

Guest Registration

OPENING DILEMMA

The group leader of a busload of tourists approaches the front desk for check-in. The front desk clerk acknowledges the group leader and begins the check-in procedure, only to realize that there are no clean rooms available. The desk clerk mutters, “It’s 4:00 P.M., and you would think someone in housekeeping would have released those rooms by now.” The group leader remarks, “What’s holding up the process?”

One of the first opportunities for face-to-face contact with a hotel occurs when the guest registers. At this point, all the marketing efforts and computerized reservation systems should come together. Will the guest receive what has been advertised and promised? The front desk clerk who is well trained in the registration process must be able to portray the hotel in a positive manner. This good first impression helps ensure an enjoyable visit.

The first step in the guest registration process is to capture guest data such as name, address, ZIP code, length of stay, and company affiliation, which are needed during his or her stay and after departure. Various departments in the hotel require this information to provide service to the guest. The registration process continues with the extension of credit, room selection, room rate application, the opportunity to sell hotel services, room key assignment, and folio processing. Continually efficient performance of the registration process is essential to ensuring hospitality for all guests and profitability for the hotel.

CHAPTER FOCUS POINTS

- Importance of the first guest contact
- Capturing guest data
- Guest registration procedures
- Registration with a property management system

Importance of the First Guest Contact

The first impression a guest receives of a lodging facility during registration is extremely important in setting the tone for hospitality and establishing a continuing business relationship. The guest who is warmly welcomed with a sincere greeting will respond positively to the hotel and will expect similar hospitality from other hotel employees. If the guest receives a half-hearted welcome, he or she will not be enthusiastic about the lodging facility and will be more likely to find fault with the hotel during his or her visit. Today's guest expects to be treated with respect and concern, and many hotels make the effort to meet those expectations. Those that do not should not expect the guest to return.

What constitutes a warm welcome? This varies from employee to employee. It begins with the employee's empathizing with the feelings of the traveler, someone who has been away from familiar surroundings for many hours or many days. He or she may be stressed by the frustrations of commercial travel, delayed schedules, lost luggage, jet lag, missed meals, unfamiliar surroundings, unclear directions, or unfamiliar public transportation. The hotel employee who is considerate of the traveler under these circumstances is more likely to recognize anxiety, restlessness, and hostility and respond to them in a positive, understanding manner.

A typical scenario is as follows: Mr. Traveler arrives at 9:15 A.M. at the registration desk of a hotel. He is visibly upset because he is late for an important presentation to a group of investors. He wants to get into his room, drop off his luggage, and get public transportation to the corporate center. The desk clerk knows no clean rooms are available at this time. The desk clerk rings for a bellhop to escort Mr. Traveler to the luggage storage area. When the bellhop arrives, the desk clerk describes Mr. Traveler's situation. The bellhop calls the doorman to obtain a taxi, gives Mr. Traveler a receipt for his luggage, and escorts him to the main entrance of the hotel. Then he takes Mr. Traveler's luggage to the storage area. These time saving practices allow Mr. Traveler to arrive at the presentation in a reasonable amount of time. When Mr. Traveler returns to the hotel later that day, he expresses his appreciation to the desk clerk on duty. The stage has been set for an enjoyable, hospitable stay.

However, the situation could have gone like this: When Mr. Traveler arrives, the desk clerk tells him, "Checkout time is not until 12 noon, and we don't have any rooms available yet. Check back with us after 4:00 P.M." Mr. Traveler searches for the luggage room, drops off his luggage (losing minutes because of a long line), manages to find his way back out to the main entrance, and asks the doorman to hail a cab (losing another ten minutes because it is rush hour). Mr. Traveler arrives late for the presentation because of the delay at the hotel and heavy traffic. Because Mr. Traveler is unaware of the availability of other room accommodations in the area, he returns after the presentation and waits in the hotel's lobby or lounge until 4:00 P.M. This time, the stage is set for an unpleasant visit. Mr. Traveler will probably choose another hotel the next time he has business in the area.

These two scenarios are repeated frequently in the hospitality industry. The latter, too often the norm, gives rise to discussions of overpriced accommodations and unfriendly and unhelpful hotel staff. A system must be in place to ensure that all travelers are extended hospitality as a standard operating procedure. The first guest contact is too vital to the delivery of a well-managed guest stay to leave it to the personal discretion of an individual.

Components of the Registration Process

The registration process is one of the many points of interaction with the guest and, ultimately, the cornerstone of delivering service before, during, and after the guest stay. Early in this section, we discuss the importance of capturing guest data that is confirmed from the previous reservation process or initiated with a walk-in guest. While guests are in our care, we can communicate with them, maintain an accurate accounting record, respond to inquiries about financial concerns, and follow up on service.

The registration process follows a succinct procedure of offering guest hospitality, retrieving a reservation, reviewing the registration card for completeness, extending credit, selecting a room to meet the needs of the guest, checking room status, confirming room rates, promoting additional room sales, assigning room keys, and processing the guest folio. All these steps occur within the space of several minutes, but the organization behind the scenes of the registration process is essential. Let's take a look at how the hotel operational policies and procedures are developed to support a smooth registration process.

Capturing Guest Data

It is important to note at the outset the value of capturing guest data at registration. This information is used by many employees in the hotel to provide service and hospitality to the guest. It is used to transfer messages to the guest, inform the staff of the guest's needs, check credit background, and process charges.

Guests receive phone calls, phone messages, mail, and fax transmissions that the hotel must deliver. Recording the proper spelling of a guest's name, including the middle initial, during registration will assist the telephone operator and bellhop in locating the correct guest. A person with a common last name such as Smith should not miss an important message just because more than one Thomas Smith is registered at the hotel.

Hotel employees need to know who each person is in the hotel so standard operating procedures can be carried out. For example, the director of security wants the housekeeping staff to be alert for indications that more people are staying in a room than are registered for it. Not only does this information assist in providing security to registered guests, but it also provides the hotel with additional income.

Guests' special needs—such as certain room furnishings (cribs or rollaway beds), facilities for the physically challenged, separate folios for guests splitting costs, wake-up calls,

or requests for rooms on lower floors that were not indicated when the reservation was made—should be noted and communicated to the appropriate hotel staff. Guests who are members of a group must have their registrations handled in a special manner to expedite the process. However, it is still important that the tour leader of the group provide individual guest information and room assignments. This information is necessary so the hotel staff can locate a specific guest or deliver messages as they are received.

The front desk clerk who accepts a guest's credit card as a means of payment must check the validity of the card and the available credit balance. Obtaining credit information from walk-ins or guests with confirmed reservations aids in the process of extending credit, billing, and collecting charges on checkout.

Guest Registration Procedure

The guest registration procedure involves several steps that, if followed accurately, allow management to ensure a pleasant, efficient, and safe visit. The process is discussed generally as these steps relate to effective front office management. Later in this chapter, use of a PMS (property management system) method of registration is discussed.

1. Guest requests to check into the hotel.
2. Front desk clerk projects hospitality toward the guest.
3. Front desk clerk inquires about guest reservation.
4. Guest completes registration card.
5. Front desk clerk reviews completeness of registration card.
6. Front desk clerk verifies credit.
7. Front desk clerk makes room selection.
8. Front desk clerk makes room assignment.
9. Front desk clerk assigns room rate.
10. Front desk clerk discusses sales opportunities for hotel products and services with guest.
11. Front desk clerk provides room key.

Guest Hospitality

The registration process begins when a guest requests to check into the hotel. The guest may arrive alone or with a group. The front desk clerk begins the check-in process with a display of hospitality toward the guest; important elements include eye contact, a warm smile, an inquiry regarding travel experience, an offer to assist the guest in a dilemma, and

the like. As mentioned earlier, the importance of a warm welcome to a guest's positive impression of the hotel and its staff cannot be overemphasized. Most travelers expect common courtesy along with a high-quality product and a well-developed delivery system.

Inquiry about Reservation

After the front desk clerk welcomes the guest, he or she asks if a reservation was placed. If the guest responds affirmatively, the reservation is retrieved (called up on the computer). If the guest is a walk-in, the front desk clerk must check the availability of accommodations. If accommodations are available, the next step is to complete the registration card.

Completion of Registration Card

The **registration card** provides the hotel with guest's billing information and provides the guest with information on checkout time and room rates (Figure 7-1). Even if the guest has a reservation, the completion of the registration card is important, as it verifies the spelling of names, addresses, phone numbers, anticipated date of departure, number of people in the party, room rate, and method of payment.

The top portion of the registration card supplies information about the guest so the hotel has an accurate listing. With this information, phone calls, messages, and the like can be relayed as they are received. This record is also used for billing purposes. If the hotel has parking facilities, the garage manager needs information on the guest's car for security and control purposes. Obtaining complete and accurate information is important in hotels that use a PMS; this electronic folio form is preprinted. (*Author's note:* Some hotels do not use a registration card because the details of the reservation are recorded electronically. Therefore, the hotel's policy is to bypass this step in the registration process and have the desk clerk confirm the details of the guest's information in the following step.)

Review Completeness of Registration Card

The front desk clerk should quickly review the completeness of the registration card or electronic folio. For example, handwriting should be legible, and the electronic form should have all appropriate boxes completed. If a revised registration card must be printed, now is the time to do it. The guest may forget to fill in a ZIP code, which is used by the marketing and sales department to analyze market demographics as well as by the controller's office to process invoices. If a guest does not know a license plate number or other auto information, the desk clerk must indicate to the guest that this information is necessary for security. If the desk clerk follows up this statement with a phone call to the garage attendant to obtain the necessary information, the effort will be appreciated by the guest, security officer, and garage manager.

Any areas on the registration card that remain blank should be called to the guest's attention. Such omissions may be oversights, or they may be an effort by the guest to commit fraud. The guest who does not supply a credit card and gives a weak excuse ("I

FIGURE 7-1 A registration form is used in a PMS and is often preprinted for guests who have reservations.

Hotel Registration

NAME		GUEST
FIRM		DEPART
ADD.		ARRIVE

ROOM	AGENT	TYPE
RATE		

ON CHECKING OUT, MY ACCOUNT WILL BE SETTLED BY:

<input type="checkbox"/> CASH	<input type="checkbox"/> CARTE BLANCHE	<input type="checkbox"/> PERSONAL CHECK
<input type="checkbox"/> AMERICAN EXPRESS	<input type="checkbox"/> MASTERCARD / VISA	<input type="checkbox"/> OTHER (SPECIFY)
<input type="checkbox"/> DINERS CLUB	<input type="checkbox"/> DISCOVER	_____

(LAST)	(FIRST)	(INITIAL)
NAME _____		
STREET _____		<input type="checkbox"/> HOME
		<input type="checkbox"/> BUSINESS
CITY _____	STATE _____	ZIP _____
COUNTRY _____		
COMPANY _____		

SIGNATURE _____

WHILE THE HOTEL IS NOT RESPONSIBLE FOR ANY LOSS IN YOUR GUEST ROOM OR AUTOMOBILE, IT IS ADVISABLE THAT MONEY, JEWELS, AND OTHER VALUABLE ITEMS BE PLACED IN THE SAFETY DEPOSIT BOXES AT THE FRONT DESK.

forgot it in my car” or “It is in my suitcase, which the airline is delivering in three hours”), combined with a front desk clerk who accepts these reasons, sets the stage for fraud. A busy front desk clerk may forget to obtain this information later in the day.

Extension of Guest Credit

Front desk clerks must perform a few basic procedures to extend credit to guests. These include accepting the designated credit card from the guest, using credit card processing equipment, interpreting information from the credit card validation machine, and verifying the cardholder’s identification.

Credit Cards

Credit cards are grouped according to the issuing agency. The major groupings are bank cards, commercial cards, private label cards, and intersell cards. As their name suggests, **bank cards** are issued by banks; Visa, MasterCard, and JCB are three examples. **Commercial cards** are issued by corporations; Diners Club is an example. **Private label cards** are generally issued by a retail organization, such as a department store or gasoline company. Their use is usually limited to products sold by the issuing organization, but they may be acceptable for other purposes. **Intersell cards** are similar to private label cards but are issued by a major hotel chain. This type of card is acceptable at all properties of the chain and any of its subsidiaries.

The issuing agency previously verified the credit rating of the person to whom the card was issued. This enables the hotel to extend credit to the person who offers the credit card for future payment; this is a very important option for hotels. Hotels extend credit to guests as a basis for doing business. Without this preestablished certification of credit, a hotel would have to develop, operate, and maintain a system of establishing customer credit. Hotel chains that accept intersell cards do this, as do smaller hotels that are willing to bill to an account.

All credit cards are not equal from a hotel's financial point of view. The hotel may have a standing policy to request a bank credit card first or its own intersell card and then a commercial credit card. The reason for this is the **discount rate**, a percentage of the total sale that is charged by the credit card agency to the commercial enterprise for the convenience of accepting the credit card. The discount rate depends on the volume of sales transactions, amount of individual sales transaction, expediency with which vouchers are turned into cash, and other factors. Each general manager, in consultation with the controller and front office manager, works with each issuing agency to determine a rate that is realistic for the hotel.

The commercial credit card may require a 10 percent discount of the sale to be returned to the credit card agency, while one bank credit card requires 4 percent and another bank credit card requires 3 percent. The effect on the profit-and-loss statement is shown in the following illustration:

	<u>Commercial</u>	<u>Bank Card 1</u>	<u>Bank Card 2</u>
Guest bill	\$200	\$200	\$200
Discount rate	$\times .10$	$\times .04$	$\times .03$
Amount of discount	<u>\$ 20</u>	<u>\$ 8</u>	<u>\$ 6</u>
Guest bill	\$200	\$200	\$200
Amount of discount	<u>- 20</u>	<u>- 8</u>	<u>- 6</u>
Hotel revenue	\$180	\$192	\$194

Even though Bank Card 2 seems most profitable, it may not be the credit card preferred by the hotel. The Bank Card 2 credit issuing agency may stipulate a seven-day turnaround time, so the hotel will not have access to the money until seven days have passed. Bank Card 1 may give the hotel instant access to the money on deposit of the vouchers.

INTERNATIONAL HIGHLIGHTS



In 2004, JCB (an international credit card company) reported annual sales volume of JPY 5.69 trillion (approximately US\$52 billion) in 11.71 million merchant outlets with 51.6 million cardmembers in the United States, United Kingdom, Germany, the Netherlands, Spain, Switzerland, China, Republic of Korea, Japan, Thailand, Hong Kong, Taiwan, Philippines, Singapore, Indonesia, Malaysia, Australia, and New Zealand.¹

The cash flow requirements of the hotel must be thoroughly investigated and income and expenses must be projected before management can decide which credit cards it prefers.

Guests choose their credit cards for a variety of reasons, but sometimes they simply offer the first one pulled from a wallet. If the desk clerk is alert to the guest who displays several major credit cards, a request for the desired card may be accepted. This small procedure could mean more profit for the hotel over a fiscal year.

Credit-Card Processing

The **credit card imprinter**, a machine that makes an imprint of the credit card the guest will use as the method of payment, and the **credit card validator**, a computer terminal linked to a credit card data bank that holds information about the customer's current balance and security status, are basic pieces of equipment at the front desk in many hotels. However, some hotels with a PMS or computerized credit card processing equipment do not require this equipment. The credit card validator can produce an electronic imprint (receipt) for the guest. The front desk clerk uses the credit card imprinter to imprint the cardholder's name, card number, and card expiration date onto a preprinted voucher. The credit card validator enables the front desk clerk to establish approval for a certain amount of money to be deducted from a guest's credit line. The credit card company provides an approval code for authorization of the charge.

The data programmed into a credit card validator by the credit card issuing agencies differ from company to company. Some may only indicate that a card is current. Some indicate that the credit card is valid and the amount of the sale will not cause the guest to exceed his or her credit limit; conversely, the information may indicate that the amount of the sale will cause the guest to exceed the limit. For example, a guest's bill, estimated to be \$300 for a three-day stay, may not be covered by an available credit line of \$173. In that case, the front desk clerk will have to ask for another credit card to establish credit. The information received from the credit card validator may also indicate that this credit card was reported stolen and should be retained by the hotel. Established procedures for handling fraud indicate how hotel security should be alerted in this case.

Proof of Identification

Some hotels require proof of identification when a credit card is presented, whereas others demand none. When the hotel policy does require the guest to produce identification, a valid driver's license with a photo is usually acceptable. Alteration of nonphoto identification is all too common, making it less than reliable. Hotel security departments must

work with the front office in training desk clerks and cashiers to be alert to fraudulent identifications.

Bill-to-Account The credit card is the commonest way to establish credit in a hotel. However, there are other means of extending credit to the guest. The **bill-to-account** requires the guest or the guest's employer to establish a line of credit and to adhere to a regular payment schedule. The guest or the employer completes a standard credit application. The controller evaluates the completed form, considering outstanding financial obligations, liquid financial assets, credit card balances, and other credit concerns. If the applicant is deemed creditworthy, then the controller establishes a line of credit. The bill-to-account client is informed of the billing schedule and payment schedule.

When offering bill-to-account credit to the guest, the hotel takes on the responsibility of bill collecting. It must anticipate the effect of the billing and payment schedule on the profit-and-loss statement and the cash flow of the hotel. The controller's office is responsible for the accounting process of the bill-to-account clients. This can involve many hours of clerical work and computer processing time. This extra labor should be evaluated when deciding whether the 3–10 percent discount charged by the credit card issuing agency is more cost-effective than internal accounting of guest charges. Because some credit card issuing agencies offer immediate cash tender to the hotel's bank account, some hotels may prefer this method of payment so they can meet immediate financial obligations (employee payroll, vendor accounts, tax payments, and the like).

Room Selection Part of the registration process is the front desk clerk's selection of a guest room, which can be confusing for the front desk clerk and frustrating for the guest. This step involves blocking guest rooms prior to a guest's arrival, meeting the guest's needs, and maintaining a room inventory system. If the guest is assigned a room that does not meet his or her personal requirements, the guest then requests a different room. The front desk clerk responds with a list of available options that seem to satisfy the guest's request.

Blocking Procedure The blocking procedure is important in ensuring an even flow of guests who want to check in. Blocked rooms allow the front desk clerk to immediately assign a room to a guest without searching through confirmed and guaranteed reservations as well as available room inventory. Otherwise, desk clerks must review reservations and available rooms at the guest's arrival.

The blocking procedure begins with a review of confirmed and guaranteed reservations as well as expected checkouts for a particular day. For example, if a 200-room hotel has 125 rooms occupied on the night of November 1 with 25 room checkouts scheduled for the morning of November 2, the front office manager determines that 100 rooms are available for guests to use on November 2, as follows:

$$\begin{array}{r}
 \mathbf{200 \text{ rooms available in the hotel}} \\
 - \mathbf{125 \text{ rooms occupied on Nov. 1}} \\
 = \mathbf{75 \text{ rooms available for sale on Nov. 1}} \\
 + \mathbf{25 \text{ room checkouts on Nov. 2}} \\
 = \mathbf{100 \text{ rooms available for sale on Nov. 2}}
 \end{array}$$

From this 100-room inventory, the front office manager or a designated front office staff person is able to determine which room should be assigned to which guest reservation.

Continuing with this example, if there are 90 guest reservations for the evening of November 2 and 35 of them have indicated an early arrival of 10:00 A.M., then the person who is blocking the rooms for November 2 will block their rooms from the rooms unoccupied on November 1. The remaining 55 reservations can have their rooms blocked into the remaining available room inventory. In some hotels, no specific match is made between a guest reservation and guest room. Instead, the person who is blocking rooms provides a list to front desk clerks that indicates that certain rooms with two double beds, a king-size bed, facilities for the handicapped, and the like, are held for guests with reservations. Hence, the first-come, first-served concept of matching reservation with available room is followed.

Meeting Guest Requests

Guests' needs usually include bed requirements, room location, floor plan arrangements, ancillary equipment, rooms designed and equipped for special needs, immediate availability, and price. If the guest has a reservation, the room selection is blocked prior to the guest's arrival. The walk-in guest presents opportunities to the front desk clerk to optimize a sale and meet the needs of the guest. Opportunities to sell are discussed later in this section.

Special Accommodations

The first issue in room selection is meeting the guest's requests for special accommodations. The general trend in designing hotel rooms includes placing two beds, usually king-size, queen-size, or double, in one room, which can accommodate the single guest, businesspeople sharing a room, a family of two adults and three children, and various other guest parties. This design permits the front desk clerk considerable freedom in assigning a room, as so many different needs can be met. Hotels with some rooms containing two twin beds or one twin bed and one double bed or one king-size bed with no room for a rollaway restrict the front desk clerk in assigning rooms and therefore affect the bottom-line income from each room. New hotels offer more opportunities for front desk clerks to meet guests' requests for various bed arrangements and maximize room income. The hotelier must provide the front desk clerks with several options offering various bed sizes and rate flexibility. The front office manager who discusses guest preferences with the reservationist and the front desk clerks and reviews guest comment cards is able to determine which bed accommodations should be made available.

Location

Guests often request a certain room location: on the lower level of a hotel, near the parking lot, away from the elevator shaft, in the corner of the building, far from a convention. Also, certain views of the area may be requested—for example, ocean, bay, lake, or city square. Rooms with special views are usually priced higher, as the guest is willing to pay more, feeling the view will enhance the visit. Although these rooms are limited by the design and location of the building, they add a certain character to a lodging property. The marketing and sales department usually promote these rooms heavily. Sometimes, guests' requests for specific locations or views can be easily met; other times, a lack of available rooms will force the guest to compromise.

Layout and Decor

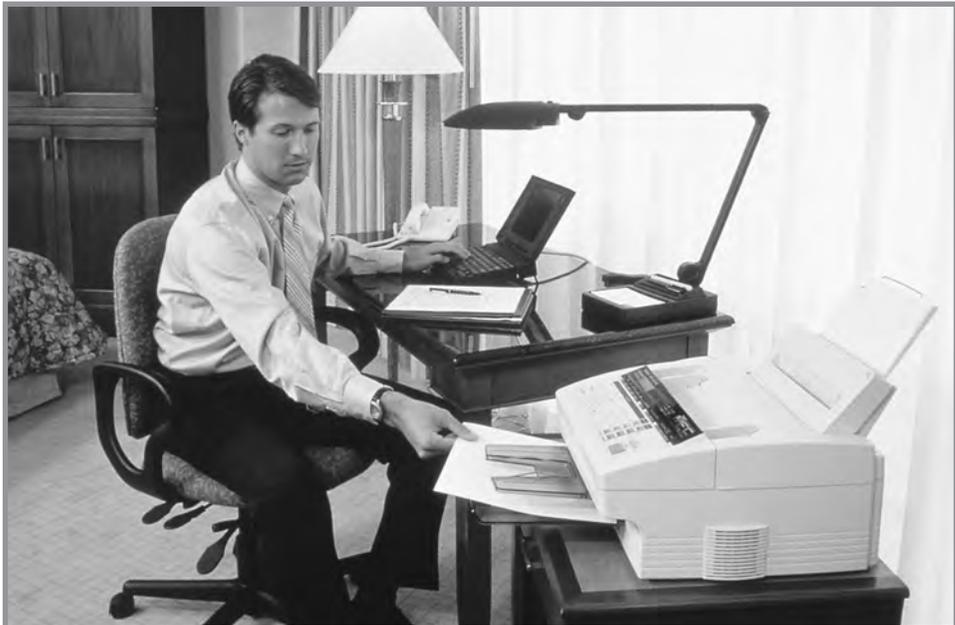
The guest may request a certain floor plan or room decor. If a businessperson wants to use the room as a small meeting room as well as a sleeping area, a room with a **Murphy bed**, a bed that is hinged at the base of the headboard and swings up into the wall for storage (such as the SICO brand wall-bed), should be assigned, if available. A guest who is on an extended business trip may request a room with a kitchenette. Several people sharing a room for a visit may appreciate one in which the sleeping and living areas are separate. The newly revived suite design meets various guest needs. Rooms with balconies or special themes and decors are often requested to enhance a special occasion.

Equipment

Guests also request various ancillary equipment and amenities. Although cable television and telephones are now standard room furnishings, large-screen televisions, videocassette recorders, satellite reception, computer and Internet jacks, extra telephone jacks, and more than one telephone may be requested. Some hotels provide computers, **fax machines**, equipment for facsimile reproduction via telephone lines, and convertible desks, which accommodate a businessperson's need for work space (Figure 7-2). The availability of upscale amenities—such as terrycloth robes, fragrant soaps and shampoos, well-stocked honor bars and snack bins, complimentary local and national newspapers, popular weekly magazines, and high-speed or wireless Internet access—often plays a role in the guest's decision to stay at a hotel. If guests are not sure you offer these amenities, they may request them.

FIGURE 7-2

This room is equipped with such amenities as a computer and in-room fax to facilitate the business guest's stay. Photo courtesy of Westin Hotels and Resorts.



Special Needs Guests often request rooms designed and furnished with equipment to meet special needs. Rooms equipped for the hearing-impaired and guests in wheelchairs are common. Advances in hotel marketing, building design and construction, and electronic safety features allow the guest with a physical disability to enjoy the facilities of the hotel. Hotel owners who maintain aggressive marketing and sales departments realize the growing number of active people in the labor force who are physically challenged and who travel. Legislation may also be an impetus to provide accommodations for the physically challenged. Ramps, specially designed bathroom facilities, and electronic visual devices that alert the hearing-impaired to fire danger can be located on the lower floors of a hotel. Smoking and nonsmoking guest rooms are also frequently requested by guests.

Availability Immediate availability is of great concern to most guests. Usually the traveler has spent many hours in transit and wants to unload luggage, freshen up, and move on to other activities. For other guests, registration is the last stop before collapsing from a wearying day of travel and activity. The guest is vulnerable at this time, often willing to accept a room with a higher rate that meets his or her immediate needs. Nevertheless, the front desk clerk should do all that is possible to locate a room that is ready for occupancy before trying to pitch a higher-priced room.

Long lines of people waiting to register and delayed availability of rooms can make room selection difficult for the front desk clerk. A delay by the housekeeper in releasing rooms for occupancy often causes guests to wait. Sometimes the desk clerk must inquire of the housekeeping department whether rooms are ready for occupancy. Guests who insist they be admitted to a room—any room—because of special circumstances make the front desk clerk's room selection decision complex (considerations of room availability, room type, room rate, etc.). When the reputation of the hotel is at risk, a quick conference with the front office manager may speed the decision-making process for the front desk clerk (if desk clerks have not been empowered to make such decisions). In such a case, the front office manager and the general manager should assist the housekeeping department in working out rough spots and streamline the communication system between housekeeping and the front office.

Price Constraints Price is often another guest concern. Guests with budget constraints may request a room for the lowest price; this is their primary concern. Room location, floor plan, room arrangements, ancillary equipment, and immediate occupancy play lesser roles in their room selection. When guests request the least expensive room available, a front desk clerk should try to accommodate them from the available inventory of rooms. Depending on the projected occupancy for the night, the front office manager may instruct the front desk staff to accommodate all such guests within reason; a sale that brings in 10–20 percent less than the designated rates is better than several rooms left unsold. Communication between front desk clerks and front office managers and the training of front desk clerks to sell rooms underlie the effectiveness of providing guests with acceptable room rates.

Room Inventory

Maintaining a room inventory system involves constantly updating and checking a database that specifies **housekeeping status**, a term that indicates availability of a room, such as *occupied* (guest or guests are already occupying a room), *stayover* (guest will not be checking out of a room on the current day), *dirty* or *on change* (a guest has checked out of the room, but the housekeeping staff has not released the room for occupancy), *out of order* (the room is not available for occupancy because of a mechanical malfunction), and *available, clean, or ready* (the room is ready to be occupied). This facet of registration requires constant communication efforts among front office, housekeeping, maintenance, and reservation staffs.

The following lists of reservation statuses (from chapter 5) and housekeeping statuses are offered as a review and a means to differentiate housekeeping status from reservation status.

<u>Reservation Status</u>	<u>Housekeeping Status</u>
Open	Available, Clean, or Ready
Confirmed 4 P.M.	Occupied
Confirmed 6 P.M.	Stayover
Guaranteed	Dirty or On Change
Repair	Out of Order

Accurate, up-to-date room status reports are vital to the operation of a front desk for providing guest hospitality and financial viability. The desk clerk who assigns a dirty room to a guest conveys incompetence. Assigning a room that already has occupants creates hostility and embarrassment for both the new and the current guests. Conversely, a room that is thought to be occupied but in fact is vacant is defined as a **sleeper**. This is a lost sales opportunity that cannot be re-created the next day.

The housekeeping department must communicate the housekeeping status in an accurate, orderly, and speedy manner. The floor supervisor of the housekeeping department must inspect each room to determine if guests have indeed vacated the room, to ensure the cleanliness and servicing of the room, and to note physical repairs that are needed before the room is released to the front desk for rental. An orderly system whereby the housekeeping department transfers this information to the front desk—through regularly scheduled communications from the floor supervisor, maid, or houseman via the telephone, PMS, or personal visits to the front desk—is necessary to maintain the integrity of the system. Delays in transferring this information slow the process of providing hospitality to the guest.

The reservations staff must also be aware of the need to coordinate the immediate requirement of a businessperson for a small meeting room at the last minute with that of an incoming guest for a sitting room for a small gathering, the latter requiring confirmation when the reservation is made. Adequately meeting these requests is important to

delivering hospitality to the guest. When the guest arrives to register and finds these essential facilities are unavailable, hostility toward the hotel—specifically directed at the front desk clerk—results. Standard operating procedures must be established to ensure the accuracy of room status.

Room Rates

The marketing plan of a hotel includes pricing programs for room rates, based on many intricate and market-sensitive factors. Courses in hospitality marketing and hotel operations will help you develop an understanding of their relationship to price. This introduction discusses the importance of establishing and monitoring effective room rates to ensure maximization of profit.

Establishing Room Rates

The rental charge for a room provides income to pay for hotel expenses generated in other areas, such as administrative costs, overhead, and utilities. Often students try to compare the efficiencies (control of food cost and labor costs, marketing techniques, etc.) of a freestanding restaurant with the sometimes seeming inefficiencies of a hotel restaurant. In a hotel, the general manager may plan for some of the profit from room rental to be applied to food and beverage operations. In a freestanding restaurant, the manager does not have that luxury.

When hotel real estate developers perform feasibility studies, they base the profitability of the enterprise on sales projections and related factors such as investment opportunities, investment portfolio balance, and current income tax laws. A consulting firm surveys market demand for room sales and room rates to form a basis for a room sales projection. Of course, adjustment of market demand because of the entrance of this new hotel into the market is calculated. An example of a room sales projection is shown in Figure 7-3.

The three room sales projections at various average room rates shown in Figure 7-3 give the real estate developers some idea of room income, provided management and operations are able to produce and service the sales. The investors in the Spring Time Hotel project must determine projected sales in all departments (such as food and beverage, garage, gift shop, athletic facilities, and rentals). This total income figure is the basis for total projected sales. Further consideration must be given to related expenses such as food and beverage costs, furnishings, labor, administrative costs, loan repayments, overhead, utilities, and advertising. These costs are assembled in a standard profit-and-loss statement. With computer spreadsheets, it is easy to determine whether anticipated income will be adequate to cover incurred costs and provide profit. If the projected income is inadequate, the investors manipulate the average room rate—raising it, for example, from \$70 to \$75 or from \$90 to \$95—and analyze the results. While the income generated may seem favorable, the price-sensitive market where the hotel will be located may not be able to produce the number of projected sales at the higher room rates.

Clearly, room rates involve many factors, including projected sales and related expenses along with realistic considerations of market competition, marketing and sales

FIGURE 7-3 Room sales projections are based on room rates and market sensitivity to these rates.

SPRING TIME HOTEL PROJECT—ROOM SALES PROJECTION												
	J	F	M	A	M	J	J	A	S	O	N	D
Rooms avail.	200	200	200	200	200	200	200	200	200	200	200	200
% occ.	40	40	50	70	70	80	90	100	70	70	50	40
Rooms sold/ day	80	80	120	140	140	160	180	200	140	140	400	80
Days/mo.	31	28	31	30	31	30	31	31	30	31	30	31
Proj. rooms sold	2,480	2,240	3,720	4,200	4,340	4,800	5,580	6,200	4,200	4,340	3,100	2,480
TOTAL ROOMS PER YEAR = 47,680												
	47,680			47,680			47,680					
	× \$70 rate			× \$85 rate			× \$90 rate					
	<u>\$3,337,600</u>			<u>\$4,052,800</u>			<u>\$4,291,200</u>					
				-10%			-15%					
				(loss in sales because of higher rate)			(loss in sales because of higher rate)					

efforts, operations, price sensitivity, and tax investment opportunities. The room rate set for one season may be adjusted up or down for another. If a competitor lowers or raises room rates, the front office manager must consult with the owners, general manager, and other department heads. The decision to lower or raise rates or offer a special package depends on the effect of this action on the profit-and-loss statement. In areas saturated with hotel rooms and experiencing a slowdown in tourism or business activity, price wars can spell disaster to a hotel operation. Projecting a hotel's financial success using room sales alone does not take into account the possibility of an area's future oversaturation with rooms. When room rates are adjusted to compete with those of other hotels, hotel revenues are affected. Other hotel operations that are not cost-effective then drain the profits from the total operation.

Rule-of-Thumb Method

Several methods are used to establish room rates. Each provides guidelines for the hotel real estate developer. These are guidelines *only* and should be reviewed with the previous discussion in mind. The front office manager must stay in touch with the general manager and controller to monitor room rate effectiveness. The **rule-of-thumb method for determining room rates** stipulates that the room rate should be \$2 for every \$1,000 of construction costs. For example, if a new hotel is constructed at a cost of \$45,000 per room,

the room rate would initially be \$90 per night. Clearly, this is a very general method of guesstimating room rates and should not be relied on alone.

**Hubbart
Formula**

The **Hubbart formula** considers such factors as operating expenses, desired return on investment, and income from various departments in the hotel to establish room rates. This method relies on the front office to produce income to cover operating expenses, overhead, and return on investment for the hotel operation. The following example applies these factors:

A hotel with \$4,017,236 of operating expenses (departmental operating expenses and overhead), a desired return on investment of \$1,500,000 and additional income of \$150,000 from other sources (food and beverage, rentals, telephone) with projected room sales of 47,680 room-nights would set its room rate at \$113.

$$\frac{(\text{Operating Expenses} + \text{Desired ROI}) - \text{Other Income}}{\text{Projected Room Nights}} = \text{Room Rate}$$

$$\frac{(\$4,017,236 + \$1,500,000) - \$150,000}{47,680} = \$113$$

Once again, these methods are guidelines only. Room rates must be constantly monitored with regard to market conditions of supply and demand. The front office manager must actively survey competing room rates to determine the competitiveness of the hotel's rates. This survey is a voluntary participation by the hotels. Figure 7-4 is an example of a weekly room rate survey.

FIGURE 7-4 A room rate survey compares room rates of competing hotels.

ROOM RATE SURVEY—WEEK OF 0215										
RACK	CORP.	GROUP								
		Number of Persons in Room		1		2		3		4
Hotel										
SMITH LODGE		\$70	\$80	\$68	\$68	\$65	\$65	\$65	\$65	\$65
WINSTON ARMS		\$72	\$80	\$68	\$70	\$60	\$65	\$70	\$75	\$75
HARBOR HOUSE		\$75	\$85	\$70	\$75	\$60	\$60	\$65	\$65	\$65
THOMAS INN		\$80	\$90	\$75	\$80	\$75	\$75	\$80	\$80	\$80
ALLISON INN		\$100	\$100	\$89	\$95	\$80	\$80	\$85	\$90	\$90
GREY TOWERS		\$85	\$95	\$80	\$80	\$75	\$75	\$75	\$80	\$80
JACKSON HOTEL		\$78	\$85	\$73	\$78	\$63	\$65	\$68	\$70	\$70
TIMES HOTEL		\$90	\$100	\$80	\$89	\$75	\$75	\$80	\$85	\$85

This subsection on room rates is presented to show you the complexities of establishing a room rate. The market factors, construction costs, operating expenses, desired return on investment, efficiencies of operations, and marketing programs combine to produce a complex concept. Front office managers must constantly monitor the effects of established room rates on the profit-and-loss statement. Other department managers in the hotel must also be aware of their importance to the overall financial success of the hotel.

Types of Room Rates

Hotels develop room rate categories to attract different markets. These rates depend on seasons, number of potential sales in a market, and other factors. Providing constant feedback on the effectiveness of room rates in attracting business and evaluating the continued need for each of these categories are the responsibilities of the front office manager and the director of marketing and sales. Commonly used room rate categories are rack rate, corporate rate, commercial rate, military/educational rate, group rate, family rate, package rate, American plan, half-day rate, and complimentary rate.

A **rack rate**, the highest room rate charged by a hotel, is the rate given to a guest who does not fall into any particular category, such as a walk-in who requests a room for the night. Rack rates are usually the highest rates charged by the hotel, but they do not necessarily produce the most income for the hotel (see chapter 6). Charging a group \$5 less than the rack rate to encourage repeat business may garner more income for the hotel in the long run.

Corporate rates are room rates offered to businesspeople staying in the hotel. This category can be broken down into businesspeople who are frequent guests (a specified number of visits per week or per month) and guests who are employees of a corporation that has contracted for a rate that reflects all business from that corporation.

Commercial rates are room rates for businesspeople that represent a company and have infrequent or sporadic patterns of travel. Collectively, this group can be a major segment of hotel guests and thus warrant a special rate. The hotel usually develops a frequent guest marketing program that is associated with their frequent guest stay program to encourage guests to accumulate points toward upgrades in rooms, free room stays, or airline miles. For example, Starwood uses Starwood Preferred Guest, while Hilton uses Hilton HHonors. A card is issued and then validated with each visit. After a specified number of visits, the guest is awarded a free room-night. Many variations of this concept are in use. Marketing and sales departments of large hotel corporations develop sophisticated frequent-visitor marketing programs to encourage guests to stay with them.

Military and educational rates are room rates established for military personnel and educators, because they travel on restricted travel expense accounts and are price-conscious. These groups are a source of significant room sales because their frequent visits may supply a sizable amount of repeat business.

Group rates are room rates offered to large groups of people visiting the hotel for a common reason. The marketing and sales department usually negotiates this rate with a travel agency or professional organization. For example, a travel or tour agent may be granted a group rate for a bus group of 40 tourists. A meeting planner may request a group rate for 400 convention delegates. This is a lucrative source of potential business for a hotel.

Family rates, room rates offered to encourage visits by families with children, are offered during seasonal or promotional times. For example, children under a certain age are not charged if they stay in a room with an adult. Franchise organizations promote this concept vigorously through television and display advertising.

Package rates, room rates that include goods and services in addition to rental of a room, are developed by marketing and sales departments to lure guests into a hotel during low sales periods. A bridal suite package may include complimentary champagne, a cheese-and-cracker basket, flowers, and a complimentary breakfast. A Weekend in the City package may include lunch in the hotel dining room, tickets to the theater, a late-night snack, and tickets to an art gallery or a sporting event. If these packages are advertised and promoted, they become a regular source of business for low-volume weekends.

A variation of the package rate is the **American plan**, a room rate that includes meals—usually breakfast and the evening meal—as well as the room rental. The **modified American plan**, a room rate that offers one meal with the price of a room, is common in resorts, where the pace of life is more leisurely. (The system in which food and beverages are kept separate from room charges is called the **European plan**.)

A frequently used rate classification is the **half-day rate**, a room rate based on length of guest stay in a room, which is applied to guests who use a room for only three or four hours of a day (not overnight) to rest after sightseeing or shopping or between air flights. Businesspeople may want to rent a room for a short business meeting. Lawyers may want to rent a room to maintain privacy while taking a deposition from a witness. The room is then rented again that evening. If a hotel has guaranteed reservations for late arrivals, the front desk clerk can accept half-day guests for those rooms from 1 through 5 P.M. A good communication system with the housekeeping department is essential so the room can be cleaned for the guest with a guaranteed reservation. The hotel that offers a half-day rate must establish reservations blocking procedures that indicate which rooms are available for half-day rentals. If rooms are needed by a convention group in the early afternoon following another convention group that checked out that morning, this type of sale is not recommended.

The final rate category is a **complimentary rate (comp)**, where there is no charge to the guest. The management of the hotel reserves the right to grant comp rooms for various reasons. Guests who are part of the hotel's management hierarchy or personnel group may receive a comp room as a fringe benefit. Management may offer comp rates to tour directors and bus drivers of the tour group, travel agents, tour operators, and local dignitaries who are vital to the public relations program of the hotel. This rate does cost the hotel, but the cost is usually outweighed by the goodwill generated.

These rate categories have variations in all hotels. The purpose of the rate categories is to attract groups of guests who will supply repeat business and help ensure full occupancy.

Maximizing Room Rates

The front desk clerk and reservationist have the opportunity to present various room rates in a manner that reflects the positive features of the product. Guests who are assigned a room at the highest or lowest rate without any choice are not given the opportunity to participate in the sales decision. Guests who want to enjoy the best accommodations may look as though they could afford only the lowest-priced room. Other guests who

look as though they could afford the Governor's Suite may have budgeted only enough for the lowest-priced room. Reservations placed by telephone do not bias the reservationist according to the personal appearance of the future guest. A planned sales pitch to maximize room rates for all guests must be formulated and taught to the front office staff.

Although it is beyond the scope of this textbook, the layout and design of the computer screen for Internet reservations should capture the attention of the guest as well as provide the same information that the reservationist would discuss. The prospective guest is looking for the hotel's toll-free number, address, rates, photos (3-D virtual tour if possible), food and beverage accommodations, etc.

Knowledge of room furnishings, special features, layout, and rate ranges is necessary to establish a room rate maximization program. In addition, these features should be described in a way that enhances them and tempts the guest. The most important part of this program is to ensure that the front desk staff can carry it out; not everyone enjoys selling, and the staff must be encouraged to develop the proper attitude toward sales. Employee incentive programs are helpful in motivating front desk staff.

The desk clerk or reservationist who handles the walk-in guest, the guest with a reservation, or a guest making a reservation must be extremely knowledgeable about the product being sold. Familiarity with room furnishings, special features, floor plans, views, and rate ranges is obtained through experience and training. The training of a new person in the front office must include visits to the various guest rooms and public areas of the hotel. These visits should be reinforced with written descriptions of room inventories that note the various room furnishings, special features, and floor diagrams of each category. Room rate ranges may be printed on special brochures for the guests. However, applying room rates in special cases must be supported by clear policies and communicated to the special staff. The front office manager must develop case studies that illustrate exceptions to the stated rate ranges. Situational applications appropriate to periods of low projected occupancy, 100 percent occupancy, and an overbooked house can be of great assistance in training.

The staff not only must know the hotel's features but should be able to entice guests with positive descriptions. A room described as "decorated in pastels; contains two king-size beds with comforters, overstuffed chairs, and a well-stocked minibar and refreshment cabinet; overlooks the bay side of the Charles River; and provides complete privacy" tempts the guest to want this luxurious experience.

Coaching the Shy Employee in Sales Skills

Not everyone, of course, is a born salesperson. Indeed, most people are generally shy about selling. Desk clerks who are not comfortable selling rooms must be encouraged to develop these skills by practicing them until they become natural. How can a front office manager foster such skills?

People are reluctant to sell because they feel they are pushing the buyer to purchase something. They can be made more comfortable in selling when they believe they are offering a service or product that will benefit the guest. Each of the room's features should be highlighted as a reason for the guest to select the room. This reason relates to guest satisfaction. For example, if the clerk promotes a guest room with an additional

small meeting room (at a higher rate) as an attractive feature, the person who is registering may be grateful to learn about this valuable option, because he or she can conduct corporate business without renting two rooms.

Front desk clerks should be trained to recognize subtle clues to a guest's needs. Clues are usually present in both face-to-face situations and during telephone calls. Not all people recognize these clues because they are not trained to listen for them. A training procedure should be developed and presented to the front office staff. When the front desk clerk feels comfortable in being able to satisfy the guest's needs with a certain type of room, then a good sales attitude has been fostered. The idea that "I have to sell" is replaced with "I want to make the guest's experience the best it can be." If a caller mentions that a reservation is an anniversary gift to her parents, the reservationist may want to suggest "a bayside room that overlooks the Charles River or a room that looks out over the beautiful mountain ranges of the Poconos in Pennsylvania."

A front office manager should also devise an incentive program for the staff to maximize room rates. Incentives should be related to the needs of the employee. If money is the motivator, then a financial reward (based on the average daily rate achieved for the evening above the standard average daily rate) is presented as a bonus to the desk clerk. This bonus could also consist of preference in scheduling, additional vacation or personal days, or consideration for promotions. If employees know their individual efforts in achieving room rate maximization will be recognized, they will be more enthusiastic about selling. As with all incentive programs, the financial expenditures for the rewards must be cost-effective.

The staff with the proper knowledge, vocabulary, and attitude maximizes room rates better than the staff that is simply told to sell from the **bottom up**, a sales method that involves presenting the least expensive rate first, or from the **top down**, a sales method that involves presenting the most expensive rate first. These principles are important in achieving a maximum room rate. However, if the desk clerk or reservationist is armed with facts about the product (rooms), familiar with words that accentuate the positive features of the product, and comfortable with selling as a procedure that improves the guest's stay, then he or she is likely to generate higher room rates and encourage repeat business.

Sales Opportunities

The front desk clerk has an unparalleled opportunity to promote the services of the hotel during guest registration. The front office manager who has adopted both a marketing focus as well as a front office focus understands the benefits of developing a front office staff that is comfortable with salesmanship. The discussion here focuses on additional room reservations that can be garnered at registration and the promotion of these additional room reservations.

Future Reservations

The front office manager should consider developing procedures for front desk clerks to follow that encourage a guest to book additional reservations during the check-in process. Suggesting additional reservations during registration may remind the businessperson of

FRONTLINE REALITIES



As front office manager of a hotel, you have noticed that several of your desk clerks don't offer a warm display of hospitality at check-in times. They are a nice group of people and mean well, but they don't have the spark they used to display several months ago. How would you handle this situation?

the need for room accommodations the following week, when he or she will visit a city with a hotel affiliated with the same chain. It may inspire the traveler who has not made reservations for the rest of his or her trip and finds your rates or frequent guest marketing program attractive to stay in a chain member property. This promotion of member properties can be a profitable marketing concept. Front office managers in independent hotels also find this concept profitable. Independent hotels have the advantage of offering unique lodging experiences. Guests who are frequent visitors to a city may want to secure reservations for their next trip. Front desk clerks must ask the guest to make additional reservations.

Developing a Plan for Promoting Future Reservations

Maximizing sales opportunities requires a program in which the front desk clerks actively participate, making it profitable for the hotel. The previous discussion of sales opportunities also applies to developing a plan for promoting future reservations.

The front office manager who wants to develop a plan to sell rooms at the time of guest registration must consider the opportunities for booking additional rooms, salesmanship skills, incentive plans, and effects on the profit-and-loss statement. During registration, the front desk clerk should ask guests if they will need additional reservations for the remainder of their trip. Again, during checkout, the front desk clerk should inquire if the guests need additional reservations. If these inquiries are reinforced with printed materials in guest rooms and elevators that advertise the value of and offer an incentive to make additional reservations, or if repeat business is rewarded with a frequent-visitor incentive program, then the possibility of securing additional reservations is realistic. If desk clerks encourage future reservations because they believe they are helping the guest with travel plans, they will be more comfortable and successful in persuading guests to make reservations.

The front office manager should develop an incentive program to assist desk clerks in achieving additional reservations at the time of registration. The effects of such a plan on the profit-and-loss statement are usually easy to determine. Additional room sales generate additional income. The controller of the hotel will notice the increase in sales. The costs of administering the incentive program should be compared to the income produced by the additional reservations; such costs may include financial bonuses and additional vacation.

Assigning Room Keys

During the guest registration process, a room key is issued to the guest. This is a fairly simple task; however, the process does involve security and maintenance of keys. Later in this chapter, the computerized method of room key assignment is discussed.

After the front desk clerk determines the room assignment and the guest agrees to the room rate, the key or keys are obtained for the guest. The key being issued must be checked against the room number assigned on the registration card, electronic folio, or computer screen before it is handed to the guest. A key for room 969 can look like 696 if it is viewed upside down. The key for room 243 could mistakenly be picked up for room 234. These errors occur when the front desk staff is busy checking people in and out. Giving the room key to the guest should be handled with utmost discretion, for the guest's safety. The front desk clerk should not loudly announce, "Here is your key to room 284." It is better to say, simply, "Here is your key," or "Your room number is written on the inside of your check-in packet." It is also important to instruct a guest on the procedure for using an **electronic key**, a plastic key with electronic codes embedded on a magnetic strip. If there is a waiting period or a colored indicator light on the guest room door, the clerk should point this out.

Security of the Key System

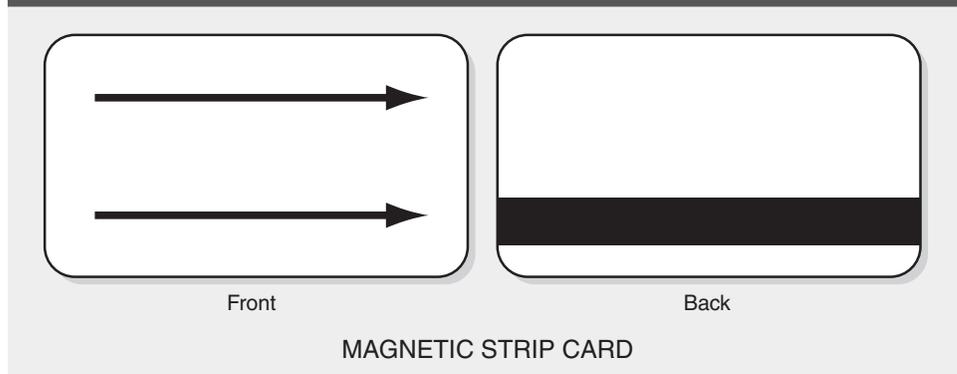
Maintaining the security of the keys requires that they be stored in a safe place. The familiar pigeonhole key and mail rack system is still common in some hotels. Some have adopted a key drawer, located beneath the front desk. Hotels with electronic locking systems produce a new key for each new guest. The electronic combination is changed each time at the front desk. Guests who lose their keys during a stay may ask for a duplicate, for which proof of identification and proof of registration should be required. This protects the guest who is registered in the room as well as other guests of the hotel. Most guests do not mind providing these proofs of identification. They are usually satisfied to know their security is a priority at the hotel.

Maintaining the Key System

The maintenance of a hard-key system requires the front office staff and housekeeping staff to return keys to their storage area, a time-consuming job when several hundred keys must be returned to their pigeonholes or slots in a **key drawer** (a drawer located underneath the counter of the front desk that holds room keys in slots in numerical order) after a full house has checked out. If the housekeeping staff notices a key left in a room after a guest has checked out, it should be returned to the front desk. Some hotels use a **key fob**, a decorative and descriptive plastic or metal tag attached to a **hard key** (a metal device used to trip tumblers in a mechanical lock) that lists the name and address of the hotel, to encourage the finder of a key to mail it back (Figure 7-5). Other hotels do not

FIGURE 7-5

A key fob and guest room key are used in hotels with mechanical locks.

**FIGURE 7-6** Electronic key cards are used to protect guests.

attach such a key fob because they believe that if a key is found (or actively sought) by a person with criminal intentions, guest security is at risk. Keys and locks that have become worn must be replaced, a responsibility of the maintenance department. Replacement of room keys and locks can be done only with an authorized purchase order from the controller, initiated by the front office or maintenance department. The security department maintains control of key replacement activity.

Maintaining the electronic locking system is much simpler than maintaining the hard-key system. On checkout, when the guest's folio is cleared in the PMS, the plastic key is rendered invalid (Figure 7-6). When the next guest registers for that room, a new electronic combination is set and a new electronic key issued. Encoding the electronic combination on a magnetic strip on a credit card-type key is also possible.

After the guest receives the room key, the front desk clerk should ask if the guest needs help carrying luggage and other personal effects to the room. If help is needed, a bellhop is summoned to escort the guest to the room. If the guest does not require assistance, the front desk clerk should provide clear directions to the room.

Registration with a PMS

As you learned in chapter 4, property management systems have many capabilities, including registration. To review, the basic applications of the PMS registration module are as follows:

- Retrieving reservation form
- Checking room inventory option
- Checking room status option
- Verifying room rate
- Issuing room key

FIGURE 7-7 A completed reservation screen on a PMS provides information on a guest's requests for a visit.

RESERVATIONS—ENTER GUEST DATA

NAME: BLACKWRIGHT, SAMUEL
 COMPANY: HANNINGTON ACCOUNTING
 BILLING ADDRESS: 467 WEST AVENUE ARLINGTON, LA ZIP: 00000
 PHONE NUMBER: 000-000-0000
 DATE OF ARRIVAL: 0309 TIME OF ARRIVAL: 6 PM DATE OF DEP.: 0311
 AIRLINE: AA FLIGHT #: 144 TIME OF ARRIVAL: 3:45 PM
 ROOM: # GUESTS: 1 RATE: 80
 COMMENTS:
 CONFIRMATION #: 122JB03090311MC80K98765R
 CREDIT CARD: MC NUMBER: 00000000000000000000
 TRAVEL AGENCY: AGENT: ID #:
 ADDRESS: ZIP:

Retrieving Reservation Form

The registration module is put to use before the guest arrives at the hotel to register. Guests who have placed reservations with the hotel have already had their data entered into the PMS database. Figure 7-7 shows a completed version of the blank guest data screen illustrated in Figure 5-4. The guest information is now available for registration. The PMS is able to produce advance registration forms for guests, like that shown in Figure 7-8, with

FIGURE 7-8 An advance registration form is prepared prior to a guest's arrival.

ARRIV	RESV	DEP	CONF NO	ROOM ASMT	RATE
03-09	6 PM	0311	122JB03090311MC80K97865R	722	80.00
GUEST INFO			NO. GUEST	CREDIT CARD	
Blackwright, Samuel Hannington Accounting 467 West Ave. Arlington, LA 00000 000-000-0000			1	MC 00000000000000000000	
_____ <i>Guest Signature</i>					

an interface between the registration module and the reservation module database. The PMS preselects a room for the guest from the room inventory for the day of arrival. When the guest arrives, the advance registration form already will have been printed the night before by the second- or third-shift front desk clerks. After the advance registration forms are printed, they are filed alphabetically at the front desk. Some operations choose not to preprint the forms but instead have the guest complete a standard registration card. However, having preprinted advance registration forms available when guests arrive is invaluable in registering guests quickly, particularly when a full house is checking in or when the front desk is operating with less than its full staff.

When a guest with a reservation arrives at the front desk to register, the front desk clerk greets him or her and then inquires whether the guest has a reservation. The desk clerk retrieves the preprinted advance registration form from the file. If no form is available, the desk clerk retrieves this information from the reservation module by entering the guest's last name or confirmation number. The guest information is then available for registration.

The registration module can also handle the registration of groups, allowing advance registration information for entire groups of guests to be preprinted. Figure 7-9 shows how registration details for a group can be controlled. With further processing of this information, including preassignment of rooms, group preregistration packets, like those shown in Figure 7-10, can be prepared, making the registration of groups simple for both the tour director and the front office.

Checking Room Inventory Option

What happens if a name is missing from the reservation data bank for a person or group? If the guest cannot produce a confirmation number and no reservation can be found, the front desk clerk tries to provide accommodations. The room inventory and room status options of the registration module are checked to determine if rooms are available. The room inventory option indicates the availability of rooms (Figure 7-11). It informs the desk clerk which rooms are being held for reservations (*GUAR* for guaranteed and *CONF* for confirmed), which have been taken out of inventory because of a needed repair (*REPAIR*), and which are available to rent for the night (*OPEN*). Additional information is provided about the features of the rooms, such as king-size bed (*K*), a room suitable for holding a conference (*CONF*), a room with two king-size beds (*2K*), a room with one double bed (*DB*), a room with a bay view (*BAY*), a room with a kitchenette (*KITCH*), a room with a studio couch (*STUDIO*), adjoining rooms (*I*), or a room with a conversation area and other amenities (*SUITE*). The rate per room for a single guest is indicated.

Checking Room Status Option

The desk clerk also needs to know which rooms are ready for occupancy; this can be determined by activating the room status option of the PMS (Figure 7-12). This option is similar to the room inventory option but does not include rates and has a column on sta-

FIGURE 7-9 The group registration option keeps track of members of a group.**GROUP REGISTRATION**

NAME OF GROUP: JOHNSON HIGH SCHOOL DEBATE TEAM

DATE IN: 0109 DATE OUT: 0112 NO. ROMS: 8

NO. GUESTS: 15 RATE: 57/S 64/D

BILLING INFO: DIRECT BILL R. SIMINGTON, 401 MADISON DR., OLIVER, DE 00000

21 DAYS. EACH PAYS INCIDENTALS AT CHECKOUT.

ROOM NO.	NAME	RATE	COMMENTS
201	VERKIN, S.	32	
201	LAKEROUTE, B.	32	
202	SIMINGTON, R.	57	ADVISER
203	CASTLE, N.	32	
203	ZEIGLER, R.	32	
204	DRAKE, J.	32	
204	DRAKE, A.	32	
205	LENKSON, C.	32	
205	SMITH, B.	32	
206	HARMON, T.	32	
206	LASTER, H.	32	
207	AROWW, C.	32	
207	THOMPSON, N.	32	
208	JONES, K.	32	
209	SAMSET, O.	32	

FIGURE 7-10 A group preregistration packet helps achieve quick registration for groups.*TIMES HOTEL***(GROUP REGISTRATION)**

Welcome to our hotel. Your registration has been preprocessed. You have been assigned to room _____. Your tour guide has arranged to make final payment for room charges. Questions concerning other charges to your room account can be answered by dialing "3" on your room phone.

Thank you,

Front Desk Manager

FIGURE 7-11 The room inventory screen of a PMS tells front desk staff the reservation status.

ROOM INVENTORY 1225				
ROOM	TYPE	COMMENTS	RATE	AVAILABILITY
109	K	BAY	68	GUAR
201	K	KITCH	75	REPAIR
202	K		65	CONF
203	K		65	CONF
204	K		65	CONF
205	K		65	OPEN
206	CONF	STUDIO	80	OPEN
207	K	/208	65	OPEN
208	K	/207	65	OPEN
209	K	BAY	68	GUAR
210	K	KITCH	75	GUAR
301	2K	SUITE	100	REPAIR
302	2K	SUITE	100	GUAR
303	DB		55	OPEN
304	K	KITCH	75	OPEN
305	K		65	OPEN
306	CONF	STUDIO	80	GUAR
307	K	/308	65	GUAR
308	K	/307	65	OPEN
309	K	BAY	68	OPEN
310	K	KITCH	75	GUAR
401	K	KITCH	75	GUAR

tus, telling the desk clerk which rooms are being cleaned and serviced by housekeeping (*ON CHG*), which are being repaired (*OUT OF ORDR*), which are occupied by another guest (*OCC*), and which are available for guest occupancy (*READY*). The integrity of this information is maintained with constant input and updates from the housekeeping and maintenance departments. This communication is also enhanced with the use of an

FIGURE 7-12 The room status screen of a PMS tells front desk staff the housekeeping status.

ROOM STATUS 0722				
ROOM	TYPE	COMMENTS	AVAILABILITY	STATUS
109	K	BAY	GUAR	ON CHG
201	K	KITCH	REPAIR	OUT OF ORDR
202	K		CONF	ON CHG
203	K		CONF	ON CHG
204	K		CONF	READY
205	K		OPEN	READY
206	CONF	STUDIO	OPEN	READY
207	K	/208	OPEN	ON CHG
208	K	/207	OPEN	ON CHG
209	K	BAY	GUAR	READY
210	K	KITCH	GUAR	ON CHG
301	2K	SUITE	REPAIR	OUT OF ORDR
302	2K	SUITE	GUAR	READY
303	DB		OPEN	READY
304	K	KITCH	OPEN	READY
305	K		OPEN	ON CHG
306	CONF	STUDIO	GUAR	READY
307	K	/308	GUAR	ON CHG
308	K	/307	OPEN	ON CHG
309	K	BAY	OPEN	ON CHG
310	K	KITCH	GUAR	ON CHG
401	K	KITCH	GUAR	ON CHG

intranet. Staff members in housekeeping and the front office can send messages quickly informing each other of room status of rooms with a few keystrokes.

If a room is available and the front desk clerk is fairly sure the hotel will not be full that night, the guest without a confirmation number or reservation is handled as a walk-in guest. The guest data option of the registration module allows the front desk clerk to

FIGURE 7-13 A blank registration screen in a PMS is activated to register a walk-in guest.

REGISTRATION—ENTER GUEST DATA			
NAME:			
COMPANY:			
BILLING ADDRESS:		ZIP:	
PHONE NUMBER:			
CREDIT CARD:	TYPE:	NUMBER:	EXP. DATE:
AUTO MAKE:	MODEL:	LIC. PLATE:	STATE:
TYPE OF ROOM:	NO. GUESTS:	RATE:	
DATE IN:	DATE OUT:	CLERK:	
FUTURE RESERVATION?	DATE:	TYPE ROOM:	NO. GUESTS:
HOTEL ID NO.:	CONF: YES NO	GUAR: YES NO	
CONF NO.:			

enter guest registration information (Figure 7-13). Note that this option prompts the desk clerk to inquire if the guest needs additional reservations for future visits.

A guest may present a confirmation number when no rooms are available. When overbooking produces more guests than rooms are available for, a guest is “walked” to another hotel that can provide accommodations. Although, when **walking a guest with a reservation**, the hotel is under no obligation to provide cab fare, pay for the room at the other property, provide telephone calls to allow the guest to notify people of a change of venue, pay for a meal, or provide a complimentary future stay, some hotels try to accommodate the guest in these ways to ensure positive guest relations. While the guest is usually not satisfied with the situation, he or she may accept the alternative accommodations as better than nothing. When the front office staff realizes that an overbooking situation is fast approaching, they should telephone nearby hotels to establish projected occupancy.

Verifying Room Rate

The guest may remember a quoted rate at the time of registration that is not on the confirmation form or in the PMS. It is wise to discuss any discrepancies with the guest to avoid problems at checkout. The guest who thought she was being charged \$85 when in fact it was \$125 could be embarrassed at checkout if she doesn’t have adequate financial resources to pay. Desk clerks should have guests acknowledge the room rate by asking them to initial the room rate on the registration form. It is also important to discuss room taxes and local municipal charges that may be added to the room rate.

FIGURE 7-14

An electronic device is used to prepare new electronic room keys for guests. Photo courtesy of Wyndham Reading Hotel, Reading, Pennsylvania.



Issuing Room Key

If the guest can be accommodated, the new key for the guest room is prepared with an electronic key preparation device (Figure 7-14). This device produces a new key (the size of a credit card, composed of plastic) encoded with an electronic combination for each new guest. The combination for the door lock is controlled through the hotel's security system.

Obtaining Reports from the PMS

The PMS can also produce an alphabetical listing of the guests and their room numbers. This option, a variation of the registered guests report option shown in Figure 7-15, is available to the switchboard operator.

The front office manager can access various report options of the registration module for effective front office management. The registration module options just discussed provide the basis for gathering and organizing information the front office manager needs to monitor. For example, the guest arrivals report option informs the front office manager of the guests with reservations who are expected to arrive (Figure 7-16). The group arrivals report option lists the groups with reservations that are expected to arrive (Figure 7-17).

These data can be arranged by different categories—room number, date of registration, checkout date, room rate, guest name—according to the front office manager's

FIGURE 7-15 Registered guests can be listed alphabetically with a PMS.

REGISTERED GUESTS 0215						
ROOM	NAME	ADDRESS	DATE IN	DATE OUT	RATE	NO. GUESTS
205	ARRISON, T.	RD 1 OLANA, AZ 00000	0215	0216	75	2
312	CRUCCI, N.	414 HANOVER ST., CANTON, OH 00000	0205	0217	70	1
313	DANTOZ, M.	102 N. FRONT ST., LANGLY, MD 00000	0213	0216	70	1
315	FRANTNZ, B.	21 S BROADWAY, NY, NY 00000	0211	0216	75	2
402	HABEL, B.	BOX 56, LITROCK, MN 00000	0215	0217	75	2
403	IQENTEZ, G.	HOBART, NY 00000	0213	0216	70	1
409	JANNSEN, P.	87 ORCHARD LN., GREATIN, NY 00000	0215	0222	90	1
410	ROSCO, R.	98 BREWER RD., THOMPSON, DE 00000	0213	0221	70	1
411	SMITH, V.	21 ROSE AVE., BILLINGS, TN 00000	0215	0218	70	1
501	ZUKERMEN, A.	345 S HARRY BLVD., JOHNSTOWN, CA 00000	0215	0219	85	2

FIGURE 7-16 An alphabetical listing of guests who will arrive can be prepared by a PMS.

ARRIVALS—INDIVIDUAL GUESTS 0918				
NAME	RESV	DATE IN	DATE OUT	CONF NO.
BLAKELY, K.	GUAR	0918	0920	09180920JCB75K9334L
BROWN, J.	CONF	0918	0919	09180919JCB75K9211L
CASTOR, V.	GUAR	0918	0922	09180922V75K8456L
CONRAD, M.	GUAR	0918	0921	09180921MC75K8475L
DRENNEL, A.	GUAR	0918	0921	09180921V80K8412L
FESTER, P.	CONF	0918	0925	09180925JCB75K8399L
HRASTE, B.	GUAR	0918	0191	09180919JCB75K8401L
LOTTER, M.	GUAR	0918	0922	09180922V80K8455L

FIGURE 7-17 A PMS can list names of groups that will arrive by date of arrival.

Arrivals—Groups 0918					
NAME	DATE IN	DATE OUT	NO. ROOMS	RATE	NO. GUESTS
HARBOR TOURS	0918	0922	02/1	55/1	42
			20/2	65/2	
JOHNSON HS BAND	0918	0921	02.1	45/1	54
			13/4	60/4	
MIGHTY TOURS	0918	0919	02/1	55/1	42
			20/2	65/2	

needs. These report options, often referred to as **data sorts**, which indicate groupings of information, vary depending on the type of software used for the PMS. The room inventory report option, which gives the front office manager a quick listing of the rooms that are still vacant (Figure 7-18), is useful in achieving maximum occupancy. Variations of this option include listings of all vacant, occupied, on-change, or on-repair rooms, sorted by type—with king-size beds, on the first floor, with a bay view, in a certain rate range. The room status report option provides a quick listing of which rooms are available for occupancy (Figure 7-19). Variations of this option sort all rooms that are ready, on change, occupied, or out of order.

FIGURE 7-18 This screen on a PMS helps front office staff to determine which rooms are vacant.

ROOM VACANCIES 0701		
ROOM	ROOM	ROOM
103	402	701
104	411	710
109	415	800
205	503	813
206	509	817
318	515	823
327	517	824
333	605	825

FIGURE 7-19 This screen on a PMS provides the housekeeping status of guest rooms.

ROOM STATUS 0524			
ROOM	STATUS	ROOM	STATUS
101	ON CHG	114	ON CHG
102	ON CHG	115	READY
103	ON CHG	116	ON CHG
104	ON CHG	117	ON CHG
105	READY	118	ON CHG
106	ON CHG	119	OCC
107	ON CHG	120	OCC
108	OUT OF ORDR	201	READY
109	OCC	202	READY
110	OCC	203	READY
111	OCC	204	ON CHG
112	READY	205	OUT OF ORDR
113	OUT OF ORDR	206	READY

Self-Check-In

The PMS allows guests to check themselves in with a credit card. The guest with a reservation guaranteed by a credit card can use a designated computer terminal (Figure 7-20) that guides him or her through the registration procedure. This option assists in streamlining registration at a busy front desk. The owners, general manager, and front office manager must weigh the capital expenditures, decreased labor costs, increased speed of registration, delivery of hospitality, and opportunity for selling additional hotel services within the hotel when deciding whether to provide this option. Hotels with a high occupancy percentage may choose to install this technology to keep the registration lines moving. However, it is important to consider room status, such as the possibility of a room's being on change when a guest is waiting to enter it. The efficiency of the housekeeping department in cleaning and servicing rooms must also be considered. If a guest does not need to enter a room immediately, then a self-check-in system may be cost-effective in providing the guest with an additional service.

Consider the following technology that Hilton Hotels uses in registration to support efficiency.

FIGURE 7-20

A guest may choose to use the self-check-in option of a property management system. Photo courtesy of Hyatt Hotels and Resorts.



Hilton Hotels Corporation (NYSE:HLT) announced today [August 31, 2004] that having completed deployment of its proprietary technology platform called OnQ™ across all of its more than 2,200 Hilton Family Hotels, including Hilton®, Conrad®, Doubletree®, Embassy Suites Hotels®, Hampton Inn®, Hampton Inn & Suites®, Hilton Garden Inn®, Hilton Grand Vacations Club® and Homewood Suites by Hilton®, the company continues to utilize technology to enhance guest recognition and efficiency, rolling out or expanding the following cutting-edge programs:

- Remote, Web-based check-in 24 hours prior to arrival enables guests with password-protected online account to select their room type and features based on preferences and history and print their confirmation document;
- Electronic folio access enables individual business travelers to review online and print their hotel folios (hotel receipts) following their stays at any of the 2,200+ Hilton Family of Hotels; for all guests with password-protected online preferences, a first for a multi-brand hotel company;
- Expansion of automated check-in kiosks to 100 kiosks within 45 Hilton Family hotels by year-end with an emphasis on metro and airport markets, enabling self-service check-in, room selection, check-out and a variety of other automated services; and
- High-Speed Internet Access now is available to guests at more than 1,995 of its 2,200 hotels, bringing the Hilton Family closer to 100 percent completion than its top competitors.³

INTERNATIONAL HIGHLIGHTS



Judy Colbert reports in *Lodging* how to deliver hospitality to international visitors: “To make foreign guests feel comfortable, the hotel [New York Hilton and Towers] has a multilingual staff that speaks 30 different languages. Each wears a lapel pin in the colors of the country flag for the language he or she speaks. Brochures, local information, and in-room materials are available in several languages. And an AT&T Language Line, which provides assistance in 140 languages, is accessible from every guestroom.”²

Hyatt Hotels is working on an educational program to train the staff to the nuances of international visitors. These materials include world culture and trends, learning a dozen or so basic phrases in foreign languages, and preparing signage and in-room pieces in multiple languages.³

Each of these technologies allows the guest to check into the room without waiting in line. However, they require a well-orchestrated communication system between the front office and the housekeeping and maintenance departments to ensure that guest rooms are prepared and made ready for guest entry. Hospitality remains the organized effort of people behind the technology.

Solution to Opening Dilemma

Good communication between the housekeeping and front office departments relies on constant efforts by both departments to determine the progress in releasing rooms. There are times when the housekeeping department is short-staffed or extremely busy, and its communication of the release of rooms can be delayed. In those cases, the front office staff should make an extra effort to stay in close touch with the floor supervisors to determine how soon rooms will be released for sale by floor supervisors. In some hotels, housekeeping staff members can release rooms via the property management system.

Chapter Recap

This chapter described, in detail, the process of registering hotel guests. The process begins with emphasizing to the staff the importance of making a good first impression on the guest, which sets the stage for an enjoyable guest stay. Obtaining accurate and complete guest information during registration serves as the basis for a sound communication system among all the departments in the hotel that provide services to the guest. Registering the guest involves extending credit to the guest, selecting a room, constructing and applying room rates, selling hotel services, and assigning a room key.

End-of-Chapter Questions

1. How important do you think the guest's first contact with the hotel is in providing hospitality? Give examples from your experiences as a guest in a hotel.
2. Why is obtaining accurate guest data during the registration process so important? Who uses these guest data besides the front office? Give examples of how incorrect data can affect the guest and the hotel.
3. What are the major parts of the guest registration process? How will knowledge of this system help you as you progress in a management career in the hotel?
4. Why is the choice of credit cards important to the profit-and-loss statement of the hotel? Give examples.
5. What hidden costs are involved in using a bill-to-account system? When do you think a hotel is justified in adopting a bill-to-account system?
6. Identify some of the requests guests may make with regard to room selection. How can a front desk clerk be attuned to the needs of guests?
7. Why are establishing and monitoring room rates so essential to the hotel's profit-and-loss statement?
8. What are the rule-of-thumb method and the Hubbart formula for establishing room rates? How effective do you feel each one is in ensuring profit for a hotel?
9. Describe a system of monitoring room rates. If you are employed at a front desk, do you see your supervisor or manager using such a system? How often? How effective do you feel this is in maintaining effective room rates?
10. Describe the various types of room rates. If you were asked by the front office manager to determine which room rates should be eliminated and whether any new types should be initiated, how would you proceed?
11. What do you think of the room rate maximization program described in the chapter? How does it affect the profit-and-loss statement? What are the important components of this program?
12. What are some opportunities for the desk clerk to sell hotel services, as discussed in this chapter? If you are employed at the front desk of a hotel, do you see this being done? What effect does this have on the profit-and-loss statement?
13. What pointers would you give a new desk clerk on room key assignment?
14. Explain how to use the PMS to register a guest with a reservation. Note any inefficiencies.
15. Discuss the advantages and disadvantages of registering guests with a PMS.

CASE STUDY 701

Ana Chavarria, front office manager of The Times Hotel, has been meeting with the owner and general manager for the past several weeks to discuss the upgrade of the hotel's PMS. The owner is reluctant to make the purchase; the capital investment, although reasonable, is still significant and will affect the cash flow. Margaret Chu, the general manager, was previously employed by a hotel that upgraded its PMS, and she was somewhat perplexed by the advertised benefits versus the real benefits in

terms of improved customer service. Ms. Chavarria, in contrast, had a very encouraging experience with a PMS upgrade. The owner asks Ana to prepare a report to justify the upgrade of the PMS at The Times Hotel.

What concepts should Ana use to justify the upgrade purchase to achieve improved customer service in registration? Consider such aspects of the registration process as registering individuals and groups, determining room status, and issuing room keys.

CASE STUDY 702

Margaret Chu, general manager of The Times Hotel, has finished reviewing the latest batch of comment cards from the past weekend. Several of the glitches in guest service centered on the "It took too long to get into my room" syndrome. Ms. Chu thought she had this worked out with Ana Chavarria, front office manager, and Thomas Brown, executive

housekeeper. Both of these managers developed a plan and shared it with him just one week ago. "What could have gone wrong?" wondered Ms. Chu. She has set up a meeting with Ana and Thomas for this afternoon. Provide a brief outline of points Ms. Chu should discuss.

Notes

1. JCB International Credit Card Co., Ltd., 700 S. Flower Street, Suite 1000, Los Angeles, California, 90017 <http://www.jcbinternational.com/html/about/inform.htm#in2>.
2. Judy Colbert, "The Do's and Don'ts of Attracting International Guests," *Lodging* 25, no. 8 (April 2000): 33–34.
3. Hilton Hotels, "Hilton's Customer Information System, Called OnQ, Rolling Out Across 8 Hotel Brands; Seeking Guest Loyalty and Competitive Advantage with Proprietary Technology," August 31, 2004, http://hotel-online.com/News/PR2004_3rd/Aug04_OnQ.html.

Key Words

American plan
bank cards
bill-to-account
bottom up
commercial cards
commercial rates
complimentary rate (comp)
corporate rates
credit card imprinter
credit card validator
data sorts
discount rate
electronic key
European plan
family rates
fax machine
group rates
half-day rate
hard key
housekeeping status
Hubbart formula
intersell cards
key drawer
key fob
military and educational rates
modified American plan
Murphy bed
package rates
private label cards
rack rate
registration card
rule-of-thumb method for determining
 room rates
sleeper
top down
walking a guest with a reservation