of its revenue generating capacity and influence in image building, the staff working in it assume a special importance.

Great care is taken in the selection of Front Office staff as they play a key role as:

**Salesmen** They motivate the guests to spend more on the hotel facilities

**Problem solvers** Guests invariably approach the Front Office for help in case they have a problem or complaint. The staff have to be diplomatic and resourceful to solve the problems at the shortest possible time

**A reference point** Guests who want information or want to pass on information use them for this purpose

**Coordinators**  Since they are a reference point, the Front Office staff are required to co ordinate with other departments, airlines, travel agencies and city tour offices to give the guest personalized service.

Image builders As an extension of their salesman’s role, front office staff can certainly generate a good image for the establishment in their manner of dress, communication, personal conduct and efficiency.

**Essential Attributes**

In view of the important role they play, the front office staff must have the following essential attributes:

1. **A high sense of personal grooming**: Uniforms must be clean and neatly pressed . Hair should be groomed well. It is preferable for ladies to tie their hair up in a bun. Nails should be manicured. A soft cologne is preferable to heavy perfumes. Jewellery should be restricted to one ring and a necklace for ladies. In short, the front office staff must be seen at their best at all times.
2. **Personal hygiene:** This is imperative to front office personnel. As

 they are constantly exposed to hotel guests, a clean appearance helps to project a good image not only of themselves but of the establishment as well.

1. **Self confidence:** This is necessary as front office personnel meet guests of different countries, statuses and cultures. They should be comfortable and feel at ease in dealing with these people.
2. **Communication** must be correct and clear: It is preferable that front office staff know more than one language. It helps in communicating with guests who cannot speak English.
3. **Diplomacy** is the greatest attribute required: Very often there are situations when a guest is irate over something, a diplomatic dealing helps in diffusing the explosive moment.
4. **Calmness** to take the busy demands of front office operations: Being the nerve centre of the hotel, the front office is constantly in touch with guests and therefore invariably comes under tremendous pressure. The guests always expect personalized priority treatment and the pressure of demand never ceases. Coupled with this are difficult guests who can unnerve a person. The front office staff should thus have a high degree of tolerance for pressure of work and be calm and composed at all times.
5. **Ability to remember names and faces**: This single attribute distinguishes the good from the average amongst the front office staff. Every individual has an ego and his name is most precious and personal to him. If the front office staff can call most guests by their names, thus immediately flatters them and personalizes the guest experience. The guest begins to feel he is welcome as people recognize him by name.
6. **Good manners**: As the hotel is a meeting place for social elite, all the grace and etiquette associated with good society comes into play. Guests of all statuses come to stay in the hotel and they are used to good manners and politeness. Wishing a guest by the time of the day and saying “Thank you” are basic etiquette shown.
7. **Ready smile** : This is very becoming to front office operations. Guests like to be handled by a cheerful staff at the desk. The smile exudes cheer to the guests and puts them at ease.
8. **Physical fitness**: Front office operations require the staff to stand for long hours at a stretch. The staff must be sturdy, agile and active.
9. **Quick decision making ability**: Guests often approach the front desk with problems and requests. Front office staff must be able to decide quickly a course of action that satisfies the guest., at the same time keeping the interest of the organization alive.

Possessed with the attributes mentioned above, the front office staff could make a fine team that is an asset to the hotel

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**Front Office Layout and Equipment**

Most front office functions are performed at the front desk. Since guests directly interact with front desk personnel, the front desk represents the hotel to the guest. When a guest enters the hotel, it is the entrance and thereafter the lobby, which is subjected to scrutiny. The main entrance must be identifiable and directly lead to reception area ie. Lobby of the hotel. Care should be taken that the main entrance area is able to accommodate the guests of the hotel who may come by a car or a taxi or many a times walk up the hotel, and also may reach by coach. As a general rule, the driveway in front of the lobby entrance should be at least **18 ft** **wide** so as to allow at least two cars to pass easily. Sufficient height clearance to allow coaches loaded with luggage on top should also be given consideration. A minimum of 16 ft clearance from road should be allowed. To avoid the problem of carrying of luggage through steps, it is advisable to have separate luggage entrance in the form of a **ramp** starting from driveway to the main entrance. The ramp should not be very steep. The recommended inclination with road of the ramp for luggage trolleys and wheel chair is **1:10**.

**Lobby**

* Lobby should be spacious but not wasteful.
* The natural flow of guests should be towards reception/information counter on his arrival in the hotel. Sufficient space should be provided in the lobby for short time keeping of luggage in the lobby before sending it to the room or to the car.
* Lobby of the hotel includes general circulation and waiting area which lead to check in, information and cashiers counter and also to desks such as concierge, bell desk, travel counters, elevators etc.
* The shopping arcade may be either in one part of the lobby or near the lobby. The various restaurants and other food and beverage outlets may also be reached through lobby.
* The reception desk is in the lobby and should be so located that it is in clear view of the guest entering the lobby of the hotel. Also the front office staff should be able to oversee the activities in the lobby, entrance, exits, elevators, shops etc.
* Lobby of a large hotel is also required to accommodate travel desk, G.R.office, the lobby managers desk, bank counter and public as well as house telephone booths.

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Size of lobby depends upon the size and type of the hotel. Cocktail lounge can also be made in the lobby. Avoid pillars as far as possible as they obstruct the view and may create problem in the movement. Lobby in some hotel is used as a feature around which whole activity of the hotel takes place. It may form a part of an atrium extending the full height of the building and containing garden, landscapes, displays etc.

**Access for physically challenged guest** : Accessibility for physically challenged guests is an important consideration in the design of a hotel in general, but applies especially to the front office area. Generally a ramp is provided for wheel chairs. Door should be wide enough to let a wheel chair pass. The height of the reception counter is sometimes lowered to facilitate guest on wheel chairs. A toilet with special facilities is provided near the lobby for physically challenged guests.

**Reception Counter**

Various activities connected with guests such as arrival, information, departure, mail handling, luggage handling etc. are done from the reception counter which is situated in the lobby. The counter must be fully functional and operational and well planned. The following points are important:-

1. *Size* : Basically size depends upon the size and systems used by the hotel. For a large hotel using automatic system, the size may be small while for a small hotel on Whitney rack system or manual system, the size may be comparatively big.
2. *Shape* : Another important factor is that the counter should be designed matching with the shape of the lobby. For example. ‘L’ shape, straight shape, curve shape (semi circular) or circular shape etc.

In a semi circular arrangement, there is normally a straight wall at the back of the desk with a door leading to front office support services. Circular and semicircular guests allow greater service to more guests at the same time, they also tend to appear more modern and innovative than the traditional straight desk. A potential problem is that although front office work stations and equipment may dictate where functions must be performed, guests can approach these desks from all angles. Therefore extra care may be necessary to ensure the success of these and other innovative desk designs.

1. *Dimension* : Usually the counter dimensions are: height between 38” to 42”; width is 30” approximately and the length depending on various factors such as size of the lobby, type of hotel, business profile of the hotel and systems used etc.

Some hotels have experimented with a lobby arrangement which includes no front desk at all. In a deskless environment, registration and room assignment may be handled at a small table or personal desk at a low traffic area of the lobby. A concierge, receptionist or special service employee may serve as guest host. Although a guest host may perform many of the same functions as a front desk agent, the service is intended to be more personal and informal. Guests often enjoy a casual seated registration instead of a long wait standing at a front desk counter.

 Material used for making the counter varies from wood and cement to concrete with finishing of laminated surfaces, stone, marble, granite etc. depending on various factors such as cost and design.

The other counters in the Front Office are **bell desk and Concierge desk, Lobby desk, travel counter.**

**Front Office Equipment**

In non-automated and semi automated properties, the layout of the front desk is centered on a collection of racks and specialty equipment designed to produce, store or display front office forms. In a semi automated system these racks are augmented by posting machines, cash register devices and other pieces of equipment designed to facilitate front office tasks.

In a fully automated hotel, most of the machinery and other equipment is replaced by a front office computer system.

***Room Rack (semi automatic and non automatic)***

The room rack has traditionally been considered the most important piece of front office equipment. A room rack is an array of metal file pockets designed to hold room rack slips displaying guest and room status information. The room rack is normally recessed into the front desk counter, tilted against the desk or mounted below or behind the desk. When key slots are added to the room rack, it can serve as a combination key and room rack.

The room rack contains a summary of information about the current status of all rooms in the hotel. A room rack slip or in some hotels, the guest registration card itself can be inserted into the room rack to display summary guest data, room number and room rate. One glance at the room rack should immediately inform the front desk agent of the occupancy and housekeeping status of all rooms. The room rack may also contain information about room types, features and rates. Front desk agents use this information to match available rooms with guest needs during registration process.

In a fully automated property, the need for a room rack may be eliminated. Equivalent information can be stored in a computer system and displayed on a front desk terminal whenever needed.

***Mail, message and key rack (semi automatic and non automatic)***

A key rack is an array of numbered compartments used to maintain guest room keys. To minimize the number of racks in the front desk area, most hotels combine the room rack with either the key rack or the mail and message rack. A combination mail, message and key rack can be either a free standing wall unit or under counter row of compartments. Some front offices use this as a room divider by placing it between the front desk and the switchboard area of the front office. When the mail and message racks are open from both sides, telephone operators and front desk agents have equal access to rack contents.

If guest room telephones in the hotel are equipped with message lights, they can be used to notify guests of messages awaiting their retrieval. In room message lights may be activated with a control switch beside each room’s slot in the mail, message and key rack.

In a fully automated property, a mail and message rack may be all that is necessary. The function of a key rack may be performed by the master console of an **electronic locking** **system.**

***Reservation Racks ( non automated and semi automated)***

Front office often use both advance reservation rack and current reservation rack. In an advance reservation rack, reservation rack slips are arranged by the guests’ scheduled dates of arrival and within each days grouping alphabetically by the guests’ or groups’ name. A current reservation rack is a portable subset of the advance reservation rack. Early each morning, the advance reservation rack slips for that day’s expected arrivals are loaded into the current reservation rack and taken to the front desk. The current reservation rack is used by front desk agents during registration.

In a fully automated property, both advance and current reservation racks may be eliminated. The equivalent information is internally managed by the computer system.

***Information Rack (semi automatic and non automatic)***

An information rack is an index of in house guests by both last name and room numbers. It is commonly used to assist front office employees with proper routing of telephone calls, mail, message and visitor enquiries. The information rack normally consists of aluminium slots designed to hold guest information slips.

Front office computer system eliminate the need for an information rack since guest name and room number data are easily retrievable through a system computer terminal.

***Folio Trays (semi automatic and non automatic)***

In non automated and semi automated properties, guest folios are stored in a front office folio tray or folio bucket and arranged by guest room number. Guest folios remain in the tray throughout the occupancy stage of the guest cycle except when they are used in posting transactions.

A second folio tray is normally located in the hotels’ accounting office. This secondary storage location contains the folios of departed guests whom the hotel is direct billing or who settled their account by credit card. Once these accounts are settled, the folios are moved to a permanent storage location.

In a computerized front office, there is little need for a folio tray since folios are stored electronically, not in printed form.

***Account Posting Machine (semi automatic)***

Semi automated hotels that allow guest to make charge purchases to room accounts use an account posting machine to post, monitor and balance these charges. A posting machine normally provides:

* A standardised means of recording transactions
* A legible statement of guest account
* A basis for cash and deferred payment management
* An analysis of departmental sales activity
* An audit trail of charge purchase transactions

In a semi automated operation, the account posting machine should be located near the front office folio tray and voucher rack.

***Voucher Rack (all systems)***

After a voucher has been used to support the posting of a transaction, it is stored for verification during the audit. Vouchers are normally filed for future reference in a voucher rack located near the account posting machine.

***Cash Register (semi automatic)***

A front desk cash register is used to record cash transactions and maintain cash balances. An electronic front desk cash register may also be interconnected with a front office computer system to provide more complete control over financial transactions and folio handling.

Cash registers are designed primarily to record sales transactions and to hold cash. Most cash registers also include printing devices for producing transaction tapes, sales receipts, inventory and price controls. Keys on a cash register may perform a variety of operations including:

* Recording the amount of transaction
* Recording the affected departments
* Recording the type of transaction
* Recording the identity of the cashier
* Correcting, totaling and computing change for a transaction

An indicator panel allows the guest and the operator to follow the progress of the transaction.

***Call Accounting Equipment (semi automatic)***

The need to accurately account for guest telephone calls has encouraged the development of telephone call accounting systems. A device linked to the telephone system identifies each phone number dialed from guest room phones. Calls accounting system provides a record of each room’s local, in-state and long distance phone calls so that appropriate charges may be posted to the guest folio. If the hotel supports a front office computer system, call information may be directly transferred and posted to electronic guest folios.

***New Technology***

Often telephone system with sophisticated features are installed in hotels. Examples include automatic call dispensing system, telephone/room status systems and facsimile machine.

In many cases, automatic call dispensing is limited to wake up services. The operator enters the room number and time for each wake up call into the computer and at the scheduled time, a telephone call is automatically placed to the guest room. Once the guest answers the call, the computer may activate a synthesized voice that reports the current time, temp. and weather conditions.

Telephone/room status system can assist with rooms management and prohibit the unauthorized use of telephones in vacant rooms. Housekeeping or room service employees can use guest room telephones to enter data concerning room service charges, maintenance information and current room status information.

***Support devices***

1. ***Credit card imprinter –*** An imprinter is used to press a credit card voucher against a guests’ credit card. The impact causes the raised card number, expiration date and name of the card to be recorded on the voucher for use in credit card billing and collection procedures.
2. ***Magnetic Strip reader –*** A magnetic strip reader reads data magnetically encoded and stored on the magnetic tape strip on the back of a credit card and wires this data to a credit card verification service. On the basis of credit card data and transaction data, the credit card verification service either approves or disapproves the transaction.
3. ***Telewriter –*** The operator of a telewriter writes with a pen like stylus on a specially designed surface. The handwritten message written on this surface is displayed on a similar device located elsewhere.
4. ***Time stamp –*** Folios, mail and other front office paperwork are inserted into a timestamp device to record the current time and date.
5. ***Security monitor –*** Closed circuit television monitors allow front office employees or security personnel to monitor security and safety throughout the hotel from a central location.
6. ***Wake****-****up devices-*** Anon-automated wake up device is a specially designed clock which allows multiple alarm settings to remind telephone operators to place wake up calls.
7. ***Telex –*** International travelers are likely to make reservations by means of telex network connection. The caller directs a message from a telex machine to the hotel’s telex machine.
8. ***Self registration/check out terminals –*** Fully automated hotels may provide self registration and check out terminals for guests.

**FRONT OFFICE TERMINOLOGY**

* 1. **Occupied:** A room status term indicating that a guest is currently registered to the room.
	2. **On change:** A room status term indicating that a guest has departed but the room has not yet been clean and ready for sale.
	3. **Vacant and Ready room:** A room status term indicting that the room ;has been cleaned and inspected and is ready for arriving guest.
	4. **Check out:** A room status term indicating that the guest has been settled the accounts, returned the key and left the hotel.
	5. **DND :** Do not disturb
	6. **Complementary room:** A room status term indicating that the room is occupied but the guest is assessed no charge for his use.
	7. **Out of Order:** A room status term indicating that the room cannot be assigned to the guest. A room may be out of order for maintenance, refurnishing and extensive cleaning.
	8. **Overstay:** A room status term indicating that the guest stays after his/her departure date.
	9. **Stay Over:** A room status term indicating that the guest is not checking out today and will remain at least one more night.
	10. **Skipper:** A room status term indicating that the guest has left the hotel without making any arrangements to settle his/her accounts.
	11. **Scanty baggage**: A room status term indicating that a guest has very little baggage.
	12. **Lock out:** A room status term indicating that he room has been locked so that the guest cannot re enter until he/she is cleared by a hotel official.
	13. **Walk in :** A person who arrives in a properly without reservation and who requests for a room.
	14. **No show:** A person who made a room reservation but he did not register or cancel his reservation.
	15. **Adjacent Room :** Rooms close to each other such as across a hall
	16. **Adjoining Room :** Rooms with a common wall but no connecting door
	17. **Average Daily Rate :** An occupancy ratio derived by dividing net rooms revenue by the number of rooms sold
	18. **Back of the House:** The functional areas of a hotel where the personnel have little or no direct guest contact
	19. **Book:** To sell or reserve rooms ahead of time
	20. **Booking Lead Time:** A measurement of how far in advance bookings are made
	21. **Closed:** The status of a date for which a reservation system will not accept additional reservations.
	22. **Day use:** A room status term indicating that the room will be used for less than an overnight stay
	23. **DNCO (Did Not Check Out):** A room status term indicating that the guest made arrangements to settle his account but has left without informing the front office
	24. **Due-Out:** A room status term indicating that the room is expected to become vacant after the following day’s check-out time
	25. **Free Independent Traveller (FIT):** A guest coming to the hotel as an individual and not as part of a group
	26. **Front of the House:** The functional areas of a hotel in which personnel have extensive guest contact.
	27. **Full House:** A condition in which every room in the hotel has been booked
	28. **House Limit:** A credit limit established by the hotel
	29. **Overbooking:** Accepting more reservations than there are available rooms
	30. **Quad:** A room assigned to four people.
	31. **Rack Rate:** The standard rate established by the property for a particular category of rooms
	32. **Room Rate:** The price a hotel charges for overnight accommodation
	33. **Rooming a guest:** The procedures involved in greeting a guest, assigning a room and escorting the guest to the room
	34. **Understay:** A guest who checks out before his stated departure date
	35. **Walking a guest:** Turning away a guest who has a reservation because of lack of rooms and subsequently accommodating him in another hotel.
	36. **Black listed guest:** A list of unwanted guests
	37. **GIT:** Group Inclusive Tours
	38. **Position:** Status of number of rooms available for sale
	39. **Room Status:** The code or description indicating the occupancy and house keeping status of a room.
	40. **Free Sale:** Term used when rooms are available for sale

**SECOND SEMESTER**

**BSc.(H&HA)**

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**Ist YEAR BHM - FRONT OFFICE OPERATIONS**

 **Tariff Structure Rates and Plans**

 **Tariff Card**

* + **Room Tariff Card:** A document published by the hotel for use by travel trade organizations and individual prospective guests and the list includes prices of room classified into different categories such as single room, double room, twin room, suite etc and meal plans such as American plan, Continental plan etc.
	+ **Rack Rate:** The rate printed on the tariff card is called rack rate.
	+ **Package rates:** A package offered by a hotel is a combination of one or more hotel products or services. It is called bundling.

**Basis of Charging**

* + **Check in /Check out basis:** In this system a particular time of day is fixed as check out time, eg:12 noon. Thus the hotels day begin at 12 noon everyday regardless of the check in time of the guest. The advantage of this form of charging is that the same room ;may be sold twice in a day.
	+ **24 hour basis:** Here there is no axed time (check out time) of the hotel. As far as charging is concerned, the hotels day begins at the check in time of the guest and he will be charged for 1 day on the basis of 24 hours from his check in time.
	+ **Night basis:** This is the modification of the 24 hour system of charging. Here the night spent in the hotel becomes the basis of charging the guest.
	+ **Day rate:** Connected with basis of charging is a term called “Day Rate” or “Day Use Rate”. Day rate is the concessional rate given to a guest who does not stay overnight in the hotel. Usually 6 hours is the maximum time period allowed for charging day rate.

**Food Plans**

It indicates whether the rate charged to the guest for his accommodation is inclusive of meals or not.

**European Plan**: The rate covers only room charge, no meals are included in the room rate. Sometimes early morning tea (EMT) maybe include in the room rate. E P = Room rate + E M T

**Continental Plan (CP):** The rate charged for accommodation includes continental breakfast [tea/coffee, toast/beef rolls, juice, butter and preserves].

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**Bermuda Plan:** This is a variation of the continental plan. Room rate includes EMT and BF. The difference is that the BF is American B/F. It includes cereal and eggs in addition to continental B/F.

**American Plan**: Room rate includes all meals. Thus,

AP =Room rate + EMT + BF + Lunch + Dinner

The guest would automatically be charged for the meal even if he does not consume it in the hotel. It is also called the all inclusive plan or in French En Pension’ which literally means on board or full board.

**Modified American Plan(MAP):** This as the name suggests is a modified version of AP. The room rate includes EMT, BF, LUNCH or DINNER. Thus a choice is given between the two major meals. The French name for this plan is ‘Demi Pension’ which literally means ‘half board’

**Use of these plans:**

Commercial hotel prefer EP because:

1. Since these holes are situated in urban areas, there are bound to be numerous restaurants in the vicinity. Hence the guest would prefer to keep his options open as far as meals are concerned. Moreover the hotel may not have a particular cuisine which the guest likes.
2. On the other hand, the hotel being situated in an urban area would get plenty of chance guest in their restaurants. Thus their F&B income is not restricted to only hotel residents . They do offer meal inclusive plans but only to groups sent by travel agents and company bookings for conferences, seminars etc.

**Resort hotels prefer MAP or AP because**

1. They may be situated in an isolated area with hardly any restaurants in the vicinity. Guests therefore would prefer to have meals in the hotels. For tourists wishing to go sightseeing during the day an MAP would be more appropriate.
2. The hotel itself benefits from the plan since it relies only on resident guests for its F&B income. The CP lies between AP & EP. Thus it may be offered by commercial as well as resort hotels as an alternative to EP & AP

**Special Rates:**

1. **Package rates**: Packages offered by a hotel in combination of one or more products or services. It is known as bundling. A bundling entails pricing the package below the cost of purchasing the products separately.

e.g. Family package, beach package

1. **Seasonal rate:** Seasonal and resort hotels which usually have fluctuating demand, change their rate as per their seasonality and offer different rates for season and off-season.
2. **Staff rate**: Under this scheme usually 50% discount on accommodation and 30% on food is given to staff of other units of same chain.

e.g. LeMeridien: 60% on RR 20% on food

1. **Discounted Rates**: For publicity and promotion purposes influential people like company directors, decision makers, top executive and travel writers may be given a reduced rate, but such discounts should be authorized by a senior member of the management.
2. **Membership Rates:** Members of certain organizations, clubs, International Airport Authority gets membership rates TAAI, FHRAI 30%
3. **Company Volume Guaranteed Rates:** Contracted rates between a company and a hotel. IT depends on the volume of business given by the company. It varies with season.
4. **Crew Rates:** Highly discounted rates given to crew members for business throughout the year.
5. **Crib Rates:** Special rates applicable to children below 12 years accompanying their parents.
6. **Group Rates:** Reduced or discounted rates given to a group (15+). Groups of 15-30 pax will earn their tour leader 1 complementary room. Groups for 31-45 pax will earn 2 complimentary room.
7. **Extra Bed Rates:** Rate for the extra bed for a pax (usually ¼ of the room rate).

**Fixation of Room Tariff**

The hotel fixes the room tariff keeping in mind the following factors:

* Competition : Rates must be competitive with other hotels of the same standard and providing almost similar services and facilities.
* Customers’ profile : The category of customers coming to the hotel must be considered, their reason for travel, paying capacity etc.
* Standards of service: The U.S.P. of the hotel should be kept in mind while deciding the room tariff. More the amenities, higher the standard, so also higher the room rate.
* Locality

**Method for fixing room tariff:**

 **Hubbart formula approach**:

• This approach considers operating costs, desired profits, and expected number of rooms sold (i.e. demand). The procedure of calculating a room rate is as follows:

1. Calculate the hotel’s desired profit by multiplying the desired rate of return (ROI) by the owner’s investment.
2. Calculate pre-tax profits by dividing the desired profit by 1 minus hotel’s tax rate.
3. Calculate fixed charges and management fees. This calculation includes estimating depreciation, interest expense, preperty taxes, insurance, amortization, building mortgage, land, rent, and management fees.
4. Calculate undistributed operating expenses. This includes estimating administrative and general expenses, data processing expenses, human resourecs expenses, transportation expenses, marketing expenses, property operation and maintenance expenses, and energy costs.
5. Estimate non-room operating department income or loss, that is, F&B department income or loss, telephone department income or loss …
6. Calculate the required room department income which is the sum of pre-tax profits, fıxed charges and management fees, undistributed operating expenses, and other operating department losses less other department incomes.
7. Determine the rooms department revenue which is the required room department income, plus other room department direct expenses of payroll and related expenses, plus other direct operating expenses.
8. Calculate the average room rate by dividing rooms department revenue by the expected number of rooms to be sold.

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7. **Extra Bed Rates:** Rate for the extra bed for a pax (usually ¼ of the room rate).
8. **Weekday / weekend days :** For example, on a hill station, where the guests are more from Friday to Sunday, the rates may be higher and from Monday to Thursday, the rates may be lower.

 **Ist BHM - FRONT OFFICE OPERATIONS**

 **THE GUEST CYCLE**

The term guest cycle represents various stages of activities when a hotel provides services or manintains records during the various stages of its contact with guest. Guest transactions during a hotel stay determine the flow of business through the property. The flow of business can be divided into a four stage guest cycle ie. **Pre arrival, arrival, occupancy and departure**

**Pre-arrival**

During the pre arrival stage, the guest chooses a hotel to patronize. This choice can be affected by a variety of factors, including previous experience with the hotel, advertisements, recommendations from others, the hotel’s location and preconceptions based upon the hotel’s name or affiliation. A guest’s choice may also be influenced by the ease of making reservations and the reservation agent’s description of the hotel and its facilities, room rates and amenities. The attitude, efficiency and knowledge of the front office staff may influence a caller’s decision to stay at a particular hotel. If a reservation can be accepted as requested, the reservation agent creates a reservation record. The creation if a reservation record initiates the hotel guest cycle. It enables the hotel to personalize guest service and appropriately schedule needed staff and facilities. Pre-registration activities such as specific room and rate assignment for guests who have not arrived yet and creation of guest folios may also be possible based on information collected during the reservation process.

**Arrival**

Thearrival stageof the guest cycle includes registration and rooming functions. Afront desk agent should determine the guest’s reservation status before beginning the registration process. Pre-registration activities may have already taken place for guests who have made reservations.

 A registration record, completed either as part of pre-registration activity or at check in, is essential to efficient front office operation. A registration record should include information about the guest’s intended method of payment, the

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planned length of stay, and any special guest needs such as rollaway bed, a child’s crib, or a preferred room location. These data enhance the front office’s ability to meet special guest needs, forecast room occupancies, and settle guest accounts properly. At check-out, the guest’s registration card may also be used as the primary source for creation of a guest history record.

Registration information is used in the assignment of a room and rate for each guest. Room and rate assignment also depends on an effective room status system which allows front desk agents to determine room status and rate availability.

When assigning guestroom, the front desk agent must also be aware of the characteristics of the rooms in each room category. Hotel room types can change from a standard single guestroom to a luxurious suite rooms. Differences between rooms within the same category generally lie in their furnishings, amenities, and location within the property.

Once it has been determined that a guest will be accommodated, the guest’s method of payment becomes an important concern. The registration process plays an essential role in the guest accounting cycle by gathering information concerning payment for services rendered. Whether the guest will use cash, a check, a credit card, or an alternative method of payment, the front office should take measures to ensure eventual payment. A proper credit check at the outset of a transaction greatly reduces the potential for subsequent settlement problems. If a guest’s credit rating is found to be poor, extreme care and tact should be exercised in denying the guest’s request for credit.

After the establishment of a method of payment, the registration process is complete, and the guest is issued a key and begins occupancy. The guest may be given a room key and a map of the property and allowed to proceed to the room without assistance, or a uniformed service person may be assigned to show the guest to the room. When the guest arrives at the room and accepts it, the occupancy stage of the guest cycle begins.

**Occupancy**

#  Throughout the guest cycle, front office represents the hotel to the guest. This role is especially important during the occupancy stage. As the center of front activity, the front desk is responsible for coordinating guest services. Front office guest services may include providing the guest with information, equipment, supplies, or services. The front office’s response to requests should be timely and accurate to maximize guest satisfaction. A concierge is often employed to offer special attention to such needs.

# A major front office objective –during occupancy and all other phases of the guest cycle –is to satisfy guest needs in a way that will encourage a return visit. Essential to this objective is the establishment of sound guest relations. Guest’s relations depend on clear, constructive communication between the front office, other hotel departments and divisions, and the guest. If a guest has a complaint, the hotel must know of it in order to resolve it. Front desk agents should be attentive to complaint and try to seek a resolution satisfactory to both guest and the hotel.

# Another primary front office concern during occupancy (and indeed, to some extent, throughout all stages of the guest cycle) is security. Security topics likely to apply to front office employees include the protection of funds and valuables, and key control, surveillance, safe deposit, lost and found, and emergency procedures.

The occupancy stage of the guest cycle also produces a variety of transactions affecting guest and hotel financial accounts. Most of these transactions will be processed according to front office account posting and auditing procedures.

# The largest single guest account charge is usually for the guestroom itself. Additional expenses can be charged to guest accounts if the guest established acceptable credit at the front desk during the arrival stage. Goods or services purchased from the hotel’s restaurant, bar, room service, telephone, garage, valet service, gift shop, and other revenue outlets may be charged to guest accounts Many hotel limit the amount which guests can charge to their accounts without partial settlement. This amount is referred to as the house limit. Guest accounts must be carefully and continually monitored to ensure that his limit is not exceeded.

It is important to periodically review and verify the accuracy and completeness of front office accounting records. The night audit process is intended to fulfill this need. In hotels with computerized front office accounting systems, this phrase may not be strictly accurate, since the audit can be conducted at any time during the day. Some computerized properties choose to call the audit the **front office audit** or **update**. However, even though computerized properties can perform the audit at any time, they nonetheless almost invariably follow tradition and do it at night.

Regardless of how or when it is performed, room charges are posted to guest accounts as part of the audit routine. In addition, charges posted to guest accounts are verified, the accounts are balanced and checked against credit limits, discrepancies in room status are resolved, and operating reports are produced.

Departure

The fourth phase of the guest cycle is departure. Both the guest services and guest accounting aspects of the guests cycle are completed during this phase. The final element of guest service is checking the guest out of the hotel and creating a guest history record. The final element of guest accounting is settlement of the guest’s account.

At check –out, the guest receives an accurate statement of account for settlement, returns the room keys, and departs from the hotel. Once the guest has checked out, the room’s status is updated and the housekeeping department is advised.

Other primary concerns of the front office during check –out are determining whether the guest was satisfied with the stay and encouraging the guest to return to the hotel (or another property in the chain). Obtaining new customers is generally more expensive than retaining old ones, because of the resources that must be devoted to attracting new guests. A satisfied guest is more likely to return.

The more information the hotel has about its guests, the better it can anticipate and serve their needs and develop marketing strategies to increase business. Hotels often use expired registration cards as a basic for a guest history file. This information allows the hotel to better understand its clientele and provides a solid base for strategic marketing. The hotel can also develop a profile of guest characteristics through the use of a research questionnaire. A wide variety of guest characteristics and habits can be surveyed to provide the hotel with a better understanding of its guest’s wants and needs.

The purpose of account settlement is to collect money due the hotel. At departure, depending on the guest’s credit arrangements, cash is paid, a credit card voucher is signed, or direct billing instructions are verified. Account balances should be verified and errors corrected before the guest leaves the hotel. A potential problem in guest account settlement is charges which are not posted to the guest’s account until after the guest has checked out. These charges are referred to as **late charges**. Even if the charges are eventually collected, the hotel usually incurs additional costs in billing the guest. The billing of departed guest accounts is generally handled by the back office accounting division, not the front office. However, the front office is responsible for providing complete and accurate billing information to the back office accounting division.

During the first four stages (i.e.) pre arrival to departure stage we get opportunities to serve and satisfy the guest in one way or the other, but it is the last stage (i.e.) the after departure stage which is the real challenge. It is during this stage that the activities of the hotel will bring back the guest to the hotel. Once the guest has checked out, data related to the guest stay can be analyzed

**Guest –Front Office Interaction During the Guest Cycle**

|  |
| --- |
|  Front Office Functions Guest cycle Guest Services Guest Accounting **Pre-Arrival** Reservations  **Arrival** Registration Establishment of Credit  **Occupancy** Occupancy Services Charge Postings Night Audit  **Departure** Check-Out and History Settlement |

Guest –Front Office Interaction During the Guest Cycle

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|

|  |
| --- |
| Guest  |

|  |
| --- |
| Reservations |

|  |
| --- |
| Uniformed Service |

|  |
| --- |
| DeskAgents |

|  |
| --- |
| Switchboard (EPABX) |

|  |
| --- |
| Mail and Information |

|  |
| --- |
| Cashier |

|  |
| --- |
| Uniformed Service |

 Pre-arrival Arrival Occupancy  Departure   |

 **FRONT OFFICE OPERATIONS**

 **RESERVATIONS**

The most important outcome of the reservations process is having a guestroom ready and waiting when the guest arrives. This guestroom should not be any room, but the room that best meets the needs the guest expressed during the reservations process.

Before computerization, reservations agents focused primarily on basic room availability information; they did not have an effective means by which to identify available rooms by room type. Today, much of the responsibility for room sales has shifted from the front desk to the reservations department, especially in properties with front office computer systems. Requests for specific room types, locations, and special features can be immediately acknowledged and quickly confirmed as part of the reservations process. Many front office computer systems enable reservations agents to assign specific rooms.

# **Types of Reservations**

***Guaranteed reservations***: A guaranteed reservation assures the guest that the hotel will hold a room until a specific time (usually the check-out time) of the day following the guest’s scheduled arrival date. The guest, in turn, guarantees to pay for the room, even if it is not used, unless the reservation is canceled according to the hotel’s cancellation procedures. Guaranteed reservations protect the hotel’s revenues even in the case of a ***no-show***, a situation in which a guest makes a reservation but does not register or cancel the reservation. Variations of guaranteed reservations include:

A ***prepayment guaranteed reservation*** requires that a payment in full be received prior to the guest’s day of arrival.

A ***credit card guaranteed reservation*** is supported by a credit card company. Unless a credit card guaranteed reservation is properly canceled before a stated cancellation hour, the lodging property will charge the guest’s credit card account for the amount of the room’s rate; the card company then bills the card holder. This type of reservation is commonly found in commercial hotels.

An ***advance deposit guaranteed reservation*** requires that the guest pay the hotel a specified amount of money before arrival. The amount of an advance deposit is typically large enough to cover one night’s room rate and room tax. The pre-arrival amount will be larger in case of guests staying for more than one night. If a guest holding an advance deposit guaranteed reservation fails to register or cancel, the hotel may retain the deposit and cancel the reservation for the guest’s stay. This type of

reservation is more common at destination resorts and convention center hotels. A variation on this type of deposit applies the deposit received to the last night of the stay. This is intended to ensure resort revenue in case the guest decides to depart earlier than scheduled.

Under a ***travel agent guaranteed reservation***, the travel agent guarantees the client’s reservation. In case of a no-show, the hotel bills the travel agency for payment. This type of reservation has become less common since both travel agents and hotels prefer the protection provided by credit card or advance deposit guarantees whenever possible.

The ***travel agency voucher*** is another form of guarantee from travel agents. The guest has prepaid the amount of the deposit to the travel agent. The agent forwards a voucher to the hotel as proof of payment and a guarantee that the prepaid amount will be sent to the hotel when the voucher is returned to the travel agency for payment. The travel agency usually deducts its commission before sending payment to the hotel.

 A corporate guaranteed reservation involves a corporation entering into an agreement with a hotel. Such contracts are often popular in downtown or business center hotels with a large number of transient guests.

# **Non-Guaranteed reservations**

In the case of a non-guaranteed reservation, the hotel agrees to hold the room for the guest until a stated **reservation cancellation hour** (usually 18:00 hrs) on the day of arrival. This type of reservation does not guarantee that the property will receive payment for no-shows. If the guest does not arrive by the cancellation hour, the hotel is free to release the room, meaning that it can add the room to the list of other rooms available for sale. If the guest arrives after the cancellation hour, the hotel will accommodate the guest if a room is available.

# **Sources of Reservations**

A source is defined as any individual or body that actually pays a hotel for services rendered.

The most common sources of reservations are:

* Airlines: Airline business is sought after by hotels for the image factor and certain volume business throughout the year. A certain steady business throughout the year is assured with airline business.
* Wholesale/Retail tour operators : Tour operators package tour programme and sell them in bulk world wide.
* Travel Agents – local and foreign : Travel agents are retailers and they take a commission from the tour operators to sell their travel package. They also independently promote hotel accommodation and airline booking .
* Free Individual Traveller (FIT)
* Companies and commercial business houses
* Embassies / Consulates / Institutions
* Other units of the same chain
* Central reservation systems
* Intersell agencies
* Property direct reservations
* Referral Hotels
* Hotel website : Hotels spend a lot in making their website user friendly to encourage more bookings through the net. Websites have reached a high level of sophistication where a guest can even take a virtual tour of the hotel before zeroing down on his choice of room.

A means by which a guest is able to make a reservation is called a **reservation avenue**

## Central Reservation Systems

There are two basic types of central reservation systems:

* affiliate networks and
* non-affiliate networks.

An affiliate reservation network is a hotel chain’s reservation system in which all participating properties are contractually related. Chain hotels link their reservation operations to streamline the processing of reservations and reduce overall system costs. A chain of hotels which has a CRO system has reservation office in different cities. All the units of the chain are interlinked with CRO/CRS of the chain. Reservations are also passed from one chain property to another through an automated reservation network. Affiliate reservation networks that allow non-chain properties to participate in the reservation system are able to represent themselves to a broader market. Non-chain properties in an affiliate system are referred to as overflow A non-affiliate reservation network is a subscription system designed to connect independent or non-chain properties. Like an affiliate reservation network, a non-affiliate reservation network usually assumes responsibility for advertising its service.

Whether they be an affiliate or a non-affiliate reservation network, most central reservation systems connect with the latest distribution channel for reservations, the **global distribution system (GDS).** Global distribution systems provide worldwide distribution of hotel reservation information and allow selling of hotel reservations around the world. Most travel agents around the world have terminals connected to one of the many airline reservation systems to book airline travel. By having hotel accommodations and automobile rentals available in the computer system, at the same time, most airline systems provide single source access to most of the travel agent’s selling requirements.

## Intersell Agencies

An intersell agency is a central reservation system that contracts to handle reservations for more than one product line. Intersell agencies, typically handle reservation services for airline companies, car rental companies, and hotel properties. Although intersell agencies typically channel room reservation requests to a hotel central reservation system, they may also communicate directly with a destination hotel. The fact that a hotel participates in intersell arrangements does not preclude its participation in another form of central reservation system.

## Property Direct

Depending on the volume of direct customer contact, a hotel may have a reservations department aside from the front desk. A reservations department handles all direct requests for accommodations, monitors any communication links with central reservation systems and intersell agencies, and maintains updated room availability status information. Property direct reservation requests are usually received in the form of telephone calls, mail, property-to-property, telex, cable, fax, e-mail etc.

**Modes of Reservation**

A request for reservation can be received through various modes:

a. By telephone

b. In person

c. By letter

d. By telegram

e. By telex/fax

f. Through e-mail (computers)

g. Websites

**a.*By telephone***

When a guest makes a phone call, it shows the urgency of the matter. It may be a long distance call costing money to the prospective guest, hence the reservation assistant should be well equipped with the availability status of rooms, pen, reservation form etc. so that delay can be avoided. The reservation assistant should be aware of and should follow the basic telephone etiquette while interacting with the guest over phone.

**b. *In person***

Sometimes reservation requests are made in person by prospective guest or some other person on his behalf.

**c. *By letter***

It is the most conventional and economic way of communication, but it is used only when there is sufficient time gap between the time of receiving reservation request and the expected date of arrival of the prospective guest. More comprehensive details can be obtained.

**d. *Telex and fax:*** The reservation request received by this system has advantage of transmitting the information as fast as a telephone and at the same time having a written proof of the communication. Instant confirmation can be received from the hotel. In a fax system, message does not have to be typed in like in a telex system but a photocopy of the document sheet containing information can be transmitted through the machine directly.

**e. *Telegram booking* :** Those guest who make a last minute decision of booking a room in a hotel use this method. Generally, there is no time for confirmation and the hotel on receiving such a reservation request have no option but to book the room for the for the prospective guest. In case there is no room available, the hotel must try to make alternate arrangements for the guest in a nearby hotel of the same standard.

***f.. By Computers:*** It is the most widely used and the latest type of taking reservation. Here all the information collected are entered into the computer instead of the paper. The format comes on the screen and the data are filled/typed by the reservation clerk. The data pertaining to a particular guest is called guest record.

**g. Websites :** Modern reservation software gives instant confirmation to guests via the web

# **Reservations Process**

Typical activities associated with the reservations process include:

* Conducting the reservation inquiry
* Determining room and rate availability
* Creating the reservation record
* Confirming the reservation
* Maintaining the reservation record
* Producing reservation reports

## Reservation inquiry

Regardless of the source of reservation, the reservations agent will collect the following information about the guest’s stay through a process known as a reservation inquiry. The reservations agent should collect such information as the guest’s name, address, and telephone number; company or travel agency name (if applicable); date of arrival and date of departure; and the type and number of rooms requested. The reservations agent should also try to establish the room rate, number of people in the party, method of payment or guarantee, and any special requests.

# **Reservation Availability**

Processing a reservation request results in one of several responses. A property can

* Accept the reservation as requested
* Suggest alternative room types, dates, and/or rates
* Suggest an alternative hotel

In any reservation system, it is necessary to closely monitor the number of reservations in order to control ***overbooking***. Overbooking is a strategy aimed at helping the hotel to achieve 100% occupancy by hedging against no-shows, cancellations, and unexpected early departures. Comparing historical reservation volumes against actual arrivals can produce an overbooking factor to serve as a booking guideline. Overbooking should be approached cautiously. If a reservation manager books too many rooms, guests with confirmed reservations may have to be turned away. This creates poor guest relations and discourages repeat business.

# Reservation Record

Reservation records identify guests and their occupancy needs before the guests’ arrival. These records enable the hotel to personalize guest service and more accurately schedule staff. Reservation records also contain a variety of data that can be used to generate several important management reports. Reservation agents create reservation records based on interactions with guests only after determining that a request for a reservation can be met. These records initiate the guest cycle. To create a reservation record, the reservations agent collects and enters such guest data as:

* Guest name (and group name, if applicable)
* Guest’s home or billing address
* Guest’s telephone number, including area code
* Name, address, and telephone number of the guest’s company, if appropriate
* Name of and pertinent information about the person making the reservation, if not the guest
* Number of people in the party, and perhaps the ages of any children
* Arrival date and time
* Number of nights required or expected departure date
* Reservation type (guaranteed, non-guaranteed)
* Special requirements (disabled guest, infant, or no-smoking accommodation)
* Additional information as needed (method of transportation, late arrival, flight number, room preference, and so forth)

If a guest plans to arrive after the hotel’s normal reservation cancellation hour, the reservations agent should inform the guest of the property’s policy for non-guaranteed reservations. Assigning the guest a reservation confirmation number provides both the guest and the reservations department with a unique reference to the reservation record. Depending on the guest’s method of guarantee, an agent may be required to obtain:

**Activity : Draw the format of a Reservation Form**

* **Credit card information**: This information consists of the credit card type, number, expiration date, and the cardholder’s name. A cancellation bulletin, listing numbers of invalid and expired cards, or a computer verification service should be consulted to ensure the credit card is valid.
* **Prepayment or deposit information**: This information comes in the form of an agreement from the guest to submit a required deposit to the hotel before a specified date. If the amount is not received by the designated date, the reservation may need to be canceled or reclassified as non-guaranteed.
* **Corporate or travel agency account information**: This information includes the name and address of the booking company, the name of the person making the reservation, and the client’s corporate or travel agency account number (if previously assigned by the hotel). For efficiency, the hotel provides reservation agents with an approved list of corporate and travel agency account numbers to expedite the verification process.

Reservation agents should review the important aspects of guaranteeing a reservation with the guests. Guests must be aware that their accommodations will be held until a specific time following their scheduled arrival. Guests must also know that if they fail to cancel the reservation before a specified time, they may forfeit the deposit or the hotel may levy a charge against the guarantee.

### Reservation Confirmation

A ***reservation confirmation*** means that the hotel acknowledged and verified a guest’s room request and personal information by telephoning, faxing, telexing or mailing a letter of confirmation. A written confirmation often includes:

* Name and address of guest
* Date and time of arrival
* Room type and rate
* Length of stay
* Number of persons in the party
* Reservation classification: guaranteed or non-guaranteed
* Reservation confirmation number
* Special requests, if any.

Depending on the nature of the reservation, a letter of confirmation may also include a request for a deposit or prepayment, or an update of the original reservation detailing reconfirmation, modification, or cancellation. Confirmed reservations may be either guaranteed or non-guaranteed.

# **Reservation Maintenance**

An agent’s efficiency at organizing and retrieving reservation records and related files is vital to the reservation process. If a person contacts the hotel to change a reservation, for example, the reservations agent must be able to quickly access the correct record, verify its contents, and process the modification. The agent must also be able to promptly re-file the reservation record and update pertinent reservation reports.

Reservation agents processing reservation status changes must carefully adhere to hotel policies. Typically, an agent would:

* Obtain the guest’s name and access the correct reservation record.
* Obtain the guest’s credit card type, number, and expiration date and the cardholder’s name, and verify the validity of the credit card (in case of a reservation being changed from a non-guaranteed to a guaranteed reservation)
* Assign the guest a new reservation confirmation number, if it is hotel policy

# Reservation Cancellation

A prospective guest does the hotel a service when he or she takes the time to cancel a reservation. Hotels should make processing reservation cancellations easy and efficient. Reservation cancellations, like any guest service, require the reservations or front office staff to be as polite, courteous, and effective as possible.

## Credit card guaranteed reservation

The following steps are usually followed:

* Obtain information from the guest to access the correct reservation record. After processing, the guest should be assigned a reservation cancellation number. The agent should explain that the cancellation number should be retained by the guest as proof of cancellation in the event of an erroneous credit card billing.
* Mark the reservation record as canceled, properly initial and date it, and add the cancellation number to the reservation record. If someone other than the guest makes the cancellation, the reservations agent should add the caller’s name to the canceled reservation record.
* Log the reservation cancellation number.
* File canceled reservation documentation for future reference as per hotel policy. Non-automated hotels commonly keep the reservation record until the expected date of arrival just in case the reservation was canceled by mistake. In automated hotels, canceled reservations are stored electronically until after the expected arrival date

# ***Advance deposit***

Policies related to the cancellation of advance deposit reservations vary greatly among hotel companies. Deposits are normally returned to guests who properly cancel reservations.

## Other guaranteed reservations

It is important to enter the name of the person canceling the reservation on the reservation record. A reservation cancellation number should be issued and logged similar to the way a credit card guaranteed reservation number is handled. In addition, a letter documenting the cancellation should also be sent to the guest’s corporate or travel agency sponsor.

# **Reservation Reports**

 Popular reservation management reports include:

*Reservation transactions report*: This report summarizes daily reservations activity in terms of reservation record creation, modification, and cancellation. Other possible reports include specialized summaries such as cancellation reports, blocked room reports, and no-show reports.

*Commission agent report*: Agents with contractual agreements may be owed commissions for business booked at the property. This report tracks the amount the hotel owes to each agent.

*Turnaway report (or refusal report)*: This report tracks the number of reservation requests refused because rooms were not available for the requested dates. The report is especially helpful to properties operating near full occupancy or hotels considering expansion.

*Revenue forecast report*: This report projects future revenue by multiplying predicted occupancies by applicable room rates. This information can be especially important for long-range planning and cash management strategies.

Some of the other records and processes related to reservation reports are:

## Expected arrival and departure lists

Expected arrival and departure lists are prepared daily to indicate the number and names of guests expected to arrive, depart, or stay over. In a non-automated system, the reservations department manually develops expected arrival data from a reservations control book, wall chart, or reservation rack.

## Processing deposits

Employees who do not have access to reservation records should process advance deposits for reservations. Reservations personnel should not directly handle checks or cash; a separation of duties provides better security. Each reservation record should be updated with the status of its deposit information. A transaction report should be prepared that verifies the deposit log balances with the total reservation deposits entered for the day.

**Group Reservation**

Reservation of rooms form the largest percentage of business of a large hotel these days and out of this total reservation business group business is maximum in many hotels. Hence the hotel gets their maximum revenue from group business and should be extra careful while dealing with group reservations.

Generally the group business is handled by the Front Office Manager or the Reservations Manager himself. In some hotels, group business is handled by Sales Department also. Sales department maintains a group Production Report. This report is meant to show the percentage materialization of booked groups from various travel agents and other sources. This report guides the management in deciding the future policy for each travel agent particularly in terms of their commission percentage.

Group business normally originates from Travel Agents, tour operators, conference organizers and various companies, embassies etc. Also depending upon the purpose of visit of the group, they may be organized by Public sector or Private sector companies.

The tour operator, travel agent or any other source is given a commission by the hotel. The percentage of commission is generally 10% but may change with the size of the group as well as the period for which the group has to stay. The commission policy is generally by the Management.

**Group Market**

Generally the group market comprises of the following:-

* Holiday makers
* Conference delegates
* Convention participants
* Sales persons attending sales meets
* Sports teams
* People attending some important festival/fair or event in the city or town
* Incentive travel group
* Businessmen attending trade fairs
* Training seminars etc.

Generally groups are offered special discounted rates. The group may be offered special plans like AP or MAP. In such cases advance negotiations with travel agents are necessary.The travel agent must submit a detailed meal plan of the group in advance. Following is the suggested guideline of the discounted rate offered to groups of various sizes:-

10-14 Full paying pax 50% on 1 pax

15-30 Full paying pax complimentary 1 pax

31-45 Full paying pax complimentary 2 pax

Further for groups comprising of more members,the management may decide the rates in consultation with the travel agent concerned.

* Information of group bookings comes much in advance generally from the Travel Agent.
* Correspondence must be dealt with quickly because the arrangement for groups depends upon the confirmation from travel agents, although the final confirmation of group booking takes longer to materialize. Gain as much information as is generally necessary for an individual reservation. All the necessary information is collected in **Bulk Reservation Form**. The group is given a code number and a number of rooms is reserved for the group.
* This group room blocking is shown on reservation chart and slip for rack is made as usual. If sufficient accommodations are available, an agreed upon number of guestrooms, called a ***block***, is set aside for the group’s members. Reservations received from group members are applied against the rooms held in the group’s block, thereby reducing the number of rooms available within the block. In case of convention groups, the individual reservation forms are sent to the prospective guest from 2-3 months in advance of the event and they are asked to send them filled up directly to the hotel by a specific date. **Cut off date or close out date or a deadline** is agreed with the convention organizers (generally 20-30 days before the convention) and reservations after that date are accepted only in case of availability of rooms. If certain no. of rooms are not picked by the agreed deadline, they are made available to other guests.
* Group business demands that a contract be drawn up that specifies the exact number of rooms required and the quoted rates. The contract must also specify the group dates, any special considerations such as suites or complimentary rooms, and the group and individual billing arrangements. The contract should also specify the group cut-off date for room availability.
* A cancellation deadline is also fixed to safeguard against the cancellation of a large number of room booking at the last minute. Before the deadline date, the Front Office Manager sends the tour operator a reminder stating the date of arrival of the tour, no. of rooms blocked and length of stay. Any change that the tour operator wants to make should be done before the cut off date.
* The hotel can charge for any reduction in the no. of rooms done by the T.A./ tour operator after the cut-off date. The travel agent shall confirm the final details of the group total, the final figure of no. of rooms, no.of persons etc. and will send a **rooming list.** Rooming list will contain full name of the tour member**,** details about twin sharing, private registration information like passport details, nationality of the members and their address. Special instructions will also be included.
* A group booking sheet may be maintained to show the no. of rooms blocked off each month. When attending to a reservation request, the reservation clerk can quickly check and accept the booking under a special rate. This shows the no. of rooms blocked per day of each month and helps the management in curbing further group bookings for keeping the rooms for regular guests.

**Travel Agents Voucher :** Along with the rooming list, the TA will also supply information that he is the bonafied agent and shall decide the commission rate. He will send travel agents voucher. These vouchers may be handled by the reservation staff to avoid confusion. These vouchers clearly state the facilities and services to be given to the group members without any extra charges and for what for facilities and services the guest have to pay extra. This travel voucher must be kept in hotel reservation office files as the guest coming on the day of arrival will also have a duplicate copy of the same which will be checked at the Front Office on his arrival to make sure it is identical to the original and this would establish the customer identity.

**Tips for Group Reservation**

* Chart booking accurately
* Maintain separate group file
* Maintain Register for confirmed groups
* Prior to group arrival, obtain
1. Plan and meal break up
2. Rooms break up
3. Time of arrival and departure
4. Name of the tour
5. Passport details
6. Special instruction, stastical record of materialization

**Permanent Allocation of Rooms:** Some companies or organizations may negotiate on allocation of rooms for their organization for a long period of time with the hotel. This gives the hotel a guaranteed no. of room for that period (Back to back room blocking)

**Cancellation:** The cancellation of group booking depends from hotel to hotel. Generally it should be received 30 days in advance so that the hotel gets good margin to sell their rooms to other customers. The ‘retention charge ‘may be charged in case of ‘no show’ and the charge will depend upon

* Size of group
* Relation between travel agent and hotel
* Inconvenience to the hotel
* Loss of revenue

## Pitfalls of creating group blocks

The reservations manager should be aware of the following situations that could come into play when creating a group block:

* The reservations manager should verify the total number of rooms required for the group against what is available in the hotel. If the group will take away rooms from transient (non-group) business, the reservations manager should notify the sales or general manager of the possible effect. This is called ***non-group displacement***. Determining displacement is important, because the hotel may block rooms for group guests that it would normally sell to non-group guests, often at a higher rate.
* Before blocking the rooms, the reservations manager should check the group’s history with the hotel, if available. Reducing a block based on the group’s history is called a ***wash*** ***down*** or a ***wash***. If the group does not have a history at the hotel, it is sometimes possible to check with the hotel that last accommodated the group.

Hotels should be especially careful to research the reliability and past performance of tour operators and travel agents.

***Activity: Draw formats of bulk reservation form, rooming list, group materialization chart***

# **Potential Reservation Problems**

## Errors in the Reservation Record

* A reservations agent may record the wrong arrival or departure dates, misspell the guest’s name, or mistakenly reverse first and last names. For example, *Troy Thomas* might be recorded as *Thomas Troy*.
* A reservations agent may mistake a caller making a reservation for the guest and enter the caller’s name on the reservation record; the caller may also inadvertently give his or her name rather than the guest’s name.

To avoid such problems, the reservations agent should verify the information entered on the reservation record by reciting back the information to the caller.

## Misunderstandings due to Industry Jargon

Using industry jargon when speaking to guests can lead to misunderstandings:

* A family with a *confirmed reservation* may arrive two hours after the cancellation hour only to find that the hotel has no rooms available; the family thought a confirmed reservation was the same as a *guaranteed reservation.*
* Two business travelers book a *double* *room*, anticipating two beds; they are displeased to learn their room has only one *double* *bed.*
* Parents wishing to have their children stay in a *connecting* *room* mistakenly request an *adjacent* *room*. At check-in, the parents find that the children’s room is across the hall or next door with no direct connection.

To avoid such problems, reservation agents should make every effort to understand what the guest needs and to explain what various terms mean at their particular property

## Miscommunications with External Reservation Systems

* A central reservation system serving several hotels in the same city may book the guest into the wrong hotel; for instance, a chain’s airport rather than its down town property.
* A system that handles hotels in similarly named cities may book the guest into a hotel in the wrong city or state.

To avoid such problems, the reservations agent should furnish the guest with the full name and address of the property at which a reservation has been made.

#### Central Reservation System failures

* The hotel may fail to update the central reservation system about its room availabilities and rate changes in a timely fashion.
* The central reservation system may be delinquent in informing the property of reservations it has booked.
* Communications equipment, at either the central reservation system or the hotel, may become inoperable.
* The hotel may close reservations on a particular date with the central reservations system, but close too late to be effective.
* The hotel may find rooms available at the last minute due to cancellations or early departures and fail to notify the central reservations system in time to gain last minute reservations.

To avoid such problems, reservations agents must be aware of the need for accurate and timely communication between the hotel and the central reservation system. In addition, it is appropriate to double-check the global distribution systems to be sure hotel availability and rates are correctly displayed.

**Visual references to ascertain room availability**

The most commonly found devices used to monitor room availability in hotels are:

Bedroom book

Advance letting chart/ Conventional reservation chart

Density chart

***1.Bedroom book***: The bedroom book is the simplest of all solutions and ideally suited to the small resort where bookings last for a period of a week or a fortnight and wherein the number of rooms is 25-30.

The bedroom book consists of one page for every day that bookings are taken which, in some hotels, may mean just for the period of the tourist season. The book has the room numbers on the left-hand side and a reminder of their type with columns for guest’s name, the number of persons in the party, remarks and

the date of departure alongside. The receptionist fills in the details of the guests staying on each night in the hotel on each appropriate page of the bedroom book.

All the entries are made in pencil to allow for amendments and cancellations. The primary drawback of the bedroom book is the difficulty of locating a particular type of room for a guest and this problem multiplies if that room has to be reserved over a long period for a guest’s stay.

There is also a large amount of repetitive work involved in writing in the guest’s details for each individual night of their stay.

***2. Advance Letting Chart (ALC)/ Conventional reservation chart***

This chart can be used effectively in hotels of unto 50 rooms in size. It works well in small hotels where the reservations tend to be for long periods and also where the reservation is placed a long time in advance, giving plenty of opportunity to allocate specific rooms. It shows at a glance:

Which rooms are sold

How long will they be occupied

Which rooms are available for letting

For what periods of time

The conventional chart has room numbers down the left-hand side along with their types. Across the top of the chart are the dates for which rooms may be reserved so that in fact each square on the chart represents a “room night”.

Once an appropriate room has been found for the relevant dates a pencil line is drawn against the room number and under the dates to show on which nights that room will be occupied. The guest’s name is then written in to identify the individual reservation. Double headed arrows are used to indicate the start and end of a reservation. All the entries are made in pencil so that amendments and cancellations may be made with ease. All reservations including chance customers should be recorded in order to avoid the possibility of “double booking” customers or putting two reservations into the same room.

The conventional chart becomes very confusing to operate in larger hotels or those types of establishment where short stays are the norm. Not only would a large number of alterations have to take place to fit in specific requests for rooms over specific dates, but there would be very little space on the chart to write in even the guest’s name for a one-night stay. It has also been criticized on the ground that the chart in itself carries very little information about the detail of a guest booking other than his name and the duration of his stay in a particular room.

***Activity: Draw the format of ALC***

***3. Density Chart***

The density chart shows at a glance exactly how many rooms are available to let and their type. On this chart rooms are classified into groups of a similar type and no allocation of a specific room takes place until the guest arrives at the hotel.

When a type of room is requested, the highest number on the chart is crossed out, always leaving the count of rooms in a category clearly visible.

The density chart is better suited to coping with the short-stay business.

***Activity : Draw the format of DCC***

***4. Perpetual Year Planner/Room Status Board/Stop and Go Board***

This chart shows the room booking position for one year on a continuous basis. The status are shown under three categories**- sold out, on request** and **free sale** by three different coloured plastic discs. Sold out means no rooms are available for booking for that period. On request means rooms can be blocked subject to cancellation and the guest is given the status of waitlist. Free sale means that rooms are freely available for booking. The bookings keep coming. The free sale status changes to on request and further to sold out and with the cancellation, the status changes from sold out to on request and further to free sale

**Manual Systems of Reservation**

**1.Booking Diary**

The bookings diary is a useful “detailed record” as it sorts the reservations that have been received into their date of arrival. It is a non automatic system of reservation. The diary itself has a page for every date for which bookings are accepted and upon which customers may arrive at the hotel. It is most important that the actual date being referred to is clearly printed at the top of each page so that the reservations are not mistakenly entered on the wrong date. All reservations are entered into the diary as soon as they are made so that each page will display information in the order that the bookings were placed for that particular date. All reservations are recorded in the diary, including chance reservations, tours and groups, so that a complete “detail record” is built up. Cancellations are simply struck out in the diary and not completely erased just in case the customer arrives at the hotel.

The current date is always on the top. The information regarding the guest are entered on the page intended for that day. (The date of arrival)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| SL  | Name | Address | No: of person | Room type | Room Rate | Food plan | Mode of Payment | A/c or Non A/c | Mode of payment |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

All the information regarding reservations are entered into this multiple sheet. So that necessary information are available to perform the process of reservation.

**2. Whitney system of Reservations**

This system is produced by **Whitney duplicating and check company of New** **York** from where it takes its name. The Whitney system has the advantages that it economizes greatly on the paperwork, which is often a disadvantage of the manual reservations systems, and allows the various components of an effective reservations system to be combined together comprehensively. Before computerized system, most of the hotels used whitney system of reservation. It has various advantages over the chart:-

1. Using this system, reservation can be taken much in advance (the arrival of the guest maybe after one year or three years
2. This could be used in big hotels as well as in small hotels. The system functions efficiently irrespective of the number of rooms the hotel has
3. Chances of making mistakes are less because there is a double check during the process
4. It minimizes paperwork
5. It is essential to remember that unlike the chart whose function is over as soon as the reservation is recorded, this system starts on receiving a request for reservation and continues till the guest checks out of the hotel.

For efficient functioning of any system certain tools or equipment are necessary for Whitney system which are:-

1. Room Reservation Request sheet
2. Whitney slip (4”X1 ½”) 2 copies known also as Shanon Slip
3. Peg Board / ALC / DC
4. Advance Reservation Rack
5. Whitney Carrier
6. Correspondence file
7. *Room Reservation Request sheet*

 All the information regarding reservations is entered into this multiple sheet so that necessary information is available to process reservation.

1. *Whitney Slip*

These are slips of paper 4”X1 ½”. The name of the guest, room no., room rate, food plan, date of departure, mode of payment, no. of persons etc. are typed onto this. 2 copies are made.

1. *Peg Board or ALC or DC*

These may be used to find out the availability of rooms

1. *Whitney carrier*

These are metal slides generally made of aluminium and used to protect the Whitney slip

1. *Correspondence file*

The second copy of whitney slip and any correspondence between the hotel and the guest is kept together in the correspondence file

**Procedure**

The procedure involved can be grouped into various stages of the guest cycle

**Pre arrival**

The system starts as soon as a request for reservation is received. The relevant information is marked on the room reservation request sheet and depending on the information, the availability of the requested room is ascertained. If room of the requested type is available, the room is blocked and is recorded in ALC or DC or pegboard whichever is in use. Following this it is essential to type out two whitney slips containing all the relevant information regarding the guest. A copy of this is kept in the whitney carrier which is in turn placed in alphabetical order in the rack meant for that particular date. The remaining whitney slip and any correspondence between the hotel and the guest are kept together along with room reservation request sheet which forms a correspondence file which is kept datewise. All these have to be performed on receiving a request for reservation.

One day prior to the arrival of guests, the advance reservation rack for the next day is taken out and placed in the front desk. All the correspondence for that day is also brought out. These are then cross checked in case any reservation is not confirmed depending upon the room status availability the next day, the unconfirmed are confirmed. For each confirmed reservation, pre registration activities are carried out. The registration cards are filled from the information available in the Whitney slip, room reservation request sheet and correspondence file if necessary. These filled registration card require only the signature of the guest on his arrival. These registration cards are also kept in the correspondence file which is arranged alphabetically.

**Arrival**

On arrival of the guest, the advance reservation rack is checked to find out whether the guest has reserved or not. If the reservation was done earlier, the whitney slip will be available in the advance reservation rack. If the whitney slip is available then the correspondence file which is kept in front desk is brought out which in turn contains the registration card which is handed over to the guest for his signature. Once the GR card is signed and handed back to the front desk assistant, the guest is assigned the room and escorted to the room. After the guest is send to the room, the front office has to send temporary arrival notification slips to all departments. Several copies of these are made and usually they are coloured differently because if any copy is left behind, it becomes clear which dept. has not received the information. The top copy is kept in the reception board which indicates that the room is now occupied. The correspondence file along with the registration card is send to the cashier to open a bill in the name of the guest. Once a bill is opened, permanent arrival notification is send to various depts.

**Occupancy**

The bill has been opened by the cashier in the guests’ name. All the expenditure incurred by the guest are added to the bill. On intimation of departure, the final bill is prepared by the cashier and presented to the guest for settlement.

 **Departure:** Once the bill has been settled by the guest, the GR card along with thecorrespondence file is send back to the front desk by the cashier

 ***Activity : Draw the format of a whitney slip***

**Computerized Systems:** An in-house computerized reservation system can keep track of reservations. Computer systems can tightly control room availability data and automatically generate many reservation-related reports. Computerized systems can also generate reports summarizing reservations by room type, guest profile, and many other characteristics. The biggest advantage of a computerized system is the improved accuracy of room availability

information.. As reservations agents input reservations and reservation modifications or cancellations into the system, the inventory of available rooms is immediately updated. Once all rooms in a specific category are sold, the computer can be programmed to refuse any further reservations in that category. Some computerized reservation systems are programmed to automatically suggest alternative room types or rates, or even other nearby hotel properties.

 **Activity : Draw a personal reservation activity flow chart**

 **FIRST YEAR - FRONT OFFICE OPERATIONS**

 **Room Selling Techniques**

One of the most important commodity that the hotel sells is the rooms, and rooms are most perishable much more than food and beverage, even. Hence it is very important that we are geared to sell the maximum number of rooms at all times at the optimum revenue generation situation.

Personal skills needed to promote products and services:

* Excellent interpersonal skills
* Enthusiasm
* Attention to detail
* A desire to please your guests
* Motivation
* Self-confidence
* Product knowledge
* Market knowledge

A few techniques to be kept in mind while selling are:-

1. Recognise customer motive for buying

Means get a fair understanding of why a customer wants to buy:

1. Keep your eyes and ears open
2. Ask questions
3. Think
4. Clarify

Avoid prejudices, biases and prenotions

For example – guest is poor, he can’t afford, guest is fussy etc.

A good receptionist should be able to

* Greet the guest in a manner that will create positive image of the property
* Match product and needs
* Provide correct and upto date information

**2. Product Knowledge** (know what you are selling)

For efficient and profitable selling “Product knowledge” is essential

The receptionist is selling the whole hotel. So the product knowledge in this case will be rooms, services, amenities and facilities, for example:

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1. Various types of rooms – facilities, situation, amenities etc. and the unique selling proposition (USP) of rooms
2. Services – bank, travel agent, courier service, central reservation system etc.
3. Facilities
	* Medical, shopping, travel and tour, sports, conference facilities
	* Books and magazines etc.

Modern trend is to know the product you are selling by your own first hand experience

1. F&B outlets and banquets
2. Meeting and exhibition facility
3. Entertainment
4. Transport services

**3. Direct conversation to sales lead**

Sales lead – Using every opportunity that the receptionist gets during conversation with the guest to sell the hotel by providing information about the hotel services, facilities, amenities and product to him

Because

* Customers may not always ask for what they want
* They may not realize what is available
* Products and services may have changed since their last visit
* They may not have made up their mind
* They may be embarrassed to ask
* They may have forgotten what is available

So in order to create sales need you may need to :

* Tell them what is available
* Describe what is available
* Suggest or recommend
* Ask what they would like
* Offer alternatives (if needed)

**4. Understanding what you are selling**

Try to understand why customer is making an enquiry or visiting the establishment. Selling will become easy when the receptionist understands the customer’s :

* Culture (nationality etc.)
* Business standing (position he holds in working life)
* Social class (his perception and experience of what is socially acceptable)
* Group influences (desire to be seen as doing the right things)
* Colleagues, friends and associates

**Features and Benefits**

Features – These are general characteristics, traits of a product

Benefits – When a feature is of some use to a prospective client, then it is a benefit

Eg. A hotel having secretarial service and swimming pool both. Now swimming pool is just a feature to a business traveler while secretarial service feature is also a benefit to him. At the same time the secretarial service is just a feature for a sportsman while swimming pool is a benefit for him.

The objective is to understand the difference between features and benefits and to translate the features of your product into benefits for the guest. Prepare an effective presentation of benefits which should be fact finding as well as feel finding.

Fact finding question – What kind of a room do you want?

Feel finding question – You enjoy playing golf?

Sales presentation should be understandable, interesting, believable and persuasive.

**Close :** The concluding phase of every sale is known as the ‘close’. When you ask for business you are presenting close. Process of ending the transaction at the end of a well carried out sales presentation. It is zeroing in on the sales. A close is bringing a guest to the point that you make him buy and do the business now.Eg – “Would you like to buy?” “Sir, would you take the room if we offer you 3% discount?”

**Service and service selling**

Service is something that is a feeling and hence is essentially intangible and cannot be seen but can be felt only.

Does not result in ownership

Service is offered by one party to another

It may or may not result in or be tied to a physical product

It should provide satisfaction to a guest

**Unique characteristics of service**

Intangibility : Unlike physical products, in most cases they can’t be seen, felt, tasted or smelt before they are utilized

Inseparability : Because of intangibility, services have to be produced and sold simultaneously

Variability : Services are highly variable because they depend on

* Who provides them
* What are the frame of mind of both server and service provider
* Where are they provided
* When are they provided
* Environment in which they are provided

Perishability : Highly perishable and can’t be stored

Fluctuating demand : Most service experience fluctuating demand is based on factors such as season, day of the week, hour of the day

Customer Involvement : Customer involvement in the production of service is very high

Inability to recall : If temporarily produced the service cannot be recalled ie. Corrective action cannot be taken on the service that has already been produced.

Factors upon which the service strategy will depend

a) Nature and type of service

* Accommodation
* Comfort (a.c, T.V.,carpet,phone)
* Décor (color, articles kept in a room)
* Size (single, double)
* Location (floors, view outside the room)
* Furnishing

b) Guest and his needs

* Who is the guest
* His needs and wants
* Nature and type of guest
* Security and safety
* Confidence in the hotel
* Caring and helping staff

 c) Location of property

* Downtown
* Resorts
* Transit

***Upselling***

The word upselling is basically meant to describe the activity of the front desk staff is being able to sell a higher priced room to a guest who might have come with a concept of hiring a comparatively lower category of room. It is also called as “sell high”. A good receptionist can persuade a prospective buyer to buy a higher priced room by projecting the features of the room in such a way that the prospective buyer is allured to buy the proposed accommodation without making good rooms. Upselling the customer refers to the situation when we are selling something more expensive than when he initially planned for, and gives direct and immediate results, a more satisfied customer and a better and more profitable sales to the hotel.

Upselling is also called suggestive selling. For a walk-in guest, upselling is easy as compared to a guest who has made an advance booking. Some techniques like highlighting the U.S.P and also like sandwiching the price of the higher room between two plus points of rooms may prove to be quite beneficial. Now a smart receptionist can always say, “ Sir, I have an inside room on a higher floor, and that shall be Rs.5000/- per night and also I have a room facing the swimming pool on the 3rd floor and it is only Rs.1000/- more. I am sure you would love the view from the balcony of this room.” It is very likely that the prospective guest would go in for the higher priced room because it has more benefits. The receptionist should make efforts to sell high but he should never be aggressive.

For upselling, the receptionist should be aware of the product features he is trying to sell ie. Good product knowledge is a must. The guest who is encouraged to buy a little more will leave the hotel with a feeling of abundance and repleteness. Upselling brings in a healthy spirit of competition among the staff and ultimately this helps in increasing the revenue. The process of upselling basically creates a need and want for the new product or service by highlighting its benefits and the comparison with the initial product benefit also making him feel that if he did not buy the product now, he is going to lose a great opportunity of his life.

Three techniques are used to upsell accommodations:

1. **Add-up method**
2. Start with the lowest priced room
3. State incremental increases in cost
4. Describe the advantages of the more expensive room
5. Ask for sale
6. **Top-down method**
7. Recommend the most expensive room available
8. Describe the features and benefits
9. Ask for sale
10. If the guest declines, continue to offer less expensive rooms until the guest complies
11. **Alternatives method**
12. Present several room options
13. Describe features and benefits
14. Ask the guest for a preference

***Substitute selling***

Upselling and down selling both are examples of substitute selling

Sell something different to them from what they wanted

Substitute selling can be done:

* When the product/service, customer asks for is not available
* When the product/service the customer is asking for is not provided by the establishment

**Add ons or extras**

Add ons or extras are what we attach to the product to make it more desirable and to promote the use of other areas in the hotel. A very common example is adding breakfast to the price of the room. The guest has breakfast and the revenue is increased.

**Discounts and discount fixation policy**

The word discount means deduction from nominal value or price of anything for payment before it is due or for prompt payment. Offering discounts is a selling technique spear headed by the sales manager of a hotel. Conference, tour and travel agency business is chased to increase the occupancy of rooms particularly at low business times. Discount rates of many types are offered to achieve maximum occupancy and ultimately maximum possible profit. These days the guest needs for rooms varies a lot and hence the hotels offer numerous room rates which match their needs. Also the rates of the rooms fluctuate seasonally. The main aim of variance in the room rate from the rack rate ie. discounting is to get more business and to make the product match as closely as possible to the needs of the prospective buyer. For example to attract more business from companies and corporate offices, the hotel may offer a special percentage of discount on the rack rate while another percentage of discount may be given to travel agent for providing group business to the hotel.

The accommodation manager, room division manager with sales manager should be taking decisions regarding the rates to be quoted to large groups or business customers and will be personally involved in formulating the discounting policy. Discounted rates are also given to airlines for their staff. Discounts are usually strictly negotiated in advance by the hotel management. One of the ways of giving discount to conference organizers is offering “two for one” tariff for conference delegates. This will encourage them to bring their spouse which will enhance the food and beverage sale of the hotel.

Rate cutting is very important for increasing occupancy. If we cut rate, the effect will be reduced revenue generation, if the occupancy percentage is maintained at the same level. Vigorous sales efforts should be made to increase the occupancy percentage to compensate for the reduced revenue generation due to discounting.

***Downsell***

Selling a product or service at a little bit less than the actual price of the product or service, or for a shorter duration may also benefit financially in the long run for example, number of rooms being booked for conference by a conference organizer.

Down selling may appear to be a process of losing revenue initially, but carefully planned, a down selling programme may prove to be good business for the hotel particularly when dealing with groups such as conference, meeting and seminar groups as they will make it a point to patronize the hotel for their future conferences and conventions.

 FRONT OFFICE OPERATIONS

 REGISTRATION

Registration of a guest is one of the most important processes of check-in activity. It is a mandatory requirement that all guests over the age of 16 years must give basic information about them and fill up either a visitors’ register or a Guest Registration Card.

Registration begins when the front desk agent extends a sincere welcome to the guest. The front desk agent moves into the registration process after determining the guest's reservation status. To a great degree, registration relies on the information contained in a reservation record. Front office personnel will find registration simpler and smoother when accurate and complete information has been captured during the reservations process.

From a front desk agent's perspective, the registration process can be divided into six steps:

* Pre registration activity
* Creating the registration record.
* Assigning the room and rate
* Establishing the method of payment
* Issuing the room key
* Fulfilling special requests

### Pre registration Activit

Through the reservations process, a guest provides nearly all the information needed to complete registration. In other words, guests who make reservations will likely experience a more rapid check-in.

Pre registration activities (registration activities that occur before the guest arrives at the property) help accelerate the registration process. Guests can be pre registered using the information collected by reservations agents during the reservations process. Typically, pre registered guests only need to verify information already entered onto a registration card and provide a valid signature in the appropriate place on the registration card.

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Pre registration normally involves more than merely producing a registration card in advance of guest arrival. Room and rate assignment, creation of a guest folio, and other functions may also be part of the pre registration process. Specific room assignments often become jumbled when last-minute changes in reservation status are made. In addition, assigning a large percentage of vacant rooms in advance of arrival may limit the number of rooms available to guests who are not pre registered. This imbalance can slow down the registration process and create a negative impression of the hotel. Hotels will tend to develop pre registration policies based on operational experience.

Pre registration task are performed manually in non-automated and semi-automated front office systems. Consequently, pre registration services may be limited to specially designated VIP guests or groups. With a computerized system, pre registration activities can be conducted for all expected arrivals. Since data recorded during the reservations process serve as the basis for pre registration, computer systems can reformat a reservation record into a registration record. Although a hotel may have to void some pre-arrival room assignments due to last-minute changes, me registration time saved by guests who register without complications usually compensates for the inconvenience caused by the small percentage of cancellations.

Pre registration lends itself to innovative registration options:

* A hotel might pick up a guest arriving at the airport who has a hotel reservation. The driver of the car, equipped with appropriate information and forms, could request the guest's signature on a prepared registration card, imprint the guest's credit card, and give the guest a pre-assigned room key -all before the guest arrives at the hotel.
* Another variation on pre registration for air travelers involves actual services at the airport. Some luxury hotels have arrangements with nearby airports to provide guests with convenient check-in services. The guest may leave an impression of a major credit card with an agent at an appropriate desk, frequently the airport transportation desk. Credit information is then transmitted through a specially interfaced communication device to the hotel's front desk. This arrangement allows the front office to approve the guest's credit, prepare and print guest registration records, ready room keys, and print any waiting messages. When the guest arrives at the front desk, the convenience of an abbreviated check-in process will be available.
* A less sophisticated approach to pre registration involves registering guests designated for VIP service at some place other than the front desk-for example, at the concierge desk.
* Some hotels arrange for VIP guests to be taken directly to their rooms, thereby avoiding possible delays which may be encountered at a busy front desk.

### 2. The Registration Record

After a guest arrives at the hotel, the front desk agent creates a registration record, a collection of important guest information. The registration document requires a guest to provide his or her name, address, telephone number, company affiliation (if appropriate), and other personal data. The G.R.card may contain rules and regulations which the hotel would like the guest to understand and abide by. Guests arriving without reservations (that is, walk-ins) will experience a different registration routine. The process of filling up of the G.R.card by the guest and signing it is called registration. The agreement between the hotel and the guest is known as a simple contract and for a simple contract to exist, it should have 3 elements ie. a.offer b.acceptance c. valuable consideration i.e.money

Desk agents will need to collect guest data and subsequently input those data into a computer terminal at the front desk. The registration documents request the guest to indicate the intended method of settlement. In addition, front desk agents should confirm the guest’s planned departure date and pre-assigned room rate. These elements are critical to rooms and revenue management. In non-automated and semi-automated hotels, the guest’s registration card is either filed in the room rack or attached to the guest’s folio and placed in a folio tray. In a computerized hotel, the registration card is stored by itself in the folio tray and information is electronically stored in a computer file. The flow of guest registration information to other areas is illustrated below:

Room Rack Slip

POS Charge Status

Guest Folio Slip

Housekeeping

Schedule

Registration

Record

Information Rack Slip

Guest History

Record

The guest’s intended method of payment may determine that guest’s point-of-sale (POS) charge status. A guest paying cash in advance at registration is likely to have a no-post status in the hotel’s sales outlets. In other words, the guest may not be allowed to charge purchases to a room account. The decision to give charge privileges to a guest usually depends on the establishment of an acceptable method of credit at check-in. At check-out, the information captured on a guest’s registration card may be used as the primary source for creating a guest history record. The information contained in a guest history database can be analyzed to assist management in developing marketing strategies, marketing lists, and detailed reports.

### Statutory Requirements in India

#### F-form requirements

In India every guest who stays at a hotel is required to fill in a form called the **F-form.** This form contains personal details of the guest and details of his stay at the hotel. This serves as documentary evidence of a guest stay at the hotel.

#### C-form requirements

The **Registration of Foreigners Act, 1939** governs the stay of foreign nationals in the country. Section 3(e), Rule 14 stipulates that every foreign national who stays in a hotel is required to fill in a form called the **C-form.**. This form contains details such as the name of the visitor, nationality, passport details, visa details, purpose of visit etc. This form is in addition to the F-form. Any person holding a passport other than one issued under the seal of the Government of India is considered a foreign national. C-forms are to be submitted to the F.R.R.O (Foreigners Regional Registration Office), located in the metro cities of Delhi, Mumbai, Kolkata and Chennai, or to the Superintendent’s of police’s office within 24 hours from the time of check-in. In case of Pakistani and Chinese nationals, the C-form is to be submitted within 12 hours and they are also required to register themselves at the local police station. Nepali and Bhutanese nationals are exempt from the C-form requirements.

**Activity : Draw formats of F-form and C-form**

###### **Registration Documents**

Hotels typically use:

* A Bound Book Register
* A Loose Leaf Register or
* Individual Guest Registration Cards to register their guests

##### **Bound Book Register**

##### It is a large book in which the guests are required to enter their details in the respective columns. Entries are made in a chronological order. At the end of the day the arrivals and departures are tallied to calculate the occupancy statistics.

*Advantages:*

* All records are there in one book
* Low cost option

Disadvantages

* Bulky and highly unprofessional in appearance especially when it has been used for a while
* Lack of mobility prevents innovations in registration
* Pre registration cannot be done
* Lack of privacy of guest information
* Does not permit multiple guest registration at the same time

##### Loose leaf Register

A single page is used for each day. The column markings are similar to that of the bound book register. At the end of the day the page is placed in a file for record purposes. The usage procedure is the same as that of the bound book register and hence it carries with it the same disadvantages as well.

***Guest Registration Card***

The registration card requires a guest to provide his or her name, address, telephone number, company affiliation (if appropriate), and other personal data. Registration cards usually include a printed statement about the hotel's responsibility for storing guest valuables. The registration card usually contains a space for the guest's signature. Registration cards combine the F-form and C-form into a single card with a distinct section for the C-form details. Registration cards are usually made in triplicate. The first copy is retained by the front office for hotel reference, the second copy is the C-form copy and the third copy is the front office cashier’s copy.

**Advantages**

* Privacy of guest information
* Multiple guest registration is possible at the same time
* Permits innovations in registration such as in-room check-in etc.
* Storage is much easier

**Disadvantages**

* Can be easily misplaced
* More expensive than the bound book register and loose leaf register

# 3. Room and Rate Assignment

Room assignment is an important part of the registration process. It involves identifying and allocating an available room in a specific room category to a guest. On the basis of reservation information, specific rooms and rates may be pre-assigned. Pre-assigning a specific room depends on the room’s forecasted availability status and how appropriately the room meets the guest’s needs. Room assignments are finalized during the registration process.

Determining the guest’s needs by room type alone is not sufficient. Hotels typically offer a variety of room rates for similar types of rooms. Room rates for rooms with identical bed configurations may vary based on room size, quality of furnishings, location, amenities, and other factors. Front desk agents must be aware of each room’s rate category, current occupancy status, furnishings, location, and amenities to best satisfy guest requests. Future reservation commitments must also be considered during room assignment so that rooms are not assigned in conflict wit near future reservation needs.

## Room Status

Effective room and rate assignment depends on accurate and timely room status information. It is usually discussed along two time lines:

* In the long term (beyond the present night), a room’s readiness is described by it’s reservation status.
* In the short term, a room's readiness is described by its housekeeping status, which refers to its availability for immediate assignment. Knowing whether a room is on-change, out-of-order, or in some other condition is important to rooms’ management.

Maintaining timely housekeeping status information requires close coordination and cooperation between the front desk and the housekeeping department. A room status discrepancy occurs when the housekeeping status used by the housekeeping department differs from the room status information used by the front desk to assign rooms. Room status discrepancies seriously affect the property’s ability to satisfy guest needs and maximize revenue. Room status discrepancies should be identified and resolved as quickly as possible. The prompt relay of housekeeping information to the front desk is vital. This is especially true during high occupancy or full occupancy (sold-out) periods.

The two most common systems for tracking room status are mechanical racks and computerized status systems.

***Room Rack***: The front desk may use a room rack to track the current housekeeping status of guestrooms. A room rack slip containing the guest's name, departure date, room rate, and other information is normally completed during the registration process and placed in the room rack slot corresponding to the room number assigned to the guest. The presence of a room rack slip indicates that the room is occupied. When the guest checks out, the rack slip is removed and the room's status shifts to on-change. An on-change status indicates that the room requires housekeeping services before it can be resold. As unoccupied rooms are cleaned and inspected, the housekeeping department notifies the front desk which, in turn, updates the room's status to available-for-sale.

Room status discrepancies can occur in non-automated front office systems for two reasons:

* First, the cumbersome nature of tracking and comparing housekeeping and front desk room status information often leads to mistakes.

For example, if a room rack slip is mistakenly left in the rack even though the guest has checked out, front desk staff may falsely assume that a vacant room is still occupied. Potential revenue from the future sale of the room may be lost.

* Room status discrepancies may also arise from delays in communicating house- keeping status information from the housekeeping department to the front desk.

Communication between the front desk and the housekeeping department may be spoken, written, or conveyed by a telewriter. Spoken communication, normally accomplished via the telephone, is used to relay status information quickly, but without supporting documentation. A written report has the advantage of documenting the information, but is time-consuming because it may require hand-delivery. A telewriter may be used to communicate and document information between two departments without requiring someone to be on the receiving end. Telewriters are especially helpful when front desk agents or housekeepers are busy with other responsibilities and do not have time to place a call or answer the telephone to update current room status.

***Computerized systems***: Computer-based communication at automated properties can be accomplished in a number of ways. Some systems, for example, interface in-room telephones with the hotel's computer system so that housekeepers can enter room status information over the telephone system. Other systems may require housekeepers to use a computer terminal in the housekeeping department to update room status information.

The front desk agent is usually responsible for producing a daily front office report called the occupancy report. The daily occupancy report lists rooms occupied for the night and indicates those guests expected to check out the following day. The executive housekeeper receives a copy of this report early in the morning and schedules occupied rooms for cleaning. The rooms occupied by guests expected to check out are usually cleaned last since guests tend to use their room until just prior to departure. Checked-out rooms usually require more cleaning time than stayover rooms.

The housekeeping department prepares a housekeeping status report based on a physical check of all guestrooms. This report indicates the current housekeeping status of each room. It should be compared with the front desk occupancy report and the discrepancies, if any, are immediately resolved. This is to ensure that front desk agents work with an accurate and up-to-date room rack.

In a computerized room status system, housekeeping and front desk have instantaneous access to room status information. For example, when a guest checks out, the process of settling the account in the computer automatically updates the room status to vacant and on-change. Housekeeping, in turn is alerted that the room needs cleaning through a remote terminal located at the housekeeping control desk. Room attendants then clean the room and notify the housekeeping department when it is ready for inspection. Housekeeping inspects the room and enters the room status into the computer system via the housekeeping department’s terminal or through the guestroom telephone if the hotel is properly equipped. This entry, in turn, updates room status information stored in the front office computer.

While room occupancy status within a computerized system is almost always current, housekeeping status may lag behind. The housekeeping supervisor may inspect several rooms at once, but may not update the computer's room status files until the end of an extended inspection round. Calling the housekeeping department after each room is inspected is generally inefficient in a large operation. Having to constantly answer the phone can be both an inconvenience and an interruption to the housekeeping department staff. Delays may also occur when a list of clean, inspected rooms is furnished to the housekeeping office but not immediately entered into the computer system.

Most problems associated with promptly relaying guestroom housekeeping status reports to the front office are eliminated when the computer system is directly connected to the guestroom telephone system. Such a network permits supervisors to inspect rooms, determine their readiness for sale, and change the room's housekeeping status in the hotel's computer system by entering a designated code through the guestroom telephone. Since the computer automatically receives the relay, no attendant needs to answer the phone. Such direct access helps minimize the possibility of a recording error. This interface can significantly reduce the number of guests waiting for room assignment, as well as the length of their wait.

## Room Rates

A room rate is the price a hotel charges for overnight accommodations. The cost structure of the hotel dictates the minimum rate for a room, and competition helps the hotel establish its maximum rate. The room rate range is the range of values between the minimum and maximum rates. A hotel will usually designate a standard rate for each room. This rate is typically called the rack rate because traditionally the standard rate was the one posted on or near the room rack. The rack rate is considered the retail rate for the room. In most cases, rate discounts provided by the hotel are discounts to the rack rate.

Room rates are often confirmed as part of the reservations process. Assigning rates for walk-in guests is left to the front desk agent according to the hotel's policy guidelines. Front desk agents may sometimes be allowed to offer a room at a lower price than its standard rack rate. Normally, this occurs only when management deems it appropriate. For example, hotel management may be expecting low occupancy. In order to attract as much business as possible to the hotel, walk-in guests may be offered a rate below the rack rate to entice them to stay. Some hotels establish seasonal rate schedules in order to anticipate business fluctuations. The objective is to provide greater value during low demand periods and to maximize room revenue during high demand periods (a form of yield management).

Other room rate schedules may reflect variations in the number of guests assigned to the room, service level, and room location. For example, room rates may cover billing arrangements for meals- AP basis, MAP basis, EP basis etc; Room rates may also vary based the type of guest.

Special rates may include

* Commercial or corporate rates for frequent guests
* Complimentary rates (no charge) for business promotion
* Group rates for a pre-determined number of affiliated guests
* Family rates for parents and children sharing the same room
* Day rates for less than an overnight stay (usually check-in and check-out on the same day)
* Package-plan rates for guestrooms sold in a package that includes special events or activities

Eligibility for special rates is generally contingent on management policy and the guest's profile.

## Room Locations

When assigning guestrooms, a front desk agent must be aware of the characteristics of each room type. In most hotels, guestrooms within each room category tend to be approximately the same size. Differences between two guestrooms generally lie in their furnishings, amenities, and location. Front desk agents should be familiar with various guestroom configurations, as well as the hotel's floor plan, in order to satisfy guest rooming requests. The room rack or its computer equivalent should contain specific data about each room, such as its type, rate, and other pertinent information. Although the room rack primarily functions as a rooming control tool, it can also serve as a source of information for room location (so long as the rack's layout reflects the hotel's floor plan). For example, room racks may indicate connecting rooms, guestroom views, and the type of bed(s) in each guestroom. Front office computer systems can be programmed to provide similar types of guestroom information in an easy-to-reference format.

## Future Blocks

A primary concern in the room assignment phase of registration is- knowing what rooms will be available in the near future based on reservation blocks. Usually, a reservations agent or the front office supervisor blocks reserved rooms on a calendar, wall chart, control book, room rack or computer reservations file. Incorrect blocking can result in rooming conflict. For instance, a walk-in guest requests a room overlooking the swimming pool and is assigned one for his/her two-night stay. If that room were booked for a guest arriving the next day it would result in a rooming conflict when the second guest registers. Computer systems help reduce booking errors because they can be designed to prohibit the front desk agent from selecting a pre-assigned, reserved room for a guest expected to check in at a later date.

**Establishing Method of Payment**

A departing guest can settle his bill by a number of ways. Mainly they can be grouped into two: cash and credit.

**I. Cash Mode:** The cash mode includes payment of bill in Indian rupees and acceptable foreign currency such as dollars and pounds etc. This also includes traveller cheques payment which can be of Indian rupees or foreign currency) against the bill and issues him with a cash receipt. If the guest has paid in foreign currency and there is any balance amount to be given back to the guest then the same is given in Indian rupees. An encashment certificate is also issued to the guest. A cash payment in full at check-out will bring a guest account balance to zero. A guest may have had a credit card imprinted at registration, even though he or she intended to settle the account by cash. The front desk agent should destroy the guests’ credit card voucher imprinted at registration when the guest pays the account in full with cash.

**Settlement of bill through** ***Travellers Cheques***: Travellers Cheques are issued by various banks in various denominations, for example, Rs.50/-, 100/- or Rs.500/- etc. Suppose a person wants to buy travellers cheque worth Rs.10000/- in the denominations of Rs.500/-. He will fill up a form, be required to deposit Rs.10,000/- in the bank and he would be issued with 20 nontransferable travelers cheques of Rs.500/- value each. A certain amount of commission may have to be paid by him to the bank.

There are two spaces for the buyer’s signature. At the time of purchase he has to sign at one of the places in the presence of the issuing authority. i.e., the bank manager or his representatives. He is issued with counterfoils, also called as record slips. Other details on the travelers cheque are, (a) number of the cheque, (b) a date column, (c) the amount of cheque is printed on the face of the travellers cheque, and (d) the signatures of the bank authority etc. *Travelers cheque is as good as cash.*

**Difference between an Ordinary Cheque and a Travellers Cheque**

|  |  |
| --- | --- |
| **Ordinary Cheque** | **Travellers Cheque** |
| * 1. For issuing a cheque a person should have a bank account (either current or saving).
	2. Any amount can be filled in the cheque as they are blank
	3. Only one signature is needed of the holder
	4. Ordinary cheques are valid only for 3-6 months
	5. These cheques can be crossed for account payee
	6. No slip/list of lost, damaged or stolen cheques is issued by bank.
	7. Cheque may bounce as the balance in account may be less than the cheque amount.
	8. Not safe as someone might force the owner to sign the cheque.
 | * + 1. No need of any bank account for purchasing and encashing of travelers cheques.
		2. Have a fixed amount printed on its face and available in different denominations.
		3. Two signatures are required (one in the presence of issuing authority and second in the presence of encashing authority)
		4. Valid for indefinite period of time unless dated.
		5. No such provision.
		6. Many banks issue a stop list or stolen and damaged cheques.
		7. No such possibility as the amount is already printed on the face of the cheque.
		8. Quite safe because the second signature has to be put in front of the encashing authority.
 |

At the time of settlement of bill the cashier of the hotel presents the bill to the guest and if the guest intends to settle his bill by travellers cheque, the cashier asks him to countersign at the specified place on the face of cheque and tallies his signature with the first signature. A travellers cheque cannot be encashed if the second signature does not tally with the first one.

The cashier should also ensure that the travellers cheque is not predated. Once the date is put on the travellers cheque it is valid for only six month, otherwise, the cheques are good until used and there is not time limit for their encashment. The cashier should **confirm** **the identity** of the guest by asking for his passport or driving license etc form safety and security point of view. Ensure that the

cheque is not damaged, mutilated or changed in any way before accepting it. Check the exchange rate (in case of foreign currency travelers cheque) before converting into Indian Rupees. Any balance shall be paid in Indian Rupees. An **encashment certificate** shall be issued to the guest.

Travellers cheques are a very safe and convenient way of transporting currency. There is no danger even if they are stolen, snatched on a gun point etc as they will be encashed only when they will be signed by the holder in the presence of the encashing authority and the second signature tallies with the first signature. The advantage of travellers cheques is that it has double check system because of two signatures and chances of it bouncing like an ordinary cheque are not there.

A foreign travellers cheque must be treated like foreign currency and the necessary records and statements and certificates must be maintained like in case of foreign currency and required records should be sent to Reserve Bank of India by the hotel.

**2. Credit Mode.**

Credit mode of payment includes (**i) Airlines vouchers (ii) Company Account Payment**, **(iii) Travel Agency Vouchers (iv) Credit Card Payment, (v) Personal Cheque** payment by the guest.

1. **Airlines vouchers:** Some airlines give **MAO** (Meal and Accommodation Order) and **PSO**(Passengers Service Order) to the layover passengers travelling from one destination to another. The passengers are provided with specified meals and the accommodation by the hotel on the basis of the same for which the payments are made by the airline.
2. **Company accounts:** Directors and other top executives of various Corporate Companies keep travelling from one place to another very frequently. The companies issue authorization letters to their executives on the basis of which they get services such as accommodation etc from the hotel. At the time departure the **guest signs his bills** and checks out. The hotel sends this signed bill to the company which makes the payment.
3. **Payment by Travel Agency Voucher**: Generally a travel agent who sells a package to a tourist collects the money from the tourist in advance which includes accommodation and the other service charges. Travel agency voucher indicates that the guest has prepaid to the travel agency amounts for accommodation etc. and the recovery of such amounts are made from the travel agent and not from the guest. The travel agent sends copy of voucher to the hotel at the time of booking and gives the record copy to the traveller who submits his copy to the hotel at the time of arrival. The receptionist should tally both the copies. Most of the travel agents voucher includes the services to be offered to the guest. The front office cashier should take the following steps in this case:
	1. Receive the travel agency voucher and see what billing instructions are mentioned in the folio. Read billing instruction very carefully as sometimes the travel agent might instruct the hotel to collect the payment from the guest directly.
	2. Read the voucher carefully and determine whether it has been issued from a bonafide agency as issued by the accounts department of the hotel.
	3. See that all the expenses / charges are covered by the voucher.
	4. If the voucher is from a foreign travel agency, get it authorized by the Lobby Manager.
	5. Ask the guest to sign on the reverse of the travel agency voucher.
	6. The guest should sign the folio at the time of check-out.
	7. Attach the voucher and the folio(s) together.
	8. The hotel sends the original voucher along with the guest bill (including all department vouchers) for payment.
	9. Usually within a month the travel agent makes the payment of the bill to the hotel.

(iv) **Settlement of Bill through Credit Card:** It is one of the most commonly used methods of bill settlement by a guest. It is a small, convenient to carry plastic card issued by banks.

Every credit card has an authorized amount by the bank as an authorized limit called the **floor limit**. If the amount of guest bill is within the authorized limit then at the time of departure the guest has to sign a **credit card voucher**. At the time of arrival, when the arriving guest indicates that he will use credit card for the bill settlement, he is requested by the receptionist to produce his credit card. The card has the name of the guest, the number and validity date embossed on it and the receptionist makes sure the following:

* The hotel accepts the company’s credit card.
* The card is not an expired card (he checks the expiry date)
* The card is not a stolen card (he consults the stop lists /black list / cancellation bulletin sent regularly by the credit card company). In case the card is stolen or an expired one the receptionist, after informing the guest, should take and cut it with a cutter or scissor and then send to the credit card company to avoid any further misuse of the card. For this he may be rewarded by the credit card company.

**Floor limit**: The limit up to which the guest can be given the credit If the bill amount exceeds the credit limit of the card, the cashier must take permission from the Credit Card Company for the over-limit amount. This is called as **over-limit authorization number**. The limit varies from company to company. Sometimes the colour of the card, like green, white and golden, etc indicate the credit limit.

He should check the validity of the card by passing it through a special magnetically charged validation machine called the **magnetic strip reader**. This process is also called as **“Card Approval**” process. Once satisfied, the receptionist shall pass it through an imprinter along with charge slip and take the impression on them. In case of scanty baggage guest or an unknown guest the receptionist should request the guest to sign some blank charge slip in advance. At the time of departure the guest is presented with the bill along with the charge slips, which he signs. Ask him to produce his credit card and check his signatures. Make a “charge record” which should have the total amount in Indian rupees payable by the guest, credit card number, the name of the card holder, the name of the hotel, date of charges, the bill number etc. Three copies of charge records, which sometimes is also called as billing statement are made (one copy is hotel’s copy, also called as service establishment copy, second copy is for credit card company and third copy called as card holder’s copy is returned to the guest ( a copy of the bill may be attached with this charge record in case guest requests for it)

In order to avoid any dispute at a larger stage the hotel must retain all the original bills of the guest till the payment is cleared. The payment of the bill is made to the hotel by the credit card company which in turn collects the payment from the guest directly by sending a monthly statement. This monthly statement not only contains the hotel’s bill but the details of his other purchases at other places also.

**Reserving Credit:** The front office may reserve a specified amount ofpre-authorised credit in a guest’s credit card account to ensure payment for goods and services.

**Payment by Personal cheques:** Normally payments by personal cheques are not accepted. Inform the guest politely that payments by personal cheques are not entertained. In case of further insistence from guests, ask them to contact the lobby manager for an authorization. On the receipt of the authorization from the Lobby Manager, give the application for payment by personal cheques. Check the details of the cheque and make sure that it has been marked ‘A/c Payee Only’ and is duly filled. Compare the signature on the cheque with that on application form. Enter details in the front Office cashier’s report. Settle the bill.

**Combined settlement method:** A guest may elect to use more than one settlement method to bring the folio balance to zero. For example, the guest may make a partial cash payment and make the remaining payment by credit card. In this case, depending on which combination, front office clerk shall proceed by preparing different kinds of vouchers.

### Issuing the Room Key

By issuing a room key, the front desk agent completes the registration process. In some hotels, a newly registered guest is simply handed a map of the hotel and a guest- room key. For the security of both the guest and the property, room keys must be very carefully controlled. Hotels should have written policies governing guestroom key control. These policies should state who is authorized to issue guestroom keys, who receives such keys, and where and how guestroom keys are stored at the front desk. For security reasons, the front desk agent should never announce the room number when handing a guestroom key to the guest. The front desk agent can, however, draw the guest's attention to the room number on the key.

If the hotel provides bell service, the front desk agent should ask whether the guest would like assistance from a bellperson. If so, the front desk agent should introduce the bellperson to the guest, hand the bellperson the guest’s room key, and ask him or her to show the guest to the room. On the way to the room, the bellperson might explain the special features of the hotel and such things as restaurant locations, locations of vending machines, emergency exits, and other appropriate information. This is called **‘rooming the guest’**. Once inside the guestroom, the bellperson explains the features of the room and should make the guest comfortable, answer any questions, and hand the room key to the guest. If the guest is displeased with the room, the bellperson should listen attentively and bring the matter to the attention of the front desk agent for immediate action.

### Fulfilling Special Requests

Part of registration is making sure that any special requests made by guests are acknowledged and acted on. For example, guests may have requested connecting rooms during the reservations process. These rooms should be blocked in advance to ensure that they are available when the guests arrive. Special requests may involve guestroom:

* Location
* View
* Bed type
* Amenities

A guest may request a room close to or far from an elevator; one that overlooks the ocean, pool, or city; one that has a king-size bed; or one that has a refreshment center or sitting area. In addition, guests may ask for special furnishings or arrangements in the guestroom. A couple arriving with a young child may request a crib. If the room was not pre-set with a crib, the front desk agent should contact housekeeping to arrange for prompt delivery of a crib. It is best to handle these types of requests during preregistration. Some guests may ask for other special items such as bed boards or ironing boards. Sometimes, special requests are made by another person on behalf of the guest. For example, the general manager may want to welcome a frequent guest by placing a fruit basket in the guest's room. Travel agents may order a bottle of champagne to be delivered to the guestroom of their client. Honeymooning couples may request that champagne and flowers be in their rooms when they arrive.

While many of the details surrounding special requests can be handled during pre- registration, it is important for the front office to follow up on each request.

**Group Arrival**

The evening before the date of arrival of the group, folder containing details like name of the group, travel agent, date of arrival, date of dpature, arrival details, accommodation required, meal plan and rooming list are sent to reception from reservation to prepare for group arrival ie.pre registration of group, group arrival counter, keys of rooms concerned to be kept in key envelopes, meal coupons to be ready and copies of rooming list and meal plans etc. Bar is informed for welcome drink and housekeeper informed to check and conform the availability of rooms. Bell desk is informed to organize for arrival. Guest relations arranges for the photographer and traditional welcome for the group. Usually an itinerary is prepared which has information about wake calls, breakfast, lunch, dinner, bags down and departure date.

**At Arrival time**

The group is welcomed at the special group arrival counter for registration. One registration card is filled in for the group under the tour leader’s name, also only one C-form is made and the copy of the rooming list is attached to it. Master folio for the group is made. The rooms are allotted as per the tour leader’s request. Passport list is obtained and meal timings and venue are finalized. The tray with room key envelopes and welcome letters are kept ready.

The group members are entertained with welcome drinks and their luggage is sorted. Wake calls, bags down and departure timings are finalized.Then the group members are escorted to the rooms and arrival of the group is notified to all concerned departments. The luggage is delivered after the check\in process.

**Activity : Draw the formats of Group Passport Particulars**

 **Draw a flow chart for the arrival of groups**

**Crew Arrivals**

The crew brings a sheet called as order for hotel accommodation from the airport office of the airlines. The list contains the names of all crew members, their ranks, passport details with their signatures. The lobby manager allots rooms to them. A sheet called as crew arrival check-in sheet is filled up.

**Activity : Draw the format of crew check-in sheet**

**VVIP guest arrival procedures**

The concierge or a senior member of the staff will be responsible for welcoming and rooming a VVIP. The VVIP movement list gives information about the arrival of a VVIP. The manager or concierge is also responsible to make courtesy call to the VVIP to ensure that their needs are constantly met.

**Activity: Draw the format of a VVIP movement sheet**

 **Draw the VVIP arrival flow chart**

**Systems of Registrations**

Depending upon the size and type of hotel, the following systems may be used.

1. **Manual System :** This system is used by small hotels**.** In this system allthedocuments such as **‘C’** form, arrival notification slips, guest folio etc. are prepared and distributed manually. The accuracy shall depend upon the guest’s legible and accurate completion of the card. This is a rather slow and time consuming method and is prone to errors, hence not suitable for large hotels.
2. **Semi automatic system:** All those hotels which do not operate on computer and are either medium or large in size use this method. Office machinery such as typewriter and various clerical equipment, racks, filing racks etc. are used in this method
3. **Automatic System:** It is a very efficient, time saving, accurate and fast system of registration due to the use of computers etc. Reservation and registration are interfaced i.e. various reports can be generated. It helps in smooth and speedy check-in. All documents needed for registration can be computer generated. The guest has to simply sign the document.

### Creative options in registering guests

* *Eliminating the front desk:* A host waits in a reception area with a list of expected guests and their pre-assigned rooms. The host identifies guests, completes an abbreviated registration process, and sometimes escorts guests to their rooms. Credit is established at the time the reservation is made through a special interface between the central reservation computer and the credit card company. With everything else in place, all the hotel has to do is preregister the guest and attach a room key to the registration card. When the guest arrives, a simple verification of the information on the registration card completes the process.
* *Creating a unique, separate registration area for VIP guests:* The guest is registered by a member of the front desk at a special lobby location away from the front desk.

The challenge is to make the hotel registration process innovative, while treating guests with expediency and care.

The rooming process can be further simplified for corporate gatherings, tour groups and convention groups. The group’s coordinator supplies the staff with a rooming list that contains the names of members of an expected group. Room numbers can then be pre-assigned before the group arrives, and guest- room keys can be personally addressed and placed in envelopes with a welcoming note from the manager. A separate desk can be set up in the lobby, away from the front desk area, for the purpose of quickly distributing envelopes to arriving guests. Front desk agents still handle registration, but group representatives are nearby to welcome group members, provide convention information, or distribute meeting materials. Some hotel front office services include temporary luggage storage for guests who arrive during heavy check-out periods. In addition, front desk agents may offer complimentary food or beverages to guests who may be inconvenienced. These guests may be directed to the hotel's lounge or restaurant to enjoy a more relaxed and leisurely wait while their guestrooms are being readied.

### Self-Registration

A relatively new concept in front office registration is ***self-registration***. Self-registration terminals are usually located in the lobbies of fully automated hotels. These terminals can vary in design: some resemble automated bank teller machines (ATM), while others possess both video and audio capability. Recent technological advances allow hotels to place self- registration terminals at off-premises locations such as airports and car rental agencies. Regardless of which kind of guest-operated device is used, self-registration terminals can significantly reduce front office and guest registration time.

To use an advanced self-registration terminal, a guest generally must have made a reservation, which led to the creation of a reservation record. At the time of self- registration, the guest may need to enter a reservation confirmation number or insert a valid credit card into the machine. The terminal reads the magnetic strip on the back of the credit card and passes the name and credit card number to the hotel computer, which attempts to locate the reservation record. The terminal then prompts the guest to enter additional registration data using the terminal's keypad. Most terminals are interfaced with a computerized rooms management system', thereby enabling automatic room and rate assignment. Some terminals print out registration forms and request the guest to sign and deposit it into a drop box. Some terminals direct the guest to a guestroom key pickup area. In some cases, the terminal itself may dispense the guestroom key as a result of being interfaced with an electronic guestroom locking system.

### When Guests Cannot Be Accommodated

In general, a hotel is obligated to accommodate guests. A front desk agent should not be the person who determines whether someone will be roomed or not. This is the responsibility of front office management. Management is also responsible for informing the person that he or she has to be turned away. Management should instruct front office staff on policies and procedures concerning the acceptance or rejection of potential guests. It is important to remember that the hotel may have no obligation to guests without guaranteed reservations, or to guests who arrive after the hotel's reservation cancellation hour (often 6 P.M.).

**Walk-in guests**

If a walk-in guest cannot be accommodated, front desk agents can make the situation a little easier for the guest by suggesting and providing directions to alternative hotels nearby. The front desk agent may even offer to call another hotel to assist the guest.

Most of the time, guests who cannot be accommodated at the hotel would prefer to stay at a similar property. Hotels should keep a list with phone numbers, of comparable properties in the area. Hotels can reap some significant benefits through mutual guest referrals as well as create goodwill. For one, guest referrals allow one hotel to compare how well it is doing on a given night with other area hotels. Competing properties, too, may reciprocate by sending overflow business to the hotel. But mainly, referrals should be viewed as part of the hotel's guest relations program. The extra care paid to turned away guests helps create an atmosphere of concern and goodwill.

The situation may be more difficult when a walk-in guest believes he or she has a reservation. A hotel might take the following steps to clarify the situation:

* If the guest presents a letter of confirmation, verify the date and the name of the hotel; the guest may have arrived on a different date or at the wrong property. Most confirmation letters have a confirmation number which will help the front desk agent locate the reservation record.
* Ask whether another person might have made the reservation for the guest; the reservation may be at another property, or it may be misfiled under the caller's name, not the guest's name.
* Re-check the reservation file or computer system in view of the guest; perhaps the reservation was incorrectly filed or otherwise mishandled.
* Double-check the reservations file for another spelling of the guest's last name. For instance, B, P, and T may have been confused when the reservation was made during a telephone conversation. Also, check to see if the guest's first and last names were inadvertently reversed in the reservation file.
* If the reservation was made through a travel agency or representative, allow the guest to call the originating source for clarification.
* Ask the guest to confirm his or her arrival date; the guest may be arriving on a different day or a day late. Many hotels hold no-show registration cards from the previous day in the front of the registration file just in case a no-show arrives a day late.

If there seems to be no alternative to ***walking*** the guest, a manager, not the front desk agent, should explain the matter in a private office.

#### Guests with Non-Guaranteed Reservations

Guests frequently do not have the chance to change a non-guaranteed reservation to a guaranteed reservation by the time they realize they will arrive past the hotel's reservation cancellation hour. As a result, the hotel may not hold the room for the guest and may not have a room available when the guest arrives. If the hotel cannot provide a guestroom, front office management must be extremely tactful when informing the guest. Blame should not be placed on either party since the lack of accommodations is neither the guest's nor the hotel’s fault.

#### Guests with Guaranteed Reservations

If reservations are carefully handled and sound forecasting procedures are followed, the property should not have to deny accommodations to a guest with a guaranteed reservation. Nonetheless, a property should have a policy for front desk staff to follow in such situations.

The front office manager should take charge and make necessary decisions when it appears the property will not have accommodations for a guest with a guaranteed reservation. The manager may:

* Review all front desk transactions to ensure full occupancy.
* Re-take an accurate count of rooms occupied, using all relevant data.
* Compare the room rack, housekeeper's report, and guest folios for any discrepancy in occupancy status.
* Telephone due-outs (guests expected to check out today) who have not yet checked out and confirm their departure time.
* Personally check the current status of rooms listed as out-of-order. Perhaps an out- of-order room might be readied for sale. If a guest is willing to occupy an out-of- order room, perhaps its rate could be appropriately adjusted. Front office management must make these decisions.
* Identify rooms pre-blocked for one or two days in the future and preregister guests arriving today who will depart in time to honor the blocks.

Front desk staff should be consistent when discussing the lack of accommodations with arriving guests. Helpful suggestions include:

* Guests may be encouraged to return to the hotel at the earliest date of availability. Upon their return, they may be placed on a VIP list or be provided a complimentary room upgrade.
* If a member of a convention block cannot be accommodated, the group's meeting planner should be notified. In such situations, it is important for the front office staff to have a strong working relationship with the meeting planner.
* If a member of a tour group cannot be accommodated, the tour organizer should be notified immediately and the situation explained. This notification may better enable the organizer to properly deal with the problem and subsequent membership complaints.
* The hotel may pay the transportation expenses associated with having the guest travel to an alternative property. Financial considerations are especially important when walking a guest with a guaranteed reservation. The hotel may also notify its telephone department of the change to another hotel so that incoming calls and faxes can be redirected without confusion or concern on the part of the caller or the relocated guest.

# **Method of Payment**

Regardless of whether the guest intends to pay by cash, check, credit card, or other acceptable method, the hotel should take precautionary measures to ensure payment. Effective account settlement depends on the steps taken during registration to deter- mine the guest's method of payment. The establishment of proper settlement or credit authorization at the time of registration will greatly reduce the potential for unauthorized settlement and subsequent collection problems.

Just as hotels vary in size, structure, and organization, so do the guidelines for establishing the guest's method of payment. Common methods of room rate payment include:

Cash, Personal checks, Credit cards, Direct billings, Travel agency vouchers, and special programs.

## Cash

Some guests prefer to pay guestroom charges during registration, in advance of occupancy. Guests who pay cash for their accommodations at the time of registration are typically not extended in-house credit. Revenue outlets are usually given PIA (paid-in-advance) lists of cash-paying guests who are not authorized to have charge purchases posted to their guestroom accounts (no post status).

In some properties, PIA lists are replaced by a front office computerized system that interfaces the front desk to devices in the hotel's revenue outlets. Such systems won't allow outlet employees to post charges to guest accounts that are not authorized for in-house charges. Guests with no in-house charge privileges must settle their purchases at the point of sale.

Banks also consider cashier's checks, traveler's checks, and money orders equivalent to cash. A hotel that accepts such forms of legal tender should require proper guest identification. Front desk agents should compare the picture and signature on the guest's identification with the appearance and signature of the person presenting the tender. When there is doubt, the form of tender should be verified with the issuing bank or agency.

## Personal Cheques

The majority of hotels in India do not accept personal cheques for account settlement purposes.

Hotels that accept personal checks should require proper identification. If front office cashiers are not authorized to accept personal checks, they must be aware of what procedures to follow when a guest attempts to write a personal check.

#### Credit Cards

Careful authorization and verification of credit cards are as important to front office cash flow as the precautions taken with any other method of payment. The front office usually compiles a set of steps for processing credit card transactions. In addition, credit card companies often require explicit procedures in order to ensure transaction settlement. When accepting a credit card the front desk agent should consider the following points:

***Expiration Date*:** When a guest presents a credit card, the front desk agent handling the transaction should immediately check the credit card's expiration date. If the date shows that the credit card has expired, the front desk agent should point this out to the guest and request an alternative method of payment. If the hotel inadvertently accepts an expired credit card, it may not be able to collect payment for the guest's charged purchases.

***On-line Authorization:*** After checking a credit card's expiration date, the front desk agent should make sure the credit card isn't listed as stolen or otherwise invalid. Many hotels validate credit cards through an on-line computer service accomplished through a telephone interface. Once the telephone connection is complete, the required credit card and transaction data may be spoken, entered on a touch-tone keypad, or automatically captured through a magnetic strip reader. On the basis of the entered data, the credit card verification service consults an account data base and generates either an ***authorization code*** or a ***denial code*** for the guest's transaction. On-line authorization services have the advantage of allowing the front desk agent to proceed with other tasks while the service verifies the transaction.

***Cancellation Bulletins*:** In properties without on-line credit card authorization, the front desk agent should validate a credit card by consulting the credit card company's current cancellation bulletin. Expired cancellation bulletins should also be retained and filed in case a dispute eventually arises between a credit card company and the hotel. The hotel can refer to previous cancellation bulletins to prove that a credit card number was valid at the time the credit card was accepted for payment.

***Invalid Card:***Front desk employees should follow established front office and credit card company procedures when a credit card appears to be invalid. Front desk agents should not draw attention to or embarrass the guest in any way. If the guest has no other acceptable means of payment, front desk agents typically will refer the situation to the front office credit manager or hotel general manager for resolution.

***Imprinting the Voucher*:** Front desk agents imprint approved, valid credit cards onto credit card vouchers. The imprinted credit card voucher is normally attached to the guest's registration card or to the guest folio. Usually, the guest is not asked to sign the credit card voucher until account settlement or checkout time.

***Floor Limits:*** Credit card companies may assign hotels a ***floor limit***. A floor limit is the maximum amount in credit card charges the hotel can accept without requesting special authorization on behalf of a credit card holder. If the amount a guest wants to charge to his or her credit card account exceeds the hotel's floor limit, the front office should contact the credit card company to request approval for the transaction.

In some cases, the penalty to the hotel for not obtaining authorization for charges exceeding the floor limit is forfeiture of the entire amount charged, not just the amount above the floor limit. A computerized system that monitors guest account balances can help identify guest credit card accounts approaching the floor limit.

#### Direct Billing

Some hotels extend credit to guests by agreeing to bill the guest or the guest's company for charges. Direct billing arrangements are normally established through correspondence between the guest or company and the front office. A list of approved direct billing accounts is usually maintained at the front desk for reference during registration. At checkout, a guest with approved credit simply signs his or her folio after approving its contents and a statement is direct-billed for collection. In a direct billing arrangement, the hotel, not a credit card company or third party, assumes full responsibility for account collection

**Guest History**

The last step in the guest account settlement process is the creation of a guest history record. Many hotels simply use expired registration cards as the basis for their guest history files. Others develop a special form for guest history construction. The information on a guest history record can be obtained from the guest registration card and account folio.

Names of spouses and children, birthdays, hotel room preferences, favorite foods, and so on may be placed on file for special guests or all guests.

On the basis of this information , the hotel can delight the customer by providing him with all that he wants on his next visit. All the services and amenities provided and care shown by the hotel is possible because the hotel is well aware of the needs and wants of the service and facilities of the guest in advance, and which the hotel has come to know because its staff was taking interest in knowing his likes and dislikes on the previous visits and recorded down for future reference. Service excellence will always be the key factor in the success of hotels. The three factors, namely incentives, individual attention and recognition will determine the guest choice of a hotel and all this can be achieved through proper maintenance of guest history records.

**Incentives**

Frequent customer programmes that reward regular guests with gifts, room upgrades or airline tickets etc.

**Personal attention**

Most of the hotels these days are now being able to bring under control the tangible aspects of the hotel product and the challenge now is to make service as tangible as possible. Giving the guest personal attention has more potential as a competitive strategy.

**Recognition**

Recognising the guest is not only noting preferences and rewarding repeat business but it also means building long term relationships with guests by knowing and translating their expectations. Maintaining dialogues with customers, finding out exactly what they are looking for and making sure that what he wants he will find in the hotel and checking back to make sure that guests’ expectations are met with is very important. Building relationship with guests is no longer a good business policy but has now become a matter of survival.

A guest history record can be used by the hotels sales and marketing division as a source for mailing list or in combination with other guest history records, can help identify guest characteristics important for strategic marketing. This information may help in the placement of advertisements, indicate the need for supplementary services, or identify potential guest service enhancements. Software for computerized guest history system may allow the hotel to excerpt data for use in its marketing efforts, and to measure the effect of past efforts. For instance, a computerized guest history package may enable the hotel to determine the geographic distribution of its guests home and business addresses. With this kind of data hotel advertising may be placed more effectively.

It is important to remember that guest history files are confidential and proprietary hotel records. The hotel owes its guests protection from an invasion of their privacy.

 **FRONT OFFICE OPERATIONS**

**Inter Departmental Co-ordination between Front Office and Other Departments**

The relationships the front office manager develops with the other departmental heads and their employees are vital to gathering information for guests. Personal relationships are part of the communication process but cannot be relied on to ensure that accurate and current information has been relayed. Communication is based upon the direction each department has been given to provide hospitality in the form of clean rooms, properly operating equipment, safe environment, well-prepared food & beverage, efficient table service, professional organization and delivery of service for a scheduled function, accurate accounting of guest charges, etc. The general objective is to help department heads organize and deliver the overall goal of professional hospitality. In reality it is a constant effort to manage the details of employees, materials and communication skills to produce acceptable products and services.

**Marketing and Sales Department**

* The front office assits the marketing and sales department in delivering hospitality professionally.
* The guest history, a product of efficient reservation and registration gives valuable resource for marketing and sales.
* The process of completing the booking of a special function such as wedding reception, convention, or seminar, depends upon the availability of rooms
* The marketing and sales executives may have to check the lists of available rooms three, six or even twelve months in the future to be sure the hotel can accommodate the expected number of guests.
* If the hotel does not have access to a computerized database, a quick review of reservation files maintained by the front office will assist the sales executive who is selling a convention booking.
* The front office manager who makes effort to determine which banquet supervisor is in charge and communicates that information to the desk clerk on duty demonstrates to guests that this hotel cares about hospitality.
* Message from the marketing and sales department must be relayed completely, accurately and quickly.
* The front office manager should instruct all new personnel in the front office about the staff in the marketing and sales department and what each person’s job involves.
* Requests for service at meetings, seminars, banquets and the like are often made at the front office. The banquet manager or sales associates directing all functions for the day might be busy with another function.
* Requests for service at meetings, seminars, banquets, and the like are often made at the front office.

**Housekeeping Department**

* Housekeeping and the front office communicate with each other about room status, potential house count, security reasons and request for amenities and supplies. These issues are immediate for the guest and other supervisors in the hotel.
* The reporting of room status is handled on a regular basis in a hotel that does not use a property management system. The bihourly or hourly visits of the housekeeper to the front desk clerk are a familiar scene in such a hotel.
* The official reporting of room status at the end of the day with a housekeeper’s room report assists the night auditor in checking on any discrepancy in room status which could be a potential reason for revenue loss
* The housekeeper relies upon the room sales projection prepared and distributed by the front office manager to schedule employees .timely distribution of the room sales projections assist the housekeeper in planning employee personal leaves and vacation day.
* The designing, stitching, issuing and laundering of the uniforms of the Front Office staff is done by the Housekeeping Department.
* Both departments co-ordinate in issues relating to lost and found items of guest

**Food and Beverage Department**

* The food and beverage department and front office co operate by relaying messages to the guest account; reporting predicted house count and processing requests for paid out.
* These vital services help a Food and Beverage Manager, Restaurant manager or Banquet Captain meet the demands of the guests.
* Incoming messages for the Food and Beverage Manager and Executive Chef from vendors and other industry representatives are important to the business operation of the food and beverage department and should be relayed accurately and promptly by the telephone operator.
* The Front Desk Agent is responsible for posting accurate charges on the guest folio in hotels which do not have terminals in each POS outlet.

They rely upon the accuracy of the vouchers made by the staff of each POS outlet.

* The night auditor’s job is made easier if the voucher is accurately prepared and posted.
* The front office manager should work with the Food and Beverage Manager in developing Standard Operating Procedures and methods to complete and transfer vouchers.
* The supervisors in the food and beverages department rely upon the predicted house count prepared by the Front Office Manager to schedule employees and predict sales.
* The food plans of arrival guests have to be accurately communicated to F&B dept. by the Front Office.
* Banquets dept. needs to keep the Front Office informed about all banquet functions happening in the hotel on any particular day.
* Information about VIP and VVIP guests and any special amenities to be provided to them should be informed to the F&B dept. by the Front Office.
* The guest history maintained by the Front Office is a reference for the F&B regarding the likes and dislikes of repeat guests

**Banquet Department**

* The banquet department, which often combines the function of a marketing and sales department and a food and beverage department, requires the front office to relay information to guests about scheduled events, process payment of guest charges for scheduled events and prepare the daily announcement board.
* The guest attending a banquet who may be unfamiliar with hotel property will ask at the front office for directions.
* The front office staff must know both how to direct guests to particular meeting rooms or reception areas and which function are being held in which rooms.

**Maintenance Department**

* The maintenance department and front office communicate on room status and requests for maintenance service. Maintenance employees must know the occupancy status of a room before attending to plumbing, heating or air-conditioning problems.
* If the room is reserved, the two departments will work out a time frame so the guest will be able to enter the room or be assigned to another room.
* The request from guests for the repair of heating, ventilation and air-conditioning units, plumbing, television and other room furnishings are directed to the front desk.
* These requests are then communicated to the maintenance department. The front desk clerk must keep track of the repair schedule, as guest want to be informed when the repair will be made.

**Security Department**

**T**hese departments work together very closely in maintaining guest security. Fire safety measures and emergency communication systems as well as procedures for routine investigation of guest security concerns require the cooperation of these departments.

**Human Resource Management Department**

* The Human Resource Management Department, based on the requirement given by the Front Office Manager, does the recruitment and selection of staff for Front Office
* Aids in training the Front Office staff
* Disciplinary action against a front office staff is taken by the HR dept. on the recommendation of the Front Office Manager
* The Attendance of the Front Office staff is maintained by the HR.
* Promotions to staff are given by HR based on recommendations by the HOD
* Appraisals of Front Office staff are initiated by the HR
* Induction of a new staff member in Front Office is taken care of by HR.

**Accounts Department**

* Initiates the preparation of budget for Rooms Division
* Night Auditor who belongs to the Accounts Dept. checks on the accuracy and correctness of the records and transactions of Front Office.
* Salaries of the Front Office staff are paid by the Accounts.
* Accounts produce daily reports summarizing the financial performance of the Front Office.
* Any major purchase of equipment etc. to be done by the Front Office Manager requires the approval of the Financial Controller.
* The accounts of company and travel agency guests are handed over to the accounts for follow up and collection once the guests leave from the hotel

 **FRONT OFFICE OPERATIONS**

 **KEY CONTROL**

The responsibility for issuing and controlling room keys always lies with the front office. In some hotels the porters or enquiry desk may have this responsibility and in smaller hotels receptionist will be responsible.

 Regardless of who carries out this task, there is a need to implement some control system to ensure keys are issued to authorized persons only.

**KEY SYSTEMS**

Most hotels operate either a traditional key system or an electronic key system which is now widely available. The two most common systems are

1. Manual key system

2. Electronic key systems

1 Manual key system

The standard manual key system in operation comprises:

**Guest room key** - which is given only to the registered guests.

**Section key** - which is issued to Floor supervisors and can open all the rooms in on? Particular floor comprising of several

**Floor key (sub-master key)**-which is given to HK floor supervisor, opens all the rooms in the floor

**Master key** - which open all doors which will be under the custody of the executive Housekeeper.

**Emergency key or Grand master key**-is in the custody of general manager or manager on duty

This key is used to open any double locked room. it over rides the catch put on by the guest

for privacy in the room –a precaution necessary in case of an emergency ,e.g. illness or injury;

In addition , it double locks rooms and is used when access to a room has to be prevented,

* In case of death;
* When a guest does not leave his key at reception and the guest needs to be seen by the manager for some special reason;
* When a guest leaves his belongings in his room and goes away for a night or two;
* By the security officer, general manager, duty manager and some times by the house keeper for any other reasons

**Great grandmaster key –** opens all the rooms, offices, restaurants, halls, etc. except the Bar.

**Room keys**- there are two sets of key for every room first set is allocated to the guest and the second is kept on duplicate key board which is kept secured and usually located in reception

**2 Electronic key systems**

This is a new electronic system of “keyless locks” where each guest is issued with an individual plastic card which looks something like credit card.

A computerized console in reception punches a series of small holes in the card and only the correct code enables you to access a room. Due to the large number of combinations possible each card is essentially unique. The card itself does not have any room no written on it. Lost or stolen cards can be invalidated and replacement key issued at a little cost.

Once a card has been invalidated, it can no longer be used and therefore a new card with a new code is required to open the room door. The system, although expensive to install initially, is a very secure system and prevents unauthorized access to the guest rooms.

**ISSUING ROOM KEYS**

In many hotels keys and letters are stored on racks located at the Front Office. The rack consists of a number of pigeon holes large enough to hold regular size mail, with a key hook above. Each pigeon hole is clearly numbered by floor and by room in it.

Incoming mails or message are kept in appropriate slots. The key corresponding to the floor and room number is also kept on the hook. Keys are issued from here on request. Keys which are not in use remain on the appropriate hook.

Some hotels gives **key card** to their guests when they check in. This is either a card or small booklet which has the **guest name, room no. and room rate** on it A key card fulfills three functions.

1. It can be used as a security check when guest collects the keys.
2. It can advertise facilities in the hotel.
3. It informs guests of the room rates

 **Issuing keys to individuals**:

Room keys are issued to guests on completion of registration process. The room key may be issued to the guest personally, or to the members of staff accompanying the guest to the room, e.g.: the porter. At all other times keys should only be issued to guest on presentation of identification, e.g. the key card.

**Issuing keys to groups:** For the group arrival and check in, keys any be organized in advance and distributed to guests in individual envelops.

**CONTROLLING ROOM KEYS**

For security of both the guest and the establishment, the issuing of room keys must be very strictly controlled. The theft, loss or unauthorized duplication of keys could have serious security implication.

 You can put in place a simple system of key control

* Guest should be encouraged to hand in keys if they leave the hotel and collect them again on their return
* Keys should always be placed on the correct hook
* A regular inventory of room keys should be carried out and missing or damaged keys reported
* The master key, when not in use, should be secured in a safe place
* Identification should be sought and verified if necessary prior to issuing key to the guest
* Unauthorized staff should not have access to room keys
* Key should be retrieved from guest at the time of check out.

**Remember good guest security start at the Front Office**

**DO’S AND DONT’S**

**DO’S**

* know the key policy of the hotel
* give the key to the registered guest
* ask for and check identification
* report lost or stolen keys immediately
* encourage guest to give their keys at reception when not in the hotel
* retrieve keys from guests on check out

**DONT’S**

* give key to unauthorized guest
* give out guest name and room number
* be careless

**EXERCISE**

A lady reception asks if she can see her brother Mr. Perez who is at the hotel.

When you tell her that he is out, she asks if she can wait in his room.

What action should you take?