

# Front Office Operations

Module Guide: DHM 122



## Management Programmes



*Tomorrow's Education, Today*



# Front Office Operations

## DHM 122



*Tomorrow's Education, Today*

**The Official Guide**

Boston Business School  
520 North Bridge Road #03-01  
Wisma Alsagoff  
Singapore 188742  
[www.bostonbiz.edu.sg](http://www.bostonbiz.edu.sg)

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The Guide is a useful resource for those seeking to gain the internationally recognised CTH qualifications. The Guide however must be used together with the recommended textbooks.

# CONTENTS

<b>Introduction .....</b>	<b>1</b>
<b>Topic 1 – ROLES OF THE FRONT OFFICE</b>	
<b>IN THE HOTEL'S ORGANISATION .....</b>	<b>7</b>
The Hospitality Industry.....	7
The Rooms Division Organisation .....	18
The Organisation of the Front Office Department .....	22
Guest Cycle .....	37
<b>Topic 2 – SAFETY, SECURITY AND</b>	
<b>CUSTOMER CARE RESPONSIBILITIES.....</b>	<b>40</b>
Security Aspects of the Hotel.....	40
Health and Safety Aspects of the Hotel.....	53
Roles and Responsibilities of a Receptionist towards Customer Care .....	55
<b>Topic 3 – COMMUNICATION.....</b>	<b>62</b>
Role of Reception in communications.....	62
Spoken/Verbal Communication .....	64
Non-verbal Communication .....	68
Written Communication.....	72
Telecommunication .....	75
Fax.....	79
Electronic Communication.....	81
Handling Incoming and Outgoing Mail .....	82
Additional Tasks .....	84
Legal Requirements .....	86
<b>Topic 4 – NOTIFICATIONS AND RECORDS.....</b>	<b>92</b>
<b>Topic 5 – RESERVATION PROCEDURES .....</b>	<b>98</b>
Reservation Terminology - Rooms.....	99
Rates and Packages.....	103
Methods of Reservation.....	106
Information Required for a Reservation.....	113
Recording Bookings.....	119
Yield Management .....	124
Overbooking.....	126
Confirming, Guaranteeing, Cancelling and Filing Reservations .....	128
Types of Reservations.....	130
Tour and Group Reservations .....	132

<b>Topic 6 – CHECK IN PROCEDURES.....</b>	<b>135</b>
Pre-Arrival Activities.....	135
Registration Procedures .....	140
Chance Arrivals, No Trace Reservations and Walking a Guest.....	146
Room Status.....	149
Group Check In .....	157
<b>Topic 7 – ELECTRONIC MANAGEMENT SYSTEMS .....</b>	<b>159</b>
Property Management System .....	160
Other Electronic Management Systems.....	163
<b>Topic 8 – GUEST ACCOUNTING .....</b>	<b>165</b>
Principles of Hotel Billing .....	165
Types of Accounts.....	167
Accounting Cycle.....	169
Types of Accounting Systems.....	172
Cash Floats .....	177
Petty Cash and Paid Outs .....	179
Deposits and Refunds.....	180
Group Accounting .....	182
Banking .....	182
Control Measures.....	184
Night Audit.....	186
<b>Topic 9 – PAYMENT METHODS AND CHECKING OUT.....</b>	<b>190</b>
Payment at Checking Out .....	193
Cheques .....	194
Debit Cards, Credit Cards and Charge Cards .....	199
City Ledger Accounts and Vouchers .....	203
Foreign Exchange .....	204
Guest Check Out .....	206
<b>Topic 10 – STATISTICS AND REPORTS .....</b>	<b>215</b>
Business Statistics .....	215
Guest Statistics.....	224
Operational Reports.....	229
<b>Topic 11 – SELLING METHODS USED BY FRONT OFFICE.....</b>	<b>235</b>
Benefits of Selling .....	236
The Hotel Product and Customer’s Choice .....	241
Selling Methods and Selling Skills.....	245
Other Opportunities for Selling .....	251
<b>Source of References .....</b>	<b>253</b>

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# Front Office Operations

## Introduction

### Description

This module introduces students to the systems and procedures required for Front Desk Office Operations. It emphasises the importance of high standards in personal qualities and the provision of customer service. Students will develop knowledge and skills in reception procedures as well as understanding the key legislation that relates to reception procedures. They will also evaluate the suitability of different procedures for a range of hospitality outlets.

### Summary of Learning Outcomes

On completion of this module students will be able to:

- Describe the range of front office operations and their functions
- Ensure customer care is implemented
- To understand the importance of communication with other sections within the hotel
- Operate a range of front office procedures correctly
- Explain the important role front office plays in selling the hotel and all its facilities
- Provide a high standard of personal qualities and customer care in front office operations
- Demonstrate reception procedures and explain how they contribute to customer satisfaction
- Explain the implications of key legislation for reception operations
- Evaluate the suitability of reception procedures for different types of hospitality outlets

## Syllabus

The Role of the Front Office in the Hotel's Organisation	The hospitality industry Hotel organisation structures The rooms division organisation
Security and Safety Responsibilities	Security aspects of the hotel Health and safety aspects of the hotel Customer care Roles and responsibilities of a receptionist
Communications	Spoken communication Non-verbal communication Written communication, Telecommunications, Facsimiles (fax) E-mails Handling incoming and outgoing mail
Reservation Procedures	Methods of receiving reservation requests The information needed when receiving a request Use of international terms for rooms and bed types Packages offered by hotels and the range of terms used to describe them Methods used to record bookings such as diaries, conventional charts, density charts, stop-go charts and computers Yield management and overbooking Confirmation procedures, deposits and guarantees and cancellation procedures Reservation status, release times, guaranteed arrivals Group reservations
Check-in Procedures	Registers, registration cards Booking out / walking a guest Chance arrivals. Key cards and keys, both mechanical and electronic Room status records and room allocation. Bedroom book, room status boards, computers. Group check in

Electronic Booking Systems	Systems such as Fidelio, which provides hardware and software supporting point-of-sale systems.
Notifications and Records	Concerns the Arrivals list, Departures list, Room list, Function list, Wake up calls and papers and Guest history records
Guest Accounting	Payment procedures, cash / non cash payment, accepting different methods of payment, recording deposits, prepayment and refunds, processing visitors paid outs (VPO's), disbursements, petty cash, establishing credit worthiness Banking procedures, reconciling / checking floats, completing banking documentation, security for cash / non-cash payments and transfer to bank
Payment Methods	Cash and foreign currency / exchange Cheque such as the travellers cheque Credit cards which include charge card and debit card Vouchers Ledger accounts Advance deposits and pre-payments, Refunds
Statistics and Reports	Occupancy rates including double, sleeper, average room rate, revenue achieved, REVPAR and GOPPAR Guest statistics including length of stay, origin, average expenditure, source of bookings
Selling Methods used by Front Office Staff	Benefits to organisation, increased occupancy, repeat business, brand loyalty, customer loyalty, new business, increased market share, keeping within budget, resources and support, staff training Selling techniques, product knowledge, communication skills upselling, selling other services, using sales leads, repeat sales, referred sales, maximum occupancy and room revenue Procedures, enquires, reservation, status, cancellations, amendments, records and documentation, room allocation, overbooking, releasing rooms, deposits, paying commission.



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## **Assessment**

This module will be assessed via a 2 ½ hour examination, set and marked by CTHCM. The examination will cover the whole of the assessment criteria in this unit and will take the form of 10 x 2 mark questions and 5 x 4 mark questions in section A (40 marks), Section B will comprise of 5 x 20 mark questions of which candidates must select and answer three (60 marks). CTHCM is a London-based body and the syllabus content will in general reflect this. Any legislation and codes of practice will reflect the international nature of the industry and will not be country specific. Local centres may find it advantageous to add local legislation or practice to their teaching but they should be aware that the CTHCM examination will not assess this local knowledge.

## **Further Guidance**

**Recommended contact hours: 45**

**Credits: 10**

### **Delivery Strategies**

This module covers the theory of Front Office Operations but wherever possible this should be related to practical situations to reflect the nature of the commercial work environs. Visits to a range of hotels and businesses that operate a front office are essential to allow students to see the application of the theory into practice. Visiting speakers would also be beneficial. Industry representatives such as Front Office Managers, Rooms Division Managers and employees of Front Office will all assist in contextualising the classroom based learning.

### **Recommended Prior Learning**

There is no required prior learning however students must have completed formal education to 18 years old or equivalent and an interest in Front Office Operations and Customer Service is essential.

### **Resources**

It is strongly recommended that visits to organisations within the hospitality industry are undertaken to experience Front Office Operations first hand. It is highly desirable to organise a programme of guest speakers to add currency and vocational relevance. There is also great value in including the software of a Front Office package such as Fidelio to give students training which reflects the work environment. Students require access to library and research facilities which should include some or all of the following:

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## **Texts**

- Abbott, P., Lewry, S., (1997), Front Office Procedures, Social Skills and Management, Butterworth Heinemann, ISBN 0750600241
- Baker, S., Bradley, P., & Huyton, J., (1994), Principles of Front Office Operations, Cassell, ISBN 0304334405
- Boella, M., & Pannett, A., (1999), Principles of Hospitality Law, Cassell, ISBN 0304704725
- Braham, B., (1999), Hotel Front Office, S. Thornes, ISBN 0748716327
- Clutterbuck, D., (1994), Making Customer Count: A Guide to Excellence in Customer Service, Management Books 2000, ISBN 1852521090
- Dix, C., & Baird C., (1998), Front Office Operations, Longman, ISBN 0582319315
- Hayes, J., & Dredge, F., (1998), Managing Customer Service, Grower Publishing Ltd., ISBN 0566080052
- Pease, A., (1994), Body Language, Sheldon Press, ISBN 0859697827
- Smith, I., (1997), Meeting Customer Needs, Butterworth Heinemann, ISBN 0750633913
- Stewart, M., (1996), Keeping the Right Customers, McGraw-Hill, ISBN 0077091396

## **Magazines and Journals**

- The Caterer and Hotelkeeper
- Hospitality
- Voice of the BHA

## **Websites**

[www.bha-online.org.uk](http://www.bha-online.org.uk)

British Hospitality Association

[www.caterer.com](http://www.caterer.com)

Caterer and Hotelkeeper

[www.dataprotection.gov.uk](http://www.dataprotection.gov.uk)

Office of the Data Protection Registrar

[www.hcima.org.uk](http://www.hcima.org.uk)

Hotel and Catering International Management Association

[www.hft.org.uk](http://www.hft.org.uk)

Hospitality Training Foundation

[www.institutefcustomerservice.com](http://www.institutefcustomerservice.com)

Institute of Customer Service (ICS)

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**Notes of recommended texts**

This module can be taught with the texts we have identified as relevant to the module syllabus. In keeping with a specialised qualification at this level there is no one text which covers the whole syllabus, but a number of texts which provide sufficient depth to explore the subject area. In general, the lecturer's lesson plans should be based on the module syllabus and supported by relevant texts, supplementary material familiar to the lecturer and the lecturer's experience. It is not essential to use all the recommended texts and lecturers should use their experience to decide which ones are most appropriate for their students. Where available and appropriate, past module examinations are also available to support lecturers.

CTHCM will always answer any questions from the centre's Head of Department either by mail or by phone.

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## **Topic 1**

# **THE ROLE OF THE FRONT OFFICE IN THE HOTEL'S ORGANISATION**

### **Objective**

This chapter will introduce students to the hotel front office. Students will get to understand the main functions of the hotel front office, how the front office relates to other department as well as the individual duties of the front office personnel. As the Front Office is part of the larger rooms division, students will be introduced to the rooms division.

### **Learning Outcome**

After studying this chapter, student should be able to:

- Describe the roles of hotels within the hospitality industry.
- Explain the functions of the Rooms Division within the hotel.
- Discuss the organisational structures of the front office and the factors that influence the organisation of the front office.
- Define the guest cycle and explain the different stages within the guest cycle.

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## **The Hospitality Industry**

The term 'hospitality' has become accepted over the years as a generic word which describes all the activities that relate to services and facilities for tourists and travellers. The hospitality industry is a major contributor to the national economy and to the generation of employment, with potential for future demand, and this continues to increase. The demand is wide and varied, with all types of individuals looking for all manner of different services.

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Hospitality providers include:

- Accommodation providers
- Food and Beverage providers
- Travel transport
- Visitor attractions
- Information centres

The hospitality industry provides services for people who are away from home. These services vary according to the needs of the people away from home. Therefore it is important that the staff in the hospitality industry identify the various needs of their customers and be able to act and provide the services expected.

### **Hotels**

The hotel sector represents a vital part of the hospitality industry since the provision of accommodation, food and beverage is essential for anyone spending time away from home, whether it is business or pleasure.

The Hotel Proprietors Act 1956 defines a hotel as follows:

An establishment held out by the proprietor as offering food, drink and if so required, sleeping accommodation, without special contract, to any traveller presenting himself who appears able and willing to pay a reasonable sum for the services and facilities provided and who is in a fit state to be received.

### **Classification and Ratings of Hotels**

With so many different types of hotels available, it is difficult to compare price and standard between them. Star ratings symbolise the level of service, range facilities and quality of guest care that you can expect

The star rating system in the UK is the subject of much debate. There is a great deal of confusion, particularly for those based overseas, since a number of different organisations rate hotels, and the criteria are not always the same. In the UK, the AA, RAC and ETB (English Tourism Board) have produced detailed proposals for classification by harmonised star rating system. Hotels are required to meet progressively higher standards as they move up the scale from one to five stars.

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The ETB ratings are as follows:

<b>Star Rating</b>	<b>What to expect</b>
<b>One Star</b>	<ul style="list-style-type: none"><li>• Practical accommodation with a limited range of facilities and services, but a high standard of cleanliness throughout.</li><li>• Friendly and courteous staff to give you the help and information you need to enjoy your stay.</li><li>• Restaurant/eating area open to you and your guests for breakfast and dinner.</li><li>• Alcoholic drinks will be served in a bar or lounge. 75% of bedrooms will have en-suite or private facilities.</li></ul>
<b>Two Star</b>	<p>(in addition to what is provided at ONE STAR)</p> <ul style="list-style-type: none"><li>• Good overnight accommodation with more comfortable bedrooms, better equipped - all with en-suite or private facilities and color TV.</li><li>• A relatively straightforward range of services, including food and drink and a personal style of service.</li><li>• A restaurant/dining room for breakfast and dinner.</li><li>• A lift is normally available.</li></ul>
<b>Three Star</b>	<p>(in addition to what is provided at ONE and TWO STAR)</p> <ul style="list-style-type: none"><li>• Possibly larger establishments, but all offering significantly greater quality and range of facilities and services, and usually more spacious public areas and bedrooms.</li><li>• A more formal style of service with a receptionist on duty and staff responding well to your needs and requests.</li><li>• Room service of continental breakfast.</li><li>• Laundry service available.</li><li>• A wide selection of drinks, light lunch and snacks served in a bar or lounge.</li></ul>

<b>Four Star</b>	<p>(in addition to what is provided at ONE, TWO and THREE STAR)</p> <ul style="list-style-type: none"> <li>• Accommodation offering superior comfort and quality; all bedrooms with en-suite bath, fitted overhead shower and WC.</li> <li>• The hotel will have spacious and very well appointed public areas and will put a strong emphasis on food and drink.</li> <li>• Staff will have very good technical and social skills, anticipating and responding to your needs and requests.</li> <li>• Room service of all meals and 24 hour drinks, refreshments and snacks.</li> <li>• Dry cleaning service available.</li> </ul>
<b>Five Star</b>	<p>(in addition to what is provided at ONE, TWO, THREE and FOUR STAR)</p> <ul style="list-style-type: none"> <li>• A spacious, luxurious establishment offering you the highest international quality of accommodation, facilities, services and cuisine.</li> <li>• It will have striking accommodation throughout, with a range of extra facilities.</li> <li>• You will feel very well cared for by professional, attentive staff providing flawless guest services.</li> <li>• A hotel that fits the highest international standards for the industry, with an air of luxury, exceptional comfort and a sophisticated ambience.</li> </ul>

**Table 1.1 ETB Star Ratings**

Whether a system awards stars, flags, crowns or rosettes, the general principle is to grade the hotel in such a way that the clients will have a benchmark against which they can compare the service on offer with the price that is quoted.

- A **full-service hotel** provides a wide selection of guest services in addition to accommodation, such as food and beverage service, room service, laundry service, health, sports and business facilities.

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The facilities offered by the hotel of this nature may include most, or all of the following:

- Room with bathroom en suite
- 24-hour service in all department
- radio, TV and video in rooms
- fax and modem
- several restaurants
- lounges
- cocktail bar
- public bar
- 24 hr room service
- meeting and conferences rooms
- banqueting facilities
- valet service
- health club, sauna and gym
- Pool
- Cinema
- Entertainment
- parking space
- concessions – shops, kiosks, hairdressers,

- **Budget hotels** tend to provide cheaper and more basic guest rooms with limited food and beverage service.

- **Self-catering hotels** provide no other services besides basic accommodation. Guests are expected to prepare their own food, clean and tidy their own rooms and do their own laundry. Some establishments might offer weekly cleaning services.

The decision to stay in a particular hotel may be influenced by various factors. One factor will certainly be the price. The guest will also be influenced by other variables, such as the facilities on offer, the location, or the size. These factors are discussed in Chapter 11.

### **Hotel Ownership and Affiliation**

Many guests have an affinity with a particular group or chain of hotels and always seek out an establishment in which they feel the surroundings are familiar. A chain of hotels generally refers to a number of operations that belong to the same organisation.

#### **1. International Corporate Hotels**

These are large chains which are almost household words in the hotel and catering industry (e.g. Hilton, Holiday Inns, Inter-Continental and Marriott). Some of the groups are a combination of company-owned, franchised and management contract operations, while others are entirely owned by an individual or a company. Their main features include standardisation of service, facilities and price, and many chains endeavour to operate a hotel in most capitals in the world.



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## **2. Major National Hotel Companies**

The UK has its share of international hotels and many of the major national hotel companies are equally well known abroad. This sector of the trade is increasingly dominated by the breweries, which have expanded into the hotel business over the last few years.

## **3. Small Hotel Groups**

Not all groups of hotels are large or widely dispersed. Some companies own a group that may consist of no more than four or five hotels, and they may be confined to a particular region or country.

## **4. Independent Hotels**

These are units which are privately owned or independent of any company. Many guests enjoy staying at an establishment of this nature because of the individuality of the operation. The disadvantage is, of course, that when staying in other towns or countries the guest must find another hotel which suits them and caters for their needs. Boutique hotels are often independent hotels. These hotels offer the guests a unique experience.

## **5. Hotel Consortium**

This system overcomes the disadvantage referred to above since it provides a way for independently owned hotels to affiliate themselves to one another without surrendering their individuality. The advantages to the hotel include shared advertising costs, bulk purchasing and a referral of bookings, and to the guest a standardising of quality. Examples of hotel consortiums are Small Luxury Hotels of the world and Preferred Hotels and Resorts.

### **Activity 1.1**

Find examples of each of the following in your region:

- a. International Corporate Hotels
- b. Major National Hotel Companies
- c. Small Hotel Groups
- d. Independent Hotels and
- e. Hotel Consortiums

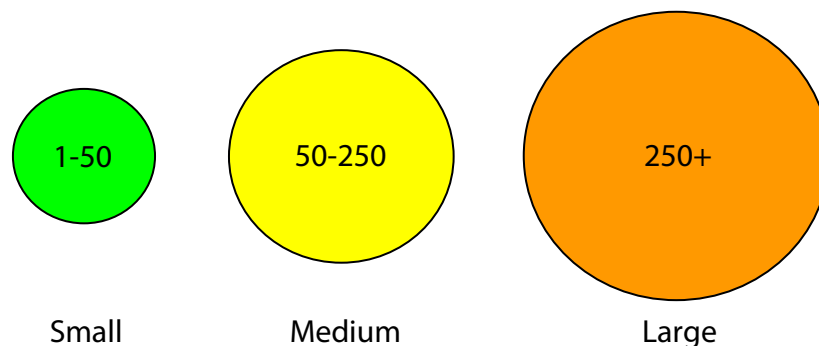
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## Organisation of a Hotel

When referring to the size of the hotel, we are referring to the number of rooms in the hotel. Based on the number of rooms, hotels can be categorised into small, medium and large hotels.

This categorisation also alters from country to country. For example, in Asia a small hotel by have 200 rooms and a large hotel 700 to 1000 rooms. As a rough guide, in the UK the sizes shown in Fig. 1.2 are generally agreed.

Often it is not the size of the hotel that governs its systems, but the category. Many luxury hotels operate the same types of systems, but can vary in size enormously. Over the last decade a number of hotels have opened which follow the American system, and provide a good, standard service, but with few additional services. These hotels may be quite large, but the staffing structure will be minimal compared to traditional hotels providing all the services.



**Fig. 1.2 Sizes of Hotels in UK**

As a general rule of thumb, the job of the receptionist will be more varied in the smaller and medium hotels, than in the larger ones. The larger the operation, the greater the likelihood of there being specialist roles, so front office might be divided into reception, advance reservations and cashier. In a smaller operation the same person would perform all these functions, and often operate the switchboard as well.

Clearly, for training purposes a small or medium hotel is a good starting point since there is an opportunity to see the whole job through from beginning to end, and to be involved in all the functions of a department.

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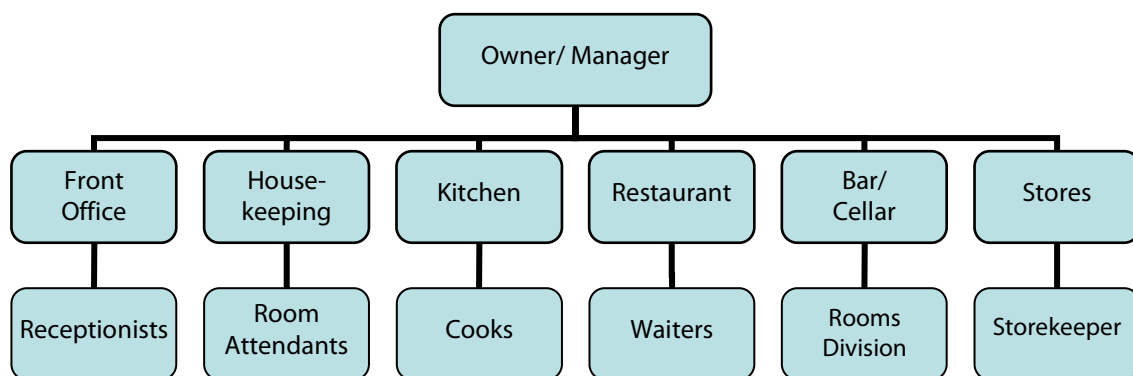
## Reception in the Hotel Organisation

As hotels vary in size, shape and age, so the exact role of the reception department will differ from one hotel to another. The majority of hotels earn the bulk of their revenue and profits from the sale of rooms, so it is essential that the reception department is organised and staffed to maximise sales. Guests, whether staying in a 600-room airport hotel or a small country inn with six rooms, invariably approach the reception desk for information, assistance and answers to any problems they encounter in the hotel.

### 1. Small Hotels

In a small hotel the reception will have a number of tasks to carry out. In addition to checking in guests, they will have to act as secretary and telephonist. A typical organisation structure is shown in Fig. 1.3. In this type of hotel it is probable that all staff members will carry out a variety of jobs: the restaurant waiters will serve in the lounge, and perhaps deliver room service orders, and the manager will probably be responsible for banking, stocktaking, food purchasing and other tasks that would merit separate departments in a larger hotel.

The assistant manager is unlikely to have a clearly defined responsibility for any area. Normally, in the absence of the general manager the assistant will deputise by carrying out the work. When both are on duty the assistant will be allocated tasks on an ad hoc basis by the manager.



**Fig 1.3 Organisation of a small hotel**

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## 2. Medium Hotels

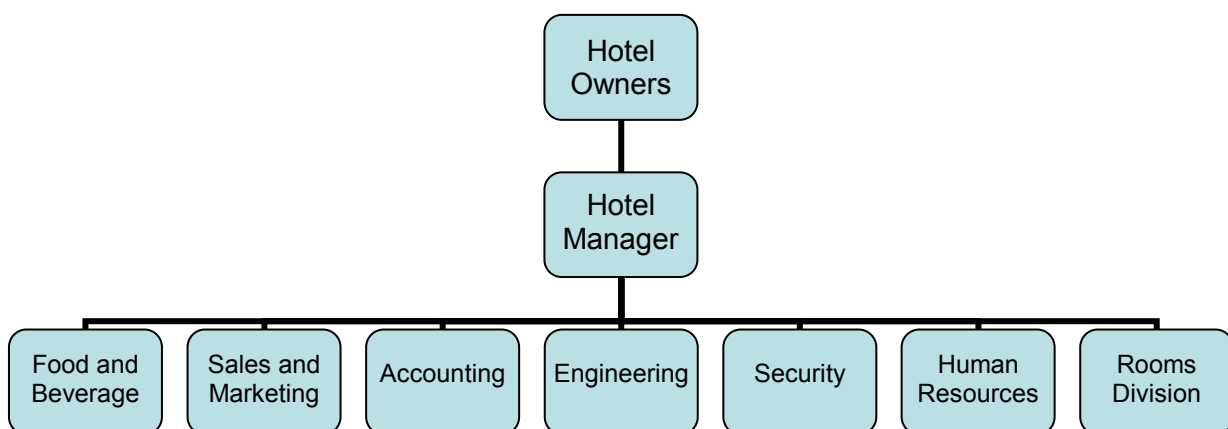
In larger hotels, it is possible to organise more clearly defined departments, each with a department head. The size of the hotel, and the length of time that services are open, will mean that more staff are required here than a small hotel. This is also true of management personnel. In small hotel we have seen that there will be a manager with one assistant. In the medium hotel the post of assistant manager will probably be held by two people. These two assistants will work alternate shifts so that management supervision is provided from 8.00am to 11.00pm, seven days a week. One assistant will work from 8.00am to 4.00pm, while the other will cover the evening shift from 4.00pm to 11.00pm. The duties of an assistant manager will vary from one hotel to another, but it is rare for the assistant manager to have any specific duties apart from management supervision.

## 3. Large Hotels

With large hotels of more than 250–300 rooms it is easier for greater specialisation to occur. This type of hotel can afford to use the skills of full-time accountants, security officers and personnel managers. Naturally, this means there is a greater level of professionalism in the departments and sections of the hotel.

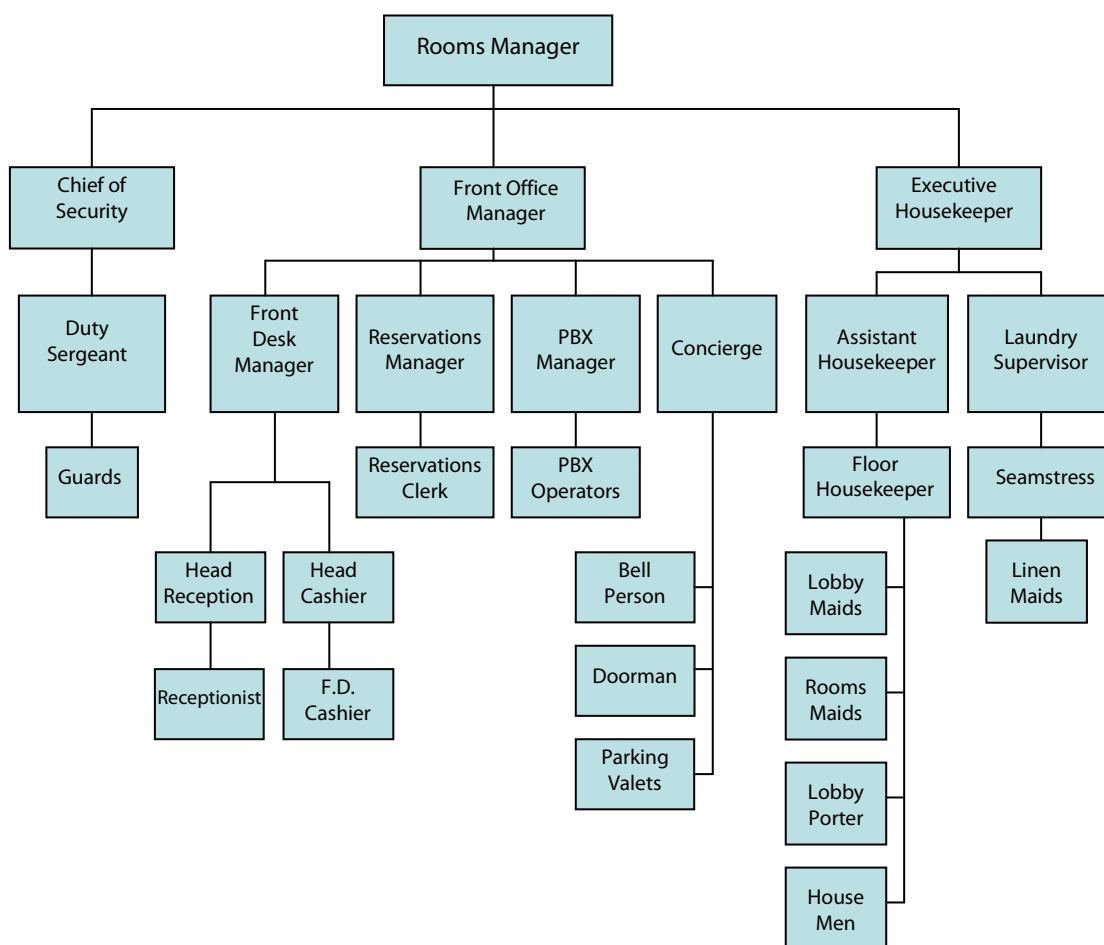
### Major Departments of a Hotel

Because of the variety of food, beverage and accommodation services provided by a hotel and in order to give an efficient service to the customer, it is necessary to divide the hotel operation into distinct departments. Figure 1.4 shows the principal divisions/departments of a full-service hotel.



**Fig 1.4 Major departments of a Full-Service Hotel**

The larger the hotel and the more facilities offered, the more specialised each of the departments will become. This means that there will be an increasing number of sections within that department, Figure 1.5. In this example, the front office is under the control of the Rooms Division Manager. At the same time, reservations, reception, cashiery, etc. are subdivided into their own particular sections, normally with a manager or supervisor in charge of each (e.g. the reservations manager, front office manager and chief cashier).



**Fig 1.5 Organisational Chart for a Hotel's Rooms Division**

### 1. Revenue and Support Centres

The classification of the departments or divisions of a hotel can be done in a number of ways, such as by the service offered (food, beverage, rooms, recreation, etc.) or by grouping them as either a revenue centre or a support centre.

- 
- **Revenue Centres** (or operational departments) sells goods or services to guests and thereby generate revenue for the hotel.

Examples of major revenue centres are:

- Rooms Division
- Food and Beverage

Minor or ancillary revenue centres are:

- Guest telephones
- Guest laundry
- Recreational facilities
- Business centre

- **Support centres** (or service support departments) provide a supporting role to the operations departments. These departments usually do not provide direct services to the guest and so do not generate revenue directly.

Examples of support centres are:

- Sales and Marketing
- Accounting
- Engineering
- Security
- Personnel and Training

## **2. Front-Of-House and Back-Of-House Departments**

An alternative method of classifying hotel departments or divisions is by the extent to which they are involved in customer contact. In this respect, hotel departments may be divided into the front-of-house and the back-of-the-house departments.

Front-of-house departments are those in which employees have extensive guest contacts, such as reception, cashiers, concierge, restaurants, room service, bars and recreational areas.

Back-of-house departments are those in which the staff have little or no direct guest contact, such as personnel, accounting, and the engineering and purchasing departments.

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## **Summary**

Hospitality refers to services and facilities provided to travellers including accommodation and food and beverage.

There are many different types of hotels. Star ratings make it easier to compare standards and prices of different hotels. Hotels can further be categorised according to ownership and affiliation and size.

The job of the receptionist will be more varied in small and medium hotels, and more specialised in larger hotels. The larger the hotel, the more departments there will be and departments might be subdivided.

Departments can either be revenue or support centres and either front-of-house or back-of-house.

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## **The Rooms Division Organisation**

In the rooms division most departments or sections are involved in the sales of rooms as well as the provision of services and facilities for guests.

The rooms division is composed of two major departments: the front office department and housekeeping department. Within the front office and housekeeping departments, smaller departments will be formed to focus on specific duties. Only the largest hotel will have all of these different departments.

### **Hours and Shifts**

In large hotels, many of the departments operate 24 hours a day. Most of the staff will work during day shifts which are divided into two shifts, either early, from 8.00am to 4.00pm, or late, from 4.00pm to 11.00pm. Night staff will work from 11.00pm to 8.00am. At the end of each shift, a hand over will take place, thus staff will be scheduled to come in earlier or end their shift later.

Departments not directly involved in guest services, such as, accounts, personnel and other 'office' departments will operate during normal office hours.

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### **Telephones**

The telephone department of hotels are now utilising automated systems, making it possible to employ less staff in the telephone department. A computer based switchboard systems makes it easier to transfer calls to guestrooms and departments. Call accounting systems can automatically calculate costs of telephone calls and charge it to the guest accounts. Voice processing systems enables guests to programme their own wake-up calls. Voice message recording enables callers to leave voice messages. Direct dialling facilities are standard in most hotel rooms. The switchboard is operational 24 hours a day and often the location of the fire-checking equipment.

### **Advance Reservations**

The advanced reservations department falls under the front office even though their office might not be located in the front office area. The reservationists usually cover the hours from 8.00am to 6.00pm, with the receptionists handling telephone enquiries at other times. Internet reservations and enquiries made through email or fax is dealt with by the reservations department the following day.

Reservation office staff must observe the utmost of telephone etiquette and speak in a clear voice.

### **Reception**

The main responsibility of the reception is checking guests in and out of the hotel. They also handle any queries from guests and visitors or refer them to the appropriate department. The reception desk will be operational 24 hours a day. As discussed earlier, the larger the hotel, the more specialised the duties of the reception personnel.

### **Cashier**

The main responsibility of the cashier is accepting payment of guests' account and dealing with currency exchanges. When a hotel has safe deposit boxes, this will fall under the cashier's responsibility. Revenue centres such as the restaurants, bars and reception, will receive their floats and pay in their takings at the cashier's office. The head cashier may prepare the banking and carry out the paying-in to bank, but in some units this will be done by a member of the accounts staff.



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The night auditor covers the night shift between 11.00pm to 8.00am hours. During these hours the main responsibilities are to post charges to update client accounts, produce a trial balance and prepare management reports.

As the cashier has access to large amounts of money, honesty is one of the most important qualities a cashier should have. The cashier must also be familiar with money and confident in handling very large sums.

### **Bill Office**

The posting of charges and payments on to guests' accounts are handled by the bill office. At the end of the day and accounting periods, the bill office is responsible for extracting summaries of sales figures. Bill office staff needs to be methodical and have a grasp of figures. The bill office is becoming more automated with charges being posted directly to guest accounts through Point of Sale systems, allowing for fewer staff to be employed in the bill office.

### **Porters**

The porter's department is also known as the uniformed staff department. The department is headed by the bell captain, who is more often referred to as the concierge. Concierge is the French term for porter. Other staff in this department includes doormen and luggage porters. Again, the size of the hotel, the standard of the hotel and type of customers will influence the organisation of the porter's department. In smaller hotels, the concierge responsibility can be taken over by the reception. The hotel might then only have luggage porters to assist guests with luggage. Budget hotel might not have this department at all.

### **Kiosk**

A kiosk selling newspapers, gifts and other essentials is often located in the hotel lobby. This shop will either be operated directly by the hotel, or, more commonly, be rented out as a concession to a specialist company. In the concession agreement the hotel will have the right to dictate important points concerning opening hours and the range of goods on sales.

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## **Housekeeping**

The housekeeping department is the largest department in the hotel in number of staff employed. One maid is needed for every 12-15 rooms. Beside room maids, the department also employs supervisors, house porters, laundry and linen staff and general cleaners. The housekeeper is responsible for the preparation of guest rooms for sales and the cleanliness of all public areas of the hotel. Close liaison between the housekeeper and reception is essential so that rooms are available for sale as quickly as possible. Special requests are often passed to housekeeping through the reception department.

The busiest time of day for the housekeeping department is in the mornings when guests are checking out and rooms need to be cleaned for new arrivals. Hotels might also have evening service which is referred to as turn down service. In some transient hotels, 24-hour servicing is provided by the housekeeping department. Increasingly, many hotels have come to rely upon the services of contract cleaning, rather than employing a full staff on the payroll.

Five Star hotels might employ a valet to take care of guest's dry cleaning, pressing and laundry. The valet reports to the head housekeeper.

## **Management of the departments**

All of these departments will have a department head or supervisor who reports to the Rooms' Division Manager.

The cashier and bill office staff report to the hotel accountant for matters of operating procedures, training and policy but they are responsible to the Rooms' Manager for their shifts, appearance, and supervision in day-to-day matters. This split responsibility requires a good working relationship between the Rooms Manager and the hotel accountant so that there is no conflict in the instructions that are given to the operating staff of the department.

## **Summary**

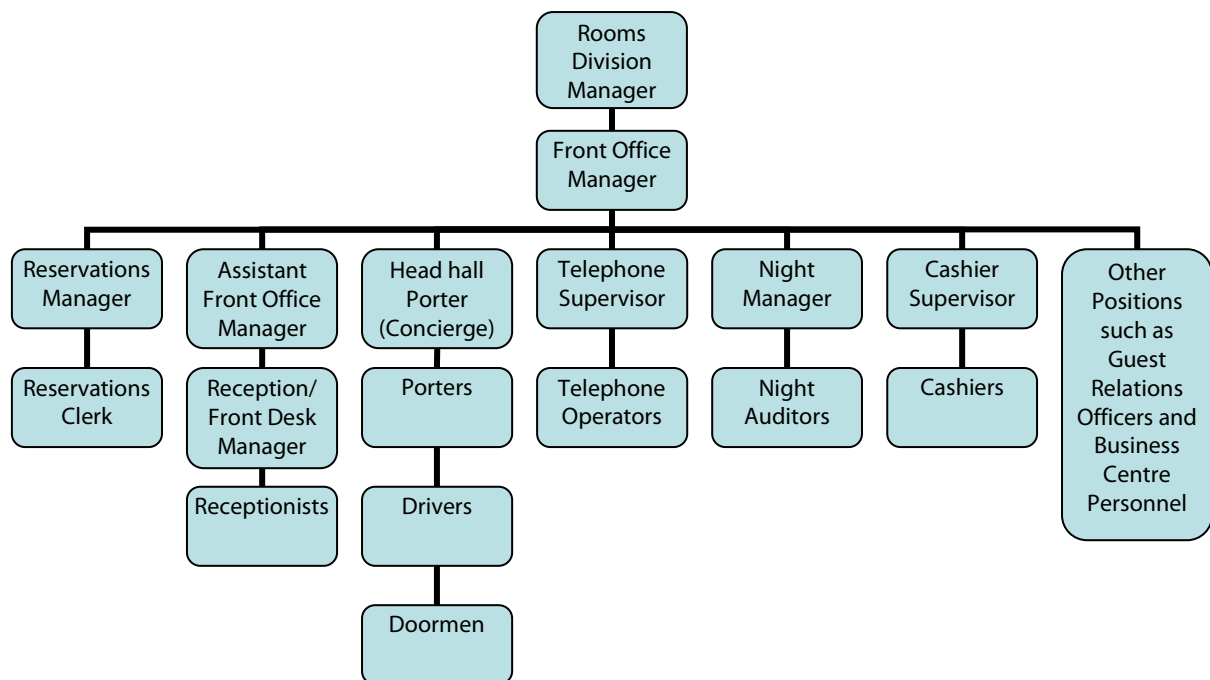
The rooms division is mainly concerned with the sale of rooms as well as the provision of services and facilities for guests. The rooms division is composed of the front office department, housekeeping department and security department.

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## The Organisation of the Front Office Department

The organisation of the front office will be influenced by a number of factors (Baker, Huyton and Bradley, 2000). These may include:

- **Size of the hotel.** Large hotels employ more staff and tend to have greater specialisation among sections of staff. In small hotels, one member of staff might have a wide range of duties.
- **Standard of service.** High-class hotels usually provide more personal services for guests, so they expect greater specialisation and a wider range of services.
- **Type of guests.** Business people expect efficient check-in and check-out services but may be prepared to carry their own bags. Consequently, a commercial hotel may need more staff in the front desk section but fewer at the concierge. Tourists usually require information on local attractions, but their accounts may be simple to prepare. A tourist hotel, therefore, needs greater emphasis on giving information and assistance and less on clerical and cashiering duties. In airport hotels, guests may check in or check out of a hotel at any time during the 24 hours of a day, a fact that may well require a full front desk team to be on duty at all times.



**Fig 1.6 Organisational Chart of the Front Office Department of a large Hotel**

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From figure 1.6 it can be seen that the front office in a hotel is organised into different functional sections, each responsible for a particular area of work.

### **Duties of Front Office Personnel**

The front office department is the most visible department in a hotel. It typically includes the reception desk, which is usually the place at which guests form their first impression of the hotel and functions as a focal point where registration and check out proceedings are done. The reservations, PBX, uniformed services, and concierge are also part of the front office department. Each of these areas is responsible for certain functions and duties. Although each of these areas is separate, it is vital that they understand each other's work for a hotel to operate effectively and harmoniously. It is only through a team effort that a hotel can create an environment that will provide the highest level of guest services. The front office manager is responsible for the smooth functioning of the front office functions.

### **Room's Division Manager/Director of Rooms Division**

The rooms division is composed of two major departments; the front office department and the housekeeping department. The main duty of a Rooms Division Manager is to oversee the smooth running of these two departments. Listed below are some of the key duties of a Rooms Division Manager:

- Responsible for the supervision of employees engaged in the operation of the front-of-house areas of the hotel.
- Coordinating with other departments in the hotel and maintaining open communication with them to find better ways to service the guests.
- Maintaining responsibility for staffing, purchasing, and budgeting.
- Supervising the rooms division payroll, availability controls, and monthly plans.
- Developing guidelines and standard operating procedures to carry out the plans.
- Creating plans to maximise the average daily rate and percentage.
- Handling customer complaints and suggestions as and when the need arises
- Stays up to date with events taking place in the market, in market segments, and in the competition.

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The minimum requirements for the position of a rooms division manager usually include a college degree and five years of front office experience, with three of those years spent in a supervisory role. Knowledge required includes a complete understanding of hotel operations, specifically those operations involving the front office, uniformed services, housekeeping and basic accounting procedures. The Rooms Division Manager reports to the General Manager.

### **Front Office Manager**

The Front Office Manager will report directly to the Rooms Division Manager. It is the basic function of the Front Office Manager to supervise the front office department on a daily basis and to monitor guest service. He or she will also assist the Room's Division Manager in compiling information for reports. Other duties of the Front Office Manager include the following:

- Assist in the training and cross-training of front office employees.
- Prepare the daily payroll report, VIP room assignments, and out-of-order rooms report.
- Assists the Rooms Division Manager in the formulation and implementation of front office policies and procedures.
- Prepares the weekly schedule of employees
- Aids the group coordinator with all group arrivals, either directly or through the delegation of this duty to other staff members.
- Reviews and approves all room moves and room rate changes to ensure they were necessary.
- Handles guest complaints and feedback as and when the need arises
- Assist the rooms division manager in forecasting room availability to ensure that the optimal level of occupancy is attained
- Is available to work in the front office area where they may be shortage of staff

The Front Office Manager should be the graduate of a four-year hospitality management school. He should have at least two years front office experience that includes front desk and night audit work. In this position, it is crucial that the person possesses excellent interpersonal communication skills as these skills are needed to keep all functional areas of the front office communicating effectively and working together as a team.

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## Front Desk

Front desk generally consists of the reception and cashier while front office is a department which includes all its sub-sections. The front desk area in a hotel is operational 24 hours per day. It is the centre of a hotel, the place where guests turn to seek information, to get help, and to register most of their complaints. When the busy check-in or check-out times occur, the front desk area takes on the challenge of serving every guest as quickly as possible. This is a challenge because just checking in or checking out the guest quickly is not enough. All guests must be dealt with in such a way that they feel as though they have received special treatment. The front desk supervisor is the person who is directly involved in meeting this challenge.

### Front Desk Supervisor

The specific responsibility of a Front Desk Supervisor is to guarantee the smooth running of the front desk. It is the Front Desk Supervisor's basic function to directly supervise the front desk. Apart from this overall duty, he/she would organise duty rotas and handle complaints of difficult customers which a receptionist may not be able to deal with. He or she will assist in the check-in and check-out procedures, should the counter gets very busy. The supervisor supervises and assists the front desk clerks (commonly referred to as *guests service agents*) in their primary functions. The front desk supervisor performs the following duties:

- Trains and cross-trains front desk personnel in the tasks of registration, mail handling, information services, and check-in and check-out procedures
- Prepares daily and weekly payroll reports for the front desk
- Completes a reconciliation of housekeeping, out-of-order rooms, and room-status reports
- Regulates the service given in the front desk and lobby area by requiring additional personnel to work in the area when needed
- Acts as a liaison between the guests and management, particularly with regard to problem-solving activities
- Is responsible for seeing that daily and hourly computer reports are run and distributed
- Assign VIP rooms to ensure guest satisfaction
- Resolves room discrepancy report through inspection

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- Inspects other guest rooms on a daily basis to see that standards are being met
  - Is responsible for authorising all rebates, petty cash, and other miscellaneous vouchers prepared by guest service agents.

The Front Desk Supervisor should be proficient in the use of all front desk equipment such as the computer system and reservations system. A college degree in hospitality management is desirable, with training in computer systems operations. In addition, the front desk supervisor should have two years in front office experience, within which he or she should have learned cashiering, front desk operations, and the night audit. Familiarity with the local area is extremely helpful. A high level of social skills is needed to effectively deal with employees and guests.

### **Guest Service Agent/Receptionist/Front Office Agent**

If there is one employee in a hotel who can and should be singled out as the most important, this person would be the guest service agent. This individual, more than any other employee represents the hotel to the guest. Through the registration process, the guest service agent provides the first initial contact a guest has with the hotel. After this contact, guests feel that the front desk is the place to call or go when they have a question or problem. An area that needs special attention is the effect that the agent has on the guest's perception of the hotel and the amount of satisfaction the guest will derive from his or her stay. The effect of a pleasant, friendly, helpful agent, as opposed to one that is rude, aloof, and uncaring, can easily be seen.

The basic functions performed by the guest service agent are the registration process (with related cashier duties) and the assisting of guests with any requests they make. The guest service agent's main concern is, of course, service to the guests. This service can be accomplished by acknowledging the guests' presence even if they cannot be served at once, always calling guests by name, and smiling and looking at the guests when serving them. The guest service agent's duties include the following:

- Handles the guest registration process and adheres to all hotel credit policies in the process
- Handles guest check-out procedure
- Issues and controls guest safe-deposit boxes
- Always answers the front desk phone within three rings or less

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- Maintains the assigned house bank and makes an accurate report of moneys received and paid out
  - Attempts to sell up guest rooms, and informs the guests of hotel services and facilities
  - Is aware of all daily events in the hotel and local area
  - Is trained in all emergency procedures
  - Handles guest mail and reservations when the reservation department is closed

The guest service agent should have at least a high school diploma, and fluency in foreign languages is extremely helpful in most hotels. This person must be able to communicate effectively, have a friendly and pleasant personality, and possess great patience. Tolerance is required when one is dealing with guest complaints and answering the same types of questions for different guests all day.

The front desk area is operational 24 hours per day. This means that three eight-hour shifts will make up the day's schedule for this area:

- |                      |                       |                 |
|----------------------|-----------------------|-----------------|
| • 7:00 am – 3:00 pm  | 1 <sup>st</sup> shift | Day shift       |
| • 3:00 pm – 11:00 pm | 2 <sup>nd</sup> shift | Swing shift     |
| • 11:00 pm – 7:00 am | 3 <sup>rd</sup> shift | Graveyard shift |

When more than one guest service agents is being scheduled per shift, which is the case in most full-service hotels with over 100 rooms, the beginning times should be staggered. If two agents are working on the day shift for instance, one of them should start at 7:00 am and one at 7:30 am. Then, the two agents coming in on the second shift should be schedules similarly, with one beginning at 3:00 pm and the other at 3:30 pm. This overlapping of the shifts will allow for a smooth changeover and a thorough communication of all necessary information between shifts. Part-time employees may be utilised for a full eight-hour shift when they fill in on full-time employees' day off.

### **Front Office Cashier**

The duties of the front office cashier include the following:

- Handle safe deposit boxes
- Update guest folios and maintain accurate folio balances
- Monitor guests folio balance for house limit and floor limit
- Handle the different methods of payment
- Handle float and make remittance



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- Check out guest
  - Handle foreign exchange transactions
  - Communicate with relevant departments
  - Perform various clerical and administrative duties
  - Balance all transactions during his/her shift
  - Sell miscellaneous items
  - Sell the hotel, its product and services
  - Perform any other duties assigned by management

### **Night Auditor**

Being a night auditor is one of the most difficult positions to fill at the front desk. The reasons for this are many, but one of the more prominent ones is that the hours the employee works are difficult. It is hard for most people to stay awake from 11:00 pm to 7:00 am, all the while trying to focus their attention on work that requires a great deal of accuracy with numbers. Therefore, one of the most important traits a manager should look for in a night auditor candidate is the ability and desire to stay awake and work during this shift.

The basic functions performed by the night auditor include:

- Auditing of all daily charges and adjustments posted by the front desk to ensure that the guest ledger is in balance
- Posting any late charges, posting room and tax charges, and updating the guest ledger.
- Balancing restaurant, beverage, laundry, valet, phone and all other charges with the cashier reports
- Balances all allowances and city ledger transfer postings
- Reviews all postings to the city ledger and credit cards
- Checks credit limits on individual guest accounts
- Prepares and balances the daily report for presentation to management
- Prepares all work for presentation to the accounting department
- Switches the system over to the next business day.

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The night auditor prepares various reports for management. Statistics such as the average room rate, percentage of double occupancy, percentage of occupancy, and other figures are needed daily by management to review the results of operations. Additionally, a report indicating the status of every room is prepared for the housekeeping department. For minimum requirements, a night auditor should have a high school diploma, an ability to work with numbers, and at least one year of front desk experience where an understanding of the guest ledger, trial balance, and hotel cashing has been gained.

### **Reservations**

The reservations area is crucial to the success of a hotel. It is the area involved in selling rooms to future guests. In this sales capacity, reservations must work very closely with marketing and sales department.

### **Reservations Manager**

The Reservations Manager is in control of the section, and organize the staff duty rotas, establish and maintain high standards of work, and make decisions on whether bookings should be accepted or not. He or she must ensure that all reservations, both group and individual, are recorded and followed up on as necessary. Other duties of this position are to perform the following:

- Making sure proper telephone etiquette is used and correct information is being given to potential guests
- Being sure that personal service is stressed and that sales techniques are being used appropriately
- Training reservation agents and setting up cross-training programs
- Reviewing all VIP reservations and working with the rooms division manager and the front office manager on assignments
- Preparing and distributing to other departments a 10-day and 30-day forecast
- Handling requests for reservation information and room rates
- Resolving billing disputes with regard to room rates quoted by the hotel
- Developing and maintaining a solid working relationship with the central reservations office and travel agents.

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A Reservation Manager should have a high school diploma and some hotel management course work. Two years of reservations experience in a hotel, ability to sell, and a desire to provide a high degree of service are also necessary.

### **Reservationists/ Reservation Clerk/Agent/Officer**

The Reservations Agents handle reservations, which may be made by telephone, fax, mail or email. They keep records of the number of bookings taken for each night, and record all the relevant details of each booking. They are also responsible for providing future guests with information about the facilities of the hotel. He or she also provides transportation to the hotel and facts about the local area to guests. Work performed by Reservations Agent includes:

- Giving friendly and courteous service to future guests while involved in telephone sales
- Answering all reservation phone calls, taking reservations, and dealing with reservation correspondence
- Dealing with group bookings such as cancellations changes, and rooming list
- Checking to see that all equipment is working properly and that the needed amount of supplies is on hand
- Conducting telemarketing under the direction of the director of marketing and sales
- Operating the property management reservation module.

While it is not necessary for a Reservations Agent to have a college degree, it would be beneficial for promotion and transfer into other areas such as marketing and sales. The reservations agent must be able to communicate by telephone and in person, have a pleasant personality, and possess a high level of patience in dealing with people.

### **Uniformed Services**

The uniformed services area is headed up by the bell captain and includes the valet parking personnel, doorpersons, and bell staff. In a large hotel where this area contains numerous employees, this area will be supervised by a person entitled the superintendent of services or director of uniformed services. In smaller hotels, the front office manager will have responsibility for this area.

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### **Valet Parking Attendant**

Valet parking attendants are, in many cases, the first and last hotel employees that a non-guest or guest who has driven to the hotel has contact with. This position requires an individual who is physically agile enough to run back and forth from the hotel entrance to the place where cars are parked. When it is busy with arrivals or departures (often due to banquet guests arriving or departing), this job is extremely demanding physically. The basic function of a valet parking attendant is to park and retrieve the cars of the hotel guests and non-guests in a friendly, hospitable, and safe manner.

A valet parking attendant must possess an excellent driving record. Due to the large amount of gratuities a person can receive in this job, it should be possible to attract employees who are capable of providing the level of quality service the hotel desires.

### **Doorperson**

The employee who greets the guest and offers the first service of the hotel is the doorperson. The service is assisting the guest into the hotel with his or her luggage and directing the guest to the front desk area. In case of guests of the hotel who are there only to attend functions being conducted at the hotel, the doorperson will greet the guest in a friendly manner and direct the guest to the function. At check-out time, the doorperson is busy taking the luggage from the bell staff and helping the guests with their departure from the hotel by loading their luggage into their car or by calling a taxi. During their stay, the doorperson is there to assist the guests with directions and by answering questions in a pleasant and helpful fashion. When guests return to the hotel, a warm and pleasant greeting from the doorperson goes a long way in making guests feel important to the hotel.

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### **Bell Person/Bellhop/Bellman/Porter**

After the guest checks into the hotel, he or she is turned over to the bell person who will escort the guest to the guestroom. Rooming a guest refers to the process a bell person goes through when escorting a guest to the room. During this rooming process, the bell person has an opportunity to act as the hotel's sales representative and ambassador of goodwill. While escorting the guest to the room, a bell person can start up a conversation that will make the guest feel welcome, inform the guest of the hotel facilities, and sell the hotel's food and beverage areas to the guest. Upon arriving at the room and placing the guest's luggage inside the room, the bell person should explain the workings of the heating and cooling system, the television set, and he or she should answer any questions the guest may have.

The security of the hotel lobby may be indirectly become the duty of bell persons. They are constantly moving throughout the hotel, and should be trained to keep their eyes and ears open for anything unusual. While guests are checking in and being roomed, bell staff can look for light luggage or any other suspicious signs that should be reported to the management. The bell staff will perform other duties during a guest's stay such as delivering messages, running errands for the hotel and its guests, and completing other duties as assigned by management.

### **Concierge**

For over a century, the service of concierges has been available in Europe. Today, most full-service hotels are adding a concierge to their staffs. This person, if not available to all of the hotel guests, can usually be found in a towers section or in many cases on what has been termed the concierge floor of the hotel.

The services of the concierge are many and varied. They range from making reservations on airlines or at theatres to locating a pharmacy that can fill a guest's prescription. A concierge is there to serve the guest in whatever way necessary. The addition of the concierge function in hotels has taken a lot of the stress off front desk guest service agents, to whom guests have always turned for assistance in the past. Now, hotel guests are learning to look for the concierge with their questions and requests. The concierge can also help out during rush periods at the front desk by taking keys or retrieving mail and messages that guests have waiting for them at the front desk.

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A head concierge is also referred to as a Chef Concierge and is normally a member of the, 'The Society of Golden Keys'.

### **Page Boys**

The duties of page boys include running errands for guests, informing guests in outlets of any calls and delivering messages to guests.

#### **Activity 1.2**

List four duties of the Concierge

### **PBX/Telephonist/Telephone Operator**

PABX/PBX stands for private automated branch exchange. This area is commonly referred to as the switchboard and is staffed by switchboard/telephone operators. The switchboard must be kept open 24 hours per day. In small hotels, the night auditor may take on these duties during the third shift. It is important that the phone be answered as quickly as possible (by the third ring), and in a friendly and polite manner.

Most large hotels have room-to-room dialling by which guests in one room can dial directly to another room. Direct dialling is in use in most lodging properties today. This means that guests can dial local and long-distance phone calls from their guest rooms without going through the hotel or phone company operator.

The main duty of a switchboard operator is that of transferring calls from outside the hotel to the appropriate guestroom. Operators must do this without ever giving out the room number of a hotel guest. There are two methods used to locate a guest's room number. The first is by using what is called an information rack. This contains slips of paper that have the guest's name and room number on it. These slips are placed in the information rack in alphabetical order. A second method is to have a computer terminal at the switchboard area and to use this to access the guest's room number by a last name search.

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One of the most important things an operator must do when answering the phone is to speak slowly and clearly enough so that the calling party will know the correct number has been reached. This also reinforces the name of the hotel with the caller. An appropriate greeting should be made as well. As with most of the employees in the rooms department, the switchboard operators represent the hotel to the callers and hotel guests.

Therefore, if the operators are hospitable, a pleasant picture of the hotel is printed for these individuals. Wake-up calls are usually taken by the switchboard operator if a guest-controlled computer system is not in use. It is extremely important that when a wake-up call is requested that proper procedures are followed so that the call will be made at the right time. Taking messages for guests falls into the same category of importance as providing wake-up calls. An inaccurately taken message is going to leave such a poor impression on the guest that the hotel, and quite possibly the entire chain with which it is affiliated, may lose this guest forever.

### **Activity 1.3**

Which front office employee would use a PBX or PABX and list three uses of this system?

## **Other positions in the Front Office Department**

### **Mail and information**

A mail and information counter is normally found only in very large hotels and as was mentioned earlier has now generally been incorporated into the concierge/porters or reception departments. The mail and information section comprises of the mail and information supervisor and the mail and information clerks

The mail and information supervisor is responsible for a team of mail and information clerks who give out guest keys and deliver guests' mail and messages. They are also responsible for dealing with guests' visitors, and providing information on the hotel or local attractions. They would also carry a supply of local postage stamps and stationery.

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Many hotels now have business centres which provide secretarial services, fax and computer facilities for the guests. These centres relieve the mail and information desk of some of the specialist information and requests made by business people.

### **Guest Relations Officers**

In large hotels, it is quite possible that guests will only meet the receptionists and porters, and will have very little contact with other members of the hotel staff. In such hotels, guest relations officers are sometimes employed to try to create a more caring and personal hotel atmosphere.

Guest relations officers (GROs) usually have a desk in the main lobby as this will make it more accessible for them to be approached by guests. Their main responsibility is to make guests feel welcome and provide a more personal service, very often by simply talking to guests who are travelling on their own and perhaps feel lonely staying in a strange new town or city. GROs also handle guests' problems and complaints, and always become involved should a guest need a doctor, or simply feel unwell.

In addition, it is the GRO's responsibility to care for VIPs and frequent guests by checking that their rooms are prepared and escorting them on arrival.

### **Business Centre**

Business people have come to expect hotels to provide a wide range of facilities and services to meet their specific needs in recent years. These range of services may include fax, photocopying and secretarial work. There may also be a demand for translation and interpreting services as well as the rental of equipment, such as laptop computers and portable telephones. The organisation of private meeting rooms is also one of the duties of business centre staff. If a hotel has many non-English speaking guests, then bilingual secretaries may be required. Similarly, most properties now have full e-mail and Internet facilities for guests.

### **Tour Co-ordinator**

Hotels receiving large numbers of tour groups may employ tour co-ordinators to co-ordinate group activities. Tour co-ordinators must establish good relations with local and international conference organisers, tour operators, airlines and travel agents. It is also the duty of the tour co-ordinator to ensure that all guests from a group should be roomed accordingly and that their stay at the hotel is pleasant.



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## **Induction and Training**

### **Induction Programme**

It is important that all new front office employees undergoes an induction programme in order for them to settle in quicker and know what will be required of them.

Topics that are usually covered by a trainer or supervisor during an induction programme are as follows:

- Welcome the new employee to the department
- Tour of the entire work area
- Introduction of colleagues and management
- Show the department's organisation chart
- Describe department's rules and regulation
- Key Performance Targets e.g. Guest Comment Cards
- Review the job description
- Emphasise the job in relation to other departments
- Explain problem solving procedure or grievance procedure
- Identify who the new employee can go to for help when he/she cannot find his/her supervisor
- Discuss with new employee the training programme that he/she will be going through
- Introduce to a buddy

### **Cross-Training**

Cross-training is the preparation of employees to perform in positions other than in their primary jobs, has an unlimited potential for solving labour shortages in the front office area. For example, a reservations agent can be trained as a guest service agent. This will then enable a reservations agent to assist at the front desk during busy periods, breaks, vacations, and so forth.

### **Job Rotation**

Job rotation occurs when employees move around and work in different positions. Rotation of employees to different positions may help to relieve some of the stress with certain employees. Guest service agents are under much more stress than reservationists, due to the high degree of guest contact they have. By rotating these two jobs, a manager can reinforce cross-training, cause job boredom to be reduced, and provide a 'stress break' for the guest service agent.

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### Activity 1.4

Write notes on the following:

- a. The role of uniformed staff
- b. Duties of the guest relations department

### Summary

The organisation of the front office department is influenced by factors such as the size of the hotel, the standards of service and the type of guests.

In a large hotel, the front office will be divided into sections. These include:

- Reservations department
- Front Desk
- Porters or uniformed staff
- Telephones
- Cashiers
- Night audits
- Guest Relations
- Business centre

It is important to understand the role of all the employees, as successful operations of the front office is a team effort.

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### Guest Cycle

The guest cycle is an overview of the physical contacts and financial exchanges between the hotel and its guests. It starts from the potential customer's first contact with the hotel through to check-out and reconciliation of the account.

The Guest Cycle can be divided into four phases:

1. Pre arrival phase
2. Arrival phase
3. Occupancy phase
4. Departure phase

Each phase of the guest cycle involves critical functions performed by different sub-departments of the hotel. Hence, all front office staff must communicate effectively with one another and with staff in other departments to ensure smooth operations of the hotel. To effectively serve guests, front office staff s needs to clearly understand the activities involved in the sale of guestrooms and the important role they play so as to better manage every guest cycle.

The table below shows the four phases of the guest cycle and the activities or tasks within each phase.

<b>Phase</b>	<b>Activities/Task</b>
<b>Pre-arrival</b>	<b>Reservations</b> <ul style="list-style-type: none"> <li>• reservation</li> <li>• identification of source of business</li> <li>• prepayment</li> <li>• other pre-arrival activities e.g. pre-registration, pre-assignment</li> </ul>
<b>Arrival</b>	<b>Registration</b> <ul style="list-style-type: none"> <li>• identification of guest status</li> <li>• registration</li> <li>• room assignment</li> <li>• rate assignment</li> <li>• establishment of credit</li> <li>• creation of guest account</li> <li>• issuing of room key</li> <li>• rooming of guest</li> </ul>
<b>Occupancy</b>	<b>Occupancy of Room</b> <ul style="list-style-type: none"> <li>• updating of room status</li> <li>• room/rate change</li> <li>• cashiering activities</li> <li>• communication with other departments</li> <li>• maintenance and auditing of accounts</li> </ul>
<b>Departure</b>	<b>Settlement and Check-out</b> <ul style="list-style-type: none"> <li>• settlement of guest accounts</li> <li>• collection of room keys</li> <li>• updating of room status</li> <li>• communication with other departments</li> <li>• creation of guest history</li> <li>• follow-up on late charges</li> </ul>

**Table 1.2 The guest cycle**

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### **Summary**

The guest cycle is an overview of the physical contacts and financial exchanges between the hotel and its guests. The guest cycle can be divided into four phases which are:

- Pre-Arrival
  - Arrival
  - Occupancy
  - Departure
-

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## **Topic 2**

# **SAFETY, SECURITY AND CUSTOMER CARE RESPONSIBILITIES**

### **Objective**

This chapter will introduce students to the security aspects of a hotel, focussing on the security responsibilities of the reception. Apart from physical safety of guests, guest well being will also be discussed.

### **Learning Outcome**

After studying this chapter, students should be able to:

- Discuss security aspects of a hotel, including keys, money and valuables, security incidents and security measures during check in and check out.
- Discuss Health and Safety aspects of a hotel.
- Outline the roles and responsibilities of reception with regards to customer care.

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### **Security Aspects of the Hotel**

Everybody likes to work in a safe and secure environment, and there are many ways in which the reception staff can contribute to this. Several factors will influence the general security of the hotel, and many of them are controlled by the reception staff. Virtually all hotels will have recognised policies and at the very least security measures will be in place around the following:

- Keys
- Lost and found property
- Guest check-out
- Equipment
- Safety deposits
- Cash handling
- Security incidents
- Guest arrivals

At this point it may be useful to examine some common policies relating to these important security areas.

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## **Key Security**

### **1. Levels of Keys**

Some keys used in the hotel can open more than one door. This is to enable staff to have access to more areas and rooms, without having to carry around too many keys. Keys that can open more than one door are referred to as master keys. There are different levels of mastering as detailed below:

- Guestroom Keys – access to a room that is not double-locked
- Sub master/Pass Key – capable of opening a few rooms located within a section of a floor which are not double-locked
- Master Key/Floor Master Key – opens all doors of rooms on a floor which are not double-locked
- Grand Master Key – opens all doors of the rooms in a hotel that are not double locked
- Great Master Key/House Emergency/e-Key – opens all rooms in hotel including those that are double locked
- Lock Out/Stop Key.

The management is usually quite careful about the selection of submaster and master keys, since they will open all the rooms on a floor or in a block, or in the case of the master, all the rooms in the hotel which are not subject to a special lock. Usually masters are given only to heads of departments, and sub masters are often signed in and out at the beginning and the end of a shift. To lose one of these keys is regarded as a very serious offence, since if the hotel wants to be really safe there is no alternative other than to change all the locks – even in a small hotel this would be very expensive.

### **2. Types of Room Keys**

Once the guest is given the key to the room it shows that the check-in process is nearly complete.

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- **Traditional Keys**

Some hotels have a traditional key, often fastened to a large ring or tab (Fig. 2.1). This is to remind the guest to hand in the key when they go out, and on departure. Sometimes this does not work, and the guest takes the key away which poses a big problem for the hotel. Since that client is still in possession of the key, they can easily get back into the room. Clearly this becomes a problem once that room has been re-let to another guest. Additionally, keys need to be stored somewhere safe, where guests cannot see who is in or out, and in a large hotel this can be quite a task. Figure 2.2 shows a key rack that will be located in the front office area.



**Fig 2.1 Traditional Keys**



**Fig 2.2 Room keys need to be stored out of sight of guests**

One way of improving security with this type of system is by issuing clients with something that they can use to identify themselves to the staff in the hotel.

- **A Key Card**

Some hotels give a key card to their guests when they check in. This is either a card or a small booklet which has the guest's name, room number and room rate entered on it. Inside or on the reverse there are details of the restaurants or other facilities of the hotel. Sometimes this is linked to advertising for local shops and it may then be self-financing (Fig. 2.3). Key cards can be printed in different colours to indicate the different status of guests: a red card, for example, may indicate a chance guest, who could therefore be asked to pay cash for all services.

A key card fulfils three separate functions:

- It can be used as a security check when guests collect their keys
- It can advertise facilities, both in or out of the hotels
- It satisfies the hotel's legal obligation to inform guests of their room rate.



Fig. 2.3 A key card can fulfil a number of functions.

At some hotels the security procedures followed to prevent fraudulent activities include checking the key card of the guest before charging anything to the account, or before handing over the key. In some cases however, the guest might not be able to produce a key card since there may be two or more people in the room, or they may have left the key card in the room.



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- **Electronic Key Systems**

Electronic key systems replaced the traditional systems, and are far more secure both for the hotel and for the guest. The keys are made of plastic and resemble a credit card and are controlled by computer systems. Upon check-in, an electronic key, corresponding to the electronic lock securing access to the room, is provided to the guest. Typically, an electronic lock system comprises a key generating station which is located at the check-in counter or front desk of the hotel and an electronic lock at the guest rooms. The lock is opened through a key code programmed on the magnetic strip of the card. A new key is programmed for each new arrival, with a combination number exclusive for that particular stay. Masters and sub-masters are treated in the same way. If a key is lost or stolen it is a simple matter to re-program the lock, and then any existing key becomes worthless.

The keys can also be used for authorisation and direct debiting in the restaurant, bars and other sales areas of the hotel, and this eliminates the risk of charges being posted to the wrong account. When linked with cash register that has pre-set pricing for each item, the system becomes almost fool proof. Some hotels also use the key as a trigger for the lighting and air-conditioning, so that without the key neither of these services will operate. Clearly this is a cost saving for the hotel, since many guests are careless about the costs of services.



**Fig 2.4 An electronic key system is more secure.**

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### **Keyless Hotel Room and Locker Entry**

(<http://www.pdcorp.com/en-us/rfid-ent/rfid-applications.html>)

Unlike with keys or cards, when hotel guests wear an RFID wristband empowered as an electronic room key, they never have to worry about where they left it or where to place it while enjoying your facility. It's always on the wrist, which eliminates lost keys and increases security. By simply presenting the wristband to the RFID-



enabled door lock, each guest has secure access to their hotel room or after-hours hotel entrance. The same RFID wristband may also be used to rent lockers, or access gym facilities and business centres. These added conveniences are proven in the industry to enhance the overall guest experience.

RFID-enabled door locks are also a cost-effective alternative to other door lock choices.

Unlike common magnetic stripe card key door locks that collect dirt and require regular maintenance, RFID is a contactless interface, which reduces maintenance and saves your staff time. The electronic door lock may also increase accountability of employees by monitoring who entered a room, the time of entry, and duration of stay.

### **Lost and Found Property**

All lost and found property should be treated in the same way:

- held in a secure place
- reported to the supervisor
- recorded in the lost and found book
- returned to the owner if possible

The information recorded in the lost and found book includes a description of the item, the date it was found, the place where it was found and the name of the person who found the item.

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Hotels will have policies regarding lost and found items. It might be kept for six months, where after it might be auctioned, handed over to the police, handed over to a local lost and found office or returned to the person who found the item. In the case of more valuable items, additional security measures need to be in force. In the case of items such as passports, every effort needs to be made to find the client – usually at the airport!

With the increase in security threats, items which are found that come into the category of suspicious items must be treated with great care. Unattended luggage should be reported to security immediately. The reception staff should remain vigilant and observant at all times to protect the staff and customers of the hotels.

### **Equipment**

All areas of the hotel use some form of specialised equipment, and the care of equipment will vary from one department to another. Front office equipment includes computers, fax machines, printers and copiers, telephone systems and credit card machines. Possible safety and security issues related to equipment include:

- loss and damage due to theft and carelessness
- crime such as unauthorised credit card transactions
- misuse of equipment
- failure to use equipment cost-effectively
- failure to use equipment safely
- failure to report defective equipment

All staff should be trained in the correct use of equipment.

### **Safety Deposits**

Hotels are obliged to offer guests safety-deposit facilities if they wish to limit their liability for loss. A range of methods is available, often depending upon the size of the hotel, and the type of clientele. Hotels offer in-room safes for guests to use at their own convenience, in addition to safety deposit boxes. Where hotels do not have safety deposit boxes, they can offer to store guest valuables in safety deposit envelopes.

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## 1. Deposit Envelope

The cashier will provide the guest with an envelope into which he seals his property. The guest will sign over the seal as a security measure. The intact signature on the seal is proof that the envelope was not tampered with. The cashier marks the envelope with the guest's name and room number, and issues a receipt for the envelope. The guest countersigns the receipt and the receipt number is noted on the envelope. The envelope is then placed in the front office safe.

In order for the guest to retrieve his property, the guest will pass over the receipt and sign the receipt book. The cashier verifies the guest's signature against the original and hands over the sealed envelope. A new envelope has to be used for each transaction, even if the guest only removes some of the items in the envelope.

## 2. Safe-Deposit Boxes

Larger hotels utilise individual deposit boxes for the safekeeping of guest valuables. The safety deposit boxes are large enough to take personal property such as jewellery, passports, money and traveller's cheques. The boxes are located in the front office areas and controlled by the cashier. Safe-deposit facilities are only offered to people whilst they are residential in the hotel.

<b>Safe Deposit Agreement</b> <b>Centurion Hotel</b>	
Safe Box Number:	Date:
Guest Name:	Room:
Guest Address:	
The use of this safe deposit box is subject to the conditions printed below:	
1. Safe deposit boxes are only available to registered guests.	
2. If the use of the box is authorised in the name of two or more persons, it is deemed to be under control of each of them.	
3. The Centurion hotel is hereby released from any liability arising from the loss of the key.	
4. A charge of £50 will be made for a key lost or carried away and not returned.	
Guest Signature:	

**Fig 2.5 A safe-deposit agreement**

<b>Safe Deposit Record Centurion Hotel</b>		
Box number:		Guest Name:
Room Number:		Date:
Cashier:		Authorised Signature:
Date:	Time:	Guest Signature:
Cashier:		

**Fig 2.6 Safety deposit index card**

The boxes are secured by two locks. The first lock is opened by a key that is common to every safe; this key is held by the cashier. The second lock has an individual key, which is issued to the guest. The safe can only be opened when both keys are in the locks, which means the guest and cashier must both be present.

When a guest wish to open a safe deposit box, a safe deposit agreement will be completed with the guest's name, room number, address, date and time (see figure 2.6). Both the guest and cashier will sign the index card. At this stage the cashier should highlight any penalty clauses regarding loss of the safe box key. The guest will then proceed with placing his items in the safe box. The box number is noted on the control card. The box is locked with both keys. The guest key is returned to the guest and the master key is returned to the designated place. The control card is filed.

The standard operating procedures will be followed when assessing the safe deposit box. The guest must be identified and the safe deposit index card retrieved. Each time a guest wishes to remove property, the guest and cashier sign the slip. The cashier countersigns to authorise the guest's signature, and the box is opened with the two keys. The cashier ensures that box is locked before returning the keys to the guest and the designated place. The control card is then filed.

When a guest wishes to close the safe deposit box, the above mentioned procedures are followed, but in this case the guest has to sign on 'Closure' column on the control card. The cashier ensures the tray is empty before returning the keys to the designated place.

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### 3. Individual Room Safes

Individual room safes are becoming increasingly popular, since the guest has total control of their valuables, and can access them at any time. The safe is situated in the room, often by the mini-bar, and is operated by a code number, which the guest programs in on arrival. The safe can be opened and closed any number of times, and the number can be changed at will. Obviously the guest needs to be sure they will remember the number, since there is no other way of opening the safe. It provides an ideal place to store passports, money and jewellery, and since it is all together it is unlikely that anything will be left behind (Fig. 2.7).



**Fig. 2.7 An individual room safe**

#### Activity 2.1

State the activities that would occur during the process of accepting a guest's valuables for storage into the hotel safe deposit box.

#### Cash Handling

Large amounts of cash are handled in the front office on a daily basis. Cash is used as a method of payment upon check out and for foreign exchange transactions. Hotels should have rules in place to minimise the risk of theft and pilferage.

- The amount of cash in the front office should be kept to a minimum.
- When selecting new staff, ask for references and check to make sure that they are telling the truth.
- Count all cash in a secure place

- 
- Limit access to cashier's office
  - Record the daily float reconciliation
  - Vary the route, time and day of banking.

Staff should be made aware of the risks involved in cash handling and trained in:

- Cash handling procedures.
- Emergency procedures and operation of security devices.
- Confidentiality about procedures and security devices.
- How to identify robbers.
- How to identify suspicious behaviour.
- How to behave during an armed hold-up.

### **Guest Arrivals and Check-Out**

Chance arrivals can pose a particular problem. Reception often does not have time to verify details provided during registration. It is now standard procedure to request some form of prepayment from chance guests. This prepayment has to cover at least one night's accommodation and possibly another 50% of the room rate for incidentals that may be incurred. In many places even guests who have made a booking are asked to give a printout of their credit card, and few people object to this practice.

Security measures includes measure to ensure the hotel's and the guests' interests. Hotels may be the venue for a meeting which is not public knowledge, or a VIP may arrive and not wish to be troubled by the press. It is the responsibility of all hotel employees to keep such information confidential.

During check-out the cashier needs to be vigilant, since there are many ways of defrauding the hotel, and familiarity with all methods of payment is essential. There will be regular security briefings with front office staff in order to keep them up to date with the latest forgeries and warn them of any known criminals in the area.

### **Security Incidents**

Hotels and tourist areas are particular hot spots for security incidents. As everyone is a stranger to one another, it is difficult to spot any suspicious person. It is very difficult to keep an eye on people and belongings in a hotel lobby, especially during the busy periods when guests are checking in and out. Unattended luggage should be reported and removed. Front office and uniformed staff have to be vigilant and on the lookout for anything suspicious.

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Many hotels have set procedures in case of bomb threats, armed robbery or similar incidents, and staff should familiarise themselves with these on a regular basis. Staff should know how to raise the alarm. Minor incidents should be reported to the supervisor on duty, while major incidents warrant raising the alarm.

Car parks are another danger spot. Guests should be informed not to leave any valuables in their vehicles and there should be sufficient level of lighting both at day and night. Electric security system can include safety lighting and alarm communications, and can be as obvious or as discreet as the hotel wishes.

The following are some suggestions to note in case of a bomb threat and armed robbery.

### **1. Bomb Threat**

When an employee answers a call with regards to a bomb threat, he/she should transfer the call to seniors or try to prolong the conversation and obtain as much information such as:

- Caller's identity/Age/Gender
- Voice characteristics
- Command of the language
- Accent local or Foreign
- Psychological State
- Background noise
- Facts about the bomb e.g. when it will go off, location, kind of bomb, caller's motive.

### **2. Armed hold-ups**

The same applies as in the case of armed hold-ups. The employee should try to stay as calm as possible and try to get the manager or senior a staff to the area.

Follow the steps listed below during an armed hold-up.

- Stand still
- Obey the robber's instructions
- Remain calm and quiet
- Stay out of the danger area
- Stay where you are. Do not chase
- Call the police when it is safe
- Seal off the hold-up area and do not touch evidence
- Ask witnesses to remain



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During the robbery observe the following details about the robber(s) only if you can while doing exactly as directed:

- Height
- Weight
- Clothing – including unusual marks, stains and tears.
- Age
- Hair colour
- Eye colour
- Identifying marks - scars, tattoos etc.
- Prominent or unusual features
- Speech patterns, impediments
- Type of weapon

### **Activity 2.2**

There has been a decline in the level of security at your hotel recently. This has been brought to your attention as a result of an increase in guests leaving without paying, credit card fraud, as well as jewellery and other personal effects going missing from hotel bedrooms. As Deputy Manager responsible for hotel security, you plan to deliver a series of training sessions to all front office and housekeeping staff.

Draw up a list with notes of the subjects you will include in your training programme to ensure you achieve your aim of raising staff awareness on security, and to reduce crime in the hotel. This should include all aspects of security covering property, money, building and people.

### **Summary**

Safety and security responsibility falls on all hotel employees, but even more so on front office staff, as they have very close contact with guest and are often having to deal with safety or security incidents

A large number of keys are used and issued on a daily basis and key security is of utmost importance. Many hotels are using electronic keys as this is more secure than traditional keys.

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Front office often has to deal with lost and found property. This needs to be recorded in the lost and found book and kept secure.

Safe deposits is a means of keeping guest's valuable safe. It can be done by offering safety deposit boxes, safety deposit envelopes or individual room safes.

Cash is used as method of payment and foreign exchange transaction. All front office staff should be trained in cash handling procedures.

Chance arrivals are guests who arrive at the hotel without prior reservations. Reception staffs have to ensure that the correct procedures are followed when checking in a chance arrival.

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## **Health and Safety Aspects of the Hotel**

The Health and Safety at Work Act was passed with the aims of protecting employers and employees and to increase the safety awareness of those at work.

The law places the main responsibility for Health and safety on the employers. Employers have to carry out risk assessment of hazards and implement safety measures. Hotels also have to have a written statement of health and safety policy. While there may be one policy that applies to the entire hotel, there may be department-specific policies. In addition employers have the responsibility to inform staff of hazards, train them and supervise them. A safe working environment must be maintained.

While the law imposes a general duty on the employer to safeguard the health and safety of their employees, it is also fairly specific about the duties and responsibilities of employees. These include the following:

- To take reasonable care of the health and safety of themselves and others in the workplace
- To co-operate with the employer in meeting or complying with the requirements in relation to health and safety
- Not to interfere with, or misuse anything provided in the interests of health and safety or welfare.

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Injuries are most often caused by:

- Excessive haste
- Distraction
- Failure to apply safety measures

Regulations such as COSHH (Control of Substance Hazardous to Health) are in force throughout the entire hotel, but areas such as housekeeping, where cleaning products are stored, are especially vulnerable. These regulations require employers to inform, instruct and train employees with regard to risks and precautions associated with the safe handling of these substances. Hazardous substances that can be found in the offices are correction fluid, thinners, solvents, methylated spirits, toner for photocopier, duplicating fluids and chemicals polishes, etc.

### **Fire Precautions**

When a fire starts in a hotel it can be a terrifying and very dangerous experience. Guests are unfamiliar with the hotel which increases the severity of fire as a hazard. The Fire Precautions Act places the same responsibilities on employers as the Health and Safety at Work Act. The employer has to carry out a risk assessment, inform staff of hazards and train staff.

It is essential that the staff should be fully experienced in fire drills and practices, and be familiar with all the entrances, exits and assembly points of the hotel. In addition, when assigning rooms, receptionists have to consider the ability of guests with special needs, such as parents with children, the elderly and disabled people, with regards to means of escape.

Fire is caused in a number of ways, often by simple incidents which escalate. Some examples are as follows:

- Carelessness on the part of humans
- Electrical sparks
- Insufficiently maintained equipment
- Cleaning substances and chemicals

All fires need three elements to sustain them:

- Heat
- oxygen
- combustible material

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Thus all fire-fighting equipment is designed to remove at least one of the elements and so starve the fire

Hotels in the UK are required to hold Fire Certification, which is issued after a fairly rigorous inspection. Hotels will have procedures in place for:

- Fire detection
- Fire Warning
- Means of escape
- Arrangements for evacuation
- Emergency escape and exit signs
- Fire fighting equipment
- Emergency plan

It is a legal requirement that all hotel staff members receive fire safety training. They have to be well familiar with the layout of the hotel and be able to provide guests with clear instructions in the case of an emergency.

### **Summary**

According to the Health and Safety at Work Act, all employees need to take care of their own health and safety and co-operate with their employers with regards to health and safety.

Front office is often the first contact in case of emergencies and need to know what to do in case of fire and security incidents.

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## **Roles and Responsibilities of Reception towards Customer Care**

The reception staff are the key to the success or failure of customer care. The role of the receptionist is so important because it can make or break the stay, from the very moment when the enquiry is made for a booking up to the final payment of the account upon check out.

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For example a guest in the hotel calls the reception and request for extra pillows.

GUEST: Can you please send someone over to my room with two extra pillows?

RECEPTIONIST: Please call the housekeeping department?

Of course you can't help being busy; after all, that is what the hotel is there for. But the receptionist could have said a number of other things, offered some alternatives. For example, she could have just taken down the guest's room number and call housekeeping to send the pillows up to the guest, or even offered an apology and said that although there will be a short delay, she will arrange for the guest's request as soon as possible. The whole point is that the guest only talks to the receptionist in a case like that. It doesn't matter if you have the best rooms in town, if the chef is world famous, or if the general manager is the most efficient, because the chances are the guest will never find out.

When questioned, people often say they want to be a receptionist because they like meeting people, but this is only part of the job. A good receptionist has a great many skills, and to be good with people is only part of the job, or one of the attributes that is needed.

### **The Welcome**

You may smile and say 'Welcome to the hotel' hundreds of times in your working week, but remember that each client it is a first. It doesn't matter if they are with you for business or leisure purposes, they are away from home and they have chosen your hotel. Be sure they don't regret it. Smile as if you mean it, and remember to make every welcome a special occasion for each individual who arrives. Also remember the tours and groups. Just because they travel together doesn't mean they are any less important, or less welcome. So remember when you said 'Welcome to the hotel' that we really mean it, because we want everyone to come back.

### **The First Impression**

This is another area which is just so important that it cannot be stressed enough. When clients arrive, the impression they get will remain with them throughout their stay. They judge the hotel not only by the way hotel staff act, but also by the way the staff look. Would you be happy to go into a restaurant where the waitress looked untidy and not very clean? You might expect the kitchen to be the same. So too with the hotel: the guests will judge it by how you look and act.

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### **An Efficient Manner**

However busy the desk is, there is a clear difference between very busy and highly disorganised. Guests feel unsettled when they see that reception staff cannot cope. They might be doubtful about the reception's ability to handle their accounts, messages and any other requests. The 'people skills' are important in this job, but so are administrative details.

### **A Sensitive Approach**

There are always a number of situations which demand a caring or sensitive approach. A number of people have disabilities and, while they do not wish to be treated differently from others, they have certain needs which must be identified and dealt with during their stay. Families with very young children will need some special care, or help until they have settled in. The main business of any hotel is to look after their guests.

### **Guest Problems and Complaints**

Most customers are not difficult; they are away from home, and want a pleasant stay in comfortable and familiar surroundings. Many customers will even excuse the odd occasion when things go wrong, but inevitably there are those who are rude, and even some who actually enjoy complaining. Some customers may come in and demand the impossible or make a scene – often these people are really very insecure, and they need to assert their authority in this way to make themselves feel important. Even though prevention is better than cure, some problems inevitably occur. Front office staff should learn to anticipate problems before they arise.

There are a few general rules for dealing with complaints, and in addition many hotels have standard procedures to follow, to ensure that any real complaints are dealt with and rectified.

### **Types of guest problems**

Problems tend to be of two kinds: those created by the hotel itself, or those created by external factors outside the control of the hotel. Both types of problem may cause guests to complain.

Listed below are some examples of problems that inconvenience the guest.

- Guests are unfamiliar with hotel policies, e.g. the guest arrives at the front desk only to find that their room has been re-let because they did not guarantee the booking, and it was on a 6 PM release.

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- Guests are unfamiliar with terminology e.g. a guest books a double room and expect two single beds, not a double.
  - Hotel is fully booked e.g. the guest does not believe the front desk clerk who tells them that the hotel is fully booked.
  - Impolite front desk staff, e.g. a guest telephones a hotel and is kept on hold for a long period of time.
  - Errors made by the hotel e.g. the guest are overcharged.
  - External problems e.g. the guest's luggage is lost by an airline.

Regardless of the source of problems, the front desk staff must deal with the situation in an appropriate manner. Staffs must always bear in mind that it is the duty of the hotel to make a guest's stay as relaxed and enjoyable as possible.

### **Action to Take When Handling Problems**

In some cases, guests may indicate what action they require in order to resolve their problems. For example, a guest who has lost her luggage may be very pleased when you offer to contact the airline for her. A guest with a noisy neighbour, on the other hand, may request a change of room.

It is often the responsibility of front office staff to decide whether this action is possible and justified. Alternatively, a guest may wait for the staff to offer appropriate alternative action. In this case, it is important for the staff to watch for clues to indicate the guest's desires. Front office staff should avoid applying their own judgements to the situation, or offering solutions too readily. It is sometimes better to wait for the guest to respond to the suggested remedy.

The level to which you can offer recompense to the guests depends on the amount of leeway given to the front desk by the hotel management. It is not usually good policy to reduce the price of a room or meal; this will lose the hotel actual revenue. A more positive and constructive procedure is to provide an extra service.

If a guest is very difficult and will not agree to any course of action, you may then have to refer them to a more senior member of management. If they are in an unpleasant mood and cannot be calmed down, it is best to take their name and address, a carefully worded letter inviting them to dinner or a complimentary stay on another occasion may be well-received another day, when they are in a better mood.

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### Activity 2.3

Explain how you would handle the following problems

- a. A guest arrives early in the morning and is told that the room will not be ready until midday.
- b. A guest books two adjoining rooms expecting that the rooms will be connected with a door.
- c. The guest is ignored when arriving at the front desk.
- d. A guest books a twin room and is given a double room.
- e. A guest receives slow service in the restaurant.
- f. A guest does not receive a requested early morning call.
- g. A guest has mislaid his safe deposit key.

### Handling Complaints

Handling of complaints very often requires great tact and diplomacy. The emotional mood of the guest can affect the way you, as a member of the front desk team, will handle the complaint. An angry guest is difficult to deal with and the situation must therefore be handled with care. Front office staff must possess the correct skills for dealing with guest problems. A front desk clerk should be: calm and helpful, understanding, empathetic and tactful and discreet.

The following guidelines are applicable to most guests who approach you with complaints.

- Greet the guest and maintain good posture and eye contact. This will make the guest feel that you are a capable and responsible person.
- Do not interrupt the guest. Guests may become frustrated and angry if they cannot finish what they have planned to say.
- Apologise, even if the hotel is not at fault. By apologising, you are expressing your empathy with the guest's situation, but you are not accepting responsibility.
- Do not excuse the fault by blaming someone else. The guest will not be interested, and it shows very poor professionalism.
- Thank the guest for bringing the problems to your attention. Remember, it is always better to handle a complaint and ensure the guest is satisfied, than for the guest to complain to other guests, or leave the hotel dissatisfied and not wanting to return.



- 
- Classify the guest's complaint into:
    1. serious complaints which can be dealt with by the front desk clerk (e.g. a guest whose room has been re-let)
    2. minor complaints which can be dealt with by the front desk (e.g. a guest who has no bathroom soap)
    3. complaints which have been referred to the assistant manager or equivalent (e.g. the hotel has lost a guest's laundry)
    4. complaints which the front desk clerk can only deal with by offering empathy and limited assistance and guidance (e.g. a guest has left his camera in a taxi)
  - Discuss possible courses of action with the guest, and reach an agreement as to the most suitable solution.
  - Give instructions to other staff regarding the agreed action.
  - Record the complaint and action taken in the front office log book and report the matter to your supervisor.
  - If possible, try to meet up with the guest as soon as it is convenient to ensure that appropriate action has been satisfactorily taken.

It is also important to remember that as well as social skills, one's appearance and posture are also important when dealing with a guest who has a problem.

The following checklist summarises the key procedures to follow:

- Stand up straight with your shoulders back and look the guest in the eye. If at all possible, it is better to stand next to the guest, rather than remaining behind the desk.
- Your hands may be lightly clasped, or by your sides. Do not fold your arms, put your hands in your pocket, or jingle keys. This could again exacerbate the problem, or indicate that you are not listening or caring.
- Use your face to display empathy and confidence in your ability to help the guest.
- Try to maintain a sense of humour and do not ever take complaints personally.

### **Follow-Up**

The front office staffs are responsible for the follow-up procedures on a problem, particularly if it is a complaint. This can be done either later the same day, or the following day. The staff member who dealt with the initial complaint should contact the guest and ensure that the problem has been rectified to their satisfaction.

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For instance, if a call to the housekeeper was promised, call immediately. If a guest complained that their room was not cleaned properly the previous day, they should be contacted the following day.

It requires experience on the part of the front office staff in learning to deal with problems effectively. Through planned training sessions and role-playing situations, this experience can be helped. By anticipating problems, planning and practising responses, and receiving constructive feedback, staff members should be better prepared to deal effectively with guest problems as they arise.

#### **Activity 2.4**

As the front desk receptionist on duty in a 5 star hotel, provide an in depth answer on how you would handle each of the following situations.

- a. A guest says they cannot sleep as there is too much noise coming from the room next door.
- b. A guest says he has lost his room key.
- c. The air conditioning in the guest's room is too noisy and cold and they cannot sleep.

#### **Summary**

Besides looking after the guest's physical well-being, reception also has to minimise stress which might arise due to problems and inconveniences. The guest's first impression influences their expectation for the rest of their stay. This first impression is often provided by the front office staff, in the form of their welcome, efficiency and approach towards the guest.

Some problems are unavoidable, but it is important that all problems are addressed in order to prevent it from turning into complaints. All front office staff must have the ability to identify and handle problems and complaints.

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## **Topic 3**

### **COMMUNICATION**

#### **Objective**

This chapter will introduce students to the various methods of communication used within the front office department. It will show the importance of effective communication between departments as well as with guests and external parties.

#### **Learning Outcome**

After studying this chapter, students should be able to:

- Discuss the role of reception as a communication hub for the hotel
- Outline effective verbal communication practices
- Explain various forms of non-verbal communication including social skills
- Explain procedures when handling telecommunications including answering, making and transferring calls as well as taking messages
- Define facsimiles and draw up a fax cover sheet
- Outline electronic communication methods including e-mail and internet communication
- Explain the procedures for handling incoming and outgoing mail
- Discuss the additional office tasks of reception
- Outline the legal aspects influencing the way that front office handles guests.

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#### **Role of Reception in Communications**

One of the key skills for a hotel receptionist is that of communication. It is a part of the job that underpins all other tasks and duties. In some form or another, this simple skill plays a part in every aspect of the work.

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Communication between people can be made in a variety of ways:

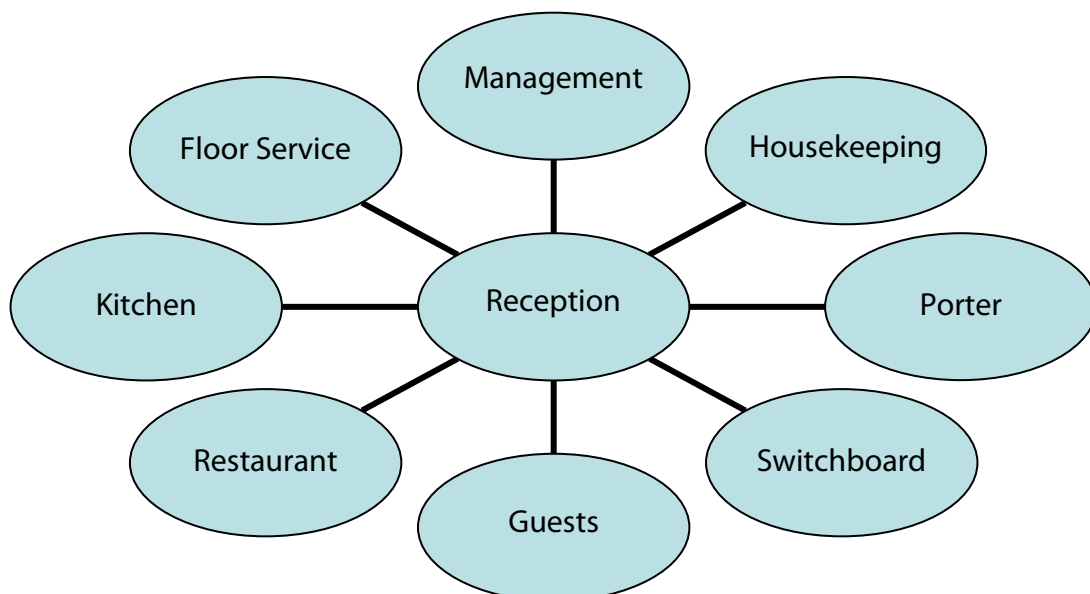
- Verbal
- Non-verbal
- Written
- Telecommunications

These can be broken down again in a number of different ways. For example, verbal communication can be face to face, or by telephone. Each has its place and its advantages and disadvantages, but a good receptionist will be equally at home with the use of any of them.

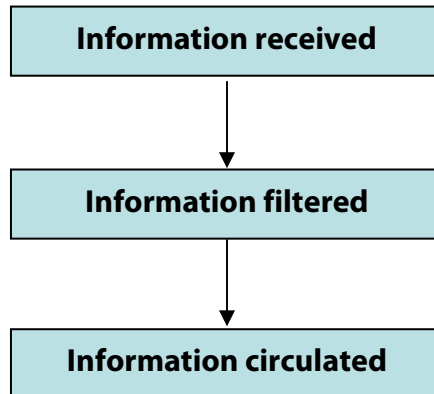
The receptionist is a bit like a hub in the centre of a wheel. All the departments need to lock into the centre piece in order for the system to operate (Fig. 3.1).

The system will not work effectively once one of the spokes is broken. This is why it is crucial that all departments communicate with each other. The role of the receptionist is centred on the need to communicate.

Virtually all the information that is received in a hotel comes in via reception. What reception must do is act as a filter, and sends out the information that is useful to other departments. Not all departments will need the same information; in fact some information is confidential, and should not be circulated widely (Fig. 3.2).



**Fig. 3.1 Reception as the communication hub of the organisation**



**Fig. 3.2 Information should be sorted and filtered.**

Communication is a vital part of the role of the reception, and of the smooth running of hotel. Everyone is aware of the important of communication between a few key areas such as reception and housekeeping and kitchen and restaurants.

But real communication goes much further than two departments talking to each other, however essential that is. Communication must extend even beyond department level for the hotel to really succeed in providing guests with the service that they require. Good communication skills have never been so easy to achieve as they are today.

### **Summary**

One of the key skills for a hotel receptionist is that of communication. Communication can be verbal, non verbal, written and telecommunication.

The reception is the communication hub in the hotel, with most information passing through reception. Reception then filters and redirects the communication to departments, management and guests.

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## **Spoken/Verbal Communication**

Good verbal communication is essential in most jobs, but rarely does it play such an important part as in the front office.

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### **Speak**

Since the receptionist is often the first link with the public, most hotels place a great deal of importance upon the way in which their receptionist speaks. Because of the nature of the work it is important to use a clear and regular tone, varying the pitch so it is not boring, and pronouncing words clearly, including the beginnings and ends of words. Most hotels now deal with national or international clientele, many of whom may have only a limited grasp of the languages of the country they are visiting, so strong regional accents can pose a problem.

### **Listen**

While it is without a doubt important to speak clearly and without ambiguity to ensure effectiveness, many people forget the most important aspect about communicating- the art of listening. The wrong information could be communicated if the reception staff do not listen properly. This will sometimes lead to disastrous results.

### **Filter and redirect**

The reception will receive communications from various sources in-house and externally. The information is then sorted and redirected to the appropriate place. It is the reception's responsibility to ensure the right department receives the necessary information. Often reception staffs are dependent on other departments to send them information, but once received it is the responsibility of reception to ensure that all other sections are made aware if any changes or new developments.

### **Take note**

If you cannot rely upon your memory, take note, or identify and highlight the important points. If you are unsure about something, check or question the information that you have received. Always keep a note book at hand, as loose pieces of paper are easily lost.

### **Take action**

Above all, listen, and act upon what you have heard. There are some people who ask questions and then do not listen to the answer. This is not only pointless but also very rude. Be interested and listen to the communication that is directed at you.

---

### **Communication difficulties**

The reception is expected to be able to deal with many different types of people. Some of these people are those who will require special treatment. Those who are deaf or hard of hearing will understand perfectly provided communication is properly carried out. There is no need to shout but use clear speech, pronounce words clearly and effectively. It is important to face and look at the clients and ensure direction is clear and not be rude and insulting at the same time.

### **Communication in Different Settings**

It is particularly important in reception to develop the skill of communication at all levels. The reception staff are the buffer between management, guests and others, and communication skills will be required when dealing with all groups of people.

### **The Guest**

As the first impression is of utmost importance, the reception staff must communicate with the guest in such a way that a good first impression is assured. Communication with the guest may be both formal and informal. The client will need to give and receive information and the receptionist should ensure that this is done quickly and efficiently.

The client may also, however, be far from home and may occasionally like an informal conversation. It is quite possible to develop your communication skills in this way and create a favourable impression while maintaining and displaying a professional attitude at all times. This will make the guest feel more comfortable and will be pleasantly happy with their stay at the hotel.

Guests must always be addressed in a formal manner as 'Sir' or 'Madam'. When the guest name is known, it should be used, for example, Mr Brown or Dr Smith.

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## **Management**

Your communication with management or supervisors will usually be of a formal nature. It will frequently involve the giving and receiving of information. The way the front office staff communicate with managers is often a reflection of the way they communicate with guests. By being critical about the way staff communicates, potential problems or complaints will be identified early and eliminated at source. Poor communications often lead to disillusionment and lack of motivation, which may result in unnecessary staff turnover. When there is an opportunity for promotion, the management will take communication skills into consideration.

## **Peers**

Communication with your colleagues will be different from communicating with guests and management as it is informal in nature. However, the information conveyed is still very important and communication with peers should be taken seriously, e.g. advising the housekeeper of moves, enquiring about baggage from the porters. The way in which staff communicates with peers reflects ultimately upon the smooth running of the hotel. Hotel policies must be followed when speaking in a foreign language to colleagues and it should never be done in the presence of guests.

Inevitably there will be occasional clashes of personality but these should never be allowed to develop to the stage where they are detrimental to the hotel. A negative attitude affects an entire shift, and everyone very quickly becomes unsettled. The hotel business is first and foremost about people, and that means enjoying the company of all types of people and the ability to work as part of a team

### **Activity 3.1**

Draw a table to show how Reception communicates with all other departments in a large luxury hotel. List the reasons why each department must liaise with reception and the specific communication methods used.



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### **Summary**

In order for effective verbal communication to take place, receptionists need to speak clearly, listen, filter and redirect and take note of important points. Front office staff needs different communication skills in order to communicate effectively with management, guests and peers.

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### **Non-verbal Communication**

This describes all the silent ways in which you display your feelings. Non-verbal communication is conveyed in your facial expression, which can show a welcoming smile or a forbidding frown. Most of us are aware that we have 'good' days and 'bad' days, but in the reception they must all appear, at least, to be good days.

A favourable and welcoming expression can be readily created by observing several elementary non-verbal aspects of behaviour.

### **Neat Appearance**

A neat appearance is essential at all times in front office. A neatly presented individual gives the impression of a well-organised and well-run department (Fig. 3.3). Imagine how quickly you would become disillusioned if you went for an interview for a job and the personnel manager had dirty hands or a stained jacket. Similar, guest will expect to find the guest rooms in a similar state than what the front of house staff's appearances display. A clean and ironed uniform and polished shoes will reflect your interest and pride.

A neat and tidy appearance is obviously important in order to convey the vital good first impression. A receptionist should aim to be clean, neatly clothed and well groomed. Many hotels now provide staff with a uniform. This helps to create a professional image, and makes it easier for the guests to recognise staff members. For male staff this is often a business suit, with a pastel shirt and company tie, although many hotels have once again reverted too the traditional pin strip suits, with white shirt and grey tie. In a very few luxury hotels it is still customary for the male reception and management staff to change into dinner jackets during the evening shift.

---

Uniform for female staff is more varied, and may be a neat tailored dress, a blouse and shirt or a smart suit. Sometimes different grades of staff are given variations of basic uniform style, which serves to show their status in the organisation. Whatever the uniform, a receptionist should ensure that it is kept as clean and as well pressed as if were their own clothing. If the selection of the clothing is left to the receptionist, it is important that it is smart and business-like, yet comfortable. The latest fashions frequently look out of place in the work situation and it is wise to choose something that is traditional and in keeping with the environment. Particular attention should be paid to accessories and jewellery. As a rule, they should be kept to a minimum, especially if a uniform is worn, since they can easily detract from the overall effect of uniformity, which should characterise front office staff.

### **Personal Hygiene**

Personal hygiene is a very basic aspect of non-verbal communication, but one that cannot be overemphasised. Remember that an important front office task is selling accommodation, and reception staffs are frequently required to show guests to rooms. The guest will not be impressed if his/her first impression at the reception area is unpleasant due to bad odour. At the very least, a busy receptionist needs a daily bath or shower, a deodorant and carefully selected clothes, which can be washed easily, and will not retain unpleasant perspiration smells.



**Fig. 3.3 A neat appearance is essential**

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### **Posture**

Both sitting and standing postures should be carefully attended to. Not only will the correct posture make you less tired at the end of the day but also it can reflect confidence and enthusiasm. The whole attitude of the individual is frequently portrayed by the way in which they stand. Different postures can suggest shyness, reluctance, aggressiveness, willingness, etc. Be sure to display an upright stance with arms unfolded and palms open. This reflects a confident yet welcoming posture.

### **Eye Contact**

Use of correct eye contact is one of the vital skills that is essential in any 'people' industry. It is the non-verbal equivalent of using someone's name. It establishes a personal contact, and warmth and humour are only two of the important emotions that can be expressed through eye contact. It is most disconcerting to have a conversation with someone who refuses to meet your eyes, and many people assume that one who avoids eye contact is untrustworthy or sometimes rude. In fact, it more frequently suggests insecurity or shyness, neither of which are attributes suited to front office work.

#### **Activity 3.2**

Explain why personal hygiene is important for all reception staff.

### **Social Skills**

Social skills have been described as the way in which a person behaves towards others in different social situations. This can be characterised by the difference between a receptionist's behaviour towards a VIP guest and their behaviour towards the page that had been detailed to accompany the guest to the room. The receptionist will adopt a different style in each case.

Social skills are achieved by the co-ordination of verbal and non-verbal behaviour in a given situation. Equally important is the perception of cues from the other person.

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To gain an assessment of a person, it is normal to evaluate information not only from what is said, but the way in which it is said, the bearing or posture, and the gestures the person makes. In addition, important clues are gained from clothing, accessories and luggage. All of this is coordinated, often subconsciously, to produce an assessment. For the receptionist, this is very important. Within a few moments, a receptionist may have to decide whether or not to request a deposit. In sales too, the ability to sum up a customer quickly is important. Should the guest be offered a more expensive room? Or should 'value for money' be emphasised?

Airline companies train their staff to quickly recognise passengers who are showing signs of nervousness, and to handle them with extra care to give them reassurance.

Social skills, like any other skill, can be acquired. They deal with feelings and behaviour: it is essential that careful attention be given to any training programme that includes training in social skills. For a receptionist, certain simple social skills are easily acquired.

Good social skills will not only increase self-confidence and effectiveness, but also will create a favourable impression of the hotel, and inspire customer confidence in the receptionist and the department.

### **1. An Attentive Manner**

In listening to a customer, the receptionist should be interested and concerned about what is being said. It is important not to fiddle with a pencil or to move things around on the desk-these actions suggest boredom.

### **2. Eye Contact**

It is remarkable that some front office staff managers are able to deal with guests without ever looking them in the eye. The impression once again is of disinterest and shallowness. Eye contact should be established and used throughout any dealings with guests.

### **3. Tone of Voice**

The tone of voice used is as important in conveying meaning as what is actually being said. It is not enough to say, 'I am sorry, sir'; it must be said with the correct inflexion of speech. For most people, a pleasant voice speaks not too loud and not too fast. An alarming trait is that of shouting at foreigners in the hope that they will understand through the sheer volume of noise.

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#### **4. Use of Guests' Names**

At every opportunity the guest's name should be used. This personalises the conversation, and is clear evidence of interest and personal attention.

In addition, it assists reception staff in remembering the names of individual guests. Some hotel companies train their front office staff to address the guest by name at least three times during registration. Conversely, it is extremely rude to refer to customers by their room number, such as, '309 would like to know how much the bill is'. Even in large hotels, it is possible to use guests' names by glancing quickly at the room status system or the key card when being asked for a room key.

#### **Activity 3.3**

Explain why good social skills are important when dealing with guests.

#### **Summary**

A neat appearance, personal hygiene, posture, facial expression and eye contact are forms of non-verbal communication.

Social skills are the ways in which a person behaves towards others in different social settings. Examples of good social skills are an attentive manner, establishing eye contact, speaking with a regular tone of voice and using guest names.

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### **Written Communication**

Written communication forms a major part of the work of the front office staff. It must be handwritten, typewritten or transmitted by fax or computer, but certainly most important information will be written in a permanent way.

Basically the written communication and documentation in front office may be divided into two categories: internal and external.

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### **Internal**

Internal communication may often be informal and brief, e.g. the housekeeper notifying reception of ready rooms, or reception notifying other departments of an arrival. Regardless of their apparent informality, this form of communication is vital and must be legible, with accurate and unambiguous information. Communications of this nature must also be distributed with all speed to ensure that each department is in possession of up-to-date information.

Documents in common use for internal communication are many and varied but could include some of the following:

- Memos
- arrival and departure lists
- guest lists
- tour rooming lists
- function lists

These will be further discussed under notifications and records.

### **External**

For many potential guests the written communication that they receive from a hotel may be their first contact with the establishment.

A letter or fax that is badly written or typed, with incorrect spellings, gives a very bad impression and many guests will equate the standard of letter writing with the service provided by the hotel.

If the communication is hand-written, it must be clear and legible. If it is typewritten it must be accurate, without errors and following the correct format. The information that is conveyed should be up-to-date and without ambiguity.

Many hotels have adopted a standard or form letter for confirmations (Fig. 3.4) for the occasions when they still confirm bookings. This eliminates repetitive typing and ensures that all relevant information is included. Many hotels no longer send confirmations, preferring instead to rely upon a release system or communication by computer/fax.

---

(Name of Guest)	
Address 1	
Address 2	
Address 3	
Postcode	
7 March 2007	
Dear Mr/Mrs/Ms	
I have pleasure in confirming your booking for accommodation at the Centurion Hotel. The details of your reservation are as following:	
Confirmation number:	
Guest Name:	Number of Persons:
Address:	
Telephone:	
Arrival Date:	ETA/Flight:
Accommodation:	
Rate (inclusive of service charge and VAT):	
Remarks:	
Date:	Front Office Manager:
We look forward to welcoming you and assure you that we are dedicated to making you stay enjoyable.	
Important Notice: Please retain this letter and present it to the receptionist upon registration. Reservations are held only until 6.00 p.m. unless otherwise notified or the booking has been guaranteed.	

**Fig. 3.4 A standard confirmation letter**

### **Summary**

Important information is better communicated in written format. This includes memos, reports, lists and confirmation letters.

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## **Telecommunication**

Effective communication by telephone will not only assist in selling the hotel, but will also promote an image of efficiency.

Since the client has only the telephone conversation on which to judge the standard of the hotel, the rules that apply to good verbal communication are even more applicable to telephone communication.

Many hotels insist upon their staff answering the telephone in a certain way, e.g. 'Good morning. The Centurion Hotel, Marie speaking. How may I help you?' This quickly becomes standard procedure and ensures that the client receives all the information.

As long as the call is answered promptly with an appropriate greeting, the client will feel confident that the organisation is efficient. In addition to the correct greeting, all switchboard operators should be familiar with the procedures for making credit card calls, directory enquiries, collect/reverse charge calls, early morning calls and international calls.

Most modern telephone system enable the guest to dial direct both local and long-distance calls.

### **Making Calls**

- Before making calls, you organise and pen down what you want to say
- You have prepared/gathered the necessary reference materials and documents
- You check that the telephone number you are going to dial is correct
- You allow the other part's telephone to ring for 1 minute, which is about 7-10 rings
- When the other party answers the phone, you identify yourself and your company
- You state your reasons/purpose for calling.



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### **Answering the Telephone**

- You answer promptly, if possible, within 3 rings. If you cannot answer the call promptly, you apologize to the caller at the start of the conversation.
- You greet the caller with the appropriate greeting
- You identify your company or your name/dept. You are proud to identify yourself
- You always have pen and paper at hand
- You take notes, instructions, details and information as required
- You repeat all instructions or requests
- You listen to the callers' tone/mood, not just what he is saying
- During the conversation, if you need to leave the phone to get something, you inform the caller the reason/situation. If you estimate you will take a long time, you inform him and suggest you take down his phone number and contact him when you have got the information. And of course, you keep your word
- If the caller is looking for somebody who is not around, you offer to transfer the call to somebody who can help or offer to take a note/message.

### **Transferring Calls**

- If you need to transfer the call to another person or dept, you state the reason to the caller
- You get the caller's permission before transferring the call
- You inform the caller the dept/job title you are transferring to and the name of the person you are transferring to
- You ensure both parties are properly introduced. You can do this by briefly explaining the situation to the person taking the call before you put through the call.

### **Taking Messages**

- You get all the necessary information from the caller. These information include full name of caller, company name, message and the contact number
- You repeat all information obtained to the caller for accuracy
- After ending the call, you fill up the message form completely and indicate the following items – full name of caller, caller's company name, message, caller's contact number, name of person whom the message is for, room number, person who took the message, date and time
- You write neatly
- You pass the message to the person concerned as soon as possible.

<b>Telephone Message Record</b>	
<b>To:</b>	<b>Room Number:</b>
<b>From:</b>	<b>Tel no.:</b>
<b>Message:</b>	<b>Date:</b>
	<b>Time:</b>
	<input type="checkbox"/> Telephoned
	<input type="checkbox"/> Will phone back
	<input type="checkbox"/> Please phone
<b>Signed/Initialled:</b>	<input type="checkbox"/> Urgent

**Fig 3.5 Message record**

### **Direct Dialling**

In most hotels, when direct dialling from guest's rooms was introduced, individual meters for each extension were installed in reception. This enabled the staff to calculate the number of units consumed, cost them according to the charge made by the hotel, and subsequently posts the price to the guest's account. Unfortunately this system is not without problems since staffs occasionally forget to read the meter, and so the units of one client may be added to the account of an incoming client. Should a client dispute a charge, it is impossible to check the cost of the call, and much revenue can be lost in this way.

### **Computerised Phone Billing**

A computerised switchboard enables the billing of telephone calls to be controlled in a much more effective manner. Each call is logged with the date and the exact time, the number that was called, how long the call was connected for, the number of units consumed and the cost of the call according to the hotel's charges. This can then be automatically charged to the guest's account, or printed out for the guest to see in case of query. The system can also be used to 'bar' extensions, which enables the hotel to control the use of the telephone. Various offices may have access to local calls but not national or international calls, while other offices may not be able to call out at all. If a guest has not acknowledged a request for payment of account, the extension can be barred.

Many hotels have taken advantage of the new technology now available to provide their guests with additional services. These are particularly valuable for the business community, and may well present a good selling point.

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## **Automated phone systems**

Telephone systems can now provide a range of services for both the hotel and the client. The systems are automated, and generally activated through a system known as voice processing, which is a combination of computer technology and the spoken word. The systems include a variety of services such as wake-up calls, message waiting facility, access to hotel services and do not disturb.

### **1. Wake-Up Calls**

If a guest-controlled computer system is not in use, wake up calls are usually taken by switchboard operators. It is extremely important that when a wake-up call is requested that proper procedures are followed so that the call will be made at the right time. When wake-up calls are entered into the system, the guests name will be displayed to ensure accuracy of entry. A list of all wake-up calls can be displayed on the screen or printed out any time.

Guests can also program their own wake-up call, and they will be called automatically, in a language of their own choice. The system can be set so that the call will be repeated a number of times, after which time the operator will be alerted so that an investigation can be made into the guest's safety.

### **2. Message-Waiting Facility**

When guests arrive, they are allocated an electronic mailbox, and given an individual 'PIN' number. This allows them to empty their mailbox. The hotel may also take advantage of the service by placing a welcome message in the guest's own language, and in some cases they will also provide the guest with the facility to pick up message for a while after they have left.

Here the telephone in the room will display a light to show that a message is waiting for the guest to collect. In addition, the system will 'ring' the guest quietly at intervals until such times as the message is collected.

### **3. Access to Hotel Services**

The telephone system can be used to access directly all the hotel services, and to display an up-to-date copy of the guest's account. Guest's can also make arrangements such as for a massage or making a room service order with just a touch of a button.

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#### **4. Do Not Disturb**

Although the guest is virtually self-sufficient, they may decide they do not wish to be disturbed; in that case all their calls can be diverted to the hotel operator, but the individual service is still there if the customer requires it.

Telecommunication systems mean that many of the devices of the past have become virtually obsolete. The telex was very popular, since it enables bookings to be received when there was no one in advance a reservation, and the problem of differing times zones was easily overcome. Very few hotels now use this system, since other methods of communication are faster and easier.

#### **Summary**

Effective communication by telephone will not only assist in selling the hotel, but will also promote an image of efficiency. Receptionists have to follow the correct procedures for answering calls and taking messages. Automated phone systems are widely used in hotels.

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#### **Fax**

Fax (or facsimile printing) is simply a way of transmitting a document in its original form from one place to another. Inaccuracies due to transcription errors are thus eliminated, and diagrams and illustrations can be reproduced and received in their exact format. The two machines are linked together by a telephone line and the best description is one of two photocopiers joined by telephone. Most fax machines are of the desk-top variety and consequently small enough to install almost anywhere.

Message can be timed to the exact second as documents, deeds and other information can be sent automatically 24 hours a day. Many models feature a delayed transmission with automatic dialling and re-dialling if necessary. This has the dual advantage of overcoming different time zones and also means that messages can be scheduled to be sent when call rates are at their very lowest.

Most machines transmit and receive up to A4 size, although some will accept larger documents.

These machines are still invaluable, not only to the hotel, but also to the many business people staying in the hotel who will gladly pay to use the facility. Many private individuals have fax machines at home, and hotels are aware that this service must be offered (Fig. 3.6). Confirmation by fax is a norm, and most hotels have a fax cover sheet designed in a similar way to a standard or form letter (Fig. 3.7).



Hotels are faced with difficult decisions if they wish to stay abreast of the rapidly advancing technology which is affecting the business world.

**Fig 3.6 A fax machine**

<b>CENTURION HOTEL</b>	
ALBANY STREET, NW1 7UP LONDON, UK	
<hr/>	
<b>FACSIMILE TRANSMITTAL SHEET</b>	
<hr/>	
TO:	FROM:
COMPANY:	DATE:
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
RE:	YOUR REFERENCE NUMBER:
<hr/>	
<input type="checkbox"/> URGENT <input type="checkbox"/> FOR REVIEW <input type="checkbox"/> PLEASE COMMENT <input type="checkbox"/> PLEASE REPLY <input type="checkbox"/> PLEASE RECYCLE	
<hr/>	
NOTES/COMMENTS:	

**Fig 3.7 A standard fax cover sheet**

---

## **Summary**

Even though fax technology is not new, it is still an amazingly useful communication tool to use since original documents can be sent to anywhere in world within seconds.

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## **Electronic Communication**

### **Internet**

Increasingly, hotels are using interactive TV sets functioning as room terminals and providing clients with a fax and computer modem as part of the service. Access to the Internet and the World Wide Web is essential in business hotels. Through the use of webcams, the user can follow proceedings elsewhere, and world-wide video conferencing is an important part of many international organisations.

### **E-mail**

This system can be in use both internally and externally, providing that the organisation is networked. It is a way of using the network to both send and receive messages, either from one office to another or from one organisation to another. Even if the recipient is overseas, the message can be composed and transmitted in a matter of seconds. Attachments can also be sent, so that consultative documents do not need to be reproduced.

Use of e-mail within an organisation can significantly reduce the amount of paper generated, since the message need not be printed out, but can be stored in the memory for future reference. The same message may also be sent to any number of people without the need to photocopy or circulate the information. Once a message has been received, the reply can be attached to it, or it can be forwarded to a third party

Always ensure that emails are filled in correctly. When the same email is send to more than one recipient, care must be taken not to disclose the email addresses of the recipients. The following is a guide to filling in emails:

- 
- **To:** Type in the recipient's email address, or select an email from your address book. For multiple recipients use commas (,) between addresses
  - **Subject:** Type in the subject of the message.
  - **CC:** Type in any additional recipient's email addresses. A copy of your email will be sent to them.
  - **BCC:** Type in the email address of any recipient that you would like to send a copy to without the other recipient's knowledge.

When sending your email message, you can define a signature to be attached to the bottom of the email message.

### **Summary**

Internet and e-mail are vital communication tools for the hotel as well as for guests. Who ever compile an e-mail must remember that an e-mail is also a written form of communication and must be done in the correct manner.

For any hotel, especially business hotels, it is vital to have internet and e-mail facilities available for guests. The majority of business guests travel with their laptops; thus the demand for wireless network hotspots in public areas of hotels and hotel rooms are increasing.

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## **Handling Incoming and Outgoing Mail**

The services most likely to be utilised by both the hotel and guest include the following:

- Special delivery
- recorded delivery
- registered delivery
- business reply service

The receptionist should also be familiar with the various communication services such as Red Star/Parcel force and private courier services.

In the past many large hotels had a separate desk where all mail and information was handled, known as the enquiry desk. These days, just like in smaller hotels, the work of the mail and information desk is also conducted at the front office or the concierge.

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It is a very important responsibility of the front desk staff to handle the mail on behalf of the guest and the hotel. Where a registered letter is received by the hotel on behalf of a guest and not delivered to that guest, the hotel may be held liable for any losses or inconveniences suffered by the guest. In order to reduce the risk of negligence charges being laid against the hotel or the person handling the mail, some hotels insist that all incoming mail is date and time stamped.

Incoming mail can be divided into 3 main categories:

- Hotel mail, which must be distributed to the relevant departments in the hotel.
- Staff mail, which must be distributed through the staff or personnel office.
- Guest mail, which consist of current, past and future guest mail.

The following method should be followed when handling mail.

#### **1. Current guest**

Letters should be placed in the mail rack and packages which is too large for the mail rack must be stored and a note left in the mail rack. In some hotels a mail light can be switched on in the guest's room to indicate that there is mail waiting at the reception.

#### **2. Past guest**

In some hotels it is required that guests complete a mail forwarding card, containing their forwarding address, on departure. This makes it possible to re-direct mail. During departure the cashier can enquire whether the guest is expecting any mail which will need forwarding.

#### **3. Future guests**

The arrival date of the guest as per reservation is written on the mail. A note is then made on the computerised reservation or the reservation card of the expected guest. Mail is then stored in a mail drawer in alphabetical order.

#### **4. Registered mail**

Mail or packages which are of value is usually registered by the sender. As soon as it is delivered to the hotel and the receiver signs the postman's receipt of delivery, the hotel accepts responsibility for the package. The receipt of registered mail should be noted in the registered mail record book and placed in a safe or drawer.



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The guest must be informed of registered mail awaiting collection through one of the following means:

- A note placed in the mail rack
- Message sent to the guest room
- Message light switched on in the guest room
- Message displayed on the television or computer screen in the guest room

### **5. Outgoing mail**

The front desk clerk is responsible for the collection of outgoing mail from all the departments, the arrangement of delivery to the post office as well as the payment of the postage. Record must therefore be kept of the cost related to outgoing mail as well as quantity. Parcels and mail being sent for guests must be weighed and costs charged to the guest's account.

Outgoing mail is frequently stamped through a franking machine since this reduces potential pilfering of postage stamps, enables the hotel to keep a check on outgoing mail, and also allows for an advertising slogan to be printed.

### **Summary**

The handling of mail is still a very important function of the front desk. Procedures for handling incoming and outgoing mail includes checking guest status, taking extra care with registered mail and applying control measures when handling outgoing mail.

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### **Additional Tasks**

Most business hotels will have a business centre where guests can receive secretarial support. In many cases though, receptionists would still have to assist guests with basic business needs in addition to their routine front office administration duties.

### **General Office Practise**

The tasks performed in the reception office are in many ways little different from those in any other office. The skills most frequently required will include the following:

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### **1. Typing/Word Processing**

Much of the typewritten communication will be internal, but letters that are being sent to a prospective client will only result in a sale if they are arranged in a professional manner with the correct form of address. Accurate typing is no longer as important, since a word processor allows for easy correction, but the letter should still be laid out in a formal and recognised fashion without any spelling errors.

### **2. Printing**

Reception will be responsible for any printing requests submitted by guests.

### **3. Filing**

The main methods of filing in the reception are usually either

- alphabetical
- or
- numerical

Guests' accounts are usually filed in room number order (numerical), while registration cards may be filed alphabetically under the name of the client, or numerically under the room number of the guest for the period when they are in the hotel.

Other methods of filing in common use include

- chronological
- or
- by subject

Confirmation letters are filed under the date of arrival (chronological) and then under the name of the guest (alphabetical).

Some function and conference business may be filed by subject (e.g. W-Weddings), while others may be filed under the company making the reservation.

### **4. Duplicating**

The staff in most reception officers will need to circulate information to other departments. If there are no more than a few copies required (e.g. a memo), a photocopy is often sufficient or the required number can be printed off on the computer. On the occasions when a large number of copies are required they may be very occasionally still made by spirit or ink duplicator, or more likely be sent out to be done professionally by a printer.

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## 5. Reference Sources

Even when there is a separate enquiry office, many guests will still go to reception for advice. The reception office should be well stocked with reference books to enable guests' enquiries to be dealt with efficiently. The materials that should be available would normally include the following:

- local maps and guides
- timetables
- airline information
- information relating to local/national events

Many hotels will provide the guests with a system such as teletext, which will allow clients to access information themselves.

### Activity 3.4

List 4 business tasks that reception can assist the guests with.

### Summary

Front office employees are also involved in general office practices such as typing, printing, filing and duplicating. They may also be required to send and receive mail and packages and provide information to guests.

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## Legal Requirements

### The Reception and the Law

This section will cover the main points of the law with which a receptionist should be directly involved. With the exception of the manager, a receptionist is the member of staff who is most likely to need knowledge of the law relating to the operation of a hotel and the handling of guests.

### Hotels in Law

In the Hotel Proprietors Act 1956, the expression 'hotel' means an establishment held out by the proprietor as offering food, drink and, if so required, sleeping accommodation, without special contract, to any traveller presenting himself who appears able and willing to pay a reasonable sum for the services and facilities provided and who is in a fit state to be received.

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## **Booking**

Bookings and reservations are covered by the law of contract.

The first stage is the offer. A potential guest enquires whether or not accommodation is available on a given night. The receptionist states that there is a room available at £120, for example. The offer has been made.

Next is the acceptance: the guest can accept the offer, reject it, or make a counter offer. If they accept then the contract is formed, there is no need for written confirmation in law. Naturally, a verbal contract will be more difficult to prove, but it is a contract nonetheless.

Cancellation of bookings is in favour of the guest. If they wish to cancel a booking, the cancellation takes effect the moment they post the letter of cancellation. Should the hotel wish to withdraw, its letter of cancellation does not take effect until it is received by the guest.

Certain groups of people have only limited rights to make contracts. The one most relevant to hotels are:

- persons under the age of eighteen
- the mentally sick
- drunkards
- companies

## **Registration**

Guests at a hotel must provide their full names and nationality. They are not obliged to provide the information themselves (it could, for example, be given by a tour leader or chauffeur), nor are they obliged to sign a register. Aliens (overseas visitors) have to provide, in addition, details of their passport number and its place of issue, their next destination and their address there if known.

All this information has to be kept for 12 months. In law there is no requirement for a guest to provide an address, nor even their real name. Naturally, a hotel would be very cautious of a guest who was unwilling to provide their address, or a guest who they thought was using a false name, although this may be common practice among celebrities.

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Every guest must register, so it is insufficient for Mr and Mrs Smith to check into a hotel. The full name of Mrs Smith has to be provided, as well as the full name of Mr Smith. The record of guests must be produced to a police officer.

Hotels have to accept every traveller who arrives, unless there is special case for refusal. This may be if the person is in an unfit state to be received, or if the hotel is full. The category 'unfit to be received' would include guests who were drunk. Colour or nationality is not a sufficient reason of refusal to receive guests. This area is covered by the Race Relations Act 1976. A guest who arrived with a known prostitute could also be refused, for it would open the hotel to prosecution as an immoral house.

To avoid argument over such points as whether a person is drunk, or if they are suspected of being a prostitute, the safest course for receptionists to follow is to refuse a guest because the hotel is full. There can then be no question of doubt about the guest's fitness to be received.

The hotel is entitled in common law to request that the guest pays a reasonable amount in advance; there is no obligation to allow guests credit. Many hotels request a deposit greater than one night's room charge to cover the use of extras such as telephones, or the restaurant. It is increasingly common for hotels to request a run of a client's credit card, which will be returned to them on check out in exchange for a completed total of their account.

### **Price Display**

The Tourism (Sleeping Accommodation Price List Display) Order 1977, which came into operation in 1978, requires all hotels and guest houses to display their tariff at the reception desk. This order ensures that the rate for each types of room is clearly shown and the amounts of any taxes and services charges are also displayed. If meals are included, this also has to be made clear.

Service charges must not be stated as a percentage of the rate, but should be included in the priced charged, so a typical notice should read as follows:

Single Room	: £80 per night including VAT and service charge
Double Room	: £106 per night including VAT and service charge
Suite	: £180 per night including VAT and service charge

## Innkeeper's Liability

### Loss of or Damage to Guests' Property

Under the Hotel Proprietors Act 1956, a hotel proprietor may in certain circumstances be liable to make good any loss of or damage to a guest's property even though it was not due to any fault of the proprietor or staff of the hotel.

This liability however—

- a. extends only to the property of guests who have engaged sleeping accommodation at the hotel;
- b. is limited to £50 for any one article and a total of £100 in the case of any one guest, except in the case of property which has been deposited, or offered for deposit, for safe custody;
- c. does not cover motor-cars or other vehicles of any kind or any property left in them, or horses or other live animals.

The hotel is liable for loss of guests' property while they are staying at the hotel. There are three forms of liabilities which are shown on the table below.

Partially Liable	Fully Liable	Not Liable
<ul style="list-style-type: none"> <li>• The hotel is liable for loss of guest's property while they are staying at the hotel to the amount of £50 for any one article, or a total of £100 per guest.</li> </ul>	<ul style="list-style-type: none"> <li>• Caused by negligence or action of the hotel staff</li> <li>• Loss property when it is deposited in the safe</li> <li>• When guest offer property for deposit but declined by receptionist as all safes were full, and the property subsequently got lost</li> </ul>	<ul style="list-style-type: none"> <li>• Loss or damage by an act of God i.e. natural disasters</li> <li>• Action by the Queen's enemies i.e. terrorist attacks or war</li> <li>• Negligence by the guest or their servants and companions</li> <li>• Vehicles and contents of the vehicles</li> </ul>

The goods do not have to belong to the guests for them to be able to claim, for example a salesperson could claim for lost samples,

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### **Payment of Account**

A hotel may request full payment of the account in legal tender. In practise this means cash. An offer to pay by any other means need only be accepted at the discretion of the hotel. The Theft Act 1968 has made it easier for guests who leave without paying to be prosecuted. Section 16 allows prosecution of any person who obtains a pecuniary advantage by deception. A guest who gives a cheque in payment, knowing that it will not be met can be prosecuted. If it is given in good faith, however, this may not be the case.

### **Innkeeper's Lien**

Should a guest be unable or unwilling to pay the account, the hotel may hold the guest's property against payment. Excluded from this are cars and clothing worn by the guest. This does not mean that a guest may be physically restrained from leaving the hotel, or the restraint may constitute an assault.

All of the guest's property may be held, even if it is clear that it will more than cover the amount of the account. There is no need to bargain over the amount that should be left.

The Innkeepers Act 1878 allows the hotelier to auction the goods after six weeks. The auction must be advertised at least one month previously. Any surplus that remains from the sale after deducting the amount of the account and expenses should be returned to the guest.

### **Value Added Tax or Goods Service Tax**

VAT is a government tax which is levied on most goods and services, with the exclusion of things such as newspapers and VPOs. Any service charge, which is added to the total account, will also be subjected to VAT.

Accurate records of all VAT collected must be maintained, and since prices are frequently shown inclusive of VAT, the reception staff must learn to become adept at extracting VAT from the price quoted. Officers from HM Customs and Excise are free to inspect the hotel VAT records at any time. Although VAT is a UK tax, most countries have something similar such as the Goods Service Tax (GST) in Singapore, although the exact figures will differ from one country to another.

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### **Summary**

Hotels typically conform to legislation. Reception is often the only link between the guest and the hotel. It is therefore vital that receptionists convey to the guest, the legal requirements, which must be met by the guests and the hotel. Reservations are legally considered to be a form of a contract, thus have to be treated seriously. The law requires each guest to be registered. The law requires hotels to display their rates inclusive of service charges and VAT. Hotels might be kept partially or fully liable for the loss or damage of guest property, but in some cases, such as natural disasters, the hotel cannot be kept liable. A hotel may request full payment of the account in legal tender. Should a guest be unable or unwilling to pay the account, the hotel may hold the guest's property against payment. Accurate records of all VAT collected must be maintained.

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## **Topic 4**

# **NOTIFICATIONS AND RECORDS**

### **Objective**

This chapter will introduce the student to the various notifications and records used by the front office and their functions.

### **Learning Outcomes**

After studying this chapter the student will be able to explain the use of the following:

- Arrival list
- Room list
- Departures list
- Functions list/Tour list/ 10 day forecast
- Wake up calls and papers list
- Guest History records
- Group rooming list
- Move notification

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### **Introduction**

To ensure that the needs of the guest and management are satisfied, a system of departmental notifications and records has to be kept. Where computers are used, these notifications and records pose no problem at all.

Placing a VDU in all relevant departments is a sensible method of distribution. The arrival and departure situation can be updated instantly, and room changes recorded without much hassle of paperwork. The other departments can also request information from the computer if required and therefore save themselves time and trouble.

## Arrival List

<b>Centurion Hotels</b> <b>Expected Arrival List</b> <b>Date:</b> 7 March 2007				
Name	Requirements	Rate Code	Departure Date	Remarks
Anderson, Flynn Mr/s	D	SBB	8/3	
Andrews, K Mr	S	CORP	9/3	
Bryan, Dave Mr	D	GRP	8/3	
Ellen, C Dr	D	GRP	10/3	
Gogh, Elise Mrs	S	CORP	12/3	
Hughes, B Mr	S	SBB	8/3	
Jackson, Michael Mr/s	D	DDBB	15/3	Honeymooners
Johnson, Cindy Ms	T	SBB	9/3	May, R arriving 8/3 to share room.

**Fig 4.1 Arrivals List**

Normally one day in advance, an alphabetical arrival list is prepared showing all guests due to arrive, their length of stay and any special requirements they may have. This list will be useful to both the porter and the telephonist. The porter or enquiry desk will check whether there are any messages or letters for guests arriving, and the telephonist may answer enquires from people about the arrival of particular guests. Tour members or conference delegates are normally listed separately under the name of the booking agent.

### **House/Room List**

The reception department usually prepares an alphabetical guest list each evening. This is then distributed throughout the hotel, though some departments may only check it occasionally. The telephone department, porter's desk and reception will need to refer to it constantly, but there is little need for the kitchen to receive a copy. A list of in house guests is available on the property management system. It is continuously updated as guests check in and out. Any department who needs information regarding an in house guest can refer to the list on the property management system.

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### **Departure List**

The departure list is printed out by the night audit and indicates the expected departures for the following day. This enables the night audit to ensure that all departing guest accounts are up to date, should they wish to check out early in the morning. This list is especially important for the Housekeeping department, as daily work allocation is arranged according to this list.

### **Function List/Tour List/10-Day Forecast**

Once a week, the front office will distribute a list of functions and tours that are booked for the following 10 days. This list is referred to as the 10-Day forecast. It basically assists in the planning of staffing levels over the period, and ensures that staff are aware of projected levels of occupancy in the week to come.

### **Call/Papers/Early Morning Tea (EMT)**

The reception department may keep a sheet at the front desk recording the exact time at which guests wish to be called in the morning, their newspaper order and a request for early morning tea or breakfast (Fig. 4.2). To relieve the pressure on staff during the morning peak, the use of semi-automatic equipment in this area is increasingly being used. For smaller hotels, alarm clocks will be installed in guest rooms, together with tea-making equipment. Breakfast order forms are also placed in the room for the guest to complete and hang outside the door at night.

Automated early call system will come with modern telephone systems. By using voice prompts, this will instruct the guest to program in a wake-up time using the telephone buttons. The better systems will pick up the guest's nationality from the front office property management system (PMS) and the instruction will be in their language. This can be particularly useful for Japanese or Russian guests who may have limited language skills.

Time	Room nr.	Paper	Call	Tea
06:00	100		1	
	45			2
06:15	134		1	
06:30	112	Times		
06:45	34	News Today		1
07:00	101			2
	55		1	
07:15				
07:30	98	Business News		

Fig. 4.2 Part of an early call, newspapers and early morning tea sheet

### Guest History Records

Centurion Hotel							
Guest History Record							
<b>Guest Name:</b>				<b>First Visit:</b>			
<b>Group/Company</b>				<b>Total Visits to date:</b>			
<b>Address:</b>				<b>Total nights to date:</b>			
				<b>Total Revenue to date:</b>			
				<b>Average spend to date:</b>			
<b>Credit:</b>							
<b>Passport Number:</b>							
<b>Comments:</b>							
Arr	Dep	Days	Room	Rate	Payment	Revenue	Special

Fig. 4.3 Guest history record

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Luxury hotels have always used guest history cards to record details of each individual stay by guests, and information on their personal likes and dislikes. The cost of keeping a guest history system up-to-date is thought by many hotels to outweigh the benefits. This can be alleviated by the use of a modified system for regular visitors to the hotel (Fig. 4.3) or by ensuring that guest history is part of a computer reservation program, so that it can be easily analysed for more effective marketing, or used to provide a more personalised service.

Today, with the advent of computerisation, most hotels input their guest history record in their computer reservation programme. This is so that any information needed is easily made available and it will ascertain what appropriate action should be taken to ensure that all the regular guests will enjoy their stay at the hotel.

### **Group rooming list**

As soon as a group has checked in, a group rooming list is forwarded to each department so that any queries can be handled successfully. These lists include the names and room numbers of all members of a group. If rooms are pre-allocated to group members, this list can be generated before check in to assist the porters with luggage distribution.

### **Move notification**

Moves from one room to another require an individual notification because the records of each department need to be updated. A typical move notification is shown in Fig. 4.4.

Listed below are some reasons for why there is a need for room and rate change.

Room change can be due to:

- Defect in room
- Guest dissatisfaction due to noise, view, décor, bed type
- Change in number of persons occupying room
- Change in room requirements
- Guests upgraded
- Other reasons

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Rate change can be due to:

- Change in the number of persons occupying the room
- Change in room type
- Wrong rate was quoted during the reservations or check-in
- Guests extends stay
- Other reasons

<b>Removal Slip</b>	Reception
Name: <u>MR. SMITH</u>	
From Room No. <u>107</u>	To Room No. <u>208</u>
Group Name: _____	
<b>No of Persons</b>	
From: _____	To: _____
<b>Rate Change</b>	
From: _____	To: _____
Remarks: <u>ROOM 107 AIRCON NOT WORKING</u>	
Date: <u>7/3/2007</u>	Time: <u>8.30 PM</u>
Signature: <u>Linda</u>	
	Reception

**Fig. 4.4 Move notification**

### Summary

An arrival list is printed on a daily basis and indicated the expected arrivals for the day. The house list or room list is printed out twice daily and available at all times on the property management system. It lists the in house guests alphabetically or in room number order. The departure list is printed out by the night audit and indicates the expected departures for the following day. The 10 day forecast indicates all the functions and tours expected for the next ten days. Calls, newspaper and early morning tea lists is necessary to ensure that these requests are executed. Guest history records can be kept in the form of cards or filed on a property management system. Group rooming lists list the names and room numbers of all members of a group. Move notifications are issued when guests move from one room to another.

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## **Topic 5**

# **RESERVATION PROCEDURES**

### **Objective**

This chapter will give students a complete overview of the reservation procedures carried out in the front office. Students will know how reservation information is collected and managed. Reservation terminology forms an important part of this section.

### **Learning Outcome**

After studying this chapter, students should be able to:

- Use international terms for rooms and bed types.
- Describe the different packages and rates offered by the hotel.
- Discuss the methods of receiving reservation requests.
- Detail the information needed when receiving a reservation request.
- Explain the various methods used to record bookings
- Discuss yield management
- Discuss overbooking
- Detail procedures for confirming, guaranteeing, cancelling and filing of reservations.
- Discuss the management of the different types of reservations including reservation status and release times.

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### **Introduction**

In the context of the front office of a hotel, a reservation simply means the booking or reserving of a bedroom for accommodation by a guest. This usually involves arrangements such as a particular type of guest-room being reserved for a particular person or persons, for a certain period of time. When a reservation or booking of a room is made at a hotel, it is therefore expected that the hotel will honour its commitment in accepting that reservation and to guarantee that a room will be available when a guest arrives.

Reservations can be completed by following the 7 steps below:

<b>Reservation Procedures</b>	<b>Reservation Activity</b>
1. Receive reservation inquiry	Obtain essential information in order to check availability
2. Determine room availability	Check reservation charts or computerised system for availability
3. Accept/deny requests for reservations	If a room is available, accept the booking. If the hotel is fully booked, offer alternatives. If the guest is blacklisted, deny the booking.
4. Document reservation details	Complete reservation form: diary or computer system
5. Confirm reservation	Send a written confirmation
6. Maintain/file reservation records	File reservations and record any changes made
7. Compile reservation reports	Daily reports – arrival and departure lists, weekly reports – forecasts and monthly reports – reservations from different sources

Table 5.1 Reservation procedures

## **Reservation Terminology - Rooms**

The following are more information on Room Beds, Room Types, Room Categories, Room Location and Room Rates

### **1. Types of Beds**

An important feature in the guestroom is the bed. The Reservation Agent must be able to describe the type of bed found in the room.

- **Single**

A single bed is designed for one person.

- **Twin/Super-Twin**

A twin bed is designed for one person and is usually slightly wider than a single bed.

- **Double**

A double bed is designed to accommodate two persons.



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- **Queen**

This refers to a larger double bed. It can accommodate two persons.

- **King**

A king bed is an even larger double bed. It can accommodate two persons.

- **Rollaway/Extra Bed**

This refers to a portable bed. This bed can be removed from the room or stored in the wardrobe or under the bed.

- **Sofa Bed/Hideaway**

A sofa bed is a convertible sofa, which unfolds to form a full-sized bed for one or two persons depending on the width. Americans usually refer to sofa bed as cot.

- **Murphy/Closet Bed**

This refers to beds that fold into the wall or closet when stowed away.

- **Baby Cot**

A baby cot is a small bed for baby with high sides to prevent the baby from falling out. It is sometimes referred to as a crib.

## 2. Types of Rooms

To cater to the varied needs of guests, hotels often differentiate their rooms in several ways such as the following:

- **Single Room**

A room designed primarily for one person with a bed intended for one person.

- **Double Room**

A room designed for two persons. This room can have two twin beds or a double, queen or king bed.

- **Twin Room**

Some hotels may refer to rooms with two twin beds as twin rooms instead of double rooms.

A twin room can have a Hollywood twin (bed) arrangement. This means the two twin beds are placed side by side.

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A twin room with twin-apart (bed) arrangement will mean that the two twin beds are placed parallel to each other, usually separated by a night table.

- **Studio Room**

A room with a bed that serves as a sofa during the day. This room is ideal for people who required extra seating during the day.

- **Sample Room**

A room used for display. Also known as a show or mock-up room.

- **Room for the Handicapped**

A room with special features designed for handicapped guests e.g. hand rails, wider passage and handicap accessible sinks and bathrooms.

- **Suite**

Generally, this is a larger room with a living/parlour area separated from the bedroom. Besides the one-bedroom suite, it is possible to have two or three-bedroom suites. Therefore, when selling suites, the reservation agent must be sure to mention the number of bedrooms the suite has.

- **Duplex Suite**

This refers to a two-storey suite with a connecting stairwell.

### **3. Categories of Rooms**

By 'category', hotels are able to differentiate their rooms. Room rate will differ for the different categories of rooms. Some common room categories are:

- **Standard**

This refers to rooms with only the basic amenities or the room size can be smaller in scale.

- **Superior**

It has all the basic amenities of a standard room, and usually some additional amenities or features, e.g. tea and coffee maker, or perhaps, a better view and/or location.

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- **Deluxe**

It usually offers what the superior room provides, plus other amenities such as bathrobes, branded toiletries, butler service and finer room décor.

- **Executive/Club Floor**

This category of room caters more to business executives. It is located on a separate floor which provides a separate check-in desks, meeting-room space, business centre facilities and separate lounge and bar areas where breakfast, evening cocktails and refreshments are served. The rooms are usually of deluxe category and include butler service and secretarial support. Access to the facilities on these floors is restricted to the occupants of the floors.

- **Suites**

Hotels can have different categories of suites and call them by different names e.g. Deluxe suite or Executive suite. Suites can also be named according to the theme (as in décor) of the room. Examples are Arabian Suite and Japanese Suite. Often, the best suite in the hotel is called the Presidential Suite and this reflects the exclusivity of the hotel. The room is usually very much larger than a standard room. The furnishings and fixtures are exotic and expensive. The services offered are also unique to that suite of rooms.

#### **4. Types of Room Locations**

Another way of differentiating guestrooms is according to where or how they are located. Some examples are:

- **Connecting Rooms**

Rooms next to each other with direct or private access through a connecting door.

- **Adjoining Rooms**

Rooms that are next to each other but do not connect through a private door.

- **Adjacent Rooms**

Rooms that are close to each other such as across the corridor.

- **Inside Room**

A guestroom that faces an inner part of the building, for example one facing the atrium.

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- **Outside Room**

A guestroom that faces the outer part of the building, example facing the sea or highway.

- **Corner Room**

A guestroom located at a corner of the building.

- **Cabana Room/Villa**

A room on the beach separated from the main building or a room with direct access to the pool.

- **Siberia Room**

This is a jargon for an undesirable room; one that is sold only when no other rooms are available. The guest should be alerted to its location or condition before being assigned the room.

- **Near or Away from Elevator (s)**

A room which is situated near to or away from the elevator(s).

- **Low or High Floor**

A room located either on the lower or the higher floors of the hotel.

Hotels with more than one building may also name the guestrooms according to the building the rooms are located. e.g. Valley Wing, Tower Wing.

### **Summary**

Rooms are classified according to the type of bed in the room and the location of the room. In addition rooms will be of different standards or categories. International terminologies will vary and reception must be familiar with all of these.

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## **Rates and Packages**

The room rates refer to the price at which the hotel sells its rooms. Hotels offer different types of room rates to cater to the needs of their diverse sources of business.

The room rates refer to the price at which the hotel sells its rooms. Hotels offer different types of room rates to cater to the needs of their diverse sources of business.

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### **1. Rack/Published Rates**

These are the rates usually quoted to walk-in guests and are the highest rates charged by the hotel. It is the standard rate for the room with no meals, discounts or reductions.

### **2. Corporate Rates**

These are special rates offered to regular business clients staying in the hotel. These special rates are given to encourage repeat business. These rates are re-negotiated periodically based on the volume of business generated.

### **3. Commercial Rates**

Commercial rates are usually discounted rates extended to business people to encourage them to use the hotel. These rates may not be as attractive as corporate rates. However, some hotels use the terms 'Corporate' and 'Commercial' interchangeably.

### **4. Contracted Rates**

Contracted rates are special rates negotiated between the hotel and airlines and travel agents for their airline crews, packages and group guests. These rates are agreed upon only if companies are able to generate a specified number of room nights over a period of time. Like corporate rates, contracted rates are reviewed periodically.

### **5. Group Rates**

Group rates are special rates given because of the large number of rooms reserved in a block.

### **6. Monthly Rates**

These rates are quoted for guests who stay for a month or more. When quoting such rates, it is important to state that the special rate will be honoured provided the guest stayed a minimum number of nights. Some hotels refer monthly rates as long term rates.

### **7. Package Plan Rates**

Package plan rates are rates that include other hotel products and services in addition to the guestroom. They are introduced by the hotels themselves during full period to increase demand for guestrooms. The following are examples of package plan rates:

<b>Package Plan</b>	<b>What is included</b>	<b>UK Terminology</b>
<b>European Plan</b>	Room rate is for accommodation only	Room only
<b>Continental Plan (CP)</b>	Room rate includes accommodation and a continental breakfast	Room and breakfast
<b>American Plan (AP)</b>	The room rate includes accommodation and all three meals. It is usually referred to as Bed and Board	Full board
<b>Modified American Plan (MAP)</b>	The room rate includes accommodation, breakfast and one other meal	Half board

These packages should not be confused with the packages offered by airlines and travel agents for which the hotel is approached to provide the room component.

### **Activity 5.1**

Find the French term for American plan and modified American plan

## **8. Discounted Rates**

Discounted rates are given to attract guests to the hotel because of the lower rate offered during promotional period. Some hotels give as much as 50% off the published rate as part of the hotel's pre-opening promotion or anniversary celebration.

Traditionally, employees of related trade, such as airlines and travel agencies enjoy a discounted rate of 50% off the published rate if they can prove their identity. Such discounts are usually not applicable during high season.

## **9. Family Plan Rates**

These are rates designed to attract families. Hotels with family plan rates do not charge for child/children under a certain age, staying in a room (without request for extra bed) with their parents. For example, children under 2 years of age might stay for free and children under 12 years of age might be charged at 75% of the rack rate.

---

## **10. Day Use Rates**

Such rates are quoted when the room is used for only three of four hours of the day and not overnight. Most hotels distinguish between day use and a half-day rate.

Day use is when the guest checks in and checks out on the same day, without staying overnight.

A half-day rate is quoted when a due out guest would like to stay beyond the hotel's check-out hour, but not for another night.

Some hotels have a time limit, beyond which, a full-day rate would be charged. This time limit may be dependent on the check-in time of the hotel, the ability of the housekeeping staff to turn around rooms as well as the hotel's policy on late check-out.

## **11. Complimentary (Comp) Rates**

A guestroom which is not accorded a room rate. Complimentary rooms are given at the discretion of management for goodwill or to solicit business. For the purpose of control, a complimentary voucher, authorised by the General Manager or staff designated by him or her, has to be completed for every comp room.

## **Summary**

The room rate refers to the price at which the hotel sells the room. Different rates are offered to different types of guests for examples business travellers can enjoy discounted rates in the form of commercial rates or corporate rates. Package plans include additional elements. In addition to accommodation these might include meals.

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## **Methods of Reservation**

All hotels accept reservations or advance bookings for their rooms, in order to achieve high occupancy, and maximise their revenue. The proportion of bookings that are made in advance will vary from 100% in a resort hotel to perhaps 10% in a 'transient' or motorway hotel with 90% of chance arrivals. Reservation lead time refers to the time in advance that the guest books. It might be from a few hours to months.

---

The reception staffs need a system that will enable them to

- check room availability
- record the reservation
- retrieve the booking at the appropriate time

It does not matter how the request for a reservation is made; the system of processing will remain the same.

### **1. Telephone**

As telephone bookings are quick, easily accessible and interactive, it is the most common form of booking in many hotels. There are a number of information that the potential guest can obtain immediately e.g. if a room is available, if the price is satisfactory, the facilities that the hotel offers and so on. The receptionist will in turn be able to confirm various details e.g. who will be paying the account, the expected time of arrival and so on. Telephone reservations are requested to confirm the booking.

### **2. Fax**

A fax machine is used in the reservations department of most hotels. By submitting reservation requests in writing, there is less opportunity for misunderstandings. One important advantage of the fax in reservations departments is that a message can still be sent even though there is no one on duty at the other end. This is particularly important for hotels with an international clientele. A guest may book from Singapore or America without having to check time zones to ensure that someone will be available to take the reservation. The hotel can in turn fax back a confirmation at any time it wishes.

### **3. Email**

Reservations by email have almost completely replaced reservations by letter. Here the guest will state to the hotel their accommodation requirements and length of stay. The advantage of emailing is also that guest can still send their reservations at any time of the day and even though there is no one on duty at the other end, the reservation will still be receive and process accordingly. Confirmation for this type of booking is usually done via email where the reservation clerk will send out an email to the guest and acknowledge that the booking has been received and processed.



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#### 4. Intermediary

In intermediary distribution channels, there is a link between the hotel and the customer. Sometimes there can be a number of links. Key intermediary distribution channels are:

- Tour operators
- Travel Agents
- Hotel Booking Agents

##### • Tour Operators

Tour operators purchase the different components that make up the travel package, such as hotel accommodation, transportation, meals and entrance to attractions. Since they buy these in bulk, they enjoy discounts. They then put together individual packages, add their mark-up and sell it to travellers.

There are usually conditions for attached to the special rates offered to tour operators e.g. '1/2 twin **DBB**' (one person sharing a double room including **D**inner, **B**ed and **B**reakfast) and the minimum group size is 20 people.

<b>Rack tariff</b>		<b>Packages cost</b>
£40.00	Room per person	£25.00
£7.00	Breakfast	£5.00
<u>£13.00</u>	Dinner	<u>£11.00</u>
£60.00		£41.00
<u>£10.50</u>	<b>+ VAT</b>	<u>£7.17</u>
£70.50	Total	£48.17

**Table 5.2 Discounted rates offered to tour operators**

After negotiating a dinner bed and breakfast rate as seen in Table 5.2, the tour operator will mark the price. If he mark up the price with 20%, he sell the accommodation package for £57.80, it is still less than the rack rate, thus attractive for his clients.

See table 5.3 for an example of a complete package.

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Hotel element x 3 nights @ £48.20	£144.60
Hotel element x 3 nights @ £39.20	£117.60
Coach transfers	£10.00
Luggage handling	£1.00
Attraction entry	£2.80
	£276.00
Profit 25%	£69.00
Selling price	£345.00

**Fig. 5.3 Components of a package.**

- **Travel Agents**

There are a variety of different types and sizes of travel agents, from small agent who operates only one local office to the large international agents such as Thomas Cook and American Express.

The travel agent will make the booking for the guest and send a confirmation to the hotel. This booking may be only part of a whole series of hotel reservations and travel arrangements that the agent has made for a guest.

Confirmation of the booking is made on a confirmation form which has three copies. One is given to the guest, one sent to the hotel and the third is held by the agent. The travel agent will use this copy of the confirmation to claim commission from the hotel. The commission is negotiated with the hotel e.g. a fixed percentage (10%) of the accommodation rate before tax is added. Thus if a guest is booked for three nights in a room at £100 per night, the agent will claim commission of £30 for placing the booking with the hotel.

The agent may take prepayment from the guest, and issue the guest with a voucher that can be used at the hotel. There are three copies of the voucher. On arrival at the hotel the guest gives the voucher to the receptionist.

And the amount of the voucher is allowed against the account of the guest. At the end of the month the hotel will send all the vouchers from each agent back to the agency and the travel agent will pay the total amount owing, minus the commission due.

<b>United Square Travel and Leisure</b>	
North Road Richmond, TW9 4HQ	
Voucher No. 123456	
<b>Hotel:</b>	
<b>Address:</b>	
<b>Accommodation:</b>	
<b>Commencing with:</b>	<b>On:</b>
<b>Terminating with:</b>	<b>On:</b>
<b>Including</b>	
<b>Client name</b>	
<b>Initials/Ref:</b>	<b>Client (top) copy</b>

**Fig. 5.4 Travel agent's voucher**

- **Hotel Booking Agents**

Hotel booking agents often have offices at major rail and air terminals and handle bookings for incoming passengers who do not have hotel reservations. They only deal with hotel reservations. The guest contacts the hotel-booking agent, who makes the reservation with the hotel and sends the confirmation both to the hotel and the guest.

Commission is also collected from the hotel, but some agents only take commission on the first night's booking, whilst others will claim on the full stay. Bookings which are made by hotel booking agents often have a higher non-arrival rate than normal bookings. Guests who arrive at a booking desk at an airport or railway station may make a booking with a hotel-booking agent in case they cannot find an alternative. During the day, they will look around the town and attempt to find a hotel that is more suitable to their needs. If they do obtain alternative accommodation, then only a few will bother to contact the hotel and cancel their booking.

---

To minimise the problems caused by this, many hotels place all bookings by hotel booking agents on 6 pm release unless prepayment is made. Alternatively, the agents will charge a booking fee that is the equivalent of their commission.

## **5. Electronic Booking Systems**

This has been the fastest-growing method of booking in recent years. Three routes are possible:

- Central Reservation Systems
- Global Distribution
- Internet access

### **• Central Reservation Systems/ Central Booking Office**

All large chains operate their own central reservations systems. These are often linked to a call centre which handles central reservations for all properties, either in one country or throughout the world. A typical example is HOLIDEX®Plus operated by Six Continents Hotels (the world's leading global hotel group whose brands include Inter-Continental Hotels and Resorts, Crowne Plaza Hotels and Resorts, Holiday Inn, Express by Holiday Inn and Staybridge Suites). Through this system, customers have access to detailed descriptions of these properties on a worldwide basis, including rates and promotions.

The system is also interfaces with the various Global Distribution Systems (GDS) and travel websites, enabling them to provide guests with precise information about the product offerings. HOLIDEX®Plus allows the mix and match of rates and room types to provide guests with a more personalised service whilst offering greater flexibility to hotels in designing and distributing promotional packages through targeted channels to meet customer needs.

Some hotels especially budget hotels may not take reservations at all, but transfer all bookings to the central office. They are then entered onto the computer system to await arrival. This cuts down staffing requirements in the hotel and increases the opportunity of 'cross-selling' when one hotel is full.

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- **Global Distribution Systems**

Global Distribution Systems are abbreviated as GDS systems. The airline industry created the first GDS in the 1960s as a way to keep track of flight schedules, availability, and prices. Since then, the reservations systems have evolved beyond mere air travel reservation systems to become independently owned companies capable of handling millions of transactions a day for every aspect of the travel services industry. The major GDS systems are Amadeus, Galileo, Sabre and Worldspan.

GDS systems are capable of booking – one way and roundtrip airline seats, Hotel rooms, Rental cars, Tours, Cruises, Bus and rail tickets, Insurance and much more. These system terminals are installed in all travel agent offices throughout the world.

To gain access to these systems the hotel needs to register with and develop an interface with them. Chain and consortia hotels will do this through their central booking systems. By having an interface, it is possible to have seamless connectivity. The GDS terminal has direct access to room inventory in the hotel system. The last room can be booked through the GDS. Systems that are not connected have to be updated. With a seamless connection it is done automatically and the vacancy is shown on every terminal around the world.

- **Internet Access**

This is usually referred to as online booking. Increasingly hotels are taking space on Internet sites and offering guests opportunity to book via this electronic method. Guests can log on to a variety of websites that enables them to make reservations. This might be directly onto a hotel's website, a CRS or it might be an intermediary website of a travel agent. Should the guest access the hotel through this system then the agent will be able to claim commission. Websites offer an interactive medium for hotels to advertise and promote their products and for guests to find out about the hotels and their products, rates, availability and make reservations.

## **6. Personal**

Here, there is a direct face-to-face contact between the customer and the receptionist. Return bookings are frequently made in this way. At quiet times the receptionist may utilise some sales techniques to increase the expenditure of the potential customer.

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## **Summary**

Guests can contact the hotel directly to make a reservation through telephone, e-mail, fax and letters. Guests might also use intermediaries such as tour operators, travel agents or hotel booking agents. Electronic reservations can be made through central reservation systems, global distribution systems and the internet. Return visits are often booked in person on check-out.

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## **Information Required for a Reservation**

Hotels will vary in the detail and amount of information they require when accepting a booking. Some take a minimum, others will gather a lot, and some will wait until the guest arrives before finding out some of the details.

The minimum can be represented as:

- Name of guest/guests
- Arrival date
- Number of nights
- Type of room

The hotel will respond with:

- Price
- Conditions

Before looking at the other information that can be gathered, it will be interesting to examine the basics in more detail.

### **Name of Guest / Guests**

The first question receptionists would ask a caller would obviously be his/her name. In addition to the name, the person's title has to be recorded. Property management systems will enable reservationists to track guest history, but where guests with similar names have stayed in the hotel before; the receptionists would have to clarify which one of the previous guests he or she is.

### **Arrival Date**

This is the date when the guest arrives. The reservations department needs to clarify the exact date. For example, what is meant by '7/3'? A European would say it is 7th March; but an American would say it is 3rd July. American often put the month first, particularly when printing dates.

---

By repeating back the date to a guest, misunderstandings can be avoided. Of course, those misunderstandings could lead to a dishonoured reservation, or a no-show.

### **Number of Nights**

Here the question is the length of stay; three nights, for example. Again there is a risk of language causing confusion. Some may request arriving 3rd, staying through the 6th. Are they staying for three nights or four? It should be remembered that hotel rooms are booked for the number of nights and not the number of days, as a guest might be at the hotel for four days (including arrival and departure days), but for only 3 nights.

### **Type of Room**

When a reservation is made the room type must be specified as the guest will require a specific room type. It is also vital to know the type of room required in order to check availability.

Room types and names vary endlessly. The most common difficulty is in understanding the difference between a double (one large bed) and a twin (two beds). Some modern hotels will have two double beds in a room to accommodate families. Besides just knowing the room type the reservationists must also enquire whether a specific type of bed, location or standard of room is required.

### **Price**

Yield management has made this question more difficult. Some hotels have now moved away from publishing a tariff. They quote each booking individually depending upon demand. Center Parcs, a well-known holiday company, adopts this method.

The price depends upon **when** you want to stay, **how long** you wish to stay for, and **how busy** they expect to be. For example, during peak seasons, prices might be higher due to the higher demand. The majority of hotels, however, still stick to a published tariff.

In setting prices, the key considerations are as follows:

- Time of year: e.g. which month?
- Time of week: e.g. which day?
- Length of stay: e.g. how many nights?
- What is included: e.g. breakfast and other meals?
- Who they are: e.g. regular or one-off?

---

When a potential guest request a quotation, it is necessary to clarify the caller's requirements before it is possible to answer the initial question. A single room for a Sunday night in two months' time could easily be a different price. For this reason hotels often develop a standard response to deal with enquiries. They can then be certain that the potential guest knows exactly what is included. Top London hotel often quote room rate *excluding* VAT. This alone could add £31.50 to a £180 room. In the US, rooms are always quoted excluding State Sales Tax which will vary between 3 and 12%.

### **Conditions**

Conditions for reservation varies from the type of bookings e.g. guaranteed and non-guaranteed bookings, cancellation and amendments and other contractual agreements. This will all be further discussed in the later part of this chapter.

### **TERMS & CONDITIONS**

Any request for availability will be held for a maximum of 14 days at the discretion of the management and is subject to availability. This does not mean that space is guaranteed and the management reserves the right to release provisional bookings without notification on any provisional availability request that has not been confirmed by the party with a letter of confirmation, a signed copy of the terms and conditions and a £500.00 non-refundable deposit (or lower at the management's discretion). Availability will be given on a first come – first served basis.

Centurion Hotel will only deem a booking to be confirmed when a hotel representative has acknowledged receipt of a letter of confirmation, a signed copy of the terms and conditions and the non-refundable deposit of £500.00 (or lower at the management's discretion) has been cleared by our bank. This will be in the form of a letter from the hotel representative.

Once in receipt of the confirmation letter we must remind you that you agree to all the terms and conditions contained within this document, you are agreeing that this is a legally binding document and as such will be governed by the Scottish Courts of Law. Any issues raised will be subject to a seven day amendment period, amendments must be made in writing and received by Centurion Hotel within seven days.



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Centurion Hotel will charge for the number of rooms booked, or greater if numbers increase. Centurion Hotel will charge for the number of meals booked, or greater if numbers increase and any additional items requested by the organiser(s). Centurion Hotel regrets that we cannot make third party payments on your behalf.

The organiser(s) will be liable for all the guests attending the event and Centurion Hotel has the right to charge for any damage to the building or its fixtures and fittings, including external grounds, any business interruption or loss of revenues and any charges faced due to guests' neglect in respect of the damage, health and safety, food hygiene and fire safety regulations.

In the event of cancellation Centurion Hotel will charge for loss of revenues as follows:

Up to 90 days prior to event

-Deposit only

Between 89 days and 30days prior to event

-50% of estimated cost of event

Between 29 days and the day of event

-100% of estimated cost of event

The estimated cost of an event will be based on the numbers supplied at the time of booking and stated within either the organiser(s) confirmation letter or the confirmation of the booking on behalf of a representative of Centurion Hotel.

Within the cancellation charge will be the cost of meals, cost of accommodation, cost of room(s) hire(d) and an estimated liquor spend of £20.00 per person to cover loss of bar revenue and wines.

For weddings Centurion Hotel advises that the organiser(s) enter into an insurance cover which will cover in the event of any unforeseen circumstances.

Centurion Hotel will not be liable for anything out with the company's control or any act of God, Force Majeur, third party involvement or any supplies recommended by Centurion Hotel. Centurion Hotel will only be liable under the Hotel Proprietors Act, Section 2 of 1956.

Centurion Hotel Reserves the right to amend these terms and conditions as it sees fit and will notify any party who already have a written confirmation only of these changes.

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Any Questions, queries, complaints or general explanation of the above terms and conditions should be submitted in writing to the general manager of Centurion Hotel. Acceptance of the above terms, conditions and liability

I / We \_\_\_\_\_ (print names)  
of \_\_\_\_\_ (print address)

Accept the above terms and conditions as outlined above including all charges and liability which may apply and that the above terms and conditions are to be governed by the Scottish Courts of Law.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Hotel representative \_\_\_\_\_ (print name)

Signed \_\_\_\_\_ Date \_\_\_\_\_

Centurion Hotel  
Albany Street  
NW1 7UP  
London, UK  
Email [info@centurionhotel.com](mailto:info@centurionhotel.com)  
[www.centurionhotel.com](http://www.centurionhotel.com)

### Further Information

Additional information can be collected in order to establish the needs of the guests and to provide better service upon check in. Additional information includes:

- Company name
- Phone/Fax number
- Address and postal code
- Email address
- Expected time of arrival
- Stayed before?
- Car registration number or flight details
- Nationality
- Smoker/non-smoker
- Frequency club member
- Credit card number

These details will speed up the check-in process and help to identify previous guests.

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### **Postcode Generator**

In the UK, and in the US with Zip Codes, some computer systems will now search and print the address simply from the postcode details. This can cut down keyboard work by 85% and dramatically improve accuracy of address and spelling.

The operator is simply required to type in the house number and name of the guest .Where the majority of customers come from within the host country (UK customers in a UK hotel, etc.), this speeds up the booking process and adds an air of professionalism. There is the element of fraud reduction, as people using false addresses may easily be identified and other security checks can be made.

#### **Activity 5.2**

A guest would like to make a room reservation for herself and her family. List ten typical questions that you would ask the potential guest in order to make the reservation.

#### **Activity 5.3**

List four types of information required on a guest reservation form.

### **Summary**

The essential information required in order to make a reservation is the guest name, arrival date, length of stay and the type of room required. The receptionist will have to reply with an offer that includes the rates and conditions. Additional information required includes contact details, addresses, company names, payment details, flight details and nationality. It should be established whether a guest stayed in the hotel before in order to utilize guest history.

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## Recording Bookings

### Computer

The bulk of hotels now record bookings via a computer terminal. This allows amendments and cancellations to be made easily. Further, marketing and sales information can be easily collected and used. Some small hotels may still use a booking diary and booking chart to record reservations. The computer systems simply automate these processes.

Fig. 5.2 below illustrates a typical computerised reservation form.

The screenshot displays the 'New Reservation' form in the Micros-Fidelio Front Office 7.13 (AUDIE) application. The interface is organized into several sections:

- Profile Section:** Includes fields for Surname (filled with 'audie'), First Name, Language (set to 'English'), Title, Phone, Country (set to 'NUK'), VIP (set to 'Normal'), Pre/Last, Agent, Company, Group, and Source. A 'Profile' button is also present.
- Reservation Section:** Contains 'Arrival' (19/12/2005) and 'Departure' (20/12/2005) dates, 'Nights' (1), 'Adults' (1), 'Child' (0), '# Rooms' (1), 'Rate Code', 'Rm Rate' (0.00), 'Rm Type', and 'Rm No.'.
- Confirm # Section:** Shows 'Confirm #' (728), 'R/Type' (6pm Hold), 'Market', 'Source', 'Booked By', 'Tel/Fax #', 'Payment', 'CC#', 'Exp', 'Special', and 'Package'.
- Discount and Billing Section:** Includes 'Discount \$' (0.00), 'Disc %' (0.0), 'Reason', 'Comm', 'No Post', 'Print Rate', 'House Use', 'Comp', 'Arr Flight #', 'Dep Flight #', 'ETA', 'ETD', 'T/P', 'Confirmation', 'Newspaper', and 'Billing'.
- Buttons:** 'Options', 'OK' (with a green checkmark), and 'Abort' (with a red X) are located at the bottom right.

The Windows taskbar at the bottom shows the 'start' button, open windows for 'Fidelio Class 4', 'Removable Disk (F:)', and 'Fidelio Front Office V...', and the system clock showing '3:23 PM' on '19/12/2005'.

Fig 5.2 Computer reservation system

### Hotel Diary

All reservations are entered in the hotel diary under the arrival date. The diary is normally a large, loose-leaf ledger which is constantly updated by the addition of new pages at the back, and the pages for each day's arrivals are removed from the front. Since reservations are entered chronologically, it can be difficult to trace a reservation if the arrival date is not known. It also poses a problem when there is more than one reservations agent working.

---

## **Checking availability and charting reservations**

In order to have an accurate record of all the rooms available to sell, all reservations made and cancelled must be charted. If it is overstated the request will be refused when space is available, and if all bookings are not recorded, then inadvertent overbooking may occur.

The booking chart has to be checked to establish whether or not it is possible to accept a reservation, or whether it has to be put on the waiting list or even refused.

All reservation charts follow the principle of showing the number of 'room nights' that are available in the hotel. This is done for each specific room on a 'conventional chart', or for groups of rooms on a 'density chart'.

### **Conventional Chart**

The conventional chart shows each room in the hotel individually. The room type is noted next to the room number. The chart is usually used in smaller hotels, where room types may differ substantially. It is particularly common in the older hotel with a great variety of rooms, a long average guest stay (three or more nights), a long lead time of reservations and repeat business.

The receptionist will allocate a room at the time of booking and note this in the diary. An entry is made on the chart in pencil (so that alterations can be made), with the name of the guest or a reference number by the booking.

The following should be noted when using a conventional chart:

- entries must be made in pencil so that alterations can be made
- the arrows should run from the centre of each day as this corresponds with the hotel 'day' of midday
- if it is a short booking then the folio number from the diary should be used rather than the guest name
- chance bookings, extension of stay, rooms off and early departure must be noted so that the chart is always accurate

Month: March	Year: 2007											
	1	2	3	4	5	6	7	8	9	10	11	12
101 S		← Smith →										
102 T												
103 D			← Black →									
104 D		← Neil →										
105 D												
106 T												
107 T					← O.O.O Redecoration →							
108 T												
109 D												
110 S												

**Figure 5.3 Conventional reservation chart**

This form of chart is ideal for the smaller hotel, but it becomes difficult to see whether or not space is available as the hotel becomes full. Often a booking may be taken by 'juggling' the existing bookings. This means that an entry may be changed two or three times before the guests actually arrives at the hotel and consequently, they are not informed of their room number until they actually register. A conventional chart can be very time-consuming to keep up-to-date, and errors often result in lower occupancy.

### Density Chart

Larger hotels use a density chart to record their bookings. With the density chart, rooms are classified into groups of a similar type and no allocation of a specific room is made until the guest arrives at the hotel. This is ideal for modern hotels where all the rooms are similar, with only the floor level and view from the window changing. The density chart is also more useful where the guests stay is short, for entries can be made quickly and easily changed if necessary. As with the conventional chart, chance bookings, extensions, early departures, etc., all have to be noted on the chart to make sure it is a true picture of the reservation position. This is often checked by the reservation manager, who can compare the numbers of rooms left on the chart, with the actual number of guests in the hotel (and due to arrive) on a given day.

### Density Reservation Chart

Figure 5.4 shows a density reservation chart in which each page represents one week and the pages are headed with months and dates, and stores in a loose-leaf binder. Entries are made in pencil. Tours are entered quickly by ruling off the appropriate number of rooms. The name of the tour is entered on the bottom line for quick reference. Each circle represents a 'room night'. The squares are for overbooking. There are 11 twin rooms in the hotel and allowance has been made for overbooking two twins. (The total overbooking allowance is 7 rooms.)

Monday	Tuesday	Wednesday
Twins 11	Twins 11	Twins 11
Singles 6	Singles 6	Singles 6
Doubles 15	Doubles 15	Doubles 15
Groups	Groups	Groups
TRAVEL Mx 10 Twin		EARTH WIND 10 Twin 5 SINGLE

**Fig 5.4 Density reservation chart**

It can be seen a density chart is much more 'visual' than a conventional chart and a reservation clerk could easily check whether or not space is available. Also it is possible to see the pattern of booking through the week by the 'ups and downs' of the reservations.

### Stop-Go Chart

In large hotels there would be a bottleneck if every reservation clerk had to refer to the booking chart every time they handled a reservation request. This is overcome by a visual 'stop-go' chart which is prominently displayed in the reservation office. This chart summarises the information on the main chart. It shows at a glance whether or not to accept a booking. There is space for each day of the year.

Figure 5.5 shows a section of a stop-go chart. From this it can be seen that there are no single available on 7<sup>th</sup> January and 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> of February, in addition there are not twins on 7<sup>th</sup> January. It is fully booked for 2<sup>nd</sup> February. Most large hotels install charts similar to this in their reservation office and the information is updated as necessary by the reservation supervisor.

January	1	2	3	4	5	6	7	8	9	10	11	12
							○ △					
February	1	2	3	4	5	6	7	8	9	10	11	12
		○ △ □	○	○								
March	1	2	3	4	5	6	7	8	9	10	11	12
			△ □	□	□							

#### Key:

○ No Singles      △ No Twins      □ No Doubles

Figure 5.5 Part of a stop-go chart

### Summary

At all times reservations department should be able to know the exact number of rooms available and booked for any specific date. Further, bookings systems should allow the hotel to keep an accurate record of reservation details and guest information. Often more than one system for recording reservations can be used simultaneously. Reservations can be recorded in the hotel diary, by charts such as conventional charts and density charts or by computer systems.



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## Yield Management

Yield management is mainly referred to as 'revenue management'. It is a room management technique which has been adapted from airlines to suit the hotel industry. The main purpose of yield management is to maximise room occupancy and at the same time obtaining the best average room rate. This revenue enhancing technique is suitable to many service industries. Yield Management works by using a very simple formula, and that is:

$$\text{Yield} = \frac{\text{Revenue Realised}}{\text{Revenue Potential}}$$

Again, airlines have developed the system to ensure that planes fly at the maximum profitability or 'yield'. Hotel yield management systems have developed as a separate add-on to normal reservation systems. They work by calculating how full the hotel is likely to be on a given date in the future. This is done by constantly measuring previous occupancy and booking patterns and projecting them forward into the future. To be able to utilise this technique efficiently, the hotel has to undertake procedures such as overbooking, duration and itinerary control and market segment pricing.

The reservationists is then 'advised' whether or not to take a booking, and at what rate. This has the effect of 'smoothing' peaks and troughs of demand and ensuring that rooms are sold at the best possible price. In a period of low demand, Sunday evening for example, the system would recommend accepting a lower rate than 'rack' to ensure the booking and gain revenue for the hotel. It should be recognised that the hotel room can never be sold twice. Like an airline or coach seat, it is perishable. If a room is not sold on a particular night, then it is never sold. This is because there are two elements: space (the room) and time (the date).

A stop-go chart is an ideal method for the reservations supervisor to ensure maximum control of reservations. Some hotels will refuse bookings for a certain date even though they have rooms available. This helps the hotel to 'smooth' the booking pattern to ensure that occupancy is high every night.

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The chart can be closed out by room type (i.e. no twins available on a particular date), or may be closed out by room type for arrivals only. This ensures that bookings will not be accepted for busy periods of one or two nights, but should an opportunity occur to secure a good booking, perhaps covering two weekends for example, it is possible to accept the reservation and 'book through' the busy period.

Alternatively, the reservations supervisor may estimate that the hotel will be able to fill all its accommodation for a particular period, and so aim to control reservations by closing out reduced rate business ensuring that maximum revenue is earned for the time.

### **Yield Management Systems**

A computerised system helps the communication of forecast information from the yield management team to relevant departments. This system allows round the clock input of information and link up to enable efficient circulation of latest information. In some cases, the yield management team can enter the system directly and make phantom bookings, so as to close a rate level in order to stop any reservations clerk or booking agencies from selling any more rooms at that particular rate.

This data from the yield management team on the various rate levels per number of rooms is then put into the computer system. When a customer makes a telephone inquiry, the reservations clerk who is working from the VDU screen, will first check on the days required and then the room availability. Using basic up-selling skills, the reservations clerk will then offer the highest priced room and work down. This is an attempt so as not to lose any potential revenue.

But the system needs to be flexible in order to accommodate the 'regular' customer. These customers will usually expect a continuation of their corporate or 'special' rate. It is necessary for this flexibility as to maintain goodwill especially for the long term customer. It is important that the hotel must always remember to retain a human side in yield management. Many situations may still require to be handled on a case by case basis as the system cannot take over the role of the manager.

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### **Summary**

Yield management is also known as revenue management. It is a practise to ensure that the hotel sells as many rooms as possible at the highest price possible. The principle of yield management is to adjust the price according to demand. The formula for yield management is

$$\text{Yield} = \frac{\text{Revenue Realised}}{\text{Revenue Potential}}$$

Computerised yield management system makes forecasting easier and assists with choosing the best possible rates for a given date.

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### **Overbooking**

Over booking is the practice of accepting more reservations than there is space available. The purpose of overbooking is to assist the hotel in obtaining maximum occupancy, and to compensate for early departures, last-minute cancellations and non-arrivals. The reception department should keep figures of non-arrivals and early departures, and from these should calculate the percentage to which overbooking is possible. In this way, overbooking becomes a way of controlling reservations by booking to a predetermined number of rooms based on the anticipated non-arrivals for that date. Viewed in this way, overbooking becomes good sales technique, rather than sloppy and unprofessional practice.

The degree of overbooking will vary not only from one hotel to another but also from week to week and day to day in the same hotel.

Reservations departments that are operating on a computer system will usually find that the system will record the relationship between reservations and actual arrivals, and even the likelihood of different classes of booking not arriving. Obviously this is a great boon to the hotel, and should ensure that serious overbooking never occurs.

---

A hotel with a highly transient trade will be able to overbook more than a hotel in a resort where guests book three months in advance and stay for two-week periods. The fact that a hotel overbooks does not mean that it will have to refuse guests rooms. The aim of overbooking is to balance exactly the extra rooms booked with the non-arrivals and cancellations. Only if this goes wrong is it necessary to 'book out' guest to another hotel. A middle way is to accept bookings on a waiting list for cancellations.

Accidental overbooking can result due to overstays, inaccurate assessment of room availability or errors made during the reservation systems.

Overbooking does not always have a positive impact on the hotel. Unless it is well planned, it can have a negative impact on the hotel, the staff and the guest. It cause undue stress on staff, dissatisfaction in guests and affects hotel reputation.

When it is realised that the hotel will have a shortage of rooms, action would have to be taken to attempt to accommodate all guests who made reservations. The following actions can be taken:

- Check for duplicate reservations, e.g. check with expected arrival list and compare if guests is not occupying extra rooms in system
- Check for cancelled reservations, e.g. cancelled but not keyed in or system updated
- Release all confirmed reservations if guests fail to arrive by cut-off time. E.g. 6 pm
- Check to see if out-of-order (OOO) can be released
- Check to see if it is possible to release all house use rooms, e.g. rooms used by staff by resident manager or back to back shift staffs.

If all attempts to accommodate the guest are exhausted, it will be necessary to walk a guest. To walk or bump/book out a guest means to turn away a guest who has reservations with an offer to find alternative accommodation at another hotel.

When this happens hotels should try to reduce the trauma as much as possible.

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### **Summary**

Overbooking is the practise of accepting more reservation than the number of rooms available. This is done to ensure 100% occupancy. Overbooking is planned according to previous no-show and cancellation statistics. The practise of overbooking has both negative and positive aspects.

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## **Confirming, Guaranteeing, Cancelling and Filing Reservations**

### **Confirming Reservations**

Many hotels send a letter of confirmation to people who make reservations. This serves a number of purposes. It can be evidence of a contract. The law is in favour of the person booking the room. A contract exists when the guest posts the letter of confirmation, and can only be cancelled by the hotel when the guest receives the letter withdrawing the previous offer. If the guest is not accommodated, then he or she may be able to sue for material loss as a result of the breaking the contract. In certain states of USA, guests are able to sue for 'disturbance' if they are not accommodated by the hotel at which they booked.

### **Standard Confirmations**

All reservation systems will print a confirmation if required. Fewer and fewer guests expect them nowadays. Standard confirmation letters are particularly useful if there are details that the guest needs to be made aware of. Examples include the following:

- deposit request
- arrival times and release time
- cancellation periods

Because large hotels often have a large number of transient guests, where bookings are on short lead time, the hotel might not confirm any bookings.

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## **Guarantees**

Most hotels operate a system of asking for one night's payment for each room as a deposit, a guarantee on a credit card or a guarantee from the booking company. In this way the room can be held all night for the guest to arrive without the risk of losing revenue.

In addition to normal guarantees, hotels may also require a length of stay deposit in particularly busy and high demand locations, a hotel may tell the guest that the deposit will be used against a room charge for early departure. So, if a guest books for five days, but actually leaves after three, the hotel may charge the deposit as an early departure penalty.

In the US, some hotels will charge an early departure fee of, say £50. This again is linked to the sophisticated yield management system, which would have quoted the guest a rate based upon the length of stay.

## **Cancellation**

If a guest cancels the booking, then the reservation procedure has to be reversed; the booking is crossed through in the diary, the chart entry is erased and the details are married together in the files. The hotel may keep the guest responsible for loss due to cancellation of the booking, but the hotel must make every attempt to re-let the accommodation, and can only claim for the actual loss incurred.

When a computerised system is in use a cancellation may continue to be displayed on the screen but be clearly marked as cancelled. In the case of amended arrival dates it may be particularly helpful to refer to previous information. If a guest cancels a booking for the week beginning 7th June and the hotel is able to re-let the accommodation for the last three nights of the week, a claim can only be made for the first four nights of the booking rather than the whole week. To claim for the whole week would be equal to selling the room twice.

While some seasonal hotels press claims for compensation when a guest cancels at short notice, it is very rare for city centre hotels to do so. Obviously this may vary if a tour cancels at very short notice, and the hotel has no chance of re-letting the accommodation, but this is normally covered by the terms of a special contract between the hotel and the tour operator.

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### **Filing Reservations**

The various bookings are kept in arrival date order and brought forward to the front desk for each day's arrival. Letters, memos, reservation forms or tour operators' lists must also be filed accordingly for quick access. In the event of a query the receptionist can then check the details easily. Multiple arrival dates are dealt with by photocopying the letter for each arrival date and filing according.

### **Summary**

After a reservation is made, the hotel will send a confirmation letter to the guest, by doing this the hotel confirms the reservation. The confirmation will include specific terms and conditions with regards to deposits needed and release times.

Reservations can be guaranteed by paying a deposit, providing credit card information or through a company or travel agent guarantee.

Most hotels have a strict cancellation policy. Guests may be kept responsible for the loss of revenue due to a cancellation, but hotels must make every effort to re-let the rooms. When a reservation is cancelled, the booking is reversed. Guest details will be kept on file for future reference.

Reservations are filed chronologically and forwarded to reception on a daily basis in order to prepare for arrivals.

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## **Types of Reservations**

### **6 p.m. Release/Confirmed Reservation**

Reservations are often taken on the basis that the guest will arrive by a certain time of day. If they arrive before that time they have their room in the normal way. If they arrive after the time they have to take a chance on a room being available when they arrive. This enables the hotel to be certain it is full, without the risk of having to charge guests for non-arrival if they are delayed or change their plans.

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### **Guaranteed Arrival**

This is the reverse of a 6 p.m. release. Here the guests guarantee to pay for the room whether they arrive or not. It is very useful for guests who may be arriving late at night, or even early the next morning from a transatlantic flight. Guaranteed arrival facilities are normally offered only to companies or travel agents, whom the hotel is sure will honour their commitments. Guests who have paid deposits or have provided their credit card details as a guarantee will also be treated as guaranteed arrivals.

### **Take or Place (T or P)**

Regular customers are often offered a 'take or place' booking if they reserve at short notice. When they arrive at the hotel a room will be allocated to them if there has been a cancellation. If there has not been any cancellation or non-arrival, then the hotel will find another room for them in a comparable hotel. This facility is often offered by chain hotels, for while on hotel in the group may be full, they may be vacancies elsewhere. This 'T or P' facility helps to retain customer loyalty and also maximises occupancy for individual hotels or groups.

### **Commissionable Bookings**

Reservations made by travel agents and hotel booking agents are normally subject to a commission payment to the agent on the room rate. This fact is noted in the remarks column of the diary, so that the account can be marked as commissionable when the guest checks in. Frequently two accounts may be opened: one for the apartment charge showing the appropriate commission, and a second account for any extras incurred by the guest. This ensures that the commission is only deducted from the accommodation charge.

#### **Activity 5.4**

When customers are making reservations, they might require additional services. List four examples of typical services they may require.



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### **Summary**

Confirmed reservations/6 pm release reservations are not guaranteed. Thus, to prevent the hotel from losing revenue should these guests not check-in, these rooms can be released or sold at 6 pm.

Where guests have guaranteed their reservations, the hotel must keep the rooms reserved throughout the night.

When the hotel is fully booked the hotel might offer a 'take-and-place' reservation option. Should the guest arrive to find that the hotel is full; the hotel will arrange alternative accommodation.

Reservations made by travel agents and hotel booking agent are subject to commission payable to the agents based on the room rate.

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### **Tour and Group Reservations**

The most common characteristic of a group booking is that a large number of rooms are booked simultaneously and at the same room rate. Every hotel has its own policy regarding the minimum number of guest which constitutes a group booking. One hotel might require 5 guests and another 20.

The main distinguishing factor between a group reservation and an individual reservation is the standardisation of the arrangements. Group members will arrive and depart more or less at the same time and booking correspondence will be handled by an agent or tour operator.

The single most important factor to consider before accepting a group reservation is the sales mix ratio of the hotel. This ratio is the acceptable percentage of FIT (Free Independent Traveller) guests compared to group business. For example, if the sales mix ratio of a hotel is 70:30, the hotel will accept 70% FIT bookings and 30% group bookings. This ratio is determined by the time of year, time of week, length of stay, number of rooms required, facilities needed and room rates and discounts. Due to the volume of business provided by group bookings, the room rate is usually reduced.

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Many departments are involved in the planning of such a booking, for example, the front office for rooms, food and beverage departments for the supply of meals, accounts for billing and banqueting for functions.

### **Booking procedures**

Group bookings are conducted over a long period of time and must adhere to certain time schedules. Within 18 – 24 months before arrival an initial enquiry will be made by tour operator. If the hotel does decide to accept the booking, a contract will be drafted and signed by both the hotel and the tour operator. This contract will include the following information:

- Required number and types of rooms
- Food and beverage requirements
- Details for payment
- Amount required for deposit
- Quotation price for the group
- Details of items included in price.
- Payment details for guest extras.
- Deadlines for confirmation of number of rooms needed
- Deadlines for receipt of rooming list
- Details on penalty charges for cancellation of rooms

Because group reservations are made long in advance, it is usual for some rooms to be cancelled prior to arrival. To minimise loss incurred by both the hotel and the tour operator, the number of rooms booked will be 'washed down'. The reservations department should calculate the expected wash factor of the group. This is the number of rooms which will be cancelled before arrival. For example, a tour operator reserves 30 rooms 12 months in advance. Based on past cancellation records, a wash factor of 10% might be used. This means that the hotel will only reserve 27 rooms instead of the 30 requested.

According to the contract the tour operator has to confirm the number of rooms required by a certain date before arrival. Cancellations can also only be made before a certain deadline. If any cancellations are received after the deadline, the hotel can charge either full room rates or a rate specified in the contract. This is referred to as cancellation lead times.

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**Activity 5.5**

Give 3 differences between a group reservation and a conventional reservation.

**Summary**

Extra care must be taken when making a group or tour reservation, since the reservation is made long before the arrival date of the guest. The sales mix ratio must be taken into account before such a booking is accepted. A contract, containing all relevant information, must be signed by the hotel and the tour operator. Group reservations are subject to a wash down factor. Cancellation lead times must be stipulated and adhered to.

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## **Topic 6**

### **CHECK IN PROCEDURES**

#### **Objective**

This chapter will introduce students to other pre-arrival and arrival activities. Students will learn about all the preparation activities carried out in the front office in order to welcome the guest in a professional and efficient manner. Students will further learn how to check a guest in and update hotel records.

#### **Learning Outcome**

After studying this chapter, students should be able to:

- Identify and discuss all pre-arrival activities apart from reservations.
- Detail the registration procedures including steps when registering a guest using a registration card, register of self check in kiosk.
- Details the procedure for handling difficult or unexpected situations such as change arrivals, not trace reservations and walking of a guest.
- Define the various room status options, discuss room status records and indicators and the procedures for allocating rooms upon arrival.
- Explain the procedures for checking in groups.

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#### **Pre-Arrival Activities**

Activities carried out by the hotel from time of reservation to the time the guests' checks in is called the Pre-Arrival activities.

If carried out properly, such activities can contribute in creating a positive first impression on the guests' upon check in.

Some pre-arrival activities include:

- Reservations
- Pre-payment
- Checking expected arrival lists (FIT, VIP, Groups, Crew)

- 
- Pre-registration
  - Pre-assignment
  - Preparing welcome cards
  - Preparing room keys
  - Preparing meal/drink vouchers
  - Raising complimentary orders

### **1. Prepayment**

Prepayment for guaranteed reservations should be received before the expected date of arrival. Prepayments can be made using a variety of payment methods such as cash, cheque, bank draft and credit cards.

In a case of a no-show, the pre-paid amount is offset against the night's room rate, tax and service charge/VAT. For credit cards, the hotel will follow-up on a no-show by forwarding a completed credit card charge voucher to the respective card company. Companies that guarantee reservations by commercial contract will also be similarly billed for no-show.

Pre-payments received will be recorded in the city ledger until the guest has checked in.

### **2. Checking expected arrival lists**

The Computer will generate a list that gives details of guests who are expected to arrive on a daily basis. This list is called The Expected Arrival List.

Some items of information found on the lists are:

- Name of guests
- Departure date
- Type of room reserved
- Room rate
- Source of booking
- Remarks and/or special requests

To check the arrival list is one of the first steps in preparing for guests arrival. This list is also used for pre-assigning rooms.

### **3. Pre-Registration**

The process by which section of a registration card or their equivalents are completed for guests with reservations prior to their arrival is referred to as pre-registration.

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The main reasons for carrying out this process are:

- It speeds up the check-in process as some sections of the registrations are already completed beforehand. All the Front Desk Agent needs to do is to verify the information provided with the guests'.
- It gives repeat and VIP guests a feeling of importance to know that the hotel is aware of and prepared for their arrivals.

Usually, pre-registration is done for VIP, repeat guests, groups and crew. This is due to the uncertainty of some reservations and time needed to do this. Therefore, hotels do not pre-register all expected arrivals.

#### **4. Pre-Assignment**

Pre-assignment involves the allocation of a specific room to a guest prior to registration.

Similar to pre-registration, hotels do not pre-assign rooms for all expected arrivals. This is also only done for VIP, Crew, Groups and repeat guests. This is because there are a few factors that need to be considered. This includes availability, rate, security and safety, number of people, and the rotation of the room usage as to prevent from repeated selling of a particular room.

There are some general guidelines that need to be put in place when assigning rooms to the different types of guests. They are:

- VIP: Do a check of the room before assigning, better view, upgrade room, away from the lift and try to accommodate the same room for repeat guests.
- FITs: Assign room nearer to the lift for handicapped and the old, rooms with separate beds for males guest sharing and better view for business man.
- Regular guests: assign the same room or upgrade the rooms with more facilities and better view if available.
- Long-term guest: If possible assign bigger room with a better view and complimentary items.
- Group guests: Same floor and closer to each other. If possible away from other guests as guests from groups can be noisy. Tour leader to be away from the groups and in a better room.
- Airline crew: Differentiate the types of rooms according to rank and quiet room preferred.

- 
- Package guests: Rooms should be assigned according to the room types they are entitled in the package.
  - Honeymooners: Assign higher floor, king bed and flowers, chocolates or cake in the room.

### 5. Prepare Welcome Booklet/Key Card/Passports

The key card/passport is a document given to hotel guests for identification purpose. It also serves as a holder for the room key and drink/meal vouchers issued. A welcome booklet or letter contains basic information about the hotel.

### 6. Prepare Room Keys

The front office will also prepare the keys for cases whereby pre-assignment has been carried out. This process simply involves identifying the respective room key for the respective guest and putting it together with the registration card. The locking system used by the hotel should be considered. This is especially important for group arrivals.

### 7. Preparing Meal/Drink Vouchers

<p><b>Centurion Hotel</b></p> <p><b>Voucher Number:</b> 1234567 <b>Adult Breakfast</b></p> <p><b>Name:</b> Mr. Smith, J <b>Room Number:</b> 102</p> <p>Entitles bearer to a buffet breakfast at the <b>Hilltop Restaurant</b>, including fruit juice and coffee.</p> <p>Non-refundable <b>Expires:</b> 9 March 2007 <b>Authorised by:</b></p>
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**Fig. 6.1 Breakfast voucher**

For control purpose, meal/drink vouchers for guests may be serialised.

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Standard information found on a meal/drink voucher is:

- Entitlement (how much the voucher is worth or the type of meal e.g. American breakfast, buffet lunch or 4-course dinner)
- Validity date/check-in date/check-out date
- Venue/outlet
- Name/number of guests
- Room number

The Front Desk Agent usually prepares vouchers for FIT and package guests. Vouchers for groups are prepared by the Tour Coordinator, if the hotel has such a position. Vouchers are issued to guests upon arrival.

### **8. Raising Complimentary Orders**

Besides complimentary rooms, there may be occasions when the hotels give complimentary items to guests such as flower basket, fruit basket, champagne, chocolates and etc. This is usually given to guests who are VIP's, honeymooners or long-stay guests.

A complimentary order form used to record the issue of these items. It gives details of what the item is, who is it for and why it is given. It must be approved by executives who are authorised to do so.

### **Summary**

Pre-arrival activities entail all activities which must be done before a guest checks in. This enables the hotel to provide a better service to the guest upon arrival. Pre-arrival activities include pre-payment, checking of expected arrival list, pre-registration, pre-assignment, preparation of welcome, cards, room keys and meal and drink vouchers.

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## Registration Procedures

### Summary of registration procedures

Registration procedure	Activity
Identification of guest status.	Check if the guest is with/without reservations, non-groups such as fit, VIP crews or packages & groups, walk-ins, claimed reservations
Formulation of registration record	Registration cards, registers
Room and rate assignment	Assign a room and a rate and ensure guest is informed about the rate
Establish of credit	Check method of payment, pre-authorisation of credit cards, check vouchers
Completion of check-in procedures	Issue keys, welcome booklets, meal and drink vouchers
Rooming the guests	Escort the guest to the room
Modification of the registration card	Note change of room & rates, billing, check-out dates

**Table 6.1 Summary of registration procedures**

### Information needed for Registration

A hotel has to obtain, and keep for twelve months, certain information about every person who stays there as this is a legal obligation on the hotel's part. The basic requirement is full name and nationality. They have to provide, in addition, their passport number and place of issue, their next destination and the address there, if known, should the guest is from overseas. A guest staying at a hotel need not in law provide their true name. But the hotel would view with caution anyone whom they suspect was not using their true name.

Apart from this legal minimum, hotels will further request information such as a home address and signature. A home address and signature are asked for in all hotels. Others take the opportunity to find out more about their customers by asking for information such as purpose of visit, occupation, proposed method of payment, and other details.

These requests can be placed into two categories:

- Administration: to ensure the smooth efficient running of the operation
- Marketing: where the hotel takes the opportunity to find out more about its customers' habits.

Date	Family Name	Other Names	Full Address	Signature	Room No.	Nationality
26/3	Salem	George	11, Fulham Street	G. Salem	123	British
26/3	Flich	Clive	27, Foles Walk	CFlich	907	UK

Fig 6.2 Register

**Centurion Hotel  
Overseas Visitors Information**

Family name: Corbin Other names: Charles

Passport no: XY 54321 Place of issue: Paris

Nationality: French Next destination: Oxford

Date: 23/6/2007

Fig 6.3 Aliens (overseas visitors) form

### Objectives of Registration

The main objective of registration is to satisfy legal requirements. Listed below are also some of the reasons why registration is essential.

- 
- Capture guests personal data and provide hotel with important guest information especially method of payment
  - Ensure a room and rate assignment for every guest
  - Provide hotel with expected departure date for each guest
  - Generate a registration record of the transaction and inform other relevant dept of each new arrival
  - Sell hotels products and services through upselling/suggestive selling

### **Register**

The traditional method of checking guests in is to use a register. This is a large, bound book ruled into columns which the guest fills out upon arrival. It is ideal for smaller hotels where guests arrive individually and names of guests are recorded in chronological order. The cost per guest is also very low, for each guest will take up only one line of the register. A typical register is shown in Figure 6.2.

Overseas guests are normally asked to fill out a supplementary 'aliens form' to provide the additional information that is required (Figure 6.3).

The register suffers from some disadvantages. Listed below are some disadvantages of the register:

- If more than one guest wishes to check in there is a waiting time.
- The receptionist is unable to process registration information while a guest is checking in, so administration delays could occur.
- It is an indiscreet method in that it provides guests with the opportunity to find out information about other people staying at the hotel.

Loose-leaf registers are now available, which overcomes some of the disadvantages.

### **Registration Cards**

Most hotels now use registration cards. These overcome unnecessary problems of a register. Although they are more expensive, they have many benefits. They can be filed in alphabetical order after a guest departure and they are easier to copy on a photocopier.

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Different organisations will have their cards tailored to their particular preference and needs.

Motels will seek car registration numbers. Airport hotels may look for airline flight details and so on. A computerised system will normally print the registration card from the reservation details. This will save time for the guest on arrival as all the guest has to do is sign and complete the missing sections.

Even in the most modern systems the guest is still usually asked to sign as without a signature it would be difficult to prove that charges had been incurred, and there would be no proof of the guest's stay. This is particularly important when the account is sent to a company for payment. A computer may also be programmed with details of any undesirable guests who may have caused problems in the past, or been 'blacklisted'.

### **Pre-Arrival Registration**

The busiest time for the reception department is during the check-in period. Staffs have to ensure that guests who have just arrived are greeted and given their rooms in a smooth and efficient manner. Speedy registration procedures are required. One way is to have all the guest's details pre-print on a registration card before arrival. The guest only checks that all the details are in order and sign the card.

Pre-Registration is also a solution for checking in large numbers of guests at any one time, e.g. groups, tours or conference delegates.

#### **Activity 6.1**

What are the advantages and disadvantages if the guests are given the registration card to fill in?

What are the advantages and disadvantages if the receptionist/FOA is given the registration card to fill in?

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### **Self check-in**

A self check-in kiosk allows guests to check in without going to the front desk. By inserting a credit card for identification purposes, guests can follow a set of simple on-screen instructions and use the touch screen to check in. The kiosk displays the traveller's reservation, selects a room based on the customer's preferences, issues one or more room keys and provides printed room directions and information. At the end of their stay, travellers can check out at the kiosk in the same fashion by reviewing and confirming their account and printing out a receipt for their records.

Self-service kiosks allow guest service agents to focus on providing value-added services to those guests who require it. Listed below are also some other advantages that this system offers:

- Enable the hotel to offer check in and check out capabilities to customers – on demand
- Increase customer convenience and satisfaction
- Reducing time spent waiting in queues
- Help to reduce costs by maximizing the employees' effectiveness
- Offers a potential revenue uplift e.g. up-sell room categories based on availability and guests' buying habits

Although not many, but there are also some disadvantages which comes with this system;

- No warm welcome or personal touch from reception staff upon arrival
- No opportunity for guests to ask questions
- Limited opportunities for upselling and suggestive selling

With over 3, 500 rooms between them, Hilton Hotel Corporation is one organisation that currently adopts this system for two of its hotels. The wireless kiosks are tied into the Hilton's own technology platform. This gives the kiosks access to up-to-the-minute information regarding guests' preferences and service recovery alerts and thus provides accurate service to incoming guests.

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## **Checking**

It is the duty of the receptionist to always check the registration card and to register the guest when they check in. They should ensure that the card is correctly completed and that all information provided are legible. The receptionist should politely ask the guest for clarification should the need arises, for example, which name is the surname.

When all the details are checked and found to be in order, the receptionist can then inform the guest of the room rate and their room number. The reason for informing the guest of the room rate is so that to avoid any unforeseen difficulties at check out should there be a query on the rate. The receptionist is also complying with the law by doing this. The receptionist may also ascertain how the guest will make payment for their stay at this point.

Registering a guest is one of the most important tasks assigned to a receptionist. Apart from being polite and making the guest feel at ease, there are other checks that need to be made apart from those just mentioned:

- Whether there are any letters or messages for the guest
- That the room is ready
- That sales techniques have been used to maximum effect

## **Summary**

It is a legal obligation for all guests to be registered in the hotel. All guests have to provide their name and nationality. In addition foreigners must provide their passport number, place of issue and next destination. Guests might register by way of recording their details in a register, on a registration card or by using a self check-in kiosk. Group guests and VIP's are often pre-registered by reception. Many hotels now also have self check-in kiosks. It is the duty of the receptionist to always check the registration details to ensure that it is correct.

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## **Chance Arrivals, No Trace Reservations and Walking a Guest**

No matter how well the front office is functioning there will always be some unexpected and difficult situations. The hotel might be unable to accommodate all guests, guests might arrive without reservations and reservations might be untraceable.

### **Chance Arrivals / Walk-ins**

A 'chance guest' refers to a guest who stays at the hotel without prior booking. 'Transient' hotels will receive the bulk of their guests as chance arrivals.

Special procedures are engaged to handle bookings from these guests as the receptionist does not have much information about them and their credit-worthiness.

It is unlikely that chance arrivals with a number of luggages will leave the hotel without paying as their departure would be noticed by one of the staff. But an increasing trend is the carrying of small amounts of luggage. This means that it will be easier for the guest to leave without being noticed. Therefore, the receptionist should check if the guest have luggage upon registering them during check in. If they do, then the registration is processed in the normal way and the registration card is marked 'Chance'.

The receptionist has to ensure that the guest will not leave without settling their account should there is little or no luggage. This can be done by either taking cash deposit from the guest or by taking an imprint of any credit card that the guest may have. This should not be done in a manner that will suggest to the guest that the hotel feels that they are dishonest and will in turn make the guest feel insulted. Chance guests are often asked to pay cash for all purchases while they are in the hotel. Alternatively, a special check may be kept on the size of their account, so that if the account exceeds a set of figure (say 100) the guest is contacted and asked to pay up to that date. By doing this, potential losses from chance guests are minimised.

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Computerised hotel will find it easier. Upon check-in, the receptionist will be offered the option of authorising charges to that room. For a chance guest without a credit card, the receptionist may choose to obtain a cash deposit and bar the telephones, mini bar, pay movies, and bar and restaurant charge facilities so that the guest has to pay cash in all these departments. In other words, such a guest will not be allowed credit.

### **No Trace Reservations**

There are some unavoidable instances when a guest arrives to check in and there is no trace of the reservation. This can be caused by a number of reasons. But the solution is nearly always the same – the guest must be asked for details of the booking. This must be done as discreetly as possible and then all the records must be checked. The reservation may have been listed under the company name, or the name of the person who made the booking. It is also possible that the guest made two bookings at once, and one of them may have been overlooked, or has not been cross-referenced.

No Trace Reservation maybe due to the following errors:

- Wrong spelling of name e.g. Stein/Stine, Schmidt/smith
- Names that sound alike e.g. Flein/Pine
- Taking guest first name as the family name
- Taking reservation date as the arrival date
- Taking name of the person who made the reservation as the name of the arrival guests
- Wrong hotel.

After the correspondence has been checked and search made, normal arrival procedures should be adopted. Should the client be unknown to the receptionist, the booking should be treated as if it were chance arrival.

### **Walking a guest**

When guests with guaranteed reservations cannot be accommodated by the hotel due to overbooking or unforeseen circumstances, the hotel is responsible for arranging alternative accommodation. This is referred to as walking a guest.

The hotel should take all action possible to minimize inconvenience to the guest. When handling such a situation, the following actions must be taken.



- 
- Apologize and explain the situation to the guests when he or she arrives or at airport by airport rep or GRO if possible
  - Make reservations at another hotels of similar class, rate and location for only 1 night
  - Pre-register the guest at the other hotel if possible
  - Arrange for AM/DM at other hotel to welcome guest if possible
  - Arrange transportation to other hotel on the hotels account
  - Accompany guest to other hotel and ensure registration is smooth
  - Offer to transfer guests back and make reservations for return stay and if possible upgrade guest to a better room
  - Arrange for complimentary late check out, fruit basket or chocolates if necessary
  - Give a courtesy call to guests
  - Send an apology note from management as soon possible
  - Forward info to relevant sections like telephone and concierge to forward messages/mail
  - Ensure follow-up is documented in the front office log book for necessary follow up by next shift
  - Extend VIP treatment upon guests return.

When a guest is walked to another hotel, one night's accommodation would initially be booked. All attempts should be made to ensure that the guest will return the following day.

The hotel would have to pay all transportation cost incurred by the guest when relocating to another hotel. However, the hotel will not be responsible for accommodation charges in excess to what the guest would have paid initially. For example, if a room was reserved for £200 at the hotel, and the guest was walked to another hotel with a room rate of £250, the hotel would have to pay £50 towards the accommodation.

### **Summary**

A 'chance guest' refers to a guest who stays at the hotel without prior booking. When specific reservations cannot be located, it is referred to as 'no trace' reservations. Walking a guest refers to the situation where guests with guaranteed reservations cannot be accommodated by the hotel due to overbooking or unforeseen circumstances, and the hotel is responsible for arranging alternative accommodation.

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## Room Status

It is crucial for every hotel to have an accurate, up-to-date knowledge of the state of every room in the hotel. A room can be classified in one of these four states:

- Let
- Vacant and not ready
- Vacant and ready
- Closed for repair or decoration

A room status system must be able to show these four positions and be capable of being quickly changed.

The following are examples of commonly used Room Status:

- **Vacant Clean (VC)/Vacant ready (VR)**  
These are rooms that have been cleaned and are ready for sale. These rooms can be assigned to guests.
- **Vacant Clean, Inspected (VCI)**  
These are rooms that has been cleaned and inspected by Floor Supervisor. These rooms can also be assigned to guests.
- **Vacant Dirty (VD)/Check-out (CO)**  
Guest has department but room has yet to be cleaned. The room must not be assigned to guests.
- **Out-of-order (OOO)**  
A room may be placed on OOO for maintenance, refurbishing, extensive cleaning etc. These rooms must not be assigned to guests.
- **Occupied (OCC)**  
These are rooms which are currently occupied.
- **Due Out (DO)**  
These are rooms are that expected to be vacated on that day.
- **Late Check-out (LAT)**  
Guests that are occupying the room will be checking out after the hotel's standard check-out time.

- **Locked out**  
The room is locked by the hotel for possible reasons such as by guests request, guests did not settle account or under the hotel's investigation.
- **Out of Service (OS)**  
The room is undergoing maintenance work.

## Room status indicators

### 1. Bedroom books

The bedroom book is operated entirely manually and it requires a large amount of clerical work. It is the most basic system. Generally, it is used in smaller hotels, which has less than 20 rooms, thus not too demanding.

It is a normal diary that has a page for each day

- A line is used for each day, for every room in the hotel
- When the guest registers, their name is written next to the room number on the page of the arrival day; it is rewritten for each day of their stay e.g. if a guest books for fourteen nights, his name is written on fourteen pages of the bedroom book. From Figure 8.3 it can be seen that room 10 is occupied by Mr and Mrs J. Finch on 10<sup>th</sup> and 11<sup>th</sup> June, and that they are paying a rate of 15 per night.

Monday 10th June	Tuesday 11th June
10 T Finch, Mrs J £15	10 T Finch, Mrs J £15
11 TB	11 TB
12 S Sparrow, Mr. H £8	12 S
14 D	14 D
15 DB	15 DB

**Fig. 6.4 Entries in a bedroom book**

- Next to the room numbers are the room types. On 10<sup>th</sup> June, room 12 is occupied by Mr H. Sparrow, but he is due to check out on 11<sup>th</sup>.

---

There has to be a method of showing that a room has been occupied overnight, or a receptionist may send an arrival to room 12 before the guest has left, or before it is ready. A common way of doing this is to use three sides of a triangle to show the state of the room:

- room let previous night /
- room vacant but not ready √
- room vacant and ready to re-let ▽

It is the duty of the receptionist to update the bedroom book accordingly. This applies to all the room status systems. Individual hotels modify this system to their own needs in many different ways, but in all cases it has the advantage of providing a permanent record of room status.

## 2. Bed Sheet

In hotels of up to 100 rooms which are not computerised, the bed sheet or room-letting sheet is often used. Listed below is how it is used:

- The information is recorded onto a sheet pre-printed with room numbers, types and three sections.
- One sheet is used for each day, and the day and date are entered by the receptionist. During the evening shift, the entries are copied over onto the sheet for the next day.

Figure 8.4 shows the three-section bed sheet for 11<sup>th</sup> June. Guests are entered into the appropriate column depending on whether they are arriving, staying or leaving. A guest who was booked for only one night would move straight from the arrivals column to the departures. This three-column system enables the receptionist to see quickly the rooms that will be available to let that day, thus is found to be very effective. Rooms can also be allocated before guests have checked out.

In the example (Figure 6.5) of 11<sup>th</sup> June, it can be seen that Mr Dove in Room 202 is staying until 20<sup>th</sup> June. Room 203 is being vacated by Mr and Mrs Jay, and the receptionist has allocated the room to Mr and Mrs Raven.

<b>Centurion Hotel</b>												
Day: <b>Tuesday</b>						Date <b>11th June 2007</b>						
Room	Arrivals				Staying				Departures			
	Name	Sleepers	Rate	Dep	Name	Sleepers	Rate	Dep	Name	Sleepers	Rate	Dep
201 TB												
202 SB					Dove	1	20 Pds	20/6				
203 D	Raven	2	45 Pds	13/6					Jay	3	30 Pds	11/6
204 TRB												
205 DB												
106 S	-----	-----	----	----	-----	Off for redecoration			-----	-----	-----	-----

**Fig 6.5 Part of a bed sheet**

### 3. Room Board

Larger hotels use a room board. It is made of slots located next to each room number. When a guest registers, a small card is filled out with details of the guest and the length of stay. It is then placed into the appropriate room slot. When the guest checks out, the card is removed and thrown away.

There is less clerical work with this system as the guest's name is written only once. Coloured cards are used to show the status of a room. The advantage of a room board is that it is a quick, visual guide to room status but unlike the previous two systems, it does not provide a permanent record.

### 4. Room Status Boards

A room status system (e.g. Whitney) is simply a development of the room board. They do not have to be used together even though some of the components are interchangeable with the advance reservation rack system. It is tailor-made for each hotel, with a slot for each room and is used for the whole hotel.

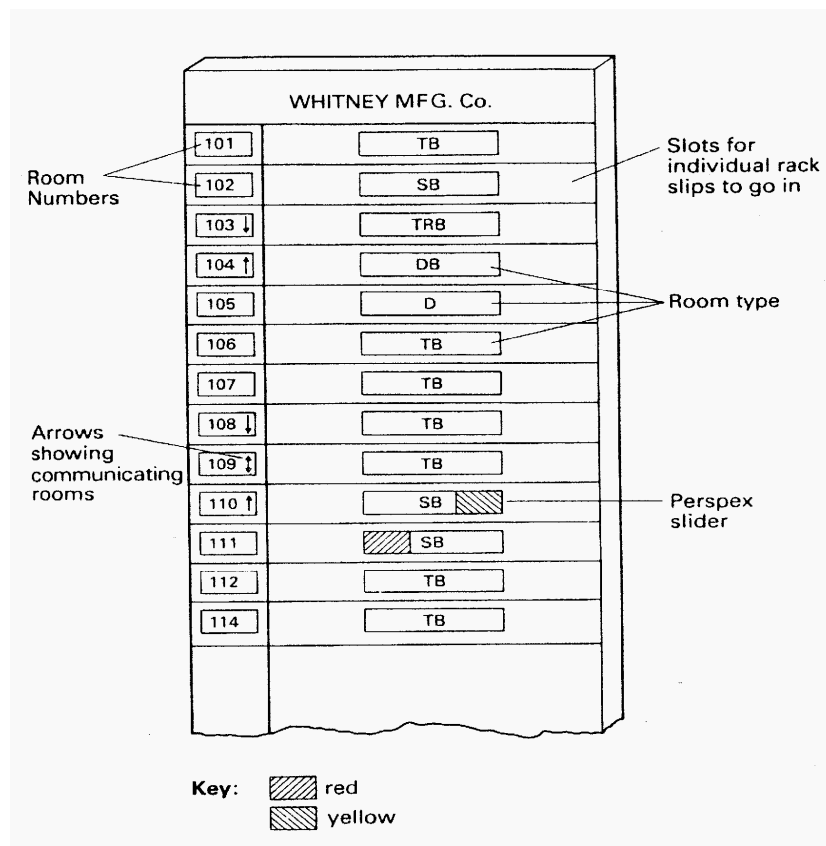
In some systems there is a Perspex slider which can be in one of three positions relating to the colours clear, red or yellow. The room type is shown in the centre of each slot, and is colour-coded over the room numbers on the left. This way, the room type can be identified even when a rack slip is in place. Arrows are used to show communicating rooms. The centre section can also be used to show the room rate and the location of each room (Figure 6.6). The maximum information about the room is presented to the receptionist with this method.

The three colours of the Perspex slider can be used to show the current state of the room (Figure 6.6):

- Red: room vacant but not ready
- Clear: room vacant and ready
- Yellow: room just let.

The advantages of a room status board such as this is as listed:

- more than one receptionist can register guests and allocate rooms instantly
- it minimises the risk of two people being given the same room.



**Fig. 6.6 Part of a room status rack**

In most of these systems, information relating to the guest is entered onto a carbonated rack slip. The top copy is placed in the room slot until the guest checks out. The other copy may be used by other departments (such as porters and switchboard) to make an alphabetical display of guests currently in the hotel.

To allow departure to be done as swiftly as arrival, the rack slip is removed from the room slot and crossed through to show that the guest has left.

---

## **5. Computers**

Room status handled by computer is accurate, and both easily and quickly displayed. Details of each room are stored within the memory, and as a guest registers, the guest list is immediately updated, while that particular room is removed from the list of those which are available for letting. Because the system is so accurate there is little chance of two people being given the same room.

From a room status report, reception staffs will be able to identify directly which rooms are ready for guests and which rooms will only be available later in the day. This information is crucial to the reception department, in order to ensure that guests are not sent to an occupied, dirty, or faulty room.

Most professional hotels keep guest history records which contain details on all previous guests. Through computerisation, all this information is now made easily accessible to all hotels that use computers. One of the advantages of this system is that staffs will know on hand of the guest preferences while checking him/her in. Arrangements of special request can also be made prior to arrival as all the information needed on the guest is readily there with a touch of a button.

Room status information is automatically transferred to all terminals throughout the hotel. The information can be presented either alphabetically or by room number. This saves time and unnecessary inconvenience such as miscommunication within the different departments.

### **Room Allocation upon Arrival**

Guests will want to be able to use their rooms as quickly as possible upon arrival. The room is unlikely to be ready should they arrive before midday, unless they are vacant from the previous night. Allocation of rooms is normally done at the time of booking in smaller hotels. This is done by using the conventional chart. If a guest arrives and the room allocated is not ready, but a similar one is, then the chart has to be changed round to show the re-allocation. For larger hotels, rooms are allocated only when the guest arrives. VIPs and guests with special requirements may have rooms pre-allocated to them and a note may be placed in the reception area to ensure that they only go to those particular rooms.

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Receptionist should try to satisfy the guests as much as possible in room allocation. In large modern hotels, not every room is exactly the same. Some may have better views than others, and certain rooms may be particularly noisy due to their proximity to the lift or a service pantry. Allocation should take place on the basis of:

- putting the guests who are staying the longest into the best rooms at their rate
- guests who booked first into rooms better than those guests who booked at the last moment or are chance arrivals

Rooms in the hotel that are the least satisfactory will therefore be the last to let by following this strategy. Some hotels let only sections of the hotel so that whole floors may be closed down, either for cleaning, or to save unnecessary lighting and heat during out of season.

Hotels that operate a computerised system will ensure that the program carries provision for different tariffs, locations and individual guest preferences. The computer will then select the best available room for a particular reservation, or offer alternatives if the preferred room is already taken or not yet ready. It is crucial that the program is flexible enough to ensure that any special requests by guests can be catered for. The staff should take the following into consideration: the ways to satisfy both the guest's need and the hotel's operational needs.

### **Activity 6.2**

Assign a room and rate for each of the following:

- a. Two men in business suits. Type of room, where and why?
- b. Female guest. Type of room, where and why?
- c. Mum, dad and 3 young kids. Type of room, where and why?
- d. High-level official. Type of room, where and why?



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### **Summary**

It is crucial for every hotel to have an accurate, up-to-date knowledge of the state of every room in the hotel. Rooms can at any time be let, vacant and not ready, vacant and ready or closed for repair or decoration.

It should be easy to establish room status by looking at the room status indicators. Most hotels make use of a computerised system that updates room status automatically when a guest is checked in or out. Other indicators such as a bedroom book, bed sheet, room board and room status board might be used in smaller hotels.

Reception will usually only pre-allocate rooms for VIPs, groups and guests with special requests. Other guests will be allocated rooms upon arrival.

#### **Activity 6.3**

You are the Reception Manager of a hotel. You are expecting a VIP guest who will arrive later in the afternoon. Explain what you should do before and upon their arrival at check-in.

#### **Activity 6.4**

Your manager has received several guest complaints about the check-in procedure. You have been given the responsibility of creating a customer questionnaire to find out current and future guests' thoughts of the check-in service. What questions should be asked to help the manager accurately determine the problems.

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## **Group Check In**

The arrival of any group of people together will always place a strain upon the staff of the reception desk. As the reception is aware of the time of arrival of the group and details of the rooms required, the maximum amount of advance preparation can be undertaken.

All departments are notified of the size and arrival details of the tour through the ten-day forecast. When the tour actually arrives, the receptionist will begin by checking the rooming list with the courier to ensure that there have been no late cancellations or amendments in the room types.

The bell staff will assemble the entire luggage in one area and will then set up the luggage for delivery to their rooms by using the rooming list provided, which shows the guests' names and room numbers. Groups must be informed ahead of time by the hotel sales department that all pieces of luggage must have the guest names on it.

With a group arrival, the hotel may want to set-up a special room where the guests can go for refreshments and receive their room keys. This will actually give the bell staff time to place the guests' luggage in their rooms and prevent the reception area from becoming over-crowded.

There are three different methods of handling tour registration:

### **1. Pre-registration**

Obtain all the details of the group from the operator in advance and to dispense completely with individual registration cards. This method is quick and cuts down on paperwork, but there are a number of disadvantages. There is a lack of confirmation that the information provided by the operator is correct. And because of the lack of signatures of the individual members, verification of charges signed to guest rooms may cause problems.

### **2. Registration in transit**

Provide the tour leader with registration cards for each guest to be completed on the way to the hotel. When the guests arrive, the cards are handed to the receptionist in exchange for the room key/cards which have already been prepared in advance.

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### **3. Registration upon arrival**

Register guests in the normal way as they arrive at the hotel. This often causes congestion around the reception desk and may cause dismay to the other hotel guests. This problem can be alleviated by the setting up of a special desk/table just for tour members.

Problems like allocation of rooms may arise should the group be large. Not all the rooms will be ready for midday arrival, thus, the reception department will have to keep some guests waiting to gain access to their rooms. The allocation of rooms can be organised to place all the tour members as near together as possible. This will simplify luggage distribution.

Reception should finally check that a key is available for every room before it is allocated to the guest.

#### **Summary**

Group arrivals should be well planned in order not to cause inconvenience to group members and other guests in the hotel. As much as possible should be done before their arrival. It is advisable to allocate a separate area for groups to check in.

Registration can be handled in three ways:

- Pre-registration
- Registration in transit
- Registration upon arrival

Porters have to ensure that luggage is handled efficiently.

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## **Topic 7**

# **ELECTRONIC MANAGEMENT SYSTEMS**

### **Objective**

This chapter will introduce students to the electronic front office. Students will learn the different functions carried out by the Property Management System and how the system connects to other departments and other systems within the hotel.

### **Learning Outcome**

After studying this chapter, students should be able to:

- Explain the functions of a property management system.
- Describe the systems used in the electronic front office

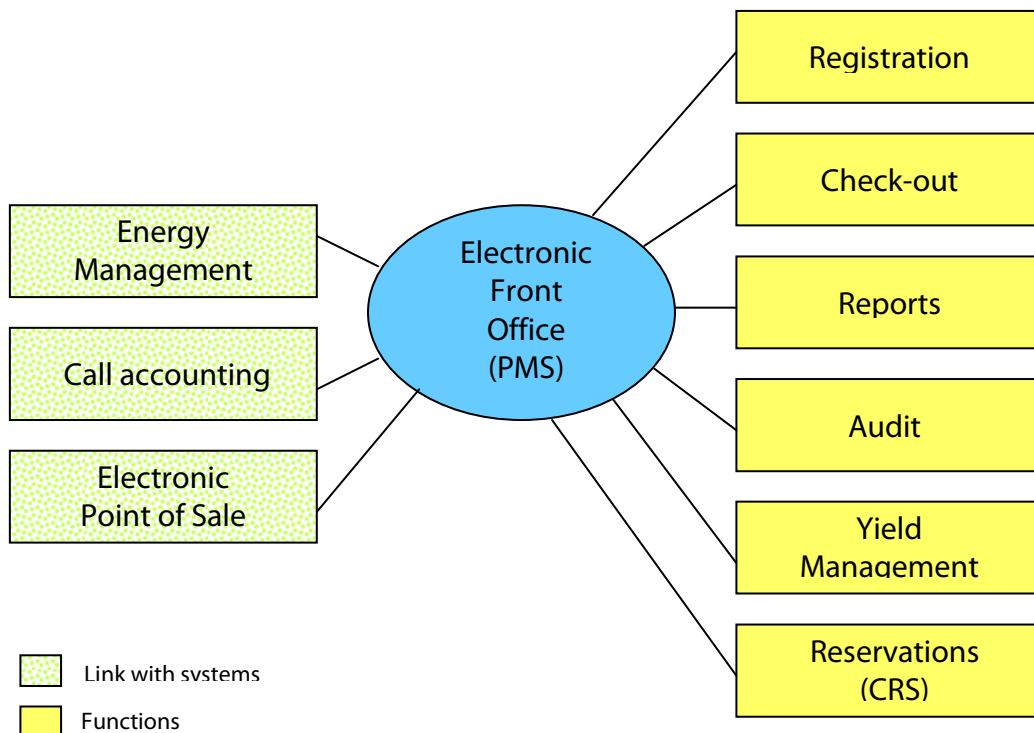
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### **Introduction**

As information technology and electronics have developed, so too has the use of computers in the hospitality industry. Information and accounting systems have developed from an entirely manual method of operating to an electronic method, but the basic principles have remained the same. The main advantage of a property management system is the ability to perform functions automatically and simultaneously in turn saving time and money.

Electronic systems, in addition to performing basic operations, can now be used to automatically generate information, post charges to guest accounts and balance all functions.

An electronic management system can be utilised to perform various other functions in order to simplify the day to day running of a hotel, as illustrated below.



**Fig. 7.1 Functions and links of a Property Management System**

## Property Management System

Installing such a system is expensive; therefore it must offer extensive benefits to the hotel and to guests. Many functions performed by the front office are suitable for computers due to its recurring, data manipulating and number calculating nature.

Such functions include:

- Processing of reservation requests
- Registration of guests during check-in
- Updating of room status
- Posting of all charges to guest accounts
- Settlement of folios either during the guest's stay or at check-out
- Updating of guest history
- Generating relevant reports for use by other departments and management

The manual front office system can perform all these functions, but not as effective and immediate as a computerised system. Information generated by a computer is more accurate, up to date and available much faster.

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Furthermore, it reduces labour cost since less time is spent on the manual generation of information. It reduces room status discrepancies since the housekeeping department is also linked to the system. As soon as rooms are serviced and vacant, housekeeping can update the system, thereby making information readily available to the front office.

A Property Management System enables the front office to be linked to other departments such as restaurants, bars and health clubs. Guest information needed by these departments can easily be accessed through the linked information system.

### **Reservations**

A computerised reservation system can match a reservation request for either individual bookings or group bookings to the existing data on the system. Provided that the room status on the system is correct, this match can be completely accurate. This matching system will see that a specific room type is available on a specific date and that the facilities, location and room rate is according to the request. Once the booking is made, the information is kept in the system's memory for up to three years.

Information is then readily available to the front office management to assist them in the day to day running of the department. This information includes:

- Credit card guaranteed reservations
- Cancelled bookings
- Room deposits
- Blocked out rooms
- Estimated times of arrival and departure
- VIP lists
- Occupancy forecasts

The central reservations system can also be linked to the house reservations system, enabling guests to know the availability in sister hotel, nationally or internationally.

### **Registration**

Since all required guest information was already captured and stored on the system when the reservation was made, the receptionist only needs to call up the reservation information and print out a registration card. Upon arrival the guest only needs to verify his/her information and method of payment after which he/she can only sign the registration card.

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This procedure saves the guest time during check-in, since no extra paperwork and forms need to be completed. It also reduces queues at the check-in counter during busy times.

At some properties a self check-in kiosk is also linked to the front office computer system. This allows the guest to have an unassisted check-in, entering his own registration details and authorising his own credit card. If the check-in is successful, the kiosk will provide the guest with a key card. All check-ins done via the self check-in kiosk will automatically be reflected on the front office computer system.

### **Check-out**

A computerised check-out system can simplify the check-out procedures immensely. The receptionist can use it to print out a complete and precise guest account within seconds, thereby reducing the check-out queue.

The system also speeds up the settlement process by providing services for automatic foreign currency conversions, constant monitoring of house and credit limits and automatic verification of company account status.

### **Audit**

The front office computer system simplifies the night audit procedure, since it is self balancing. This means that the computer automatically checks that the correct amounts have been posted to the correct rooms, that EPOS postings cross-balance with the front office and housekeeping room status matches the front office room status.

### **Reporting**

The front office computer system can print out all relevant daily reports for management or other departments. Data can also be collected and reports printed on monthly or yearly basis.

Relevant reports can include.

- No shows
- Hotel statistic report
- Advance ledger report
- Today's arrivals
- Today's departures
- In house guest list
- Guest ledger report
- VIP report
- Rate discrepancy report
- Housekeeping report
- Night audit report
- Credit check report
- Cashier's report

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### **Yield Management**

Yield management is a practice whereby room occupancy is maximised at the best possible average room rate. A computerised system enables the reservationists to make the best choice on what room to book at which price.

The possible profit which can be obtained from of each room can be analysed immediately, since room rates are adjusted to suit the need for rooms at any time. Assessment of such needs can be made because historical guest information, low and high demand periods, available room rates and sources of business is computerised.

### **Summary**

Property Management Systems consist of hardware and software. These systems allow all the departments of a hotel to connect to the front office. The PMS can also connect to other internal and external electronic management systems. The basic function of a PMS is to manage information and aid communication. This system is used at every stage of the guest cycle and even after departure when reports and statistics are generated.

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## **Other Electronic Management Systems**

Besides the PMS, the front office also utilise other electronic systems.

### **Energy management systems (EMS)**

An energy management system is designed to control the mechanical equipment in the hotel, thereby saving utilities such as gas and electricity. This system determines when air-conditioning or heating can be switched on/off or up/down. As soon as the guest enters the room, his room key card is inserted in a slot behind the door. Electricity for the light and the air-conditioner will now be activated. As soon as the guest leaves the room the utilities will be automatically switched off.

The energy consumption of the hotel can be monitored by comparing reports generated by the energy management system and the front office. For example, if occupancy levels are not high the energy consumption should be lower and visa versa.



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### **Call accounting system (CAS)**

This system handles all local and international telephone calls made by guests from their rooms. The main advantage of such a system is that the guest does not have to work through the hotel operator to make a telephone call. It provides guest satisfaction by providing a quick and private telephone link.

Telephone billing discrepancies are minimised, since the CAS is linked to the front office system and therefore calls made are automatically charged to the guest account.

### **Electronic Point of Sale Systems (EPOS)**

Computerised cash registers, also known as terminals, at food and beverage departments, spas and room service, are also linked to the front office system. This allows that all transactions done by resident guests can be charged directly to the guest account at front office.

Through the connection of the EPOS to the PMS, trading information is readily available for the compilation of management reports. This enables the night audit to print trading reports containing information of all outlets, with the push of a button.

#### **Activity 7.1**

List the advantages and disadvantages of using a property management system

### **Summary**

With the pressure on hotels to be environmentally friendly, energy management systems are invaluable. Energy management systems can be linked to the PMS to minimize energy usage in unoccupied areas.

Call accounting systems keep track of all the telephone calls made in the hotel. It calculates the rates and charges it to the guest accounts.

Electronic points of sale systems transfer charges from other revenue outlets to the guest accounts. This system can also be used to generate daily performance reports.

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## **Topic 8**

### **GUEST ACCOUNTING**

#### **Objective**

This chapter will introduce students to the front office accounting cycle. Students will learn how to handle guest accounts manually and by computer

#### **Learning Outcome**

After studying this chapter, students should be able to:

- Explain the principles of hotel billing
- Know the different types of accounts maintained by front office
- Discuss the front office accounting cycle
- Explain the procedures for handling accounts, both manually and by computer
- Know what a cash float is
- Know what petty cash and visitor's paid out are
- Explain the procedures for recording deposits, pre-payments and refunds
- Explain the procedures for banking
- Explain credit control measures
- Describe the function on the night audit

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#### **Principles of Hotel Billing**

Everyday, a hotel engages in a large number of transactions with guests. Apart from using bedrooms and food and beverage facilities, guests may also use other services during their stay for example laundry and room service. Charges will then have to be made for the services used.

Any system of recording charges should satisfy the following requirements:

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### **1. Guest accounts should be kept up to date**

As hotels operate 24 hours, guests may incur charges at any time of the day or night, and it should be possible for them to know what their total account is at any time.

To avoid some charges from being lost to the establishment, it is important that charges are swiftly transferred from the sales point in the hotel to the bill office. Guests may also want to view their account at any time during their stay.

### **2. Sales of different departments should be identifiable**

The charges incurred must be identifiable to both the guest and the hotel. If the tariff is inclusive, then there will only be a daily charge on the guest's account. But the hotel will require some breakdown of charges for control purposes. Even lunch or dinner charges are divided into amounts spent on food and drink.

### **3. Balancing should be possible**

It is essential that a balance can be derived whenever cash or charges are recorded. The balancing should be made a simple operation so that a quick guide to the accuracy of the posting is obtained.

The basic formula for balancing is:

$$\text{Total charges incurred} = \text{accounts outstanding} + \text{bills paid}$$

### **4. Control checks can be carried out**

Built into all hotel billing systems should be a method of checking that all transactions are being carried out and recorded. Checks will be made to ensure all charges are posted correctly.

### **5. It should be easy to operate**

The most effective hotel billing systems are those that record the individual entry the smallest number of times. With the most modern computer systems, the charge has only to be entered once and it is automatically entered directly onto the account.

### **6. It should be economical in time and money**

The system installed must not only be economical to operate, but also economical to install. Part of the analysis should cover the availability of staff to operate the installed system and the amount of management time needed to carry out control checks.

---

Overall, the main function of the hotel front office accounting system is to:

- maintain an accurate and current record of all the guest transactions
- provide an effective internal control by monitoring credit given to guests and prevent fraudulent staff practices
- provide management information on departmental revenue

### **Activity 8.1**

Give two problems which may arise if a hotel does not have an accurate and up-to-date record of its transactions with guests.

### **Summary**

Any system of recording charges should satisfy the following requirements:

- Guest accounts should be kept up to date
- Sales of different departments should be identifiable
- Balancing should be possible
- Control checks should be possible
- It should be easy to operate
- It should be economical in time and money

---

## **Type of Accounts**

The record of all the financial transactions between the hotel and the guest is called a guest account. It is also sometimes referred to as a folio or an account.

There are three main types of account maintained by the front office namely the resident guest accounts, the city accounts and the management accounts.

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### **Resident Guest Accounts**

The front office cashier holds mostly the accounts of the resident guest. These accounts show the financial transactions with guests who have registered and are currently staying at the hotel. Some of the resident guests may settle their incidental charges themselves while the accommodation charges will be settled by their company.

In this case scenario, the resident guest has to have two folios:

- The master folio or account for the room charges, which then will be sent out to the company for settlement. A duplicate of this account will be forwarded to the city (sales) ledger.
- The incidental folio, which will be settled by the guest personally.

### **City Accounts**

The record of financial transactions between the hotel and non-resident guests is referred to as city accounts. These could include accounts held by:

- Local business people who use the hotel facilities and services for entertainment or business meetings but are not resident in the hotel.
- Walk-outs. These are guests who leave the hotel without settling the outstanding balance on their account. They are no longer resident, therefore their account is transferred to the city (sales) ledger. This is either to await eventual payment, or to be written off by the account as 'bad debt'.
- Guests who have not arrived but have sent prepayments to guarantee their bookings. This amount is normally recorded in the city (sales) ledger.

### **Management Accounts**

The expense accounts or allowance given by some hotels to the hotel manager is referred to as management accounts. These accounts are usually used to entertain guests or potential clients. One example is, if a guest has a complaint about the hotel, the assistant manager may invite them to have a drink with him/her in the hotel bar to resolve the problem. This may help to encourage the guest to relax and to have a positive impression of the hotel. The charge for the drinks is then debited to the manager's expense, which is the management account.

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City accounts and management accounts are transferred to the accounts department, which will then handle their settlement at a later date.

### **Summary**

The record between all the financial transactions between the hotel and the guest is called a guest account. Three different types of accounts are maintained by the front office. Guests staying in the hotel will have a resident guest account. Two types of resident guest accounts can be identified; Master folios for charges that will be settled by a third party and an incidental folio which will be settled by the guest personally.

City Accounts are records of financial transactions between the hotel and non-resident guests. Management Accounts are primarily used to record complimentary orders and to entertain guests or potential clients.

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## **Accounting Cycle**

The main function of the front office accounting system is to maintain an accurate record of all the financial transactions between a hotel and a guest. This is crucial so that all the outstanding accounts are settled without delay. From Table 8.1, it can be seen that the front office accounting process is divided in three main phases:

- Creation of accounts
- Maintenance of accounts
- Settlement of accounts

We will mainly look at the creation and maintenance of accounts, particularly those of resident guests in this chapter.

<b>Guest Cycle</b>	<b>Accounting Cycle</b>	<b>Actions</b>
Pre-Arrival / Arrival	Creation of Accounts	- Enter guest details onto account - Set credit limit or house limit
Occupancy	Maintenance of accounts	- Debit postings - Credit postings - Visitors paid out (VPO) - Account corrections - Account allowances - Account transfers
Departure	Settlement of accounts	- Payment of Account

**Table 8.1 The front office accounting cycle**

### **Creation of accounts**

A guest account is created when a guest is checked into the hotel. It can be created automatically, when using a computer system, as part of the check in procedures. Credit limits and house limits, limits the amount that can be charged to the guests' account.

### **Maintenance of accounts**

All financial transactions between the guest and the hotel will be recorded on the guest's account. The act of recording transactions onto guest accounts is called posting. There are mainly six different types of postings.

#### **1. Debit posting**

Examples of debit postings are room, restaurant, telephone and use of other hotel facilities charges which guests have had charged to their account. Each time a guest charges an amount, it is a debit posting.

#### **2. Credit posting**

This refers to payments or subtractions from the balance of a guest account. Usually this is done when guests have already made prepayments or payments for part of the account during stay. Amendments to the guest account can also be a credit posting.

#### **3. Visitors paid out (VPO)**

Hotel sometimes pay out a certain sum of money on behalf of the guest for services of an outside organisation. These charges are termed visitors paid out (VPOs). Some examples are a sight-seeing tour operator, car-hire agency or florist. These charges are entered into a guest's account as debit items for settlement.

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#### **4. Account corrections**

When there has been an error to a guest's account, an account correction needs to be done. Cases vary, but necessary corrections are crucial in order to avoid any discrepancies with guest upon check out. One example where an account correction has to be made is when an incidental amount is wrongly posted into the room charges account.

#### **5. Account allowances**

An account allowance is a credit posting which is given to a guest. It is usually given during their stay, or sometimes on their departure and can be either for an over-charge or a form of compensation to a guest.

#### **6. Account transfers**

This process refers to when a charge is moved from one account and transferred to another account for example, when a family occupied two rooms and all charges are transferred to one account to be settled.

#### **Settlement of accounts**

There are two main types of account settlement.

- Cash settlement: any form of payment used to settle an account before departure, for example, cash, foreign currency, travellers' cheques, cheques, credit cards and charge cards
- Credit settlement: any form of payment used to settle an account after departure, for example, third party settlements (travel agent or company).

#### **Summary**

The front office accounting cycle can be divided into three phases: Creation of accounts, maintenance of accounts and settlement of accounts. Accounts are created upon check-in, maintained throughout the guest's stay and settled upon departure or in the case of a third party settlement at a later date.



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The act of recording transactions onto the guest account is called posting. All charges are recorded as debit postings and all payments are recorded as credit postings.

Settlement of accounts can take place at front office at check out or through the accounts department in the case of city ledger settlements.

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## **Types of Accounting Systems**

There are a number of factors in deciding the type of accounting system in a hotel and it is not confined only to the size of the operation. The capabilities of the staff, the budget and type of guests have to be considered as well.

### **Tabular Ledger**

For many years this method of recording charges in hotels was the only one in existence. Even after the introduction of electronic accounting and computerisation, it continued to be the most common method in use. The advantage of using this system is that the hotels can head up the columns according to their needs and no extra costs are incurred should they change over a period of time.

Although still used by many smaller hotels, in many units it has been replaced by computers as computer programmes are now available to suit all types and sizes of hotels.

Figure 8.2 shows an example of a completed tabular ledger.

Some hotels that operate a tab ledger produce two guest accounts. One is a three-day account for short-stay guests, and the other is an eight-day account for guests who stay for a longer time. The accounts are exactly the same, apart from the greater number of columns on the eight-day account. In principle, the most common account is calculated on a five-day period, since this reflects the main volume of business in most hotels.

Sleepers: _____ Date: <u>1 August 2007</u>						
ROOM NR.	112	114	118	121	123	
NAME	Jones	Smith	McDonald	Scott	Holmes	
	H. Mr	S. Mrs	P. Mr.	B. Mr.	A. Mrs	
RATE	EP	CP	CP	CP	EP	
	£ 80 (2)	£ 90 (1)	£ 90 (1)	£ 90 (2)	£ 70 (1)	DAILY TOTAL
Brought forward	120-	90-	150-			360-
Accommodation	80-	80-	80-	80-	70-	390-
Breakfast		10-	10-	10-		30-
Luncheons					5-	5-
Dinners	20-	15-	12-	15-	12-	74-
Beverages					7-	7-
Alcoholic Beverages	10-					10-
Other Beverages		5-		5-		10-
Telephones	3-		2-			5-
V.P.O.					10-	10-
Newspapers	1 50					1 50
Laundry						
TOTAL	234 50	200-	254-	110-	104-	902 50
Cash	100-					100-
Allowances	Paper 1 50					1 50
Ledger						-
BALANCE c/f						801-

**Fig 8.2 A completed tabular ledger**

### Machine Billing

Using machines for hotel billing is essentially the same as the tabular ledger. All the machine does is carry out the tasks of the bill office automatically, as charges are being posted. The principle of double-entry bookkeeping is exactly the same.

A hotel billing machine should be thought of as two machines in one. The first acts as an adding machine and posts charges onto guests' accounts and notes the new balance. The second keeps a cumulative total of the amount charged to each department.

The number of hotels using these machines is now very small, since replacement parts for the machines are hard to obtain, and a simple personalised computer package can be obtained for the same cost.

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## **Computer Billing**

Many people believe that only large hotel will benefit from the use of a computer, but billing this way can be cost-effective even for the smallest hotel. Many systems can be linked to other areas such as the switchboard and other departments. It will also safe any unnecessary miscommunication between the front office staff and other different departments.

The main benefits with billing of this type are:

- Programs can be personalised, so that each hotel will be able to review its needs and thus install a system based upon them.
- There are many systems available and some are able to perform any task that might be required by the hotel.

It is crucial that a hotel be selective in choosing the system, as it is no use to an establishment to buy a system that will not be use to the full. The choice of choosing the best system is limitless, but many hotels feel secure in using a system that is tried and tested.

The operation of a system follows no standard pattern as it varies according to the system. Nonetheless, it is possible to make one or two generalisations which are:

- Room charges will be processed automatically
- VAT will be calculated at the appropriate rate, excluding items that are zero-rated
- A wrong charge will not be accepted onto a account if the error is user-induced
- A variety of reports will be compiled as charges are made.

## **Operating a Computer Billing System**

### **1. Opening a account**

The guest details will already be stored under the booking reference if the reservation is an advanced booking. But the room number can be added easily and any information amended should the need arises. Advance deposits that have already been recorded will be transferred to the account after check-in.

## 2. Posting charges

A great deal of time can be saved in posting charges if the system includes terminals at point of sale. This is because; the information can be entered directly in the sales hence the bill office clerk is saved from the tedium of sorting and posting vouchers. Charges such as wine, sauna and apartments are pre-coded. But the codes used to analyse the transactions are identifiable (Fig 8.3).

Centurion Hotel London UK			
Pg. 1	17AUG 97	21AUG 97	
Room: 231 STATEMENT			
17AUG	231 Accommodation & Breakfast		55.00
18AUG	231 Accommodation & Breakfast		55.00
	1842 Phone-Auto		3.00
	2041 Bar Dinner		4.00
19AUG	231 Accommodation & Breakfast		55.00
	2037 Phone-Auto		.75
	2158 Late Bar		.95
	2158 Late Bar Fd		8.85
20AUG	231 Accommodation & Breakfast		55.00
	20 Phone-Auto		4.75
	2259 Bar Dinner		.95
	2259 Rest Dinner		15.20
21AUG	231 Accommodation & Breakfast		55.00
	*** Total ***		313.45

Fig. 8.3 A computer generated guest account

## 3. Adjustments/Corrections

Should it be necessary to move a guest to another room, all the existing data will be transferred to the new room. This is effortless as entries to alter postings can be made easily.

## 4. Closing an Account

Once the guest agreed to the final total, the selected method of payment will be entered. If the guest previously advised that all or part of the account is to be transferred elsewhere, this can be carried out automatically and quickly. Most systems are equipped with a foreign exchange calculation facility, thus eliminating possible errors when accepting foreign currency in payment of account, whereas, in some systems the computer will be programmed only to accept certain charges on main accounts, all else being transferred to extra accounts.

---

## **5. Balancing**

Many errors are rectified and eliminated at the source. When charges are transferred automatically, the chance of posting incorrect amounts is largely reduced. The process of balancing is thus much easier and faster.

The audit trail can be displayed any time as the information is readily available. A selection of reports and information (i.e. room sales, projected sleeper occupancy) are readily accessible to management, providing them with the vital up-to-the-minute information essential for effective forward planning.

Many hotels produce an end-of-day, or end-of-shift audit pack, containing a variety of information such as copies of guest accounts, house lists, telephone printouts, call sheets and audit reports. All these information will be kept for a number of years and will be referred to in case of queries.

### **Summary**

Manual systems might still be used in smaller hotels and guest houses. This entails using a tabular ledger in conjunction with a written guest account. This is a tedious method to use especially when it comes to auditing of accounts and compiling reports.

Machine billing is essentially the same as the tabular ledger and can be thought of as two machines in one. The first act as an adding machine and posts charges onto guests' accounts and notes the new balance. The second keeps a cumulative total of the amount charged to each department.

Even the smallest hotels can benefit from the use of a computerised billing system. There a variety of programs available that can be personalised in order to meet the hotel's needs. With computer billing many charges can be processed automatically.

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## **Cash Floats**

Every hotel will need to store a substantial amount of money to provide service to the customers. This amount is usually referred to as cash floats. This is necessary as it will be used to give change for accounts, to allow the bars and other sales areas to operate and to carry out foreign exchange transactions (within policy limits) for their guests.

### **Size of Floats**

The number of floats in a hotel will vary according to the number of sales outlets. A very small hotel may have just one float, whilst a large hotel with many restaurants may have ten or more separate floats, one for each sales point.

The amount of money needed in the float will be a reflection of two things:

- Firstly, the prices charged in departments;
- Secondly, the number of transactions that carried out. The higher the number of separate transactions, the greater the size of the float.

Another factor that should also be considered is the method of payment used. A hotel that has a large number of foreign guests will need a larger float, for it will not be able to use their foreign currency payments to give change to later customers.

### **Composition of Floats**

Individual floats are made up to the agreed amounts in a predetermined way. The main cash float of a large hotel will not have a great need for low value coins as most items will come to round figures. The float is stored in a secure cash drawer in the same way in every department. This is to enable cashiers to relieve each other, and to transfer from one department to another with the minimum of interference to the process of giving change rapidly and accurately. The layout of the coins in the cash drawer is organised so that a contrast is made between coins that lie next to each other. For example, 50p pieces could be placed next to 5p pieces so that the cashier will not confuse the two by texture, size or weight.

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## **Security**

It is the procedure that cash floats are signed for as they are issued, and signed back in again at the end of the day. In the process of handover from one shift to another, when the total amount in the cash drawer is counted and agreed on, the float is passed on to the incoming cashier. To ensure that the float is correct and that there are no irregularities occurring, it is sometimes subjected to spot checks by auditors. Particularly dangerous would be personal IOUs in floats from individual cashiers. This is forbidden as it reduces the actual cash available to the business and aids the cashier in certain frauds and thefts.

## **Cost of Money**

While still allowing the business to run smoothly, the aim of the hotel should be to keep the lowest number of floats and the amount of money in them to the lowest level possible.

There are two main reasons for this are:

- The risk of theft or robbery. A large amount of money will be more attractive to a thief. In the event of a robbery, a small float will minimise the loss.
- A float also costs money to provide. Any money that the hotel has that is not in the bank is not earning interest or reducing the size of the overdraft. For example, if the interest rate is 5% per annum then a £1000 float will cost £50 per year to maintain in the hotel. If the float can be safely reduced to £500, then this will reflect an additional profit for the hotel.

## **Summary**

A cash float is an amount of money kept by the cashier to use as for guest transactions, e.g. to give as change or use for foreign exchange transactions. The float is composed of notes and coins and the amount will vary according to the requirements of the department. As with all cash, strict security measures must be complied with. Cash floats should be signed in and out and balanced at the end of each shift before handling it over to the next shift.

The amount of money in the float should be kept to a minimum for security reason and also because money that is not in the bank will not be able to earn interest.

## Petty Cash and Paid Outs

### Petty Cash

Taxi fares, laundry and dry cleaning, and other small items are often paid by the cashier's department from a separate petty cash float. This float is reimbursed daily by the hotel's income and individual petty cash vouchers are allowed against the day's takings (Fig. 8.5). It is important for the control of the petty cash float that only authorised payments are made against receipts for the amount spent. Petty cash payments are subject to an upper limit, and are only paid out after being countersigned by a member of the management.

Petty Cash Voucher Centurion Hotel		
Date: _____	Serial nr.	13005
Description:	Amount	
	£	p
Total:		
Signature _____		
Folio: _____		
Approved by: _____		

**Fig 8.5 A petty cash voucher**

### Visitor's Paid Out (VPO)

As discussed in the previous chapter, this is a payment made on behalf of the guest. It is usually done by prior arrangement which ensures that the client has in fact ordered the payment to be made. For example, a guest may authorise the cashier to pay out a sum of money for a concert ticket that is being delivered to the hotel. As a guard against fraud, disbursements are subject to an upper limit. They are not allowed to be posted onto the accounts of chance guests. When posting VPOs, it should be remembered that they are exempt of VAT. Whenever possible, a VPO should be accompanied by a receipt. It should then be signed by the guest or the person receiving the money, posted onto the guest's account and then either placed in the cashier's float to be exchanged for cash or paid into management at the end of the shift (Fig. 8.6).



Visitor's Paid Out Voucher		
Centurion Hotel		
Room nr.: _____	Serial nr.	1502
Guest name: _____		
Date: _____		
	Amount	
Description:	£	p
Total:		
Signature _____		
Folio: _____		
Approved by: _____		

**Fig. 8.6 A VPO or guest disbursement**

### Summary

Petty cash is a small amount of cash kept at hand by the cashier for reception's use, for example buying stamps and stationary. This money is kept in a separate petty cash float. Each time something is paid out of the petty cash, a voucher must be completed.

When the hotel makes payment on behalf of the guest it will be recorded as VPO's, e.g. buying theatre tickets on behalf of the guest. This payment will be recorded on a VPO voucher and charged to the guest's account.

## Deposits and Refunds

### Deposits

In resort hotels where guests may book a substantial length of time ahead, advance deposits and prepayments are very essential. The system varies with different hotels, but it normally involves the following tasks:

- A receipt is made out and sent to the client
- The amount of the deposit is recorded in the reservation record
- The deposit is recorded in the advance deposit ledger which is a city account
- On arrival, the guest's account is credited with the deposit.

---

The system of raising a credit account for guest by making cash posting for the amount deposit is not very satisfactory. This is because the account will become very untidy and may be easily lost or mislaid before the guest's arrival. Nevertheless, it is still adopted by some hotels.

Advance deposits made with a computerised accounting system normally record the deposit in the advance deposit account. When the guest checks in, the account is opened with a credit balance of the amount of the advance deposit. Once the credit is exhausted, the account carries on showing an ordinary balance.

### **Refunds**

There are certain occasions when there is a need to refund money to the guest. This is usually because they have paid in advance and have to leave earlier than planned. This account will carry a credit balance. The usual procedure is to obtain a VPO for the amount of the refund and post the VPO to the guest's account as a refund. This will in turn reduce the total account to zero. The guest will then be given the cash and asked to sign the voucher.

When using a computerised billing system it is essential to zero out the guest account, in order for the guest to be checked out of the system. Any residential account left with either a debit or credit balance will remain as an occupied room on the system.

### **Summary**

Deposits and pre-payments are often necessary to guarantee reservations. This will be recorded in the city ledger until the guest checks in after which it will be transferred to the residential guest account.

When the guest account has a credit balance upon check-out, the hotel has to refund the guest. The receptionist will refund the guest with cash and record it as a refund on his account.

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## **Group Accounting**

When booking, travel agents will have clarified what charges they will be responsible for, and those that the guests will pay themselves. Very often the travel agent will settle only the guest room and possibly the breakfast charges. Extra charges such as telephone, laundry and drinks must be settled by guests themselves.

In these cases, the guest account is divided into two:

- Master accounts, which will be settled by companies or travel agents.
- Incidental accounts, which will be settled by the guests.

The bill office staff have to be clearly informed of the breakdown of charges. The master account will be charged daily with accommodation and food and beverage charges to ensure that posted charges are a true reflection of the business done on that day.

### **Summary**

Groups accounts usually consist of a split folio, namely, master accounts and incidental account. It is important to verify which charges will be settled by the tour operator and which by the guest.

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## **Banking**

So that the hotel receives full benefit from its earnings as quickly as possible, takings should be paid into the bank each day. This will also lessen the risk of theft.

In a large hotel, departments will pay in to the cashier's office or to a general cashier. The paying-in of each department will be summarised on an internal paying-in slip which can be checked for control purposes. The paying-in slips are split into two sections, detailing UK and foreign takings (Fig. 8.7).

Departmental takings are then consolidated for paying into the bank.

---

Department \_\_\_\_\_

Date \_\_\_\_\_  
 Shift \_\_\_\_\_  
 Cashier \_\_\_\_\_

Foreign			Sterling		
Amount	Currency	Sterling Equivalent	Amount		
	U.S Trav Cheq			50	
	U.S Notes			20	
	Other Trav. Chq.			10	
	Notes			5	
				1	
				Coin	
				Trav. Chq.	
				Personal Chq.	
				Petty Cash	
	Total			Total	
			Add	Foreign total	
				Grand total	

**Figure 8.7 A paying-in slip**

The amount banked in each day is recorded in a paying-in book. Cash is sorted in denominations and currencies. Notes are all sorted to face the same way and coins are bagged. This is to speed the paying-in at the bank. All banking transactions are entered into the paying-in book. Cheques are listed individually. A separate page is used for foreign currency and another page for bank credit cards. Foreign currency is calculated at the current exchanged rate. The surplus is often transferred to a foreign exchange account. To enable central co-ordination of income to be carried out, group hotels will use a triplicate book, and send one copy of the stamped paying-in book to head office.

The amount of money banked each day is the last link in the circle of control that should operate in a hotel. It completes the checking procedure as the amount banked is verified by an external source (the bank cashier). The control office or a member of management will check each day to ensure that the figures tally. An investigation has to be carried out if they do not.

---

### **Summary**

It is important that all earnings should be paid into the bank each day in order to reduce the risk of theft and to earn interest. The paying in of each department will be summarised in a paying in slip.

All cash, foreign currency, credit cards, travellers cheques and cheques will be banked in each day.

---

### **Control Measures**

Certain control measures regarding guest accounting should be in place as early as in the reservation stage of the guest cycle. Furthermore, control measures will be followed through when a guest checks in and during the rest of the accounting cycle.

Possible control checks will include the verification of creditworthiness of guests and companies and looking out for signs of potential bad debt.

### **Creditworthiness**

To ensure that final settlement is paid, hotels must be convinced that the guests are capable to pay their accounts in full before they are allowed credit.

Minimum financial characteristics needed by a patron to receive house credit must be established. These characteristics might include previous credit history, minimum required income, amount of current credit outstanding, profitability of the particular account, etc. This information can be obtained from credit bureaus for a fee or it can be generated internally through the hotel's history records of the guests, companies or tour operators.

In order to minimise friction or embarrassment during account settlement at check-out, a credit limit for house credit should be specified during check-in in order for the guest to be aware of the amount of credit available at the hotel.

With regard to credit card charges, the hotel should have a maximum house limit it will accept before obtaining further telephonic approval from the credit card company or a cash payment from the guest.

---

### **Potential Bad Debts**

One of the responsibilities of the night auditor is to check through current accounts in the bill tray in order to try to identify guests who may be potential bad debts. There are two methods where this task is accomplished:

- The first method is to list all accounts over a certain figure for the attention of the head cashier. The head cashier is then able to check the booking details to establish the status of the guest. Certainly a change guest would be a greater credit risk than a guest with a confirmed booking.
- A second method of checking potential 'walk-outs' is to check the individual accounts for unusual spending patterns. A guest who orders large amounts of liquor from floor service, or has high food and beverage charges, may be ordering them in the expectation of not paying the account at the end of their stay.

The hotel security office or assistant manager would check up on the following in the case of a guest who was thought to be a potential 'walk-out' or 'bad-debt';

- Details of booking
- Registration card and information
- Contents of room and luggage
- Any telephone calls placed through the operator
- Any unusual orders for food/drink

All of these checks are carried out discreetly. The check on luggage would be done when the guest was out of the hotel. If the checks were not satisfactory, then the room would be double locked, or a new key would be issued with a different code. The guest will then be contacted and asked to bring their account up to date. Care needs to be taken in this aspect of control to work. Thus, it is normally assigned to a senior and experienced member of staff.

### **Summary**

Before credit sales are accepted, the hotel must establish the creditworthiness of guests, companies or tour operators by checking credit histories and payment ability.

To ensure that final settlement is paid, hotels must be convinced that the guests are capable to pay their accounts in full before they are allowed credit.

---

Methods used to identify guests which might incur bad debt are to check for accounts over a certain amount and unusual spending patterns. When the night auditor identifies a possible case of bad debt, the manager will be informed who will then carry out an investigation.

**Activity 8.2**

Explain the difference between a house limit and a floor limit.

**Activity 8.3**

Explain why some guests will be granted credit and others not.

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**Night Audit**

Night auditors work between 2300 and 0800 hours. Their duty is to carry out control tasks, post charges and prepare management reports, and balance the hotel's daily trading accounts. In some hotels the night auditors' duties will also involve carrying out the separate tasks of night manager, receptionist and security officer.

A night auditor will be able to carry out posting through the night if the hotel has a late-night food and beverage service, and a busy desk. This way, guest accounts will be fully up to date in time for morning departures. A night auditor brings forward by eight hours control procedures and checks on posting and balancing. These eight hours may be crucial as an error may be located and the charge re-posted onto a guest's account before departure. Often if a guest leaves before an account is corrected the charge has to be written off as a bad debt.

---

The following are the main duties of a night auditor:

- Verifying room status and no-show reservations for all rooms
- Posting or verifying the postings of daily transactions to guest ledgers
- Balancing or verifying account balances (the detection and correction of accounting errors)
- Performing various activities such as verifying credit limits are observed, taking department cash register readings, preparing guest invoices and performing the duties of the night manager
- Generating summary and statistical activity reports for management concerning the hotels' daily activities and for decision-making.

## **Examples of Reports**

### **1. Daily Operations Report**

This report contains the summary of the cash sales of all hotels department. It also contains the statistical information concerning every department such as the average cover, average room rate, year-to-date totals, last year's amount for today's date or last year's year-to-date totals. See Figure 8.8.

### **2. Transaction Corrections Report**

This report is sometimes referred to as the **Error's Report**. The night auditor verifies that the errors were properly corrected and if they weren't, the correct transactions must be added to this report.

### **3. Complimentary Room Report**

This report informs the front office manager of any rooms that are being used free of charge on a complimentary basis. To prevent any unauthorised use of rooms free of charge, managers must always be aware of these.

### **4. Rate Discrepancies Report**

This report includes a listing of all rooms that do not follow a particular rate plan of the hotel. The purpose of this report is to keep rooms from being sold at rates lower than those authorised by management.

### **5. Rooms Repairs Report**

This report informs management of any rooms that are being repaired and therefore cannot be sold.



<b>Centurion Hotel Daily Report</b>						
Date: 3 Feb 2008			Reported by: Jack			
<b>Sales Summary</b>						
<b>Department</b>	<b>Today</b>	<b>Month To Date</b>	<b>Year to date</b>	<b>This Day Last Year</b>	<b>This Month Last Year</b>	<b>Last Year To Date</b>
Rooms	£12,000.00	£34,565.00	£150,035.00	£11,550.00	£32,455.00	£145,000.00
Food	£4,000.00	£15,000.00	£75,650.00	£3,450.00	£13,450.00	£73,450.00
Bar	£1,245.00	£9,500.00	£45,000.00	£980.00	£8,850.00	£33,500.00
Telephone	£140.00	£550.00	£1,350.00	£75.00	£430.00	£885.00
Pool	£100.00	£450.00	£1,250.00	£55.00	£375.00	£1,125.00
Gift Shop	£250.00	£500.00	£765.00	£235.00	£475.00	£655.00
Other	£65.00	£135.00	£450.00	£55.00	£75.00	£355.00
<b>Total</b>	<b>£17,800.00</b>	<b>£60,700.00</b>	<b>£274,500.00</b>	<b>£16,400.00</b>	<b>£56,110.00</b>	<b>£254,970.00</b>
<b>Statistical Summary</b>						
<b>Department</b>	<b>Today</b>	<b>Month To Date</b>	<b>Year to date</b>	<b>This Day Last Year</b>	<b>This Month Last Year</b>	<b>Last Year To Date</b>
Rooms Available	200	589	6600	189	590	6654
Occupied	175	534	5789	145	523	5678
Occ. %	87.5	90.66	87.71	76.72	88.64	85.33
ADR	£90.00	£90.00	£90.00	£85.00	£86.00	£88.00
<b>Food</b>						
All covers	490	4430	18765	400	1230	17985
Avg. Covers	£5.95	£6.15	£6.12	£6.00	£6.25	£6.30
<b>Café</b>						
Covers	350	1259	13768	330	1020	13455
Avg. Covers	£3.00	£3.20	£3.40	£3.10	£3.10	£3.20
<b>Dining Room</b>						
Covers	189	345	6000	175	320	5550
Avg. Covers	£10.10	£10.20	£1.25	£11.00	£11.20	£11.10
<b>Banquet</b>						
Covers	0	120	2500	200	250	1800
Avg. Covers	£0.00	£30.00	£35.00	£34.00	£33.00	£33.50
<b>Accounts Summary</b>						
<b>Cash</b>			<b>Receivables</b>			
Openings	£33,526.00		Ledger	<b>Today</b>	<b>Last Year</b>	
Deposits	£8,902.00		Guest	£16,500.00	£13,456.00	
Cheques	£5,435.00		City	£3,100.00	£2,134.00	
Ending	£32,456.00		Direct Bill	£6,555.00	£5,435.00	
			Total	£26,155.00	£21,025.00	

**Figure 8.8 Sample of a Daily Report**

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## **6. Occupancy Forecast Report**

This report gives the front office manager a rough and approximate estimate of how many rooms are expected to be sold in the near future for example in the next 3 days. It is based on guests already staying at the hotel that is likely to extend their stays and confirmed reservations.

### **Summary**

The duty of the night audit is to carry out control tasks, post charges, prepare management reports and balance the hotel's daily trading account.

Examples of reports include the daily operations report, transaction correction report, rate discrepancies report and occupancy forecast report.

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## **Topic 9**

# **PAYMENT METHODS AND CHECKING OUT**

### **Objective**

This chapter will introduce students to the various methods of payments used in the hotel. Students will learn what security checks need to be made when accepting these methods of payment. Students will also learn the various methods by which guests can check out of the hotel and the procedures when handling these.

### **Learning Outcome**

After studying this chapter, students should be able to:

- Discuss procedures for accepting cash and foreign currency
- Discuss the procedures for accepting cheques and traveller's cheques
- Explain the difference between credit cards, charge cards and debit cards and the procedures for accepting these
- Explain the steps taken when vouchers are offered as payment or guests stay on company accounts
- Detail the objectives of check-out and the ways by which guests can check-out

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### **Introduction**

The forms of payment accepted in hotels have changed over the years. Most hotels still accept a variety of methods of payment mainly so as to provide a service to their clients and to generate additional earnings through exchange.

A large number of independent travellers now use some form of credit or charge card. Hotels are now very familiar with a wide range of cards, often with 'dual' ownership (e.g. the HCIMA have their own version of Barclaycard). There will always be a number of other transactions within the hotel regardless of the method of payment. These transactions will often be paid through a number of other methods.

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Upon departure, guests can settle their account in one of a number of different ways:

- Cash
- Foreign currency
- Cheque
- Traveller's cheque
- Foreign cheque
- Debit card
- Credit card
- Charge card
- Ledger payment
- Voucher (e.g. travel agent, A & TO).

In dealing with each of these methods of payment, the hotelier must assess the impact of three major factors: liquidity, security and worth.

### **1. Liquidity**

It is advantageous to the hotel if the account is paid in cash, as the hotel can immediately use the money to purchase goods itself, or bank the money and earn interest on it. Payment by ledger, however, will take much longer – perhaps as much as two or three months may pass before the money can be re-used in the business.

### **2. Security**

The two sides to security are as follows:

- The likelihood of forgery or fraud by each of the payment methods.
- The subsequent risk of theft once the hotel has the money.

Payment by cheque is a greater security risk than accepting cash in payment of the account. It would be difficult to trace stolen currency if the hotel were robbed and cheques would unlikely be taken as they won't be of any value to a thief.

### 3. Worth

The total amount of money the hotel receives in payment will not be the same in every case. Handling charges, commission and delays in payment will cost the hotel money. But because of the extra commission, accepting payment in foreign currency will usually mean that when guests use this method of payment, the hotel gains an extra profit. Table 9.1 shows that the profitability of the hotel may be affected by the variety of payment methods used by the guests.

Method of Payment	Security	Liquidity	Worth
Cash	The risk of losing cash through theft is high, but the risk of forgery is low.	Immediate	100 %
Foreign currency	The risk of losing foreign currency through theft is high, but the risk of forgery is low.	1 Day	102 %
Cheque	Cheques carry a high risk of fraud e.g. non-payment. If security checks are carried out, risk of theft is low.	3 Days	98 %
Traveller's cheque	Safe method of payment if control checks are carried out properly. Low risk of forgery.	4 Days	98 %
Debit Card	Safe method of payment if control checks are carried out properly. Low risk of forgery.	3 Days	99 %
Credit card	Safe method of payment if control checks are carried out properly. Low risk of forgery.	3 Days	96 %
Charge card	Safe method of payment if control checks are carried out properly. Low risk of forgery.	3 Days	96 %
Ledger payment	If creditworthiness is established before hand, it is a safe method of payment, however there is always a risk of non-payment of accounts	30 Days	98 %
Voucher (e.g. travel agent, A & TO)	If creditworthiness is established before hand, it is a safe method of payment, however there is always a risk of non-payment of accounts	60 Days	89 %

**Table 9.1 Security, Liquidity and Worth of the various methods of payment**

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## **Payment at Check-Out**

### **Cash (Local Currency)**

Cash is used less often than in the past, because staying in a hotel for two to three days can amount to a substantial amount. Therefore, credit cards are more commonly used. Even so, cash is still a very important payment method especially at other points of sale e.g. restaurants and gift shops.

All other methods of payment are accepted as service to customers, as any hotel that insists upon cash only as a method of settling accounts would lose out on business.

When checking out a guest and accepting cash, it is important to remember to:

- Count cash in guest's presence
- Confirm amount with guest before putting it into the cash drawer
- Count change, if any, and return to guest (Count twice)
- Issue a receipt to the guest
- Keep duplicate copy of printed folio for balancing of cash float at end of shift.

### **Foreign Currency**

As tourists and overseas visitors may sometimes want to settle their account in their own currency, a list of currencies that are accepted and the exchange rate is usually kept in the cashier's department. But currencies that are subject to severe exchange rate fluctuations are not accepted. Many hotels limit themselves to those of major trading countries of the world as they are not obligated to accept any foreign currency. The rate of exchange that could be obtained at a bank is usually higher than that offered by the hotel. This is because the commission covers the cost of providing the service, guards against a sudden change in the exchange rate and provides the hotel with an extra profit. Coins are still not accepted in hotels but some major banks may accept at around 80% of the current note exchange rate.

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Foreign exchange has become more complex through the 'floating' of sterling against other currencies. Therefore, the exchange rate will vary over a year, and even from one day to day. For larger or group hotels, this situation is overcome by notifying individual units of the exchange rate to offer. Smaller units can either check with their bank or look in the current daily paper, where major exchange rates are listed. It is a simple matter to add on a fixed percentage to this rate to cover the hotel's costs.

To avoid the risk of forgeries, cashiers have to be trained in the recognition of major currencies. Through training, it will ensure that the cashier will be able to recognise different currencies with the same name, for example, American and Canadian dollars.

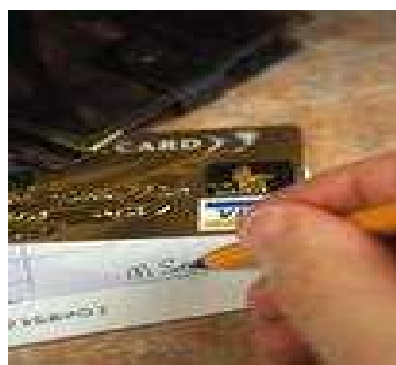
### **Summary**

Cash is still a recognised method of payment, even though it is used less often than in the past. Tourists and overseas visitors might want to settle their accounts in their own currency. Hotels can choose which currencies they accept and in most cases it is only major currencies. It is important to check the latest exchange rate when accepting foreign currency. Hotels usually charge an additional commission on foreign currency payments.

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## **Cheques**

Payment by cheque use to be one of the most common methods of payment. It reflected the decline of payment method in cash in recent years. Cheque guarantee cards guarantee the payment of the cheque to an agreed amount (usually £50 or £100). But there are a few simple rules that need to be followed.



**Fig. 9.2 Cheque Card**

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The guarantee provided by cheques guarantee cards are:

- Only one cheque is used per transaction
- It is signed in the presence of the cashier
- The bank code on the cheque and the guarantee card agree
- The card number is written on the reverse side of the cheque
- The card has not expired.

A bank does not guarantee to honour a transaction where an account of is paid by issuing two cheques of £50. The transaction is changed to a cash one by putting the card number on the back of the cheque. The customer will then not be able to stop the cheque later. It is crucial that the cashier watches the customer sign the cheque and then compares to the signatures carefully as to establish their similarity.

Listed below are factors that need to be look into when handling cheques guarantee cards.

**1. Code Number**

The bank sorting code number must agree with the code of the issuing cheque.

**2. Card Number**

The card number is written on the reverse of the cheque by the accepting cashier. It does not correspond to any other number on the cheque.

**3. Expiry Date**

The card will not be valid if it is out of date.

**4. Signature**

The signature must be checked against the signature written on the back of the cheque. The card should be examined to make sure that the signature panel has not been tampered with.

Crossed cheques are now mostly issued and therefore have to be paid into a bank account. With the signature of the payee at the back, it can be reassigned to a third party. In the case where a third party cheque is returned, the hotel has to contact the original drawer of the cheque to obtain settlement. It is for this reason that hotels do not accept third party cheques.



## 5. Date

When accepting a cheque, the cashier should check a number of points, one of the most important being the date. A cheque that has a date in the future on it (a post-dated cheque) will not become valid until that date. A cheque more than six months old (stale) is no longer valid.

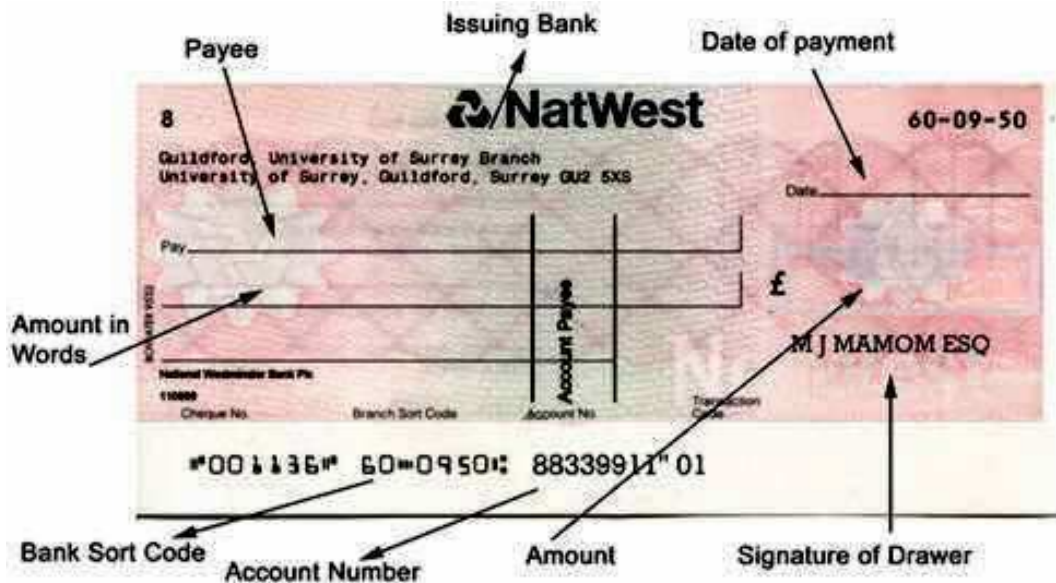


Fig. 9.3 A personal cheque

It is essential that when accepting cheques, cashiers should check that:

- the date is correct
- the words and the figures tally because if they do not, the cheque will not be paid
- it is correctly signed, preferably in the sight of the cashier
- it is completed in ink rather than in pencil
- any alterations are signed and not initialled by the drawer

## 6. Crossing Cheques

The two most important rules about crossing cheques are as follows:

- **A/c payee:** this means that the cheque can only be paid into the account of the person nominated. It cannot be assigned to a third party. This is useful for cheques sent by post.
- **Not to exceed xxx:** this is crossing establishes a maximum value to the cheque and guards against fraud by making it more difficult to change the amount payable.

---

## **7. Cheque Authorisation**

It is quicker for a hotel cashier to establish if a cheque is good for payment during banking hours. It just takes a telephone call to the hotel's bank, and with the details of the cheque and the name of the bank and branch, the bank will then contact the manager of the drawer's branch. This will then establish if the cheque is good for payment. This procedure is referred to as 'special clearance'. Some hotels may pass the cost of the telephone call for this 'special clearance' to the guest, whereas some may just debit it to the hotel's account. A 'special clearance' is useful when checking out a chance guest whose account is greater than the cheque card limit. The same procedure is often used when accepting a company cheque without prior arrangements.

### **Traveller's Cheque**

Traveller's cheques (Fig 9.4) are issued in fixed denominations by major banks, travel agents and now building societies throughout the world. The customer will need to purchase them (before leaving home) using their own currency, or in the currency of the country being visited. These cheques need to be signed when purchased. The serial numbers are then noted by the issuing bank cashier. A service charge of 1% is normally paid to the bank by the customer. It covers insurance against loss or theft. The issuing company will repay the customer within 24 hours should the traveller's cheques be stolen. It is for this reason that traveller's cheques are found to be much more secure than currency. It is essential that the cashier should watch the guest sign and date the cheque when accepting these cheques. Should there be any doubt or irregularities about the signature, the customer can be asked to sign on the reverse of the cheque. Proof of identity can also be verified by asking the guest to produce their passport before accepting the traveller's cheque.

It is also essential that the room number of the guest is noted on the reverse side of the cheque, so that any queries that may arise later can be followed up when the traveller's cheques are paid into the bank account of the hotel.



**Fig 9.4 An American Express traveller's cheque**

### **Foreign Cheques**

There are some hotels that may accept payment by foreign cheques. This is especially so for cheques drawn on banks in Europe which are written in sterling. These cheques have largely taken the place of Eurocheques, although it is still possible to obtain both Eurocheques and Eurocheque cards. The cashier must ensure that a foreign cheque is backed by a guarantee card before accepting it. Hotels which do not accept foreign personal cheques often have the rule that they must be approved by a senior member of staff unless the client is a regular one for whom there is an established policy.

### **Summary**

To prevent forgery and fraud of cheques only cheques guaranteed by a cheque guarantee card will be accepted. The cashier should check that the date is corrected, the words and figures tally, it is correctly signed, it is completed in ink and that all alterations are signed.

Traveller's cheques are issued in fixed denominations. When a guest pays with a traveller's cheque, he/she must sign the cheque and the first and last signature must match.

Many hotels do not accept foreign personal cheques. If a guest request to pay with a foreign cheque, it must be approved by management.

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## Debit Cards, Credit Cards and Charge Cards

### Debit Cards

The common alternative to cheques nowadays is debit cards such as Switch and Delta. The way that it works is similar to that of cheque whereby the outstanding sum is taken directly from the client's account. But the transfer is through an electronic point-of-sale and no cheque is necessary.

The cashier and the payer will receive a slip notifying them of the details of the payment. This is usually the same card that is used to guarantee a cheque or withdraw money from a cash point.

### Bank Credit Cards

Visa and Access are the two major bank credit cards in the UK. These cards are usually issued for free and customers need not to pay for any annual subscription. The customer uses the card to purchase goods and services by signing a sales voucher for the total amount of the account. The card company will send a statement to the customer with information of all the transactions of the month before. The customer has the choice to pay the total owing or only a proportion of it. The rest of it may be paid over a period of time. As the cards constitute a form of credit, the minimum payment is fixed by the government. The customer will receive a personal credit limit which must not be exceeded in any one month.



Visa is an internationally recognised name, and while most countries use an additional name (e.g. Barclaycard in the UK; Carte Bleu in France), all cards carry the name 'Visa' and bear the distinctive blue, white and gold stripe logo (Fig. 9.5).

Access is also international and it can be used at establishments which displays signs for MasterCard or Eurocard. Access cards issued in the UK bear the logo of all three companies.

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## Charge Cards

Charge cards which are occasionally called T and E cards are different in a number of ways. Unlike the bank credit cards, the customer will have to pay an annual subscription for the card and has to settle each month's statement in full. There are no facilities for extending repayment. The credit limit on charge cards will be higher. They are likely to be used for the purchase of airline tickets, hotel accounts and restaurant bills, and also as company charge cards.



The procedure for accepting payment by each type of card is the same. The card company offers a franchise to the hotel, which enables the hotel to accept the cards in payment. All major card companies operate a 24-hour authorisation centre where a cashier may make a reverse charge call to check on the validity of a card or obtain clearance to accept payment of an account above the floor limit. Many front office computer systems also keep a 'stop list' of lost or stolen cards.

### Procedure for accepting charge card and credit card payments

This method of allowing a guest credit is very simple, both for the hotel and for the customer. The guest's credit card is swiped on arrival, and the credit card company reserves a predetermined amount of money for that particular transaction, so the hotel is assured that it will get its money. If the account goes over the amount then a new sum must be re-negotiated; if it is less than anticipated the original is invalidated, and a new sum is agreed.

The procedure for payment by credit card is as follows:

- Ensure that the credit card is acceptable by the hotel
- Check that the account is inside the 'floor limit'
- Obtain the card from the client
- Check that the name on the credit card tallies with the guest's name
- Ensure the credit card is valid throughout the length of stay
- Ask the client to sign the audit roll (retain the card)
- Check that the guest's signature on registration card/form tallies with that on credit card. (Note that some guests may use different signatures)
- Check that the signatures on the card and the voucher agree

- 
- Attach the sales slip to the registration card/form. In some hotels, an imprint of the credit card is also taken on the back of the guest's registration form/card. Return the card and the top copy to the guest.
  - It will be necessary to prepare a sales voucher manually and take an imprint of the client's card on the machine provided if the hotel does not have EPOS. It is useful for all hotels to retain a supply of vouchers and the machine, in case of electric failure, or a breakdown in the EPOS system.

### **Pre-authorisation of credit cards**

Credit cards should be authorised when the guest checks in. An estimation of the account balance at the end of the guest's stay as well as the expected check out date must be determined in order to process a pre-authorisation.

Many hotels use on-line computer services for credit card validation. The staff slides the credit card through a magnetic strip reader and enters an amount. The credit card verification service consults the credit records of the credit card holder and generates a sales slip with an authorisation code for the transaction. Should the credit card authorisation be denied, the staff must ensure that another method of payment is established with the guest

The procedures for dealing with the two card types differ as can be seen below:

- Charge card sales vouchers are sent to the card company every few weeks, and a cheque is returned in payment, with the commission to the card company subtracted.
- Bank card sales vouchers are paid into the bank along with the cash and cheques, and are credited to the hotel's account in the normal way, again minus a commission charge.

The rate of commission will be different between the different card companies, but is commonly between 2% and 5% of the amount charged. The franchise issued by the card companies prohibits the hotel from adding the commission as a surcharge onto the account of the guest. Accounts paid by charge cards take longer to settle than accounts that are paid by bank credit cards because of the different operating systems.

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**Activity 9.1**

Find out how chip-based technology is changing how we use credit cards.

**Activity 9.2**

On arrival a guest proposes to settle their account by credit card. What checks must be made by reception?

**Summary**

Debit cards work in a way in which the outstanding amount is debited directly from the client's banking account.

Examples of credit cards are Visa and MasterCard, which are issued by banks. When a guest pays with one of these cards, it will be charged to their credit card account with the bank and they will have to pay the amount back to their bank on their own terms.

Charge cards include American Express and Diner's Club cards. These are issued by credit companies. Card holders have to settle their entire debt at the end of each month.

When accepting credit cards for payment it must be ensured that the credit card is accepted by the hotel, the account is inside the floor, the credit card is valid and the guest name on the credit card tallies with the name on the registration card.

As part of a control check, many hotels carry out pre-authorisation on credit card upon check-in.

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## **City Ledger Accounts and Vouchers**

City Ledger Account and Voucher payments can be classified as credit payments, since the actual transfer of money to the hotel's account will only take place in a month or two. Upon check-out, the hotel might not receive any payment from the guest. The accounts will be sent to the company or travel agent for later settlement.

### **City Ledger Account**

Many hotels allow their guests to sign the accounts as they depart for convenience and to encourage customer loyalty. All the charges will be arranged to be sent to the company or individual at the end of the month for settlement. The hotel will only offer ledger payment facilities to a customer when it has established that the customer is creditworthy. This can be established by obtaining references from another supplier, or from the customer's bank. The hotel has to obtain a list of authorised users and agree on a credit limit for individual accounts as there is a greater risk of bad debt with deferred payment. Some ledger accounts are partial. This means that the guest is allowed to charge the company for accommodation and meals, but is responsible for extras such as laundry and telephone calls. In this case, the bill office must run two accounts for the guest. Many large hotels or chains operate their own in-house credit card scheme, and this is obviously preferable for the hotel as they need not pay any commission. Many hotels feel that the existence of ledger accounts encourages the users to choose their hotel more frequently, and to spend a greater amount of money.

### **Vouchers**

To enable the customers to settle their hotel accounts, travel agents will issue vouchers to their customers. The hotel has to take simple precautions to ensure that the agent is respectable. The voucher is normally for specified services and one copy is sent to the hotel with the booking, and the top copy obtained from the client on arrival. All the vouchers from a particular agent are returned at the end of the month for payment. When the agent pays the account they will usually subtract their commission on the accommodation and breakfast charges.



<b>United Square Travel and Leisure</b>	
North Road Richmond, TW9 4HQ	
	Voucher No. 123456
<b>Hotel:</b> <i>Centurion Hotel</i>	
<b>Address:</b> <i>22 Long Street, Cape Town, South Africa, 2000</i>	
<b>Accommodation:</b> <i>Twin Standard</i>	
<b>Commencing with:</b> <i>Accommodation</i>	<b>On:</b> <i>22 April 2008</i>
<b>Terminating with:</b> <i>Breakfast</i>	<b>On:</b> <i>30 April 2008</i>
<b>Including:</b> <i>Bed and Breakfast</i>	
<b>Client name:</b> <i>Mr. S. Brown</i>	
<b>Initials/Ref:</b> <i>XYZ 148</i>	
<b>Client (top) copy</b>	

**Fig. 9.6 Example of a voucher**

### **Summary**

Hotels allow accounts companies and regular customers which can be settled at the end of the month. Before allowing these accounts the hotel establishes the creditworthiness of the client.

Travel agents issues vouchers to their customers. The hotel has to check the originality of the voucher.

### **Foreign Exchange**

Large hotels will make a contribution to their annual profit by offering foreigner exchange facilities to their guests as they have a high proportion of overseas visitors. The service is offered on a one-way basis only which is that the hotel may sell local currency only.

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The guest has to use a bank if he/she wishes to buy foreign currency. The hotel is free to offer any price it wishes as there is no legislation about exchange rates. Usually, these rates are much lower than the banks as the hotel will want to make a profit on each transaction. Rates are usually presented in two ways so that the guests can easily calculate the amount due to them and the price they are paying. The customers can see the rate they have to pay to purchase pounds. At the same time they are told the amount they will receive for a round amount of their own currency. Exchange rates for major currencies are displayed in the reception/cashier's area.

As coins are costly to transport and handle, hotels will only change notes.

A few hotels will follow the convention of the banks and issue a receipt quoting each transaction, the guest's room number, and the exchange rate. This has two advantages:

- If an error is made, the guest can be re-contacted and as all exchange transactions are recorded
- It is easy to balance the amount of foreign currency to be paid in and therefore eliminate the risk of fraud by the operating cashier.

Hotel security staff often checks against fraud by carrying out spot checks, and making test exchanges with marked currency.

Hotels, which operate a computerised system frequently, incorporate the updated exchange rates within the office program. This facilitates the more complex transactions such as part-payment of account in foreign currency, and lessens the likelihood of errors occurring.

### **Summary**

Hotels with a large number of foreign guests will offer a foreign exchange service. Hotels are only allowed to sell local currency. Hotels charge commission on foreign exchange transactions which contribute to their revenue. The hotel issues receipt of transactions to the guest.

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## Guest Check Out

### Introduction

The objectives of the check out process are:

- To collect payment from guest for services rendered by the hotel
- To create a positive parting impression on the guest and to obtain information from the guests that might be useful to the hotel in improving its services and encouraging the guest to return
- To update room status, create a guest history and distribute check-out information to the appropriate hotel departments.

There are mainly 5 steps in the settlement/check-out process:

- Capture method of payment
- Accounting procedure
- Settlement methods
- Guest departure
- collection

#### 1. Capture Method of Payment:

Guest method of payment is obtained at registration to secure the payment and speed up the check-out process.

- Cash e.g. local/& foreign currency, traveller cheque
- Credit Card, Charge card, Debit card
- Bill- to (direct billing) e.g. corporate, travel agents, airlines.

#### 2. Accounting Procedure:

- Proper accounting procedure ensure that the folio balance are kept up-to- date and accurate
- Credit policy concerning house and floor limit are established and procedures to monitor these limits set-up
- Over credit/high balance report are printed regularly for follow-up.

#### 3. Settlement methods:

- Guests may pay by cash, credit card, bill-to arrangement or a combination of these methods
- The guest folio is zeroed out or transferred to city ledger account for follow-up by accounts dept.

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#### **4. Guest Departure:**

- Hotels establish an official check-out time to allow for turnover of rooms for new arrivals
- Policy on late check-out should also be established.

#### **5. Collection:**

- For guest who settle their account with credit card or direct billing, the collection of accounts begins after check-out
- Collection procedures are carried out by the Accounts Department.

### **Check-Out Procedure**

There are a number of ways to check out a guest, including:

- Conventional check-out/ In person check-out.
- Express check-out
- In room check-out/Self check-out
- Group check-out

#### **Conventional check-out**

The cashier will usually prepare the folio when guest requests for luggage assistance from the bell counter. When the guest arrives at the cashier's counter, the cashier will:

- Greet guest and ask for room number
- Ask for guestroom key and extra keys (if issued) from guest.
- Check if guest has cleared his safe deposit box and returned the key.
- Check billing instruction
- Check if there are any last minute charges, example, minibar and breakfast charges
- Handle payment accordingly
- Inquire about hotel's quality of products and services and obtain feedback.
- Issue checkout card
- Inquire about future reservations
- Offer luggage and transportation assistance
- Thank guest and bid him a pleasant trip
- File registration form accordingly. (Date of departure, name)

---

### **Express Check-Out**

This facility was introduced by many hotels as an extra service for guests who are busy and needs fast and efficient departure process. It is important that the guest is well-inform of the facility. Guests are usually advised at the point of check-in, while some hotels leave notification of the service in the room.

The guest will usually be invited to fill out a card giving permission for the hotel to charge the entire account to the guest's credit card (Fig. 9.7). Alternatively, the cashier may take an imprint of an acceptable credit card.

The guest only needs to deposit the card in a special box or key drop when they leave the hotel. The account will be finalised in their absence. The cashier may key in the guest's credit card number with the expiry date, mark the transaction 'guest not present' where the signature should be, and send it through to the credit card company. The hotel will be responsible in sending a copy of the account and the credit card voucher to the client.

This facility will prove even more efficient and useful if the hotel property management system has the ability to display an up-to-date copy of the guest's account through their computer terminal. As it is broken down into department, queries can be made instantly. Some systems also allow the guests to request their bags by keying in their room number and the required collection time. This is then logged at the porter's desk and stored until the appropriate time. The same facility can be extended to allow the guest to check out by swiping their own card once they have viewed and agreed to the account. As stated above, the hotel would then undertake the responsibility to send a copy account to the client after departure.

<b>Centurion Hotel</b>	
Express Check-out form	
Name: _____ Mr./Mrs. _____	Herewith we invite you to make use of our rapid check-out facility available to guests using credit cards to settle their account. On departure, please complete this form and leave it, together with your key at the reception desk.
Room nr.: _____	
Card:    Visa <input type="checkbox"/> Diners <input type="checkbox"/> Amex <input type="checkbox"/> Access <input type="checkbox"/>	A copy of your account as well as your credit card voucher will be forwarded to the address provided.
Card nr.: _____	
Expiry date: _____	
Date of departure: _____	I hereby agree that my full account should be settled with my credit card
Address to which account copy must be forwarded	
_____	
_____	_____
_____	Signature

**Fig 9.7 An express check-out card**

### 1. During check-in

- It is essential to find out how the guest will be settling the account when registering him/her
- If settlement is by credit card issued by a card company which has prior arrangement of the hotel on the provision of ECO service or bill-to company all charges, inform guest of ECO service
- Obtain guest's signature on ECO form if guest wishes to use ECO service
- Tally guest's signature on ECO form and guest's signature on credit card
- Ensure that guest name and address on registration card/form are legible and complete. Unless guest indicates otherwise, for a credit card paying guest, a copy of charge voucher and folio will be mailed to guest
- Inform guest to deposit room key, together with signed copy of the folio, in ECO box on day of his or her departure.
- Indicate on the registration card/form that the guest is using ECO service. Attach ECO form to it.

(Folios of departing guests using ECO service are usually printed and slipped under the guestroom doors for the guests to go through and initial to indicate approval of charges. This is usually done between 3.00am and 5.00am, after the completion of night audit.)

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## 2. After guest leaves the hotel

- Retrieve room key and signed folio from ECO box. Sometimes Front Desk is informed of guest checkout by Housekeeping, or via the checkout status of the room in the PMS
- Retrieve registration card/ form and ECO form
- Print new folio if guest has incurred additional charges, i.e., outstanding account balance in PMS does not tally with balance on folio signed by guest
- For credit card paying guest, check floor limit of credit card. If outstanding folio balance exceeds floor limit for the credit card, obtain authorisation for full amount
- For manually printed card voucher, complete charge voucher with all the necessary details: date, folio's number, amount and cashier's initial
- Indicate 'Signature-on-file/ Express Checkout' on guest signature column on charge voucher. (The credit card company will accept unsigned voucher if the guests are using ECO services.)
- Transfer outstanding guest amount to city ledger account
- Accounts department will follow up with the billing.

As the guest leaves there are a number of tasks that have to be completed by reception. Once the account has been paid, the cashier will either pass the registration card back to the reception or send a notification. The receptionist should then remove the guest name from the room status system and mark the room as 'vacant but not ready'

### Group Check-Out

Types of groups vary from tour, convention and incentive groups. A group check out is handled differently than an individual checkout. Normally, guests who are travelling as a group will check out at the same time. It is important that the Front Desk prepares all incidental folios that need to be settled by them beforehand. This will speed up the checkout process and lessen inconvenience to other guests.

The procedures for handling a group checkout are as follows:

- Double check that room charges on the master folio tally with the number of nights and number of rooms taken by the group

- 
- Ensure that meal charges, if any, to be charged to master folio, are already posted
  - Make sure master folio is not shown to guests. Some travel agents require hotel to show master folio to tour leader for signature and verification of accounts
  - Transfer charges on master folio to a city ledger account
  - Attach travel agent voucher/ document confirming billing arrangement, if any, to the master folio
  - Individual folio payment containing guest incidentals must be collected from individual guests before the group departs
  - Collect all guestroom keys
  - Inform Bell counter to assist with luggage when all bills are settled.

There are certain areas that need to be looked at on the day of a group departure.

- The reception department has to ensure that all extra expenses incurred are paid upon departure.
- All keys should be returned and baggage cleared before the group departs.
- The tour leader will give the reception manager a counter-signed voucher itemising all the charges the tour company will be responsible for.
- A copy of the voucher will have been sent to the hotel with the final rooming list. Both of these vouchers are attached to the hotel account, which is completed, checked and authorised by the reception manager and sent to the tour operator for payment.

Payment terms are often agreed before the tour arrives. Tour accounts can often total to several thousand pounds, therefore credit status is usually checked by the hotel before any bookings are accepted. An agreement for handling disputes over any account is also established. This will not only minimise bad debt provision, but also guard against the tour operator holding up payment of the total bill while a minor dispute is resolved.

### **In-Room Guest Checkout/ Self Checkout**

In-room guest/ self checkout service enables guests to leave the hotel without the need to see the cashier for the settlement of the account. This is similar to the ECO. This service is extended only to guests who have left credit card imprints at registration, or who have authorisation to bill-to all charges to their company.



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Guests view their folio on the TV screen (which is interfaced with the PMS) and 'checkout' by pressing the necessary buttons using the TV remote control.

The PMS will indicate to the Front Desk that checkout was done in the room. The cashier will process the checkout and the Accounts Department will follow up with the billing.

### **Activity 9.3**

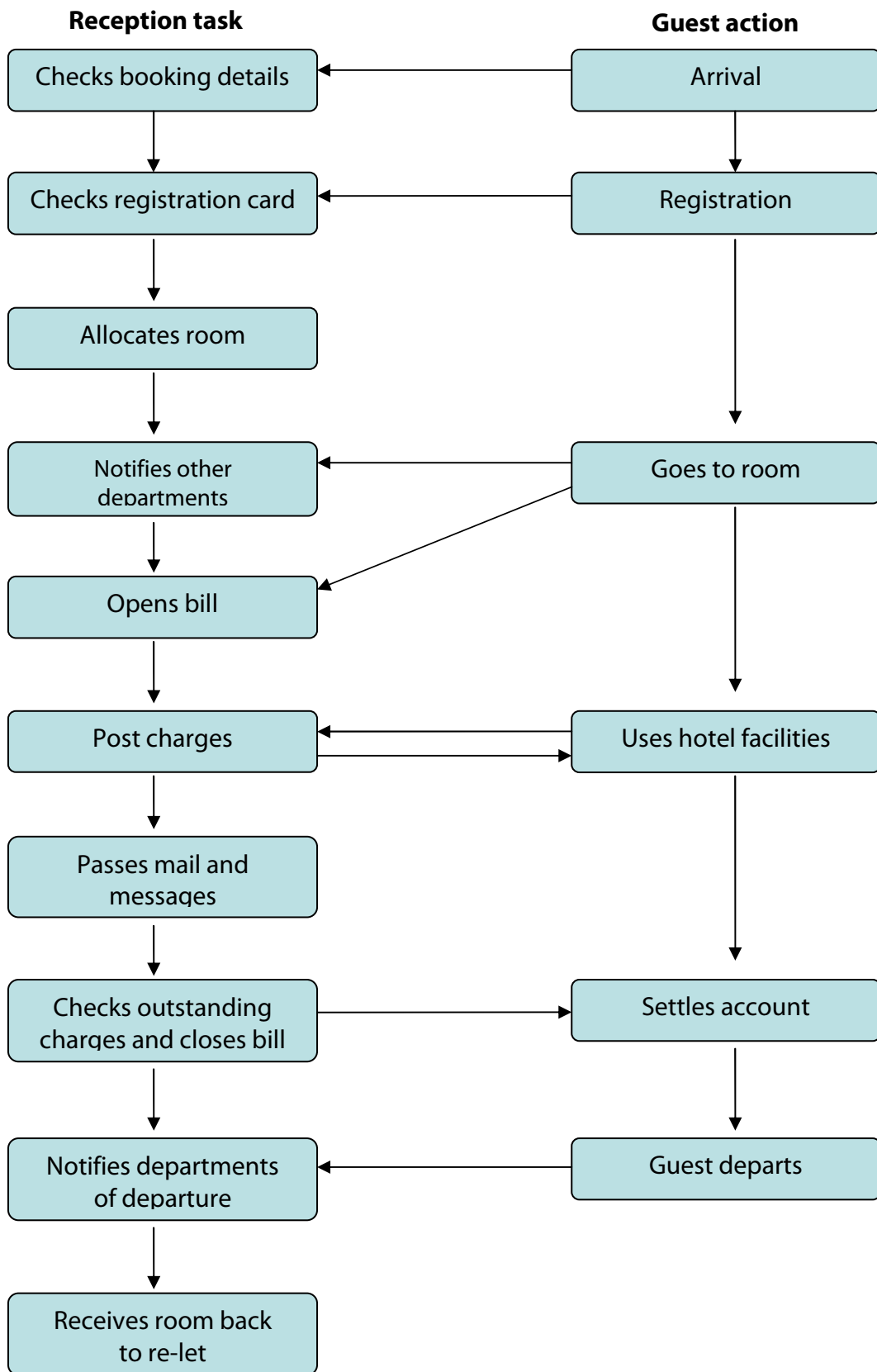
A hotel guest's progress is recorded each time an activity takes place from the time of enquiry through to the final departure. A hotel front office holds files that keep a record of the sale of a room. Explain what files are held and what information is held on each file.

### **Activity 9.4**

Explain your understanding of the term late check-out and explain three checks that need to be made before approving a late check out.

## **Flow Chart of Guest Stay**

The flow chart in Fig. 9.8 shows the tasks that the receptionist carries out while the guest is staying in the hostel. The aim of the reception departments should be to see that all the tasks are carried out quickly and efficiently, without the guest being aware of the organisation that is needed to make their stay a pleasurable one.



**Fig 9.8 Flowchart of a guest stay**

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### **Summary**

The objectives of the check-out process are to collect payment, create a positive parting impression and to update the room status and create a guest history. The preparation for check-out starts even during reservations, i.e. when the method of payment is captured. Often check-out procedures are only completed long after departure of the guest when city ledger accounts are settled.

To provide better service for guests, hotels now offer various ways to check-out such as self check-out and express check-out.

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## **Topic 10**

# **STATISTICS AND REPORTS**

### **Objective**

This chapter will introduce students to the various statistics and reports generated at the front office and their uses.

### **Learning Outcome**

After studying this chapter the student should be able to:

- Explain the occupancy statistics including double occupancy percentage, sleeper occupancy percentage, average room rate percentage, achieved revenue percentage, RevPar and GopPar.
- Explain guest statistics such as length of stay, guest origin, average expenditure and source of bookings.
- Explain typical operational reports such as

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### **Business Statistics**

The presentation of information in a standardised form makes comparison and interpretation simpler for management. Therefore, statistics are an extremely useful method of identifying how the business is doing.

It is possible to compare actual performances against projected performance and to make internal comparisons for example, this year against last year, one shift against another, and so on.

### **Occupancy Statistics**

The level of occupancy is the most common and effective statistic in a hotel. It is important that the management has an accurate, up-to-date picture of the occupancy of the hotel.

Occupancy is usually expressed as a percentage. By using the percentage it is possible to make meaningful comparisons. Income alone, for example, is unreliable, for while a hotel may be taking more than the previous year, there is no allowance for any increases in prices that may have occurred.

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These are three normal methods of calculating occupancy:

- 1 Room occupancy
- 2 Sleeper or bed occupancy
- 3 Income occupancy

The best way of showing how they differ and how they are calculated is to use the following example:

A hotel has 200 rooms. 100 double rooms and 100 single rooms. On 1 March all the rooms are occupied with one person in each room. The rack rate is £60 per person per night. There is a conference group staying in the hotel at £50 per person per night, occupying 50 rooms.

### 1. Room Occupancy

$$\begin{aligned}\text{Room Occupancy \%} &= \frac{\text{Rooms sold}}{\text{Total rooms available}} \times \frac{100}{1} \\ &= \frac{200}{200} \times \frac{100}{1} \\ &= 100\%\end{aligned}$$

Thus, the room occupancy is 100%. At first glance, the hotel is doing very well.

### 2. Sleeper Occupancy

$$\begin{aligned}\text{Sleeper Occupancy \%} &= \frac{\text{Actual sleepers}}{\text{Potential sleepers}} \times \frac{100}{1} \\ &= \frac{200}{300} \times \frac{100}{1} \\ &= 67\%\end{aligned}$$

This sleeper occupancy is only 67%.

The term 'bed occupancy' is sometimes used instead of sleeper occupancy, but confusion can arise through the existence of double beds in the hotel, which although they count as one bed, can sleep two people.

---

### 3. Income Occupancy

$$\begin{aligned}\text{Income Occupancy \%} &= \frac{\text{Actual income}}{\text{Potential income}} \times \frac{100}{1} \\ &= \frac{11500}{18000} \times \frac{100}{1} \\ &= 64\%\end{aligned}$$

The income occupancy is just 64%.

This is partly due to the discount on the normal rate, but also reflects the poor letting strategy of having only one person in each room. So, although all the rooms in the hotel are let, it is earning just over half of its potential.

Statistics are one of the key tools in measuring how a hotel is performing and are vital to management decision-making.

### Key Room Statistics

The key statistics by the rooms department are as follows:

- Room occupancy
- Average rate
- Double occupancy
- % revenue achieved
- Sleeper occupancy
- REVPAR
- GOPPAR.

These are all ways of measuring the performance of the hotel. To illustrate these statistics, the following example will be used:

The Centurion Hotel is located in the central business district. It has two types of rooms:

- 100 Standard rooms at £120 per room per night
- 80 Deluxe rooms at £150 per room per night

The hotel recorded the following occupancy data for Monday 3 March 2007:

Rooms	No. available	No. Occupied	No. with double occupancy
Standard room	100	80	50
Deluxe room	80	70	60
<b>Total</b>	180	150	110

20 of the standard rooms were occupied by a tour group. They paid group rate - £80 per room.

### Room Occupancy

To calculate room occupancy, express the rooms sold as a percentage of the rooms available:

$$\begin{aligned}
 \text{Room Occupancy \%} &= \frac{\text{Rooms sold}}{\text{Rooms available}} \times \frac{100}{1} \\
 &= \frac{150}{180} \times \frac{100}{1} \\
 &= 83\%
 \end{aligned}$$

No allowance is made for room 'off' for redecoration or maintenance. If the Out of Order rooms are not included, the figures will look better than they really are, giving an impression of higher occupancy.

To calculate the occupancy for a longer period, for example one month, the number of rooms available for the period should be considered.

In the example used, the hotel has 180 rooms, thus in the month of March the number of rooms available is:

$$180 \times 31 = 5580$$

So say the number of rooms occupied throughout the month of March was 3500, the occupancy % for March is calculated as follows:

$$\begin{aligned}
 \text{Room Occupancy \%} &= \frac{\text{Rooms sold}}{\text{Rooms available}} \times \frac{100}{1} \\
 &= \frac{3500}{5580} \times \frac{100}{1} \\
 &= 63\%
 \end{aligned}$$

---

### Double Occupancy

Double occupancy percentage indicates the percentage of rooms with double occupancy. It is important for hotels not only to sell as many hotel rooms as possible but also to have as many double occupied rooms as possible. This will ensure that restaurants and facilities are fully utilised. Holiday Inn for example, ran a promotion where spouses of business travellers could stay for free during weekdays. Hence, the hotel could maximise income in non accommodation departments by having a higher number of guests in the hotel.

Calculate the Double occupancy percentage as follows:

$$\begin{aligned} \text{Double Occupancy \%} &= \frac{\text{Number of rooms with double occupancy}}{\text{Rooms sold}} \times \frac{100}{1} \\ &= \frac{110}{150} \times \frac{100}{1} \\ &= 73\% \end{aligned}$$

Of the 150 rooms sold, 110 had double occupancy, so the double occupancy rate is 73%

### Sleeper Occupancy

Sleeper occupancy is sometimes referred to as guest occupancy. By knowing how many guests will be staying in the hotel, staffing levels can be planned and food and beverage sales can be estimated. The sleeper occupancy percentage is expressed as the number of sleepers compared to the maximum number of sleepers the hotel can accommodate.

In the sample hotel, all the rooms are double thus the number of potential sleepers is:

$$180 \text{ rooms} \times 2 \text{ sleepers per room} = 360 \text{ sleepers}$$

The actual number of sleepers:

$$\begin{aligned} \text{Sleepers in double occupied rooms} &= 110 \times 2 &= 220 \\ \text{Sleepers in single occupied rooms} &= 40 \times 1 &= 40 \\ \text{Total} &&= 260 \end{aligned}$$



---


$$\begin{aligned}
 \text{Sleeper} & & & & \text{Actual sleepers} & & & & 100 \\
 \text{Occupancy \%} & = & \frac{\text{Potential sleepers}}{\text{Potential sleepers}} & \times & & & & & 1 \\
 & = & \frac{260}{360} & & & & \times & & \frac{100}{1} \\
 & = & 72\% & & & & & & 
 \end{aligned}$$

### Average Rate

To calculate the average rate, the room income for the day or the period must be established. The example indicates the following:

Standard rooms occupied	60 at £120	= £ 7200
	20 at £80	= £ 1600
Deluxe rooms occupied	70 at £150	= <u>£10500</u>
		= £19300

$$\begin{aligned}
 \text{Average rate} & = \frac{\text{Room revenue}}{\text{Rooms sold}} \\
 & = \frac{19300}{150} \\
 & = \text{£128.66}
 \end{aligned}$$

Figures are normally expressed excluding VAT or local sales tax.

### % Revenue Achieved

The percentage revenue achieved indicates the performance against the potential of the hotel. It is calculated by looking at the revenue as a percentage of the possible maximum.

In the example hotel, the tariff (excluding VAT and sales tax) is as follows:

In the sample hotel, the potential maximum revenue is:

Standard rooms	100 at £120	= £12000
Deluxe rooms	80 at £150	= <u>£12000</u>
		= £24000

The revenue achieved was £20100

$$\begin{aligned}
 \% \text{ Revenue Achieved} & = \frac{\text{Actual revenue}}{\text{Potential revenue}} \times \frac{100}{1} \\
 & = \frac{20100}{24000} \times \frac{100}{1} \\
 & = 80\%
 \end{aligned}$$

---

## RevPar

RevPar is short for Revenue per available room. This is used to compare hotel's performance with one another. Hotels vary in the number of rooms they have and the rates they charge. For this reason, many hotels now use a combination of average rate and occupancy. Another term for this is 'rooms yield'.

$$\text{RevPar} = \text{average rate} \times \text{occupancy \%}$$

For the sample hotel

$$\begin{aligned} \text{Average rate} &= \text{£}128.66 \\ \text{Occupancy} &= 83\% \end{aligned}$$

$$\begin{aligned} \text{RevPar} &= \text{£}128.66 \times 83\% \\ &= \text{£}106.79 \end{aligned}$$

RevPar for a typical month for competitor hotels in a European city could be as follows:

Hotel	No. of rooms	RevPar (£)
A	200	137.14
B	100	106.85
C	120	123.70
D	50	129.92
E	40	125.39
F	150	105.82
G	300	91.15
H	180	94.17

## GopPar

GopPar stands for Gross operating profit per available room.

RevPar focuses on the revenue or income that the hotel generates. It does not take the cost into consideration. To get a clearer picture of the profitability of the hotel, it is necessary to look at the Gross Operating Profit (GOP). GOP is the operating revenue minus cost of goods sold. As with RevPar, GopPar allows for comparisons to be made between different properties.

'Per available room' refers to the total number of rooms available during the period. Rooms off for maintenance for short periods would not be excluded, but a block of rooms set aside for major refurbishment would be.

---

Both RevPar and GopPar have the advantage that they can be compared even if calculate for different periods and different-sized hotels.

To calculate GopPar, the GOP must be known. In this example we say that the GOP for the day is £8000.

$$\begin{aligned}\text{GopPar} &= \frac{\text{Gross operating Profit}}{\text{Rooms available}} \\ &= \frac{\underline{\pounds 8000}}{180} \\ &= \pounds 44\end{aligned}$$

To calculate the GopPar for a longer period, say for the month of February, the GOP for the period must be available. If the GOP for the month was £224000, then the GopPar for February will be calculated as follows:

$$\begin{aligned}\text{GopPar} &= \frac{\text{Gross operating Profit for the period}}{\text{Rooms available for the period}} \\ &= \frac{\underline{\pounds 224000}}{180 \times 28 \text{ (28 days in February)}} \\ &= \frac{\underline{\pounds 224000}}{5040} \\ &= \pounds 44\end{aligned}$$

## Occupancy Report

Management need to review the occupancy figures on a daily basis. The best way to present the occupancy information is on a standard occupancy report (Fig 10.1). This report is usually prepared by either the late shift staff at reception or in larger hotels, there will be a night audit staff to do this.

The occupancy report indicates the following:

- Room types are shown individually to show how rooms are let and which are the most popular.
- Discounts and complimentary rooms are listed separately to enable management to have better control and to ensure all discounted rates and complimentary stay have been authorised.

- Where possible, occupancy information is presented as a percentage.
- Cancellation and 'no shows' are expressed as a percentage of reservations. This assists planning for overbooking levels.
- Apartment income is cross-checked against the amount posted to guest accounts.
- Out of order (O/O/O) rooms of each type are shown in the report.
- Special events such as exhibitions, conferences and also public holidays can affect the occupancy level that the hotel has been able to achieve, information on such events are listed.

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**Figure 10.1 Occupancy Report**

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## **Summary**

To obtain an accurate representation of hotel occupancy it is necessary to calculate various occupancy statistics. These include room occupancy, sleeper occupancy and income occupancy. Even though the hotel might be fully occupied, the hotel might only be achieving half of its potential revenue.

The key statistics by the rooms department are as follows:

- Room occupancy
- Average rate
- Double occupancy
- % revenue achieved
- Sleeper occupancy
- REVPAR
- GOPPAR.

These statistics can be used to evaluate the performance of the hotel and compare it to other hotels.

---

## **Guest Statistics**

Guest statistics relates to the customers who use the hotel. Common guest statistics includes:

- Average length of stay
- Guest origin
- Average expenditure
- Source of bookings
- Top 10

### **Length of Guest Stay**

Guest might stay in a hotel from only a few hours, in transit hotels, up to a few weeks, in resort hotels. The average length of stay needs to be considered when planning staffing levels and rotas, facilities offered, and even the number of towels and amenities placed in guest rooms.

Usually a period of one month will be used when calculating the guest stay. The average length of guest stay can be calculated by various methods. The first method is the mean average.

---

$$\text{Mean average guest stay} = \frac{\text{No. of sleeper nights sold}}{\text{No. of guests}}$$

By using this method, it might not indicate an exact number of nights, for example it can indicate 2.3 nights. Although it is useful, it is not very clear. Alternatively, the common length of guest stay can be calculated as follows:

The table below shows the number of nights spent in a hotel by 210 guests.

<b>Length of stay</b>	<b>No. of guests</b>
1 night	80
2 nights	60
3 nights	30
4 nights	25
5 nights	10
6 nights	5

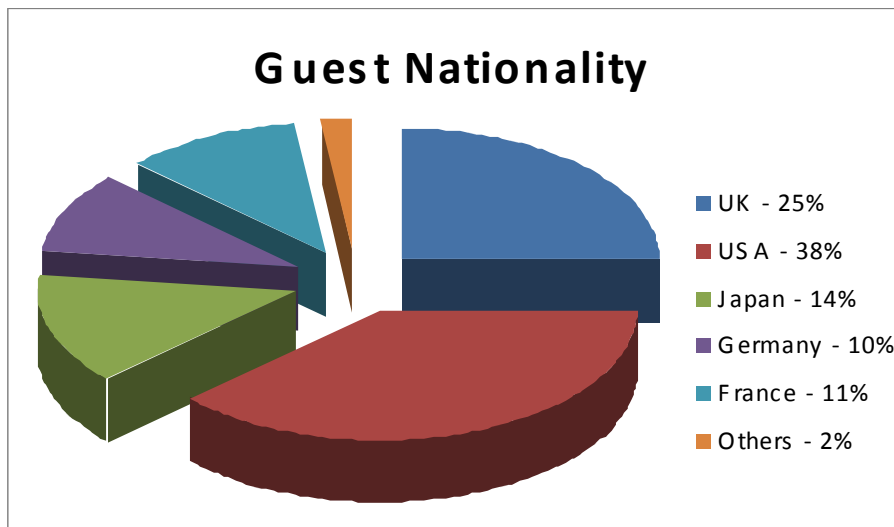
From this, it can be seen that the most common length of stay is one night. Eighty guests stayed for one night. This average is called the 'mode'. It is the most commonly occurring figure in the group.

### **Guest Origin**

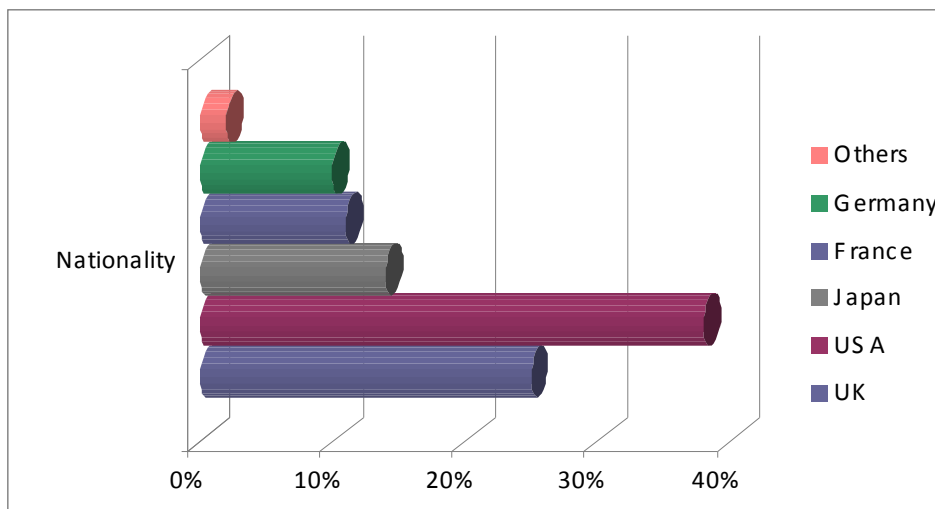
In order to establish effective marketing campaigns, hotels need to know their customers. The first thing they need to know is where their customers come from. This data is also presented to regional and national tourism offices. Details of guest origin are collected during reservations and check in and it is a legal obligation to record the nationality of all guests.

Nationality of guests is presented as a percentage of total guests. The simplest method is to present the number of guests from each country as a percentage of the total. For ease of interpretation, the figures are usually presented in a pie chart (Fig. 10.2) or a histogram (Fig. 10.3).

If local guests constitute a major section of the hotel business, it will be useful to produce a separate chart to indicate the regions where they come from. This information can be used in the planning of sales campaigns or advertising expenditure, or perhaps in the recruiting of staff with special language skills and offering special types of cuisine.



**Fig 10.2 Pie chart of guest nationality**



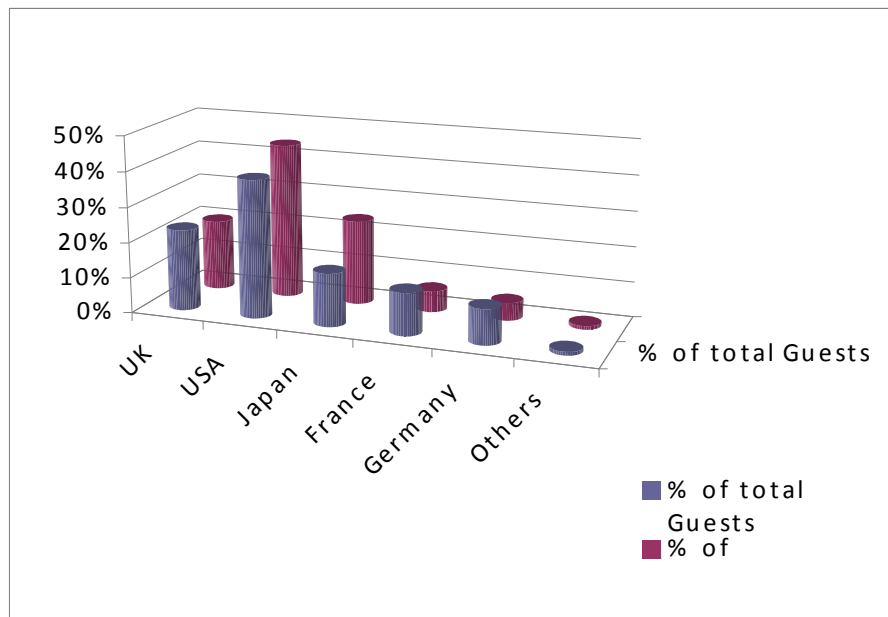
**Fig 10.3 Histogram of guest nationality**

### Average Expenditure

Guest accounts are a valuable source of information about guests' spending patterns. It does not only indicate the amount spent on accommodation, but also the amount spent on food and beverage and the use of facilities and services. Cash purchases will be recorded under chance business of the department concerned.

$$\text{Average expenditure} = \frac{\text{Total posted to guest's account}}{\text{No. of guests}}$$

Average expenditure will further be classified by nationality or by business source, for example by business travellers, tour groups and airline crew. Knowing the average expenditure of different groups will be used to further define the target market. This information will be presented in the form of pie charts or a histogram. Fig. 10.4 indicates a histogram.



**Fig 10.4 Guest nationality and expenditure**

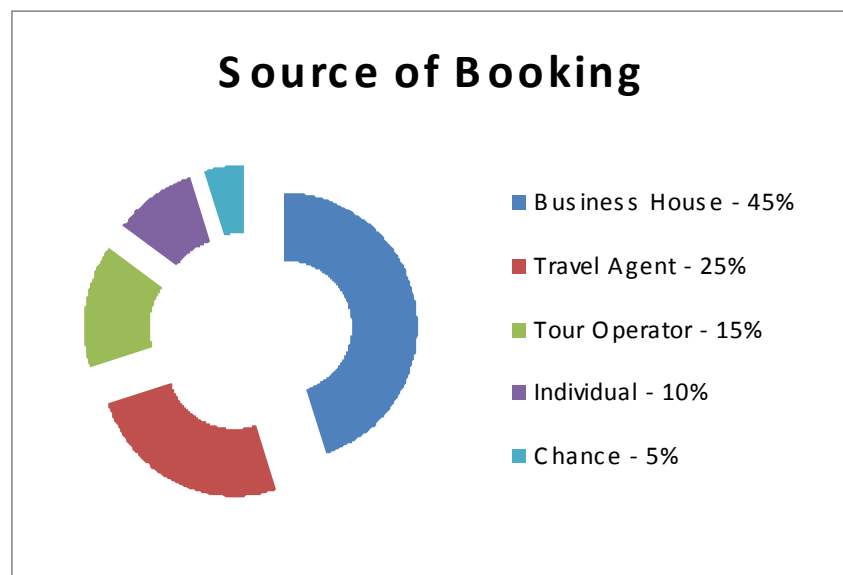
Figure 11.5 show that although Japanese guests are responsible for 15% of guest nights, they produced 28 % of the income. In contract, the UK guests are responsible for 21 % of guest nights; they only produced 18 % of the income.

### Source of Bookings

The source of bookings influence the reservation procedures, check in and check out procedures as well as the accounting procedures followed by the hotel. For example, reservation, check in and check out and accounting procedures for tour groups varies from that followed for independent travellers.

Source of bookings can be classification either by number of reservations or by number of room nights. Fig 10.5 shows a profile of a hotel that is mainly business-orientated and with only a small proportion of package tour guests.





**Fig 10.5 Sources of booking in a city centre hotel**

### Top 10

It is common practice to produce a list of the Top 10 customers for each segment; for example, the 10 top business houses or the 10 top travel agents. There can then be incentives for these business houses or travel agents such as better discounts or higher commission.

This information may be presented by room nights as well as total expenditure.

	<b><u>Nights</u></b>	<b><u>Expenditure(£)</u></b>
British Airways	210	14005
Exxon Mobil	180	12500
Nokia	110	6800
National University	80	5500
Traders Association	75	6300
KLM	71	5250
Insurance Alliance	65	7500
Darwin transportation	55	3580
Eagle Tours and Travels	50	4300

These statistics is used to identify the hotel's biggest customers. It must be remembered that the customer who books the most rooms does not necessarily contribute to the highest portion of revenue. The reservations department will use this information when they have to choose between one reservation and another, as they would want to keep good relations with the best customers.

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## Summary

Guest statistics are primarily used for marketing purposes. Key guest statistics include average length of stay, guest origin, average expenditure, source of bookings and Top 10.

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## Operational Reports

Operational reports are essential to the smooth running of a hotel. It aids communication between department as well as acts as control measure.

## Housekeeper's Report

<b>Housekeepers Room Report</b>							
<b>Date: 3 March 2006</b>							
<b>4<sup>th</sup> Floor</b>		<b>5<sup>th</sup> Floor</b>		<b>6<sup>th</sup> Floor</b>		<b>7<sup>th</sup> Floor</b>	
401	<b>O (2)</b>	501	<b>O(1)</b>	601	<b>V</b>	701	<b>O(2)</b>
402	<b>O (2)</b>	502	<b>O(2)</b>	602	<b>O(2)</b>	702	<b>O(1)</b>
403	<b>O (1)</b>	503	<b>V</b>	603	<b>O(2)</b>	703	<b>V</b>
404	<b>V</b>	504	<b>B</b>	604	<b>O(1)</b>	704	<b>V</b>
405	<b>V</b>	505	<b>B</b>	605	<b>V</b>	705	<b>V</b>
406	<b>OOO</b>	506	<b>V</b>	606	<b>O(2)</b>	706	<b>OOO</b>
407	<b>L</b>	507	<b>O(1)</b>	607	<b>L</b>	707	<b>OOO</b>
408	<b>O(1)</b>	508	<b>O(1)</b>	608	<b>O(1)</b>	708	<b>OOO</b>
409	<b>L</b>	509	<b>O(2)</b>	609	<b>O(2)</b>	709	<b>OOO</b>
410	<b>V</b>	510	<b>O(2)</b>	610	<b>O(1)</b>	710	<b>OOO</b>
411	<b>V</b>	511	<b>O(2)</b>	611	<b>O(1)</b>	711	<b>OOO</b>
<b>Key:</b>							
O	Occupied						
V	Vacant						
L	Door locked inside						
B	Baggage, not slept in						
OOO	Out of order						
( )	Number of occupants						

**Fig 10.6 Housekeeper's report**

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The Housekeeper's report is completed by the housekeeping department. It indicates the status of the rooms in the hotel based on a physical check. It is done twice a day, once in the morning and once in the evening. After completion, it is sent to the reception department, where it is checked against the room status indicated by the front office. Any discrepancies are investigated.

Reasons for discrepancies can include:

- Mistakes made by reception, such as guests sent to room 202 but checked into room 220 on the front office system.
- Guests who moved to another room, but the move was not recorded.
- Guests who left the hotel without checking out and settling their accounts.

Accurate completion and checking of the report is very important. Failure by the reception staff to follow this up may not only mean loss of revenue, but can cause embarrassing situations. For example where guests arrive at a room to find it occupied. The housekeeper should also aim to verify the number of guest in each room to prevent situations such as only charging one guest where there are two in a room.

### **Incident Book/Handover Book**

In order to ensure a smooth handover from one shift to another, a handover book is used. In this, the shift leader will record information and any special incidents that have happened during the day. Any special requests that need to be followed up on and matters that need attention are recorded. As soon as a receptionist starts her shift, she will view the handover book and sign it.

### **Standard Room Report**

It is necessary to perform a periodic inspection of guest rooms in order to ensure the standards set are maintained. A standard room report is then completed indicating any shortcomings and maintenance work needed. A standard room report would check furnishing, wall coverings, lights, directories, curtains, etc., more thoroughly and systematically than would be possible by a maid during her daily shifts.

## Forecasts

Forecasting is done by the reception department and distributed to the other departments in the hostel. Forecasts are done for different periods, from a 3 day or 5 day forecast up to a one year forecast. These forecasts are necessary for planning undertakings such as renovations or redecoration. It predicts periods of low occupancy, when it might be necessary to do more extensive marketing in order to fill up the hotel rooms. In addition, department heads need to forecast staffing needs based on these forecasts, for both long term and short term needs.

### Occupancy Forecast

Based on the previous year's occupancy and the reservations already made, it is possible for the reception department to make a general prediction of occupancy month by month through the year. It is also necessary to consider any changes in the market or special events. A new hotel opening in the same area may reduce occupancy, while an important trade fair may increase it.

The occupancy forecast is useful to departments to plan duty rosters and buying schedules.

### Five-Day Forecast

A five day forecast is done daily and is a more accurate prediction of occupancy. A five day forecast indicates the expected occupancy for the next 5 days. It indicates the number of expected arrivals, departures and stayovers. It is circulated to the other departments to aid planning.

<b>Centurion Hotel</b>					
<b>5 Day forecast</b>			Date: 7 June 2007		
<b>Day:</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
<b>Date:</b>	08/06/2007	09/06/2007	10/06/2007	11/06/2007	12/06/2007
<b>Occupancy %</b>	80%	90%	95%	85%	70%
<b>Arrivals</b>	50	20	30	40	60
<b>Stayovers</b>	100	112	119	106	87
<b>Departures</b>	30	8	23	53	79
<b>Groups</b>	Travel max 20 pax				FNB Bank 40 pax
<b>Functions</b>			Nikon 200 pax		Wedding 100 pax

**Fig 10.7 Five-day forecast**

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## Financial Reports

Management review sales figures and turnover on a daily basis. These figures are presented as ratios or percentages, which makes it easier to analyse information and compare it with limits set. For example, a bead debt limit might be set at 0.5% of turnover. Provided that bad debts do not exceed this figure, no action is taken.

### Daily Trading Report

The daily trading report includes sales made by all departments in the hotel. In addition, it indicates the level of activity, e.g. the number of covers served in the restaurant. This will make it easier to monitor the effectiveness of special promotions, as it will be possible to see if the number of customers has increased in comparison to the increase in sales.

Centurion Hotel		
Daily Trading Report		Unit: <u>Restaurant</u>
		Day: <u>Monday</u>
		Date: <u>12 April 2007</u>
	Covers	£
Breakfast	<input type="text" value="23"/>	<input type="text" value="161"/>
Lunch	<input type="text" value="30"/>	<input type="text" value="300"/>
Afternoon tea	<input type="text" value="12"/>	<input type="text" value="48"/>
Dinner	<input type="text" value="50"/>	<input type="text" value="750"/>
Floor service	<input type="text" value="10"/>	<input type="text" value="120"/>

**Fig 10.8 Daily trading report**

### Bad Debts Report

Bad debt is debt that becomes uncollectible, after all attempts have been made. Examples of bad debts are forged traveller's cheques, non-payment of ledger accounts and 'walk-outs'. Bad debts are presented as a percentage of turnover. This report lists all the accounts which have reached its credit limits as well as overdue city accounts.

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### **Method of Payment Report**

The frequency of the various payment methods can be recorded. The breakdown can be useful in forecasting cash requirements and in preparing cost and sales budgets. Allied to this is the calculation of the length of debt on the sales ledger.

### **Budgets**

Sales and cost budgets are normally prepared by management from information that is gathered individually from each department of the hotel.

The budget system allocates income and expenditure into groups so that profit from each department can be more accurately calculated. Additionally, different hotels which use the system can then compare their operating ratios against each other and against any figures that are published nationally, because every unit that uses the system is calculating its figures and presenting them on the same basis.

### **Summary**

Operational reports are essential to the smooth running of the hotel. It aids communication between departments as well as acts as control measure. The housekeeper's report is used to identify room status discrepancies. The incident or hand over book ensures that important information is communicated.

To ensure maintenance and housekeeping standards, guest rooms are inspected and a standard room report completed. Forecasts can be done for long term and short term. Occupancy forecasts predict the long term occupancy for the hotel. A five day forecast is printed daily and indicates the expected occupancy for the following five days. Forecasts are essential for the planning staffing requirements.

Financial reports include the daily trading report, bad debt report, method of payment report and budget.

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### Activity 10.1

The Miramar Hotel is located in a popular coastal resort town in the South of England. It has two types of rooms:

Type A rooms: rack rate = £120.00. There are 100 rooms, all doubles, all at the front of the hotel with a sea view and balcony.

Type B rooms: rack rate = £95.80. There are 80 rooms, all doubles, all at the rear of the hotel with a balcony and a view of the town.

The hotel recorded the following occupancy data for Monday 3rd May 2004. Using this data, calculate:

Rooms	No. Occupied	Single/Double occupancy	Rate £
Type A	30	Double	120
	25	Double	80
	10	Single	55
Type B	35	Double	60
	8	Single	40

- a) The ADR for Monday 3rd May
- b) The RevPar for Monday 3rd May
- c) The room occupancy %
- d) The sleeper occupancy.

Ensure that you show all calculations.

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## **Topic 11**

### **SELLING METHODS USED BY FRONT OFFICE**

#### **Objective**

This chapter will introduce students to the importance of using good selling techniques when dealing with current and prospective guests. It will highlight the benefits of selling and upselling, to both the hotel and the guests. It will also illustrate the selling methods used by the front office.

#### **Learning Outcomes**

After studying this chapter, students should be able to:

- Detail the benefits of an effective selling programme
- Understand why customers choose certain products and describe the range of products offered by the hotel
- Illustrate the sales techniques and skills used by front office staff
- Illustrate other opportunities for selling

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#### **Introduction**

The sales function has become a vital part of front office work. It is important for an establishment to present an attractive and economical product as more companies are now entering the hotel and catering business and thus, the public now have a much wider choice of service.

The training and selection of reception staff is crucial. Since front office efficiency is judged on selling success, the receptionist must be capable of making a sale. Sales techniques can be learned, although without doubt some people will have more of a flair for the work.

Whether taking a reservation, selling a room to a walk-in customer, or registering a guest who has a reservation, the front office is usually the first contact guests have with the hotel. Front office employees are the primary means for informing guests what the hotel has to offer.



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It must be remembered that many times reservations are made by telephone, through the internet or by a third party such as travel agents. In these cases, it is difficult for guest to compare rooms. Thus, the best opportunity for upselling guest rooms is when the guest arrives at the hotel to check in.

Although every sales outlet is important to the hotel's success, guests will usually spend the most money on the guestroom. Room sales produce the greatest revenue in the hotel industry. Hence, selling guestroom is one of the top priorities of the front office.

Even though the marketing strategy will usually be devised by senior personnel, it is the reception staff who will implement it. Therefore, it is important that the front office staff should be aware of the main objectives of marketing a hotel.

## **Benefits of Selling**

The essence of upselling revolves around front office agents asking the guest a simple question: 'Would you like a better room?' A positive reply can make the guest stay more enjoyable as well as yield financial benefit for the hotel. Thus, the purpose of selling is to maximise revenue and increase customer satisfaction. Increased occupancy levels and an increased market share will directly contribute towards the profitability of the organisation. By satisfying guests, they are turned into loyal customers, bringing about repeat business, not only to the organisation but also other hotels in the group. This is known as brand loyalty. This way, customer satisfaction indirectly contributes to profitability. Staff are now also included in the benefit equation, as they may earn commission when they successfully upsell. The benefits of selling are detailed below.

### **Achieving desired market mix**

Prior to attempting to sell a product it is important to identify the market. This can be done in a number of ways but many organisations have a section on the registration/reservation card to indicate the purpose of the visit, which will assist the management in identifying the sector of the market to which the majority of customers belong.

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Hotels frequently have a mixed market which is drawn from both business users and holiday-makers, and each of the market segments may contribute an important part towards the revenue of the hotel.

The most frequently defined market segments are business travellers or leisure travellers.

Leisure travellers may include:

- Domestic tourists
- Free independent travellers (FIT)
- Group incentive Tours (GIT)
- Special Interest Tours (SIT)

Hotels often capture several sections of the market. This is especially important if the hotel wish to maximise occupancy year round and throughout the week. Business hotels rely on tourists and tour groups to fill rooms during weekends and holiday seasons.

In selecting a marketing mix, the desired image of the hotel should be considered. Some establishments are particularly suited to large groups and tours. Other hotels may be eager to take their share of the tourist market, but are aware that tours and groups may not fit their image. This can be overcome by only accepting tours and groups during weekends and holidays.

Getting the right business mix is essential in order to ensure that different groups of customers do not feel unsettled by one another. Many hotels specialising in honeymoons will not accept any children, as a noisy child can ruin a romantic dinner in an instant. Likewise, hotels try to separate the high paying business travellers from the low-paying tour groups.

### **Increased occupancy**

One of the unique characteristics of the hotel product is its perishability. Unlike food and beverage, it cannot be stored for future consumption. The lost incurred from an empty room tonight, will never be recovered, as the sale of a room is time specific. It is therefore important to attempt to sell every room every night. Other organisations sharing this perishable element include airlines, train companies, theatres and cinemas.

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### Keeping within the budget

A second issue with hotel products is that there are marginal costs and fixed costs incurred in order to offer the product. The marginal cost of a hotel room is the cost of the items that are used by the guest whilst staying. Not included are those things that would have to be provided or paid for whether or not the room is sold. So whether or not the room is sold for the day, a certain amount of expenses have to be paid.

<b>Marginal costs</b>	<b>Not included</b>
Registration card	Wages of staff
Guest bill	Utilities used in public areas
Utilities used by the guests	Rents and rates
Cleaning cost of guest room	
Amenities used by guests	

The contribution of room revenue towards the gross operating profit of the hotel should also be considered. Compare the profit generated by food and beverage sales to the profit generated by room sales (see table below). Room sales yield much higher gross profits than food and beverage sales. Selling an extra room provide a greater contribution towards profits than selling an extra meal.

<b>Restaurant</b>	<b>Guest room</b>
Food sales of £200	Room sales of £200
Food cost 40% the	Cost of goods sold (marginal costs) £20
Gross profit £120	Gross profit of £180

Besides the high profit margin of room sales, it is also much less labour intensive than food and beverage sales.

The marginal costs do not differ much whether the guests occupy a standard room, a deluxe room or a suite. The marginal cost might be slightly more because there is a larger area to be cleaned and additional or more expensive amenities being provided. This indicates clearly why it is important to upsell guest rooms. (See table below)

<b>Type of room</b>	<b>Marginal cost</b>	<b>Selling price</b>	<b>Gross Profit</b>
Standard room	£20	£200	£180
Deluxe room	£25	£250	£225
Suite	£35	£350	£315

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## **Achieving Customer Satisfaction**

Look at the following scenario:

A family of four arrives at a hotel. They made an online reservation for a standard room and requested two foldaway beds for the children. After check-in they arrive at their room to find that there is hardly any space for them to walk or put their luggage. Since they will be staying for one night only, they say that they will just bear with it. Upon check-out the following day, the receptionist asks them about their stay and if they will be returning in the future. The reply was: 'Definitely not. The room was just too small to accommodate all of us.'

By selling the customers a larger room such as a deluxe room or suite or two rooms, they might have been satisfied with their experience and would probably return to the hotel again. It must be remembered that guests are often open to the idea of experiencing a hotel's larger room or suites.

## **Repeat Business**

From a marketing point of view, it is much easier and cost effective to retain customers than to find new customers. The only way to get guests to come back is by ensuring that they enjoy their stay.

## **Customer loyalty**

Loyal customers are customers that come back to the hotel time and time again. Besides spending money in the hotel, these guests are sources of word-of-mouth advertising. It is often easier to deal with guests we are familiar with, rather than dealing with new guests, as these guests know what to expect from the hotel and the hotel will know how the guest prefers to be served.

## **Brand loyalty**

Chain hotels benefit from guests who are brand loyal. These guests will stay in their preferred group of hotels wherever they travel in the world. Corporate guest history systems make it possible for all the hotels within a chain to share guest history. Guests who are brand loyal can enjoy special service whenever they stay. Brand loyal customers are sources of word-of-mouth advertising and save the chain marketing effort.

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### **New business**

When trying to sell to a customer for the first time, the customer can be won or lost. If initial enquiries into the hotel and facilities are not handled correctly and professionally, the sale might be lost and the guest might decide not to contact the hotel ever again. By effectively incorporating selling techniques when handling enquiries, new business can be generated.

### **Market share**

Competition within the hospitality industry is fiercer than ever. Hotels are competing for business as many small hotels, boutique hotels and budget hotels are entering into the market. It is especially important to have a healthy market share in times of low occupancy for example during off seasons or during economic recess.

### **Staff benefits**

Staff can benefit in various ways from a selling programme. Many hotels now offer staff commission on successful sales. Besides commission, staff might enjoy other benefits such as extra time off. Being successful at selling the hotel products and seeing satisfied customers, have a positive impact on staff confidence. This confidence is further built when they partake in training programmes. With the competitive job market and difficulty in retaining staff, it is even more important to keep staff motivated. Selling can motivate staff while increasing the hotel's bottom line.

<b>Activity 11.1</b>
What are the pitfalls of upselling?

---

### **Summary**

The purpose of selling is to maximise revenue and increase customer satisfaction. Benefits of upselling include:

- Achieving desired market mix
  - Increased occupancy
  - Keeping within the budget
  - Repeat customers
  - Loyal customer
  - Brand loyalty
  - New business
  - Market share
  - Staff benefits
- 

### **The Hotel Product and Customer's Choice**

The service offered by the hotel and the facilities made available to customers should be tailored according to the needs of the target market. For example, business clients and tourists have different needs. Business clients will need effective communication systems and need to entertain clients in fine dining restaurants. Not only do they need an array of services such as secretarial support and food and beverage service, they also need the service to be fast and efficient. Tourists, on the other hand, will be more interested in facilities for entertainments, recreation and relaxation. They may be far more concerned with friendly and willing service, since they may have a limited budget and use the additional hotel services less often.

#### **Hotel Product**

Unless a guest has stayed in the hotel before, that guest usually does not have any knowledge about the accommodation product. Therefore, it is another important duty of the reception staff to explain to guests the various types of accommodation and the other hotel facilities and to encourage them to purchase them during their stay. Selling the facilities to the guest is unique in the opportunity it offers. If the guest is away from home, then it is almost certain that they will want to have a meal and drink during their stay: intelligent selling by the receptionist will ensure that the hotel's restaurant facilities are promoted fully. A guest who has been travelling for a few days will be delighted to hear of the laundry and dry cleaning service which the hotel offers.

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The job of the receptionist is to find out the needs of individual guests and suggest ways of satisfying them. In general, reception staff may help to promote sales by: encouraging guests to use the full range of the hotel services (e.g. business centres, coffee shops, bars and etc.) and suggesting an upgrade in accommodation.

The hotel product could be divided into four main areas:

- Accommodation
- Food and Beverage
- Facilities
- Services.

Selling by reception employees involves finding out the needs of customers, converting them into wants, and providing the facilities to fulfil them.

### **Activity 11.2**

- a. Make a list of services and facilities provided by the hotel. You should include all areas including accommodation, food and beverage, business and recreation. You should have at least 20 items on the list.
- b. Highlight the items on your list that can generate additional earnings for the hotel.

### **Activity 11.3**

You are the Front Office Supervisor and your manager has asked you to give him some suggestions on how the hotel may improve its facilities and services to attract more business travellers. Make five suggestions in response to this request and explain why you think they are useful.

---

## **Customer's Choice**

Customers choose products for different reasons. It can be to emotional or psychological reasons such as to satisfy a basic need such as to eat and drink, or simply because it is in fashion. More rational reasons are because of the location, the facilities on offer and because it is value for money.

Some of the reasons for choosing specific products include:

### **1. Location**

This is definitely one of the most important factors for choosing to stay in a specific hotel. Business travellers attending early morning meetings in the CBD will choose a hotel nearby. Leisure travellers will prefer to stay near attractions. Customers arriving late at night after a long flight will choose an airport hotel because of its convenient location.

### **2. Facilities and Services**

Some clients require little more than cleanliness and pleasant service, while others will require 24-hour service in all departments. The receptionist must know all the facilities that the hotel offers and the prices. Facilities and services that might be needed include banqueting and meeting rooms, florist, swimming pool, car hire, sauna, hairdresser, theatre tickets, laundry/valet, kiosk shop, and sports facilities, etc.

### **3. Value for money**

Value for money does not mean that a product must be cheap. It means that the customers should feel that it is worth paying for the product. Even the wealthiest of clients still want to see value for money. Most people have no objection to paying for a service, even a fairly expensive one, but they do not like to feel that they have been cheated.

### **4. Need**

All people travelling away from home needs a place to sleep. A customer may buy a hotel room, even if it is not what is really wanted, simply because they need the product.

### **5. Security**

Staying in familiar surroundings can provide guests with a sense of security. This is one of the reasons guests often return to hotels they have stayed in before, or stay in a particular group of hotels whatever country they are travelling in.



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## **6. Comfort**

Décor and furnishings contribute greatly to the comfort of a guest. Guest will choose surroundings that make them feel at home.

## **7. Desire**

This simply means that when the customer sees the product, he/she wants it. Marketing campaigns attempt to establish a sense a desire, usually by using colour pictures.

## **8. Pride**

People pay a great deal of money for a product to be proud of. The same can often be said of hotels. Customers will only stay in an establishment that they can be proud to come back to.

## **9. Pleasure**

Leisure travellers in particular will be motivated to buy a product for this reason. In a hotel it is particularly important to ensure that your customers' pleasure is not spoiled, and they will continue to stay with you because they enjoy it.

## **10. Fear**

A customer may accept a room because they are afraid they will not get anything else, even though it is not exactly what they want.

## **11. Fashion**

Hotels and restaurants can be 'fashionable' according to who goes there, or the write-up they receive in the press and hotel guides. Many customers want to be seen at the latest 'in' place.

## **12. Habit**

Many clients will buy the product simply because they always do. This does not mean that a hotel can afford to be complacent. The hotel must ensure that its standards remain as good as ever, and then the customer will continue with the habit.

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### Activity 11.4

All customers have different wants and needs and it is important as hotel employees that we understand some of these to make a guests stay more enjoyable. Below is a list of hotel guests. Detail some of the different needs and wants of these guests that can be provided by a City Centre Hotel.

- An elderly couple on a weekend away.
- A family with two teenage children and a three year old baby.
- A single, female business traveller.
- An American CEO who is on a business trip but would also like to do some local sightseeing.

### Summary

The service offered by the hotel and the facilities made available to customers should be tailored according to the needs of the target market.

The hotel product could be divided into four main areas:

- Accommodation
- Food and Beverage
- Facilities
- Services

Customers choose products for different reasons. It can be to emotional or psychological reasons such as to satisfy a basic need such as to eat and drink, or simply because it is in fashion

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## Selling Methods and Selling Skills

Each opportunity to sell is unique. The receptionist has to be able to sell different products to different customers in different situations. The receptionist will most often be involved in personal selling. Each new arrival presents an opportunity for personal or face-to-face selling. In addition, receptionists will be involved in telephone sales and sales through correspondence such as letters, faxes and emails.

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Whichever method is in use, many of the basic techniques used remain the same.

A simple way of classifying selling by the hotel receptionist is the approach of 'ABC'. This classifies sales into three groups:

- A Automatic
- B Bettered
- C Created

### **A - Automatic Sales**

When the customer knows clearly what is required; all the receptionist needs to do is take the details and fill out the reservation form. In this situation the receptionist acts as an order taker.

### **B - Bettered Sales/Upselling**

Bettered sales are generally described as 'selling up'. Up-selling is a sales technique whereby a salesman attempts to have the consumer purchase more expensive items, upgrades, or other additions in an attempt to make a more profitable sale.

High pressure bettered/upselling should never be used. A professional Front Office salesperson does not try to force a room on the guest, but rather suggest that the guest choose a medium-priced or deluxe room instead of a lower-priced room. Besides using the necessary sales skills, the following methods can be used:

#### **1. Rate-Category Alternatives**

The Front Office Agent gives the guest a choice of three rate-category alternatives. When presenting the categories of rooms, it is important to state the rates as well. The guest then gets the change to choose the room he prefers. Most people avoid extremes and often choose something in the middle.

#### **2. Top down**

This method begins with the Front Office Agent giving a strong enthusiastic recommendation of the highest rate category that fits a guest's situation. The guest might take the room or decline the room. If the guest declines, the Front Office Agent describes the next highest rate category, continuing down in the same manner until the guest makes a decision. Guest often do not like to decline twice and might settle for the second option.

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### **3. Bottom Up**

This method is most often used after a guest has reserved a minimum rate room. During registration, the Front Office Agent can suggest extra amenities or features which can be enjoyed in a more expensive room or better satisfy the guest's needs.

You may want to apply different upselling methods to different situations. Whatever methods you choose, be sure they agree with your property's policies and procedures.

### **C - Created Sales/Suggestive Selling**

Created sales are the sale of products that the guest did not request. Often, if these products are not suggested to the guest, they will not consider buying it. In hotels, created sales would include facilities and services. It can be as simple as asking the guest if he want to make a reservation in the hotel's restaurant for dinner, or reminding the guest that the spa is open until 8.00 pm.

This form of selling must also be fitted to the customer. Because as a Front Office staff you have close, personal contact with guests, you are in the ideal position to suggest products that will appeal to the specific guest.

## **Salesmanship of Reception Staff**

In order to sell effectively, reception staff need good social as well as marketing skills. Social skills include the willingness to sell and communication skills. Social and communication skills were discussed in previous chapters. Marketing skills needed includes product knowledge and the ability to use specific selling techniques.

### **Willingness to sell**

Reception staff must be willing to give guests their full attention. Assistance should be offered and advice given whenever it is needed. Selling should not be seen as an extra duty but rather as part of the daily duties of a reception. Always keep the purpose of selling in mind and be enthusiastic and confident.

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### **Communication skills**

The need for good communication skills cannot be stressed enough. Communication includes the ability to listen and take note. Additionally, you must be able to ask appropriate questions and discuss with guests the type of services that best suit their needs. Reception staff have to look at things from the guest's point of view and describe it in a way that the guests will understand.

### **Product Knowledge**

Reception staff have to know exactly what the hotel has on offer. You must be able to confidently answer questions about the guest rooms and services and facilities on offer. When a guest is interested in a product, but his questions cannot be answer, he will loose interest and might even decide to do without it.

Each type of guestroom has its own particular selling points. Every Front Office employee should know the features of the guest rooms such as:

- |                              |   |
|------------------------------|---|
| • Room size                  | Is there enough space for an extra bed?       |
| • Size and number of beds    | Does the room have a double bed or twin beds? |
| • Room location              | Is the room near or far from the elevator?    |
| • Accessibility to handicaps | Is there any steps leading to the room?       |
| • View                       | Does the room have a mountain or sea view?    |
| • Décor and furnishings      | Does the room have 'blackout' curtains?       |
| • Amenities                  | Are amenities for children provided?          |

### **Knowing Your Guest**

A clear understanding of the basic needs of the guests and the reasons why they are travelling will make it possible to offer specific products to specific customers. It is possible to find out more about customers through observation, listening and by asking questions. A quick background check can be done by looking at the guest history cards and reservation and registration records.

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Business travellers may be willing to spend more for rooms with better features and more amenities. Vacation travellers may be looking for the most memorable experience such as rooms with a beautiful view.

Once the receptionist knows the customers, it is possible to describe the products and rooms in a way that will be appealing to the specific customer. The receptionist can describe a deluxe room in many different ways, each description directed at a different customer.

<b>Customer</b>	<b>Description</b>
Travellers arriving after a long flight	The room has a Jacuzzi bath that will help you unwind.
Business traveller	The room has a broadband internet connection.
Traveller with plenty of luggage	The room is more spacious with a walk-in wardrobe, so there is plenty of space for your luggage.
Family of five	There is a connecting door between the rooms so that you will have privacy without worrying about the children.

### **Selling techniques**

You must possess good selling techniques so that guests are persuaded to purchase the hotel products without feeling that they are being pressurised.

#### **1. Unique Sales Proposition**

The receptionist has to know what is unique about the hotel, or the product that she is offering. With hotels products being so similar, it is more and more difficult to persuade a guest to choose one product above another. The receptionist has to highlight to the guest what makes this product so unique. Examples of USPs include:

- the hotel offer 24 hour secretarial support
- the restaurant has the most extensive wine list in the country
- guests have free access to a fully equipped gymnasium
- it is the only room in the hotel with a jacuzzi bath

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## **2. Descriptive Words**

It must be remembered that the guests have never seen the rooms before. It is essential to use descriptive words wherever possible to help guests to visualise the room. Descriptions should always be given when talking about the price of a room. A question on price should always be answered with a full explanation of the facilities that the price includes.

- Rather than saying that the room has a nice view, describe the view, e.g. a breathtaking view of the city skyline.
- Rather than saying that the room décor is nice, describe the décor, e.g. the room is decorated in an art-deco, with paintings by local artists.

## **3. Offer Alternatives**

Avoid asking the guest open ended questions, such as 'which room do you prefer?' Always offer alternatives to a prospective customer. To avoid confusion, these should always be limited to two. If a guest requests a double room, the receptionist should reply, 'we can let you have 250, with a private bath, for £100 per night, or 405, which is larger and has a view of the park, for £155.' The guest now has a simple choice between Rooms 250 and 405, and is aware of the extra benefits of the more expensive room.

## **Handling Objections**

It is not possible to succeed in each and every attempt to sell. Guest might object because the product costs more than they are willing to pay or the product does not satisfy their needs. Whatever the reason for objection, instead of being put off by an objection, the receptionist must remain professional. When a guest objects to a more expensive room, you can always try suggestive selling; he might well agree to a meal in the restaurant.

## **Summary**

Reception can sell in three ways: Automatic sales, bettered sales / upselling and created / suggestive selling.

In order to be successful in sales reception staff need the following skills and characteristics:

- Willingness to sell
- Communication skills
- Product knowledge
- Knowledge of the guest
- Selling skills

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Receptionists should use descriptive words and point out the unique sales proposition of the products. It is always easier for guests to make informed decisions when alternatives are offered. Receptionists should know how to handle objections.

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## **Other Opportunities for Selling**

### **Return Visits**

Existing customers already know the hotel and if they are satisfied, they might even prefer to use the hotel again during their next visit. Therefore, getting a guest to book a return visit is a key part of reception's sales function. The first step to this is that the guest should be asked if they are returning again in future. Should the answer be a 'yes', then the receptionist can offer to reserve a space for them.

### **Telephone Sales**

Most sales made by telephone in a hotel are from incoming calls. This is the most effort-free form of sales, since the mere fact that the client has called your hotel rather than any other means a choice has already been made. Thus, the receptionist should ensure that the client's interest is held, and subsequently converted to a sale.

Telephone sales often focus on convincing the guests to reserve a room in the hotel, rather than trying to sell the most expensive room or the practice suggestive selling. It is thus necessary to sell the hotel, rather than a specific guest room.

In order to boost sales, a receptionist must be aware of the exact location of the hotel, its access by road and rail, and any other information that may be helpful. It is also essential to know the name of the nearest large town if applicable, and any local places of interest.

Basic telephone techniques should be observed to make sure the client receives a good impression of the efficiency of the hotel and the front office staff should ensure that they are well equipped with a product fact sheet so that all enquiries can be answered.



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### **Selling by Letter/Fax/Email**

Hotels make use of direct marketing strategies which includes letters being sent out to the customers on a regular basis. Its aim is to remind the customers of the hotel and to keep them informed of any special promotions.

Guests might also send enquiries by email, which then needs to be answered. These should be answered with the same professionalism as is required when dealing with telephone or in-person enquiries. A sale might be lost when an email enquiry is not followed up on or insufficiently answered.

When writing sales letters, the 'AIDA' model proves to be effective. AIDA stands for Attention, Interest, Desire and Action. It is assumed that the consumer passes through several steps in the influence process. This means that the letter should be arranged in the following way:

#### **A - Attention**

The beginning of the letter should be designed to gain the attention of the recipient. It must make the customer read the letter rather than just deleting it or throwing it away. This will be the heading and subject lines.

#### **I - Interest**

The body of the letter should capture the interest of the reader.

#### **D - Desire**

The customer should be encouraged to find out more, to see the new facilities, to use the bargain break, and so on.

#### **A - Action**

There is no point in cultivating a desire for a product, but not informing the customer how to obtain the product. Action converts the interest and desire into a booking or enquiry.

#### **Summary**

Besides selling to the guest when they check in, receptionists can sell return visits to them when they check out. Most sales are made by telephone and receptionists have to know the importance of handling telephone enquiries as sales opportunities. Hotels might also use direct marketing strategies which include letters being sent to customers on a regular basis. When writing sales letter, the AIDA model proves to be effective.

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### Boston Business School

520 North Bridge Road #03-01  
Wisma Alsagoff Singapore 188742

Tel : +65 6238 7638

Fax : +65 6238 8178

[enquiry@bostonbiz.edu.sg](mailto:enquiry@bostonbiz.edu.sg)

[www.bostonbiz.edu.sg](http://www.bostonbiz.edu.sg)