



International Case Studies for Hospitality and Tourism Management Students and Trainees

Edited by:
Elizabeth Ineson
Melanie Smith
Valentin Niță

**International Case Studies for
Hospitality and Tourism
Management Students and Trainees**

**Volume 3
2012**

edited by

Elizabeth Ineson, Melanie Smith and Valentin Niță

 editura
Tehnopress
IAȘI – 2012

© Giuseppe Emanuele Adamo, Daniela Tatiana (Corodeanu) Agheorghiesei, Pat Aspey, Samantha Bouwer, Alexandr Burda, Iwona Burian, Sue Clark , Radmila Dluhosova, Donna Dvorak, Sonia Ferrari, Wolf Magnus Gerstkamp, Morteza Haghiri, Elizabeth M. Ineson, Liběna Jarolímková, Yaiza López-Sánchez, Mac McCarthy, Klára Karakasné Morvay, Valentin Niță, Roselyne N Okech, Marcus Pearson, Margarita Platece, Juan Ignacio Pulido-Fernández, Detlev Remy, Anna Šenková, Melanie Smith, Gopal Srinivasan, Graham Stone, Jana Stuchlikova, Andrea Szőke, Maria Tătărusanu, Eva Vavreckova, Matthew H. T. Yap, Jan Žufan.

Published in Romania by

Editura TEHNOPRESS
Str. Pinului nr. 1A
700109 Iași
Tel./fax: 0232 260092
E-mail: tehnopress@yahoo.com
<http://www.tehnopress.ro>
Editură acreditată CNCSIS

ISBN 973-973-702-924-9

First published 2012

Cover from an original painting of *The Old Mill, Majorca* by John Ineson

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publisher.

If there are any errors or omissions, please contact the publisher who will make suitable acknowledgement in the reprint.

Dedication

From Gianfranco Nobis: To a sincere and close friend, who was a tower of intellect, a great humanist, an eclectic personality and like, Erasmus of Rotterdam, “A true citizen of the world”.

Martin Radcliffe

*the “Soul” of the work of
La Fondation pour la Formation Hôtelière in Central and Eastern Europe*

Martin was a distinguished Hospitality personality and former Chairman of the International Hotel Association. After the “Eastern European Spring of 1989”, Martin had a vision of reviving the great cultural heritage of the Hospitality Industry in Central and Eastern Europe, through the activities of La Fondation pour la Formation Hôtelière.

Disclaimer

The editors and the contributors disclaim any and all liability to any third-party anywhere in the world for any injury, damage or direct or indirect loss resulting from reliance on information compiled, or recommendations made, in this text.

Preface

Volume 3 comprises another series of international case studies, focusing on problems and key issues pertaining to hospitality and tourism management, set not only within Central and Eastern Europe but also in Western Europe, Africa, Canada, India, New Zealand, the USA and the Far East. The contributors, who represent 15 countries, have developed the cases based on their specialist knowledge and real-life experiences. The cases offer students and management trainees opportunities to consider and to respond to realistic scenarios of varying complexity.

The introduction provides a brief overview of the case study and its possible role in teaching, and training, particularly in cross-disciplinary fields. In order to provide a suitable format, the cases have been divided into two sections: Part 1, non-revealed; and Part 2, revealed. The former may be distributed to individuals or groups, as part of a teaching or training session, and responses can be prepared by the individuals, or debated by groups of students or trainees, or enacted using role play, to develop a joint solution; the cases focus on at least one curriculum area or department, for example: Food and Beverage; Wines; Housekeeping; Front Office; Marketing; Human Resources; etc. The revealed case studies are more complex. They are inter/cross-disciplinary, encouraging consideration of issues and problems that focus on broader managerial, international and cultural perspectives.

Each non-revealed case poses at least one question for consideration by students or trainees, and there are also a few activities and some recommended preparatory or follow-up reading where appropriate. Almost all of the revealed cases are accompanied by reading suggestions which are recommended in order to respond to the questions and/or inform the participants so that they can conduct the follow-up activities which include debate; information collection; further projects; SWOT, mind mapping, strategic planning, management decision-making and diagrammatic representations. The case questions and activities are designed to encourage and promote experiential learning, embracing a practical problem-solving approach in the achievement of learning outcomes. They are of variable levels of difficulty from very simple to extremely complex, posing different types of questions and activities such as practical, theoretical, problem-solving and brain-storming. Part 3 includes a series of points to promote discussions or further considerations of the issues pertaining to each case.

Contributors

Giuseppe Emanuele Adamo PhD, Marketing lecturer, Business Administration Department, Universidad Carlos III de Madrid, Spain.

Daniela Tatiana Corodeanu Agheorghiesei PhD, Associate Professor, Faculty of Economics and Business Administration, “Alexandru Ioan Cuza” University of Iasi, Romania.

Pat Aspey, Accounts Manager, Valves Instruments Plus Ltd., Manchester, UK.

Samantha Boucher MA Acting Academic Manager: Management Sciences, Tshwane University of Technology, South Africa.

Mgr. Alexandr Burda Gastronomy and Hospitality Lecturer, Institute of Gastronomy, Spa Management and Tourism, Silesian University in Opava, the Czech Republic .

Iwona Burian MA, English Language Teacher, Secondary School of Catering and Hotel Industry, Wisła, Poland

Sue Clark BSc MSc Research Associate, Les Roches Gruyere University of Applied Sciences, Bulle, Switzerland.

PhDr. Radmila Dluhosova, Language Lecturer, Institute of Gastronomy, Spa Management and Tourism, Silesian University in Opava, the Czech Republic.

Donna Dvorak MA, College of Hospitality Management, Prague, Czech Republic.

Sonia Ferrari BA, Professor of Tourism Marketing and Place Marketing, University of Calabria, Italy.

Wolf Magnus Gerstkamp MBA, Les Roches International School of Hotel Management Les Roches Gruyere University of applied Sciences, Bluche, Switzerland.

Morteza Haghiri PhD, Associate Professor of Economics, Memorial University of Newfoundland, Canada.

Elizabeth Ineson PhD FIH FInstTT, Visiting Research Fellow, Department of Food and Tourism, Hollings Faculty, Manchester Metropolitan University, UK.

Liběna Jarolímková PhD in Economy, Senior Assistant, The University of Economics, Prague, Czech Republic.

Yaiza López-Sánchez MSc, Researcher, Department of Economics and Director of the Laboratory of Analysis and Innovation in Tourism (LAIInnTUR), University of Jaén, Spain.

Mac McCarthy MA BA (Hons) PGCE PGCSS FHEA, Senior Lecturer, School of Sport, Tourism & The Outdoors, University of Central Lancashire, Preston, UK.

Contributors cont.

Klára Karakasné Morvay BSc MSc, Head of Hospitality and Hotel Management Programme in English, Hospitality Department, Budapest Business School, College of Commerce, Catering and Tourism, Budapest, Hungary.

Roselyne N Okech PhD, Assistant Professor of Tourism Studies, Memorial University of Newfoundland, Canada.

Marcus Pearson MIHM, Senior Lecturer, AUT University, New Zealand.

Margarita Platace MBA, Lecturer, Faculty of International Tourism, School of Business Administration Turība, Riga, Latvia.

Prof. Dr. Juan Ignacio Pulido Fernández, Associate Professor in the Department of Economics and Director of the Laboratory of Analysis and Innovation in Tourism (LAIInTUR) at the University of Jaén, Spain.

Detlev Remy Masters in MComm, Lecturer in Marketing & Revenue Management, Les Roches International School of Hotel Management, Switzerland.

Ing. Anna Šenková PhD, Senior lecturer, The Prešov University in Prešov, Slovakia.

Melanie Smith PhD, Assistant Professor, Budapest Business School, Budapest, Hungary.

Gopal Srinivasan BSc, Postgraduate Tourism and Travel Management student, Tamil Nadu Open University, India.

Graham Stone BA Econ MSc Management Studies, Formerly Principal Lecturer, Manchester Metropolitan University, Manchester; currently Management Consultant in Hospitality and Tourism.

Ing. Jana Stuchlikova, Management and Marketing Lecturer, Institute of Gastronomy, Spa Management and Tourism, Silesian University in Opava, the Czech Republic.

Szőke Andrea PhD, Associate Professor, Budapest Business School, Budapest.

Maria Tatarusanu PhD, Lecturer, Faculty of Economics and Business Administration, "Alexandru Ioan Cuza" University of Iasi, Romania.

Ing. Eva Vavreckova PhD, Economics Lecturer, Institute of Gastronomy, Spa Management and Tourism, Silesian University in Opava, the Czech Republic.

Matthew H. T. Yap BA MSc PhD, Associate Professor, Global Institute of Management and Economics, Dongbei University of Finance and Economics, Dalian, China.

RNDr. Jan Žufan PhD MBA, Vice-Rector, College of Hospitality Management, Prague, Czech Republic.

Contents

	Page
Introduction by Graham Stone and Elizabeth Ineson	xiii
 Part 1 Non-revealed Case Studies	
Birthday Party by Alexandr Burda	3
“In the Dark” by Graham Stone	4
The Right Decision by Jana Stuchlikova	6
“Hotel Baum Reisen”; Germany by Andrea Szóke	7
The Importance of Staff – Guest Communication by Jana Stuchlikova	9
Difficult Guests by Radmila Dluhosova	10
Marketing Communication in an Hotel by Jana Stuchlikova	12
The Five Star Wake-up Call by Margarita Platace	13
Missing Luggage by Margarita Platace	14
Outsourcing/Insourcing by Eva Vavreckova	15
New Form of Hospitality – New Challenges!	16
by Giuseppe Emanuele Adamo	
Management Control Systems for Food Procurement	18
by Marcus Pearson	
The Unexpected Accident by Iwona Burian	20
Sprinkler by Eva Vavreckova	22
Student Issue by Sue Clark	24
ERASMUS Summer Work Placement by Jan Žufan and Donna Dvorak	25
Day Trip Disaster by Pat Aspey	29
Budget Flights, Operating Costs and Safety by Gopal Srinivasan	31
 Part 2 Revealed Case Studies	
Importance of Quality Staff by Klára Karakasné Morvay	35
Cultural Intelligence in a Luxury Hotel in Qatar by Matthew H. T. Yap	38
Hotel Work Performance Issues in China by Matthew H. T. Yap	42
Strategies for Facilities’ Planning by Anna Šenková	46
Is there a Sustainable Tourist? The Case of the Western Costa del Sol	50
by Yaiza López-Sánchez and Juan Ignacio Pulido-Fernández	

Contents cont.

	Page
How to Die of Success: The Case of Machu Picchu	55
by Juan Ignacio Pulido-Fernández and Yaiza López-Sánchez	
Pokok Rhu by Mac McCarthy	60
Revenue Management Implementation	66
by Wolf Magnus Gerstkamp and Detlev Remy	
A Holiday in Turkey by Maria Tătărusanu	71
The Hallmark Event by Gopal Srinivasan	74
Romania and its Legendary Inns	75
by Daniela Tatiana (Corodeanu) Agheorghiesei	
From Gold Town to Ghost Town by Samantha Bower	80
Challenges of Promoting Rural Tourism in Kenya	83
by Roselyne N Okech and Morteza Haghiri	
The Sweet Spot between Conservation and Development	88
and the Legacy of Irene by Sue Clark	
Problems in Paradise by Sue Clark	91
Saint Vitus Cathedral, Prague Castle (Czech Republic, Prague):	93
Sustainable Development of Tourism in a	
National Cultural Monument by Liběna Jarolímková	
The Marketing and Management of Ganga Lake,	97
Arunachal Pradesh, India by Gopal Srinivasan	
A Future Marketing Plan for Tourism in Calabria by Sonia Ferrari	99
Easton Plaza by Mac McCarthy	103
Seiter Plaza Sports Stadium by Mac McCarthy	112
The Surga Complex: Selamat Datang Di Bali by Mac McCarthy	118
Part 3	
Points for Discussion	
Non-revealed Case Studies	131
Revealed Case Studies	136

Acknowledgements

The editors would like to take this opportunity to thank:

- **La fondation pour la formation hôtelière**, in particular **Michel Rey, Jenifer Emery, Victor Emery, John Thurso, Jurg Konzett** and **Alistair Emery**, for their continued generous support for, and interest in, Central and Eastern European projects;
- **Margaret Georgiou**, Executive Administrator to the Board, for her dedicated, extremely competent and very professional assistance; and
- **the contributors** for providing another series of cases that present a variety of interesting international issues for consideration and debate.

Introduction

by Graham Stone and Elizabeth Ineson

Cases provide a learning strategy through which students and trainees are required to consider debate and offer possible solutions to the questions posed. They can apply their knowledge of a range of academic theories, and/or their work experiences, to analyse and evaluate the problems involved. Such experiential learning is of value in developing in students and trainees informed and considered managerial decision-making within a learning and/or training environment where the importance of problem identification and problem solving skills are emphasised. In turn, a variety of cultural and different legal contexts provide a framework within which a broad spectrum of learning outcomes can be achieved.

The Role of Case Studies

Case studies are summaries of real-life or simulated business situations based on personal or “second-hand” experiences, observations, interviews, word-of-mouth data and/or research. The cases might incorporate information from within an organisation, for example, past events; stories; critical incidents; etc. as well as external factors and influences. The cases included in this book are all based on, or developed from, real events. They enable management students and trainees to appreciate, comprehend, consider and resolve real departmental, inter-departmental and unit/Company problems and situations that may be encountered by operatives, supervisors, managers and/or senior managers in hospitality and tourism. There are also further opportunities to conduct research and to make management decisions and plans as indicated by the additional activities.

It is emphasised that case studies are designed to make students and trainees aware that in solving problems there may not be a clear or single solution; they enable students to apply theories in a real-life context, and they provide insight into issues that can assist them in developing and refining their knowledge and understanding. The cases selected for study at any point in the academic course or training programme should follow these principles and should be appropriate to the abilities and experience of the students and/or trainees.

From an academic perspective, case study research is more comprehensive than conducting research on one specific topic. In addressing the more advanced cases, students are encouraged

to collect relevant and appropriate data from a variety of sources and then not only consider this information but also employ divergent thinking to brainstorm the case, followed by convergent decision making in order to devise and justify the solution(s). Questions such as: ‘How?’ and ‘Why?’ need to be addressed in the context of the scenario, paying particular attention to the human element in terms of customer care and the fair and correct treatment of employees and peers. Such studies allow students to gain valuable work related problem-solving and planning managerial experience without losing money, upsetting customers and staff, or putting themselves into positions that might evoke embarrassment, pressure or stress. From a practical perspective, students and trainees need to employ their work and life experiences to offer possible feasible, practical and, when appropriate, cost effective solutions

Assessment

Case studies allow the assessment not only of knowledge and application but also of higher order skills comprising analysis, synthesis and evaluation. The forms of assessment employed depend on the learning outcomes to be measured, and are at the discretion of the teacher, trainer or facilitator. These may include individual or group assessment; they may involve contribution to debates, written responses in the form of answers to questions, reports, the development of strategic plans, training manuals et al. and/or individual or group presentations. No time limits are set or even recommended for responding to/solving the cases, as these depend on the nature and type of the requested feedback, the specific nature of the assessment employed and the depth to which the issues are examined

Further Reading

Ellet, W. (2007). *Case Study Handbook: How to Read, Discuss, and Write Persuasively About Cases*, Harvard Business Press, Boston.

Gillham, B. (2000). *Case study research methods* Continuum, London

Hartley, J. (2004). Case Study Research. In C. Cassell and G. Symon (eds.), *Essential Guide to Qualitative Methods in Organizational Research*, Sage, London, pp. 323-333.

Saunders, P. (1997). Experiential learning, cases and simulations in business communication. *Business Communication Quarterly*, Vol. 60, No.1, pp. 97-114.

Stake, R.E. (1995). *The art of case study research*. Sage, Thousand Oaks, CA.

Thomas, G. (2011). *How to do your Case Study*, Sage, London.

Yin, R.K. (2008). *Case study research: design and methods*, 3rd edn., Sage, London.

Part 1

Non-revealed Case Studies

Birthday Party

by Alexandr Burda

John and Peter had been friends since they were studying together at university. Peter started his own small restaurant a few years ago and has been running it very successfully. The menu lists modern dishes as well as traditional ones that follow the modern trend. The wine list includes high quality local and imported wines. The waiters are well trained, experienced, attentive and efficient. No wonder John decided to have his birthday celebration for 50 people – colleagues and business partners – in Peter’s restaurant. To make sure everything would be perfect they discussed and settled on a four-course menu, accompanied by matching wines, and with buffet service. The date was settled on a Monday, when the restaurant was closed, so that John’s company would be the only guests. Moreover, as they were friends, a reasonable price was negotiated.

On the day of the celebration, everything ran smoothly. The guests enjoyed both the dishes and the drinks, and the atmosphere was pleasant. The only problem was that, according to their prior agreement, the party was prepared for 50 people but only 30 of them arrived. An embarrassing situation arose a few days later when it came to paying the bill. John refused to pay for all the ordered dishes and drinks basing his decision on the fact that only part of the initial order was consumed because not all the people arrived. On the other hand, Peter insisted on getting the full negotiated price as all the dishes were prepared and could not be sold otherwise.

Questions

1. In your opinion, which of the two friends is right?
2. What was the basic mistake that caused the unforeseen problem?
3. What measures should Peter take to prevent a similar situation from arising in the future?

“In the Dark”

by Graham Stone

A new innovation into the eating experience is a product entitled “Dans le Noir” (See <http://www.danslenoir.com>). Under this brand name, restaurants have been set up in New York, London and St. Petersburg and are slowly being franchised in other countries. All the service providers (waiting on staff) have visual limitations as the venture is designed to provide partially, or non-sighted, people with equality of employment opportunities.

The Experience

Customers entering the restaurant are offered a menu which contains a selection of fixed price options to eat, labelled by colour. There is a choice of: vegetarian (green); meat (red); seafood (blue); or surprise (white). The options include two course meals for 28 euros per head or three course meals, priced at 36 euros per head. No further description is given as to the ingredients of the dishes within each category. An appropriate wine is offered according to the menu chosen.

After the customer(s) have chosen their meals, they are taken to a darkened entrance hall, and introduced to their service provider. Here, they are told that all the service providers are blind but that they will be quite safe as the food and drink are prepared by fully-sighted staff. They are also informed that the interior of the restaurant is fully padded to avoid any injuries to visitors. The customers then form a chain, each with their hands on the left shoulder of the person in front. The leading customer places his/her hand on the left shoulder of the service provider, who leads them into the restaurant proper. Inside, there is no light whatsoever; it is pitch black. The customers are led to their table and their hands are placed on their chairs. The service provider takes their hands and shows them the extent of the table and the location of their cutlery and drinking glasses. After they are comfortably seated, the service provider announces his/her presence by stating his/her name, as is the case on each subsequent visit to the table. The service provider collects the drinks and shows the customers how to pour them into the glasses by running the liquid down one finger. Serviettes and cutlery are provided and the courses are delivered in sequence by the service provider; the customers are left to pour their own drinks. On completion of their meal, the customers are led out of the restaurant to a

table in the foyer/bar. Each customer is then asked to give an account of his/her experience. They are requested to try to identify what they have eaten, and drunk during their meal. They are then presented with an illustration and description of what they have consumed.

Questions

1. How would you promote and market such a restaurant?
2. What food might be appropriate for consumption by customers in this type of environment? How might it be prepared and presented?
3. What safety and hygiene provisions should be made for the customers in such an eating/drinking environment?

The Right Decision

by Jana Stuchlikova

The manager of a luxurious five-star hotel with a picturesque view of the historical quarter of Prague, the capital city, decided on a step that seemed illogical to many of his colleagues. He decided to convert one of his 18 rooms, which had constantly been occupied, into a rest area for the clients. It was equipped with an office corner with a computer, lounge suite, television, bookcase, magazines and 24-hour refreshment offering fruits, pastry, coffee and drinks. This idea was agreed with the owner and after a few months, it was clear that the decision was a correct one. The clients, who otherwise spent their free time in their rooms or outside the hotel, started to use this area. They talked to each other and often decided to book dinner in the hotel restaurant, where the sales increased in such a way that they overtook the sum of money the hotel room would have brought. It is important to emphasise here that the hotel is regularly rated as the most popular one in Prague, especially by the foreign guests. The prices for accommodation and catering correspond to the high level of services offered. (Note: dinner for two begins at 160 euros and the room rates begin at 600 euros.)

Questions

1. Do you think that the same strategy could also be applied in other hotels with similar success? Why? Why not?
2. Does charging a high price for hotel services always guarantee their quality? Why? Why not?

“Hotel Baum Reisen”

by Andrea Szőke

“Hotel Baum Reisen” is located in Germany. It is a unique resort in the mountains offering a variety of lodging options with its 250 beds in single, double, triple and quadruple bedrooms plus ten family suites and five bungalows. All the rooms have TV and a bathroom with shower and toilet. “Hotel Baum Reisen” offers its guests hot food all day from the menu of German and international specialities that are served in the restaurant. The hotel provides many indoor and outdoor facilities and activities both in the summer and the winter seasons. In the large grounds of the hotel there are sports fields, a miniature golf course, a playground, a campfire ground etc. The spa facilities include a Finnish and an infra-red sauna. The main ski area is only two km away.

A Hungarian man wrote a letter of inquiry to the hotel, in which he asked about accommodation possibilities: a triple room with three single beds for himself and his two grandchildren and a double room for his friends, both rooms with half board. He needed the rooms for four days that spanned a national Hungarian holiday: 15. 03. 2012-18. 03. 2012. He wanted information about the prices and asked whether the staff spoke Hungarian.

On 24. 01. 2012. he received an answer from the hotel receptionist:

”Dear Guests

Thank you for your interest in our hotel. I can offer you:

Duration of stay: 15.-18.3.2012 (3 nights)

Persons: 4 adults and 2 children

Accommodation: 1X4 comfort, 1X2 comfort

Price/person/night: adult € 53.90 child € 45.10

Included in room price: 10 % VAT, Half board

Not included in room price: EUROS 1 city tax/person/night.

Option: 25.1.2012 12.00

Please book the rooms before the options end otherwise your reservation will be deleted automatically by our system. Please see our cancellation and prepayment policy on our website.

For further questions, please do not hesitate to contact us.

Kind regards

...”

After reading the answer the guests chose another hotel and booked rooms there.

Questions

1. What are the main points (questions and requests) in the letter of inquiry?
2. How did the hotel receptionist answer these questions?
3. What are the mistakes in the answer?
4. In your opinion why did the guest choose another hotel?

The Importance of Staff – Guest Communication

by Jana Stuchlikova

Two business partners decided to have lunch together. They decided to visit a new restaurant that gave the impression of luxury both with its design and its prices. Because they needed to discuss the possibilities of further cooperation, they chose the table placed at the end of the room. Although there were only two other guests, they had to wait for the waiter to come. Ten minutes later, when he finally arrived with the menu card, he said: “Am I disturbing you?” and accompanied his comment with inappropriate gestures. Furthermore, although the assortment of wines offered was rather extensive, the waiter could not recommend any suitable wines to accompany the chosen dishes. The dishes were served in more than 30 minutes and they corresponded neither with the expected quality, nor with the price. When the customers ordered coffee and desserts, the unfriendly style of waiting and the delays continued. Then the guests asked for their bill and they were presented with a bill that included items that were not ordered or consumed. When they pointed out this fact, the waiter answered that their software had been reinstalled that day, but the total price is correct. The guests then consulted the manager who was not very responsive.

Questions

1. What mistakes did the waiter make? If you were the manager, how would you deal with the waiter?
2. Taking the guests’ perspective, how would you respond to the situation?

Difficult Guests

by Radmila Dluhosova

A middle-aged couple booked a two-week holiday in a small family run hotel in one of the famous Bulgarian seaside resorts. After several years of perfect experience with such a holiday, they were really looking forward to enjoying sunbathing on the beach and swimming in the waters of the Black Sea as well as to having a perfect rest in a quiet hotel. When they arrived, they found out that the hotel owner was a very nice person, the rooms were cute and clean, and a small swimming pool was situated on the premises to be used only by the hotel guests.

Every morning when they were leaving the hotel, they could see towels on four out of the six deckchairs next to the swimming pool to signal that these were “booked” although no one was around. When they asked the owner, they learnt that the towels belonged to a family with two children, who were staying at the same hotel. They were quite surprised to see the towels on the chairs as this family was spending whole days on the beach, leaving the hotel earlier and coming back later than the couple. They asked the owner to ask the family not to “book” the deckchairs for the whole day if they wanted to use them only late in the evening. When the owner informed the couple, there was some discussion ending with the refusal of the family to change their habit as they claimed they had the right to use the swimming pool whenever they wanted to.

One evening the couple was coming back after a nice dinner in one of the local restaurants. There was a group of people at the reception and a lot of noise and shouting. They soon found out that although there was a large notice at the reception that cooking was forbidden in the rooms, the family had bought a small cooker to prepare their meals in their room. When a hotel cleaner found the cooker in the room, she called the owner and he took the cooker away leaving a note for the family explaining what he had done and why he had done it. After the family found the note, they started an argument with the owner about their rights and insisted on calling the police claiming that the owner had “stolen” their cooker...

Although the couple enjoyed their holiday, it was a little bit spoilt by the troublesome family.

Questions

1. What measures should the hotel owner take to prevent the situation with the “booked” swimming pool?
2. How would you respond to the described situation that contravened the hotel rules?

Marketing Communication in an Hotel

by Jana Stuchlikova

The clients of a four-star hotel, designed especially for sportsmen and business travellers, were having problems finding the hotel, although it had already been in operation for several months. The hotel is situated on the premises of a sporting complex on the outskirts of a town. If the guests did not have a satellite navigation system, the hotel was extremely difficult to locate and the locals were not very helpful either as, due to a lack of promotion, most locals did not know that the new sporting complex also contained a hotel and they had never heard its name. The owner leased the hotel, restaurant and fitness centre from the outset, but each part of the business was leased from a different operator. This arrangement proved to be unsuitable, as the communication amongst the individual entrepreneurs was almost non-existent. As a consequence, the guests had problems with booking additional services offered directly in the hotel building. When clients wanted to organise seminars or conferences in the hotel, they had to deal with different operators to settle all the arrangements (accommodation, catering and leisure time activities) because these did not come as one package. Due to the lack of communication between the individual operators, problems occurred rather frequently and some services were not provided properly. This meant that clients could not be completely satisfied. The negotiation between the individual operators took some time but finally the rules were settled with the aim to provide complete and efficient services. Nowadays the guests do not face the communication problems any more.

Questions

1. What are the problems in the above scenario and what basic mistake caused these problems?
2. How far is the situation influenced by the fact that the hotel is a state-owned property?

The Five Star Wake-up Call

by Margarita Platace

A five star hotel has an automatic wake-up call system; it means – a guest orders a wake-up call and a receptionist enters the data (date/time) into the front office computer system. At the appropriate wake-up time, the telephone rings in the guest room. If the guest picks the telephone up, this pick-up is registered in the telephone system. If the guest does not answer, a redialling system comes into play; it repeats the call every minute for three minutes. The receptionist should keep a check on the telephone system and inform the bell boy if the guest does not answer the wake-up call after the three repeats. In such situations, the bellboy is sent to the guest room to wake up the guest by knocking on the door of the guest's room. If there is still no answer, the security man is allowed to open the door with his master key.

Mr. Ivan, a regular guest who is a business man from Moscow, had his flight at 7.00 a.m., so he asked for a wake-up call at 5 a.m. At 8 a.m. he appeared at the reception and complained that he had not been woken up; he demanded that the receptionist should book, and that the hotel company should pay, for a new ticket for him.

When the wake-up system was checked, the register showed that Mr. Ivan had picked up the receiver after the first wake-up call. Obviously he picked it up whilst half asleep and fell asleep again.

Despite the fact that the receptionist performed according to internal standards, the regular guest continued to complain; he considered that this five star hotel should pay more attention to their guests.

Questions

1. How should the situation be resolved?
2. What could the receptionist have done to forestall this occurrence?

Missing Luggage

by Margarita Platace

A tourist group from Germany was accommodated in the Hotel Classical in Riga for one night and they had to leave at 7 o'clock in the morning. To ensure a quick check out and luggage pick up procedure, a receptionist asked all tourists to place their luggage in the corridor in front of their room doors before breakfast. The luggage would be collected by the bellboy and placed in the bus. After breakfast the guests went to their rooms, took their hand luggage, made sure that they had not left anything and went to the bus. The procedure was, as always, well organised and one group of tourists complimented the hotel staff on a job well done.

Five hours later the Classical hotel received a desperate telephone call from a hotel in Vilnius where the group had just arrived. The message was that one of the guests from the Classical room 507 had complained about missing luggage. Following this call, a serious investigation began in the hotel, but no luggage was found and everybody was puzzled about this situation.

Some hours later a receptionist received a telephone call from room 506. A Finnish guest informed her that he has a large suitcase in his room but it did not belong to him. During a conversation with the Finnish guest he recollected that he had returned from a party in the early hours of the morning a bit tipsy. He saw a suitcase near his door was surprised and thought: "What is a suitcase doing outside my room?" so he took it inside and went to bed. The missing luggage was immediately transported to Vilnius.

Questions

1. Why did this problem with missing luggage occur?
2. How should the luggage collection procedures for groups should be organised to avoid a similar situation in the future?
3. What security improvements should be made in the future?

Outsourcing/Insourcing

by Eva Vavreckova

Over a few months, a four-star hotel in the centre of a Czech city was facing problems regarding the Housekeeping Department. The hotel management determined two main problems. First, there was a continual fluctuation of people working in the department and, second, it was ineffective economically. Following a comprehensive analysis of the financial situation of the Housekeeping Department, a decision was taken to subcontract this non-core business to an external supplier – an outsourcer. Although the management was aware of the fact that this important change was a bit risky, outsourcing seemed to be a good choice.

In the beginning, everything went smoothly then problems appeared in connection with the variable hotel occupancy rate. When events such as congresses were organised, the need for laundry and cleaning services increased and the external supplier had to hire additional workers to provide the negotiated service in accordance with the agreement. However, it became clear that the quality no longer attained the desired standards. The management of the external supplier was made aware of the problems and promised to improve the services provided. However, the problems recurred whenever the occupancy rate exceeded 60 per cent. Furthermore, the outsourcer's employees were not very loyal when dealing with hotel clients. This fact was evident from comments on the quarterly evaluation questionnaires that the hotel management distributed and collected. In addition, the 'quality standard' problem was exacerbated by the fact that the hotel guests evaluated the Housekeeping services as the second worst of the hotel services as a whole.

Ultimately, after one year, the hotel management decided to employ insourcing again.

Questions

1. What do you consider the main cause of the failure of outsourcing in the Housekeeping department?
2. What are the main advantages and disadvantages connected with outsourcing?
3. Could the hotel management take some other measures before deciding to re-introduce insourcing?

New Form of Hospitality – New Challenges!

by Giuseppe Emanuele Adamo

Mr. Mario A. had substantial experience in the tourism industry; he managed four travel agencies in the city of Rome and he was always open for new business. A couple of years ago, he decided to diversify into an emerging market - short-term rental of private homes to holidaymakers. He realised that this product could be positioned between bed and breakfasts (B&Bs) and traditional house exchanges. He perceived two main advantages: first, it is not necessary to offer a house or flat in exchange; and second, in contrast with B&B, the host family or the owner is never in the house so booking and check in are very easy because if the length of stay period is fewer than 30 days there is no need for a formal contract or registration - a verbal agreement is sufficient. The potential income was attractive as the rental prices appeared to be high and competitive. Usually, Mr Mario A. said, those properties available for rent belonged to people who owned flats or houses in the city, for example, holiday homes or houses for their student offspring that were occupied only during term time. For the part of the year those houses were empty and they could offer a new source of income.

Mr Mario A. decided that the target was highly heterogeneous, including young travellers as well as entire families. In general people would choose to rent a property because it was usually cheaper than serviced accommodation and because they did not like the service formality associated with hotels and B&Bs, preferring to be completely independent. Mr. Mario A. decided to include some flats in the catalogue of his agencies' network. First, he started to target owners who might be interested in renting their second homes. The main criteria for his approval of a property choice were high maintenance of the property and the proximity to the main touristic attractions. As a business man he suddenly pointed to a critical issue: the link between demand and supply: Rome is one of the most appealing and popular cities worldwide and it offers many historical, cultural and gastronomic opportunities for tourism. However, communicating with the potential visitors regarding this new rental option would be a challenge.

By July 2011, Mr Mario A. had 17 flats on his books, with an average of four bed-spaces, and seven villas with an average of eight bed-spaces. He decided to promote the properties via

posters in the windows of each of his agencies and in his weekly magazine. He soon realised that to meet guest expectations, it was necessary to arrange for the supply and management of the basic services including breakfast, linens and internet links; such services may not be included by the owners and could be difficult to organise. Regarding the final cleaning, Mr. Mario A. opted for the cleaning to be done by each guest at the end of the stay, but it was often unsatisfactory. Moreover, some guests phoned his agency in order to obtain basic tourist information but he said: “My employees are very busy with their own work; they have not time to explain how to reach the Coliseum or to advise you on which is the best restaurant!” Last, but not least, the young guests asked for internet connections and many flats did not have one. Mr Mario A. realised that his new business venture was taking off but rapid and effective changes were needed as a matter of urgency!

Questions and Activities

1. Consider and discuss the promotional and communication strategies that are used currently. Are they appropriate? What media would you like to use and why?
2. How would you solve the problem of providing tourist information guests ask without involving current employees?
3. Construct a 3x2 matrix. At the head of the two columns write ‘Houses’ and ‘Villas’ respectively; on the rows write ‘Target’ (demographics and social traits of each segment that you think the offer is related to), ‘Basic services’ (that have to be included) and ‘Optional services’ (that have to be paid by guests). Fill in each sector of the matrix, justifying your choices.

Recommended Reading

Albaladejo-Pina, I. P. and Díaz-Delfa, M. T. (2009). Tourist preferences for rural house stays: Evidence from discrete choice modelling in Spain, *Tourism Management*, Vol. 30, No. 6, December, pp. 805–811

Girard, T.C. and Gartner, W. C. (1993). Second home second view: Host community perceptions, *Annals of Tourism Research*, Vol. 20, No. 4, pp. 685–700.

Hall, C. M. and Müller, D. K. (2004). *Tourism, Mobility, and Second Homes: Between Elite Landscape and Common Ground*, Channel View Publications, Clevedon.

Jaakson, R. (1986). Second-home domestic tourism, *Annals of Tourism Research*, Vol. 13, No. 3, pp. 367–391.

Management Control Systems for Food Procurement

by Marcus Pearson

The global sports event was a high profile game between two internationally recognised teams and it was fully booked. A large number of sponsors, both local and from overseas, were in attendance in their reserved corporate boxes. The corporate guests were promised premium Reefsyde' oysters on the menu but instead, they were served imported oysters. The menu for the night listed the entrée as "Baked sea bass and raw Reefsyde oysters on a celery, mango and rocket salad, skinny potato straws and remoulade dressing". Raw Reefsyde oyster shooters were also to be served. Following the match, after eating the oysters, many of the guests complained of feeling unwell. The caterer, ABC Catering, confirmed that imported oysters were served. The packaging on the imported oysters contained a warning that they must be cooked.

An ordering mix-up by the caterers was believed to have led to the mass poisoning. The incident left the Reefsyde oyster company fuming and considering legal action. Reefsyde supplied its product to some of the region's top restaurants, and was the event venue's exclusive supplier. Reefsyde's general manager said the poisoning had tainted not only the company's good name, but that of the wider oyster-growing industry. The general manager suggested that the caterers had chosen to mix the cheaper imports with their product, and that they had not made the distinction clear. "One of their chefs ordered the oysters through us and instead of ordering 200 dozen, he ordered 20 dozen." The caterers rang on Saturday morning to rectify the mistake and were asked to pick them up themselves as the delivery driver did not work on Saturdays. They chose to go to another distributor that delivered oysters, and they bought the imported ones.

Reefsyde's managing director and president of the Oyster Industry Association, said four norovirus outbreaks had been associated with the imported oysters in the past 12 months. The venue was reported to have the highest sickness rate of all four corporate areas affected. Those who dined there and fell ill were 27 times more likely to have eaten raw oysters than people in other areas. Tests by the local environmental health department found norovirus in raw

imported oysters from the same batches as those eaten at the venue, while local oysters tested negative.

Questions and Activities

1. Outline the nature of the systemic cause of food poisoning at Rugby Park.
2. State the management control points that should have been used, noting the ones that led to the problem.
3. What compounded the problem? Why did the chefs behave the way that they did?
4. Discuss the consequences of the bad publicity for Reefsylde oysters and state what you would do if you were the general manager.

Recommended Reading

Ninemeier, J.D. and Hays, D.K. (2005). *Restaurant Operations Management*, Pearson Prentice Hall, New Jersey.

Davis, B., Lockwood, A., Alcott, P. and Pantelidis, I. (2008). *Food and Beverage Management*, Butterworth Heinemann, Oxford.

Eastham, J. F. L. and Ball, B. (2001). (eds.) *Food Supply Chain Management: issues for the hospitality and retail sector*, Reed Elsevier, Oxford.

The Unexpected Accident

by Iwona Burian

Ellis took up a summer job as a hotel entertainer (animator) in one of the hotels in Mallorca, Spain. She knew almost everything about this job as she had already worked in the animation team in the same hotel for the past two years. Despite her young age (21 years), working with children had never been difficult for her. One day her supervisor and one of her friends, who usually conducted activities for adults, unexpectedly took a day off. At that time the hotel was full of guests from England. Due to the fact that Ellis was English, she became responsible for conducting morning sports activities for adults. Besides, she was the only person who was familiar with the English customs and traditions, and more importantly, she knew what she should talk about with the guests.

At the outset, everything seemed perfect. First, Ellis showed the participants how to shoot a pistol, which was not an easy task at all. At 1 p.m. sharp, Ellis started to set up goals on either side of the pool for a water polo game, which was one of the guests' favourite sporting activities. The day was a bit cloudy so there were a lot of free beach chairs by the pool. Guests who were concerned about their safety (or getting wet!) could move to a safer place and watch the game from the distance. After a few minutes of a great game, a woman sitting behind the goal was hit by the water polo ball. Seeing this, Ellis immediately stopped the game and hurried to help her. It turned out that the woman was hit on the side of her head. She asked if the woman needed some ice or water, but she answered 'no', showing her great indignation. However, after a while the woman asked for a glass of water. Ellis complied with the request and, what is more, asked a duty lifeguard for help. The woman was given immediate help, and fortunately, it turned out that she had no injuries. Having checked that everything was fine with the guest, Ellis went on playing the game.

Fairly soon afterwards, the woman declared firmly that she was going to see the hotel manager as she claimed that the game supervised by Ellis was extremely brutal. After a few minutes, both the reception and hotel manager asked Ellis for an explanation of that unhappy accident. During the conversation Ellis found out that the woman had given a different version of the events. She said that she had been hit hard on the head, no one had offered her help, and the

hotel animator had behaved in a rude and impolite way towards her. Having heard that, Ellis declared that she would never work with adults any more in the future. As a result, she also got extremely upset and the joy she used to share with children was gone.

Questions

1. Was the guest's complaint justified?
2. How should the hotel manager deal with the problem/complaint so that the guest would like to visit the hotel again in the future?
3. Was the event an unfortunate accident or a mistake that could have been avoided?

Sprinkler

by Eva Vavreckova

Alice had been working as a receptionist in a five-star hotel in Prague for four years when the hotel management decided to make a fairly large financial investment to improve the fire protection system. The decision was taken to meet increasing requirements concerning the safety of hotel guests as well as requirements concerning the property protection. The situation was complicated due to the fact that the hotel was situated in an historical building and certain strict rules had to be followed.

Based on statistical studies and precautionary regulations, a decision was taken to implement a system of active protection. This system included a link to the external fire brigade unit (in case of fire) and installation of sprinklers in all the hotel rooms. The type of sprinkler chosen incorporated an early-warning system and suppressed the fire using huge amounts of water. The main reason for this choice was the high efficiency of sprinklers, claimed to contribute significantly to minimising property damage, injuries and, hence any consequent death toll.

A control panel showing all the hotel rooms with smoke alarms was installed at the reception. Consequently, all those people working in reception are instructed and trained in its use as the system is very sensitive and it is necessary to react immediately when the control panel indicates a risk of fire. If, in the case of a false alarm, the panel is not switched off, the fire system activates the sprinklers in three minutes.

Shortly after the installation, the fateful day for Alice came. Although there were always two people working at the reception, her colleague had left with one of the hotel guests to assist him with the hotel safe so that he could deposit his documents and valuables. As there was a group of foreign guests checking-out, Alice was very busy and she did not notice the fire warning light for one of the occupied rooms switched on. She continued checking-out the guests; her colleague assisted her after he had returned from the safe. Very soon there was a telephone call from the hotel guest, in whose room the sprinkler had been activated, and it had flooded not only his room but also another room one floor below.

Afterwards, it was found out that the guest had lit a cigar and then lay down on his bed above which the fire alarm was installed. Soon the cigar smoke had caused the fire alarm to react and the danger of fire had activated the sprinkler.

Note: In some countries, it is not illegal for guests to smoke in hotel bedrooms.

Questions

1. Can the hotel owners make a claim from the insurance company for compensation regarding the damage caused by flooding two rooms?
2. What measures should the hotel management take to prevent such a situation from recurring?
3. Should the hotel owners compensate the smoking guest for the damage caused by the failure of the receptionist?

Student Issue

by Sue Clark

A university in the United States operates an off campus semester for a small group of senior students in Hospitality Management on a resort in South Carolina. While at the resort the students are also employed in a variety of positions throughout the property and its departments. The 10 students live in one large house, there are six women and four men all aged between 21 and 24. One student, Jenna, had some learning difficulties and a slight physical disability. Following extensive consultation with the University and the family it was agreed that Jenna was capable and should benefit from the experience of being away from home in a new, but perhaps less sheltered, environment. It was apparent that the mother had been very protective and defensive of her child and was clearly concerned for her welfare while she was away. The family is also a member of a very conservative church.

A couple of weeks into the semester the Faculty member in charge of the student received a phone call from the Jenna's mother. It was 11:30 p.m. on a Friday evening. The mother was very upset and was making allegations that her daughter was being bullied and, worse still, she was being corrupted by the bad behaviour of the other students who were drinking wine, going out dancing, without inviting her, and returning home in the early hours of the morning. The following morning Jenna visited a faculty member to complain of being bullied and left out of social events; she was clearly very upset.

The other students are confronted by the faculty member and claim there is no bullying just "normal joking around", and that she is not being left out, but just does not want to participate in their social activities. In the meantime the mother has been to see the Department Chair and demanded that her daughter be either rehoused or allowed to come home. The suggestion is that the student move to the house of the Pastor of her church.

Questions

1. What should the faculty member and Jenna's fellow students do in this kind of situation?
2. Should Jenna move out of the student house? Why? Why not?
3. Who should be responsible for the welfare of the students when they are working off campus?

ERASMUS Summer Work Placement

by Jan Žufan and Donna Dvorak

The School of Hotel and Spa Management is a private university in the Czech Republic, established in 1990. The major fields of study are Hospitality Management at the undergraduate level, and Hospitality and Spa Management at the graduate level. Because hospitality management is inherently an international and multicultural field, various activities with companies, organisations, and schools abroad are an integral part of the curriculum.

In addition to participating in other bilateral activities, SHSM has been the holder of an ERASMUS University Charter, awarded by the European Commission, since March 2003. Based on this award, SHSM entered into a partnership for student exchanges with 22 public and private universities in 13 countries of the European Union and Turkey, which is also involved in the ERASMUS programme. SHSM students have been taking part in semester-long studies abroad at these schools since the 2002/2003 academic year. In 2005, SHSM received an Extended University Charter, which authorises it to organise not only study mobilities, but also work placements for students and school staff. For the work placements, SHSM cooperates with hotels in Greece, Portugal, Italy and Spain. The first students left for a three to four month work placement abroad in 2006, and students have continued to participate regularly from this time. The programme has proved to be very popular and provides the students with excellent work experience.

In June 2011, eight students (men and women) were chosen for a work placement in Spain. Their destination was a small resort town on the coast of Spain, where a Spanish hotel company was opening a new five-star hotel. The hotel was comprised of a main building and adjacent villas. There was a lobby with reception, two restaurants, two bars, several pools, an internet corner, a mini club, and a spa centre, including a heated indoor pool, whirlpool, sauna, massage, fitness centre, table tennis and tennis courts.

The work placement offer came from the hotel management. The General Manager had visited the Czech Republic at the beginning of the school year and offered SHSM places for eight students, with the agreement that part of the work would be in hotel operations, especially

servicing the guests in the hotel restaurant, and part would be in the form of “shadowing” the hotel management. At the time of the General Manager’s visit to the school, work on the hotel had not yet been completed. Construction was to be finished in time to welcome the first hotel guests at the very beginning of the summer season of 2011. Though the SHSM administration had some doubts, they finally agreed that the promise of the General Manager of a company operating hotels of the highest class was sufficient to ensure that the students would be well cared for. Finally, not everyone gets the chance to be at the commencement of operations at a five-star hotel.

After their arrival, the students were pleasantly surprised; they were accommodated in rooms designed for business clients but the feeling of pleasant surprise was soon overcome by a more unpleasant one – related both to their work and their care. The hotel had clearly been opened prematurely, with the logistics of preparation and of a permanent staff having been underestimated. Among other problems, the restaurant was lacking inventory, creating long waiting times for guests who had ordered food. The dishes in the kitchen had to be washed and reused in the course of one seating, and thus there were legitimate complaints about slow service. The servers, however, could not work faster because there was nothing to serve the food on. The staff and middle management, apparently hired in haste, did not know each other and tasks were not well-delegated. Furthermore, the food and beverage manager did not organise the staff’s shifts until the last minute. The students often learned too late when and where they were supposed to be working, and shift times were exceeded arbitrarily. Questions and complaints were dismissed by the food and beverage manager, or he reacted with personal attacks and accusations related to the students’ unwillingness to work hard. There were also problems with the food provided for the staff; a lack of fruit, dairy products and especially drinks in the hot Mediterranean climate led to the collapse of one student due to dehydration.

After a few days, the students began to contact the school about the situation via e-mail and then by telephone. After three weeks of continuous communication between the Czech Republic, Madrid - where the hotel company was headquartered, and the small town where the hotel was, the ERASMUS coordinator flew to the coast to do a spot check at the hotel itself. Following her personal intervention and negotiation with the hotel management, the situation improved. The students were offered better food (vegetables, fruit, and milk) and plenty of fluids, and shift changes began to take place smoothly and as planned. However, the situation once again worsened after the Erasmus coordinator’s departure. The students again

complained about the behaviour of the Spanish personnel (namely the food and beverage manager), the constant personal attacks, and even sexual harassment of the girls. At this point the SHSM programme coordinator began to negotiate with the National Agency for early termination of the work placement. Agency agreement was necessary to ensure that the students would not have to return funds to the Agency, because the funds had already been exhausted, and the students were contractually bound to participate in the work placement for four months. With the consent of the National Agency, two students gave up and returned home, ending their placements in mid-July. The others decided to persevere in the hope that the situation would improve.

At that time, differences began to culminate between the hotel management and the Spanish staff. There was a clear lack of communication which had led to a lot of animosity and blame from both sides. Operations were not running smoothly. Rooms were not cleaned in time, often leading to guests having to wait for long periods to check in. The restaurant kitchen continued to be under-stocked, leading to menu changes that the servers were not informed of. Staff found themselves working overtime, because no one had been scheduled to take over their shifts. The management accused the staff of being inefficient and lazy, when it was obvious to the staff that the management were not properly organizing and delegating tasks. Many of the staff responded to this incompetence by trying to do things in their own way, leading to further confusion, and other staff just waited passively for orders that never came. The result was a near breakdown in daily operations and a torrent of complaints from the guests. Some managers, who had clearly lost their authority and the respect of the staff, handed in their notice and left the hotel. The SHSM students were thus left in positions of responsibility where they had to make decisions about how to do things in order to keep the hotel operating. In this precarious situation, the General Manager of the hotel literally disappeared. He failed to appear for work, did not answer the telephone or emails, and could not be contacted in any way. Several days later, he was officially reported missing. The Spanish management then essentially dispersed or stopped doing their jobs altogether.

At that point, the SHSM students largely took over hotel management operations and tried to ensure basic services to keep the hotel functioning, that is providing the guests with food and tidy, clean rooms. This week was a gruelling week as the students had to apply their collaborative knowledge and skills to work together to prevent even greater problems. The students were also being advised by the ERASMUS coordinator and other school staff back in

the Czech Republic (this was during the summer holiday period when no one is usually at the school).

Only in this situation, did the hotel company finally respond to repeated calls and e-mails and send a representative from Madrid to the coastal town to deal with the situation. The representative apologised to the students, and appointed temporary hotel management. The situation calmed down, but unfortunately not for long. Some of the managers returning to the hotel were those who in recent weeks had given their notice and left the hotel. This brought back the personal attacks from middle management, likely related to the fact that students had shown the Spanish management to be replaceable. The students at this point were tired and losing their mental resilience. The family of the disappeared General Manager launched a criminal complaint against the hotel company. An investigation was begun and neither the company nor the local hotel management probably wanted to have independent witnesses to what had happened in the hotel. Therefore, the company offered to pay the students' tickets back to the Czech Republic and terminate the contract without any further claims or penalties. The students accepted this offer in mid-August, returning home with a thank you letter from the hotel company and the experience of a lifetime.

Questions

1. Should the school administration have accepted or rejected the hotel's offer of work placements for the students when the hotel was not yet open and no one from the ERASMUS programme yet had any experience with this company? Why? Why not?
2. After receiving consent from the National Agency, should all the students have returned home immediately? Why? Why not?
3. Should the students have taken the initiative – in the interest of the hotel guests – and taken over the daily hotel operations or should they not have become involved in the internal affairs of management?
4. Discuss how sexual harassment in the workplace is dealt with in your culture and by your legal system.

Day Trip Disaster

by Pat Aspey

Bob and May, a lively couple in their sixties were really enjoying their Baltic Cruise. The stirring sounds of the Reading Scottish Pipe Band had accompanied them on their departure from Southampton and, after a leisurely transit of the Kiel Canal; they had arrived at their first port of call, Sassnitz, the largest Island in Germany. As they were unfamiliar with the area they had decided to book a day trip. The weather was glorious and they were both very excited at the impending adventure.

Everything began according to plan. They were picked up on time and the friendly local courier introduced herself on the short journey to catch the Century old steam train “Racing Roland”. The views from the carriages were truly spectacular and soon the next stop on the itinerary was reached. It was at this point that the day began to go horribly wrong.

A tour of Jagdschloss Granitz, a 19th Century castle perched on top of a hill, had been arranged, and transport should have been laid on to take everyone up the steep incline. Unfortunately there were not enough seats and the party had to be split into two groups. Bob and May were in the first group and thoroughly enjoyed seeing the beautifully kept hunting lodge with its 125 foot high tower. However, they then had to stand outside in the heat of the day whilst the second group visited the tower; all of the further activities on the trip were subsequently delayed by 30 minutes. After re-boarding the coach and travelling to the seaside resort of Binz everyone was looking forward to a cool drink and a leisurely stroll along the promenade. They could not have been more wrong. The young, fit courier set the pace for the mile long walk from the coach park and, unable to keep up, the majority of the older people were left trailing behind.

On arrival at the sea front there were just 15 minutes left to admire the views, visit the shops and enjoy a welcome drink. Amidst loud protests the courier, sensing everyone’s mood, very grudgingly increased the stay to 30 minutes. Most of the elderly people were now so weary that they set off slowly back to the coach. After a short stroll on the pier the rest of the party joined them.

Back on the ship Bob and May felt that a formal complaint was fully justified.

Questions:

1. What key issues were not addressed in the planning of the trip?
2. Was the formal complaint justified? Why? Why not?
3. How might the organisers of the trip have anticipated and avoided the problems?

Budget Flights, Operating Costs and Safety

by **Gopal Srinivasan**

The country of Swedway was a very lucrative market for the aviation industry, where the growth rate had been high, although dominated by domestic flights. There were both state-owned and private operators in the domestic airline market including: Swedway express (state controlled); Talbyrd (privately owned); Maroon (privately owned); Kurt airways and Kurt baby (privately owned) and Pepper jet (privately owned). Initially, the airline operators did well due to high growth rate; they perceived great future potential for business. However, things started to go wrong for Talbyrd and Swedway express, both of whom reported heavy losses because of high operating costs, cut throat competition, high fuel charges and customers seeking high value for money.

In a financial audit that took place in March 2012, the Civil Aviation Authority (CAA) raised concerns about the safety practices followed by almost all the domestic carriers and the federal aviation regulator called into question the safety of the domestic airlines. Furthermore, a shortage of operating personal in the country's most respected firm, Kurt airways, was noted. More than 150 pilots left the cash stripped Talbyrd airways because of outstanding salary issues, putting high pressure on management to train new staff. The CAA claimed that the high fuel charges and cut throat competition had forced the airline operators to compromise on the maintenance, hence the potential safety, of their fleets.

Questions

1. What might be the consumer's perspective when reading national newspaper articles about the above issues?
2. What are your views on the statement: "Cheap travel doesn't mean safe travel!"
3. Is it reasonable to recover the maintenance and safety charges from passengers?
Discuss.
4. How might this crisis situation be rationalised?

Recommended Reading

Forsyth, P. (2005). (ed.) *Competition versus predation in Aviation markets: A survey of experience in North America, Europe and Australia*, Ashgate, Aldershot.

Volcox, M. W. and Mohan, T. O. (2007). (eds.) *Contemporary issues in business ethics*, Nova Science Publishers Inc., New York, pp. 135-148.

Floris, T. G. and Yilmaz, A. K. (2011). *Risk management and corporate sustainability in Aviation*, Ashgate Publishing Limited, Fareham, Surrey, pp. 155-161.

http://en.wikipedia.org/wiki/Aviation_accidents_and_incidents [accessed 25 April, 2012].

Part 2

Revealed Case Studies

Importance of Quality Staff

by Klára Karakasné Morvay

The Hotel Brilliance SPA**** is located in a popular location in a famous thermal city in Hungary. Due to its wide range of wellness services it has a strong and favourable national and international image. About 30% of its clientele return regularly and serious efforts are being made to maintain the hotel's quality, although it has been hit by the economic crisis. The General Manager of the hotel, Mr Wolf, is pleased to read the positive comments in their electronic guest book. However, one day he sees the following comment from a recent guest:

“When I checked out yesterday, I overheard a discussion between a receptionist and a waiter. The young waiter complained loudly that he didn't get his tip, as it was added to the room account. As the guest paid the total sum at the reception, the receptionists simply divided the tips amongst themselves. I do not know who was right, but I was disappointed. However, they both agreed on one point: the guests who booked discounted offers were greedy. As I could afford only the discounted package, I took this comment as a personal insult. Although I did not complain to anybody about it, however, I felt like this event ruined the positivism of the whole of my relaxing stay there. If the staff have such a negative attitude to the guests then I would never come back to your hotel! Even if it you let me stay free of charge!”

Mr Wolf called for Mr. Barta, the Human Resources Manager and, after reading the complaint to him, he said anxiously: *“Such things always annoy me! It is not worth spending so much on the infrastructure if such cases of gossiping staff sabotage our efforts! It is your job to train the staff properly!”*

Mr. Barta replied angrily: *“In recent years there has been one overriding specification regarding staffing: make it as cheap as possible! Due to the rapid decrease in guest numbers, we had to dismiss a lot of our workers. I can only keep within the staffing budget if I employ half of the restaurant's staff from an outside agency on a casual basis. We just call them in on weekends when the occupancy rate increases.”*

Mr. Wolf said: *“I apologise. If we lose our guests, it will just make our situation worse. Don't you think that we should organise a fast training for all staff?”*

Mr. Barta responded: *"In the restaurant there is a very high turnover amongst the temporary workers, so we should have training every two weeks. Anyway, it's easy to give them professional knowledge but how can we change their attitude?"*

Mr. Wolf observed: *"Are you absolutely sure that your selection process is sound?"*

Mr. Barta retorted: *"I don't have much freedom! For the Front Desk we selected the workers only by their educational qualifications and their ability to use the new software. The applicants with these attributes are mostly young people who do not have much experience of dealing with customers and they cannot cope with pressure. However, they are cheaper to employ than the older workers. I discussed the latest candidates with the Front Office Manager. He refused two CVs because they weren't prepared properly. Nevertheless, I told him to call both of these applicants in for interview but he did not give them the chance. I think he should take applicants' personalities into consideration as well."*

Mr. Wolf remarked: *"Why didn't you do the interviews?"*

Mr. Barta commented: *"Because I have a massive backlog of administration due to the change in the legislation! I never finish on time, and it did not help that I had to dismiss my assistant... There is increasing tension amongst our own staff. This is the third year in which we have had to overload them with extra work. We withdrew the cafeteria to save money, the staff turnover is growing and, in turn, the expenditure on recruitment."*

Mr. Wolf pointed out: *"I did not realise that some of these problems existed. We have to talk about these issues in the director's meeting on Monday. Please, be prepared! You have to outline the problems and I require your suggestions for resolving them!"*

Mr. Barta stated: *"Right. I know something about the problems but I think we need to force the Heads of Departments to come up with some solutions."*

Questions and Activities

1. If you were Mr. Wolf, how would you react to the complaint in the guest book?
2. Evaluate the advantages and disadvantages of employing casual and permanent staff.
3. Make a check list of the requirements for the Front Office and Food and Beverage job applicants.

4. How would you motivate the staff in this situation?
5. How would you explain the significance of the guest-oriented approach? Make suggestions for the topics for such a training.

Recommended Reading

Murasiranwa, E.T., Nield, K. and Ball, S. (2010). *Hotel Service Quality and Business Performance in five hotels belonging to a UK Hotel Chain*. Paper presented at ICHRIE conference, July 28th -31st, San Juan, Puerto Rico.

Cultural Intelligence in a Luxury Hotel in Qatar

by Matthew H. T. Yap

Globalisation of the hotel industry has resulted in employees from diverse cultural backgrounds working together (Baum et al., 2007). As such, the movement of culturally diverse workers has helped to ease the shortage of qualified manpower in the hospitality industry of emerging economies (Devine, Baum, Hearn and Devine, 2007). In addition, culturally diverse employees and teams, when managed intelligently, appropriately and fairly, can generate many benefits to enhance the competitive advantage of organisations in the long run (Sizoo, Plank, Iskat and Serrie, 2005; Seymen, 2006). However, intelligent management of workers and teams from culturally diverse backgrounds is complex and challenging (Thomas and Inkson, 2003; Lewis, 2005) as portrayed in the following case.

Hotel Lux is a five star, five diamond property with a private beach, situated on the waterfront and overlooking the scenic Arabian Gulf in Doha. This hotel operates on an average of 70% occupancy rate and has 600 rooms, five food and beverage outlets, meeting and conference facilities, and spa and wellness services. The hotel attracts mainly international customers and the breakdown is 65% businessmen and 35% tourists. In order to provide quality services to the demanding customers 24 hours a day, seven days a week, Hotel Lux employs more than 500 employees from more than 30 countries. Although Hotel Lux is located in a predominantly Islamic community, the employees represent diverse religious backgrounds including Islam, Christianity, Hinduism, Buddhism and others.

Beat, a Swiss national with more than 20 years of extensive hotel managerial experience in Europe and Asia, is the General Manager of Hotel Lux. He is assisted by Thomas, the Assistant General Manager, and six division heads (Robert, Sarah, Pedro, Wing Yee, Lubna and Gustav) as displayed in the organisation chart (Figure 1). Beat has a strong personality and he likes to voice his strategies and management visions in the weekly meeting that he organises jointly with Thomas and the division heads. He also likes his colleagues and subordinates to execute his management visions and to adopt his strategies. However, he encourages his colleagues to share their ideas and thoughts freely in all meetings. Robert, Gustav and Thomas were often outspoken and they dominated the meetings with their arguments, discussions and opinions.

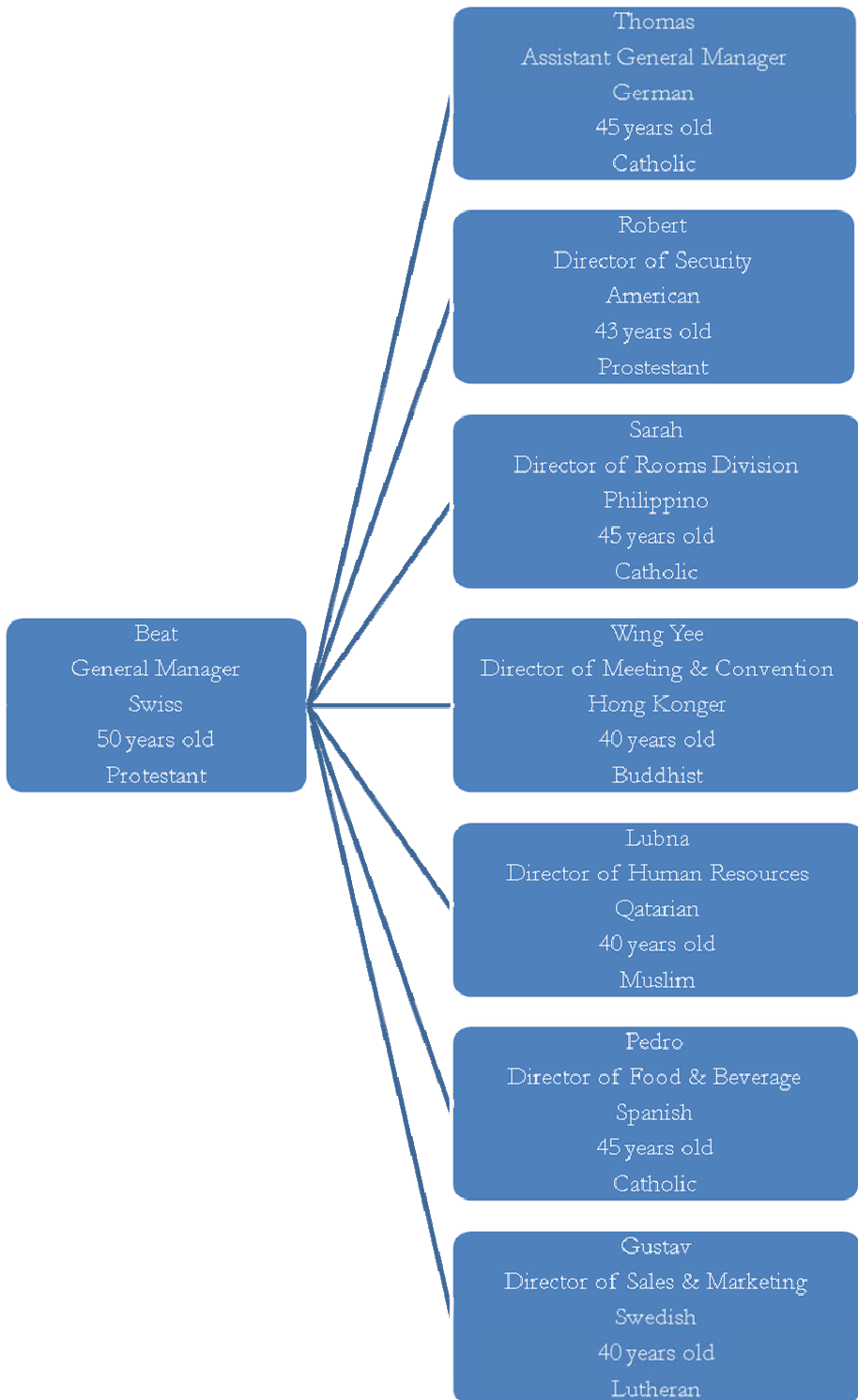


Figure 1 Organisation Chart for Hotel Lux

In many cases they disagreed openly with Beat's strategies and suggestions. Lubna and Wing Yee viewed these disagreements as rude and disrespectful to Beat. Hence, Beat often received support from Lubna and Wing Yee. Sarah, unlike Lubna and Wing Yee, enjoyed sharing her ideas with her colleagues. However, Pedro showed the least support to Sarah and he often made patronising remarks about her ideas. Robert, Gustov and Thomas frequently argued aggressively amongst themselves. Wing Yee disapproved of such behaviour in meetings as she believed in patient reflection and harmonious decisions.

Questions

1. What are the advantages and disadvantages of having a diverse workforce or teams?
2. In the context of cultural and value dimensions, explain the rationale behind the behaviour of the management of Hotel Lux during their weekly meetings.
3. What methods would you employ to manage diverse workforce or teams intelligently?

References

- Baum, T., Dutton, E., Karimi, S., Kokkranikal, J., Devine, F. and Hearn, N. (2007). Cultural diversity in hospitality work, *Cross Cultural Management: An International Journal*, Vol. 14, No. 3, pp. 229-239.
- Devine, F., Baum, T., Hearn, N. and Devine, A. (2007). Managing cultural diversity: Opportunities and challenges for Northern Ireland hoteliers, *International Journal of Contemporary Hospitality Management*, Vol. 19, No. 2, pp. 120-132.
- Hofstede, G.H. (2001). *Culture's Consequences: Comparing, Values, Behaviors, Institutions and Organizations Across Nations* (2nd Ed.), Sage Publications, Thousand Oaks, CA.
- Hofstede, G.H., Hofstede, G.J. and Minkov, M. (2010). *Cultures and Organizations: Software of the Mind* (3rd Ed.), McGraw Hill Companies, New York, NY.
- Lewis, R. (2005). *When Cultures Collide: Leading Across Cultures* (3rd Ed.), Nicholas Bradley Publishing, Boston, MA.
- Schwartz, S.H. and Sagiv, L. (1995). Identifying culture specifics in the content and structure of values, *Journal of Cross-Cultural Psychology*, Vol. 26, No. 1, pp. 92-116.
- Seymen, O.A. (2006). The cultural diversity phenomenon in organisations and different approaches for effective cultural diversity management: A literature review, *Cross Cultural Management: An International Journal*, Vol. 13, No. 4, pp. 296-315.
- Sizoo, S., Plank, R., Iskat, W. and Serrie, H. (2005). The effect of intercultural sensitivity on employee performance in cross-cultural service encounters, *Journal of Services Marketing*, Vol. 19, No. 4, pp. 245-255.
- Thomas, D.C. and Inkson, K. (2003). *Cultural Intelligence: People Skills for Global Business*, Berrett-Koehler Publishers, San Francisco, CA.

Recommended Reading

Ang, S. and Van Dyne, L. (2010). (eds.) *Handbook of Cultural Intelligence: Theory, Measurement, and Application*, M.E. Sharpe, Armonk, NY.

Devine, F., Baum, T., Hearn, N. and Devine, A. (2007). Managing cultural diversity: Opportunities and challenges for Northern Ireland hoteliers, *International Journal of Contemporary Hospitality Management*, Vol. 19, No. 2, pp. 120-132.

Herdman, A.O. and McMillan-Capehart, A. (2010). Establishing a diversity program is not enough: Exploring the determinants of diversity climate, *Journal of Business and Psychology*, Vol. 25, No. 1, pp. 39-53.

Mor Barak, M.E. (2010). *Managing diversity: Toward a globally inclusive workplace* (2nd Ed.), Sage, Thousand Oaks, CA.

Schneider, S.C. and Barsoux, J-L. (2003). *Managing Across Cultures*, Pearson Education Limited, Essex.

Hotel Work Performance Issues in China

by Matthew H. T. Yap

Over the last few decades, China has gained rapid growth in the hotel industry due to economic transformation and modernisation (Kong and Cheung, 2009). The demand for overnight accommodation for leisure and business travellers continues to grow (Yu and Gu, 2005). The Chinese hotel industry is both capital and labour intensive, and it is competing with other service industries for qualified manpower to serve demanding customers (Singh, Hu and Roehl, 2007). However, the hotel industry is unique in comparison to other industries in the economy because it manufactures and sells its services and products simultaneously (Dittmer, 2001). Hence, a hotel's survival is dependent on its employees performing well in their jobs in order to provide quality service to attract and retain customers (Ottenbacher, Gnoth, and Jones, 2006). Hotel work performance can be studied via five aspects: work enthusiasm; readiness to innovate; job performance; understanding work duties; and work skills (Suliman, 2007). As such, high work performance can be achieved through the adoption of a combination of strategies like team work, training and development, corporate and financial support, performance management, a conducive workforce and organisational culture (Connolly and McGing, 2007). However, assessing work performance fairly and accurately can be complex and challenging as recent assessment methods tend to focus on the subjective perceptions of employees and customers (Connolly and McGing, 2007; Cruz, 2007; Allen, Dawson, Wheatley and White, 2008). In addition, studies of Chinese hotel employees' work performance issues are scarce (Kong and Cheung, 2009). Hence, the following case provides hoteliers, students and educators a platform from which to discuss hotel work performance issues in an emerging economy in Asia.

Extravagance is an independent local family-owned five star hotel located near the financial centre of Beijing; it has been open for one year. The owners have made a huge capital investment, ensuring that the best materials and latest technology was used in the construction of the building. In addition, they spared no expense in acquiring top quality furniture, fixtures, fittings and decorations to ensure the highest level of comfort for their hotel guests. The hotel employed a full complement of staff in order to meet the five star customers' expectations. The owners were happy and satisfied when the average occupancy rate for the hotel was 85%

over the first six months. The majority of the customers were local and the remainder were Japanese businessmen. However, the owners were puzzled and concerned as they saw the occupancy declining gradually to 45% at the close of the first year of operation. The owners determined that the decline in the hotel's occupancy rate had not resulted from the economic climate as China's economy was booming. As Hotel Extravagance was the owners' first venture, they hired a western consultant, Jim, to fully audit and evaluate the hotel's performance in order to identify the causes of the occupancy declination.

Jim noted that the completed guests' comment cards were kept in a box and stored in a corner in the office of the Director of Rooms Division. He found out that they had not been read or evaluated and no-one had reacted to or replied to the guests' negative comments. Jim spent a lot of time evaluating these guests' comment cards and talking to employees representing all the departments. He read that some guests recognised they had received good value for their money. However, many of them commented that the service level did not meet five star standards and some guests stated that they would not return due to the hotel employees' poor job performance. After talking to the hotel managers, Jim found out that the hotel had no performance management or measurement system, and the owners were not supportive of training and development, partly due to their lack of funds. The frontline employees acknowledged that they did not fully understand their work duties, they were not competent in all of the requisite work skills and they did not appreciate the importance of team work. They had been trained on-the-job by doing what they were told to do without understanding the rationale behind many of their tasks. At times they felt frustrated and did not feel enthusiastic about their jobs. Jim concluded that the sharp decline in the occupancy rate had resulted from work performance issues in Hotel Extravagance. After reading the report from Jim, the owners requested Jim to provide appropriate recommendations.

Questions

1. What recommendations would you provide to the owners and managers of Hotel Extravagance in relation to the completed guests comment cards?
2. How should the owners and managers appraise employees' work performance?
3. Outline a system for inducting, mentoring, training and rewarding new and existing employees.

References

- Allen, R.S., Dawson, G., Wheatley, K. and White, C.S. (2008). Perceived diversity and organizational performance. *Employee Relations*, Vol. 30, No. 1, pp. 20-33.
- Armstrong, M. and Baron, A. (2005). *Managing Performance: Performance Management in Action*, Chartered Institute of Personnel and Development, London.
- Connolly, P. and McGing, G. (2007). High performance work practices and competitive advantage in the Irish hospitality sector, *International Journal of Contemporary Hospitality*, Vol. 19, No. 3, pp. 201-210.
- Cruz, I. (2007). How might hospitality organisations optimize their performance measurement systems? *International Journal of Contemporary Hospitality Management*, Vol. 19, No. 7, pp. 574-588.
- Dess, G.G. and Robinson, R.B. (1984). Measuring organisational performance in the absence of objective measures: The case of the privately-held firm and conglomerate business unit, *Strategic Management Journal*, Vol. 5, No. 3, pp. 265-273.
- Dittmer, R.P. (2001). *Dimensions of the Hospitality Industry*, John Wiley and Sons, New York, NY.
- Kong, H. and Cheung, C. (2009). Hotel development in China: A review of the English language literature, *International Journal of Contemporary Hospitality Management*, Vol. 21, No. 3, pp. 341-355.
- Ottbacher, M., Gnoth, J. and Jones, P. (2006). Identifying determinants of success in development of new high-contact services, *International Journal of Service Industry Management*, Vol. 17, No. 4, pp. 344-363.
- Singh, N., Hu, C. and Roehl, W.S. (2007). Text mining a decade of progress in hospitality human resource management research: Identifying emerging thematic development, *International Journal of Hospitality Management*, Vol. 26, No. 1, pp. 131-147.
- Suliman, A.M.T. (2007). Links between justice, satisfaction and performance in the workplace: A survey in the UAE and Arabic context, *Journal of Management Development*, Vol. 26, No. 4, pp. 294-311.
- Yu, L. and Gu, H. (2005). Hotel reform in China: A SWOT analysis, *Cornell Hotel and Restaurant Administration Quarterly*, Vol. 46, No. 2, pp. 153-169.

Recommended Reading

- Armstrong, S. (2010). *The Essential Performance Review Handbook: A Quick and Handy Resource for any Manager or HR Professional*, Career Press, Franklin Lakes, NJ.
- Kong, H., Cheung, C. and Zhang, H.Q. (2010). Career management systems: What are China's state-owned hotels practising? *International Journal of Contemporary Hospitality Management*, Vol. 22, No. 4, pp. 467-482.
- Meigham, M. (2000). *Induction Training: Effective Steps for Investing in People*, Kogan Page Limited, London.

Su, A. Y-L. (2004). Customer satisfaction measurement practice in Taiwan hotels, *International Journal of Hospitality Management*, Vol. 23, No. 4, pp. 397-408.

Wisner, J. D. (1997). An empirical study of customer comment card quality and design characteristics, *International Journal of Contemporary Hospitality Management*, Vol. 9, No. 3, pp. 110-115.

Strategies for Facilities' Planning

by Anna Šenková

Basic Information about the Restaurant “Gazdovsky Dvor “(Homestead Yard)

In 2001 Ann and Paul, an enterprising couple, bought the Restaurant “Gazdovský Dvor” in Slovakia. They were eager to establish a restaurant which offered fine food in the regional style and in simple surroundings. They managed to make their dream come true and, during the following seven years, the restaurant fulfilled their vision. The restaurant offered delicious food and the staff were of a high quality. Ann and Paul were very proud of themselves as they ran one of the best rated restaurants in the whole region. Even though the restaurant was successful, its revenue was decreasing over the last few months. Paul thought that the main reason for the decrease was increase in the number of cars on the roads. In consequence, more and more people were visiting restaurants that were further a-field. He was sure that his restaurant was still as excellent as before and he maintained this viewpoint.

The Location of the Restaurant

The Restaurant Gazdovský Dvor is located on a 1st class road and is 5 km. from the big cities X and Y. It is also easily accessible from the road E-1, the highway which connects the eastern and western parts of the country. At the time when the couple bought the restaurant, the 1st class road was an important transport route. Paul and Ann knew that, in the future, a system of highways would be constructed not far from the restaurant. They believed that the main key to their success would be the restaurant's impressive quality image that would attract customers; only very few passers-by looking for food would not visit. The restaurant was clearly visible from the 1st class road and there were a lot of parking spaces. The restaurant was built on a slope and the main dining room was located about seven metres away from a brook. All of the guests had a wonderful view of the surrounding countryside. From the other side of the restaurant there was a nice view of a lake with a mill and a small waterfall.

Personnel Policy

Ann and Paul owned and ran the restaurant. Ann was on maternity leave and she was writing a cookery-book with her own recipes. Paul was the main initiator of all the decisions concerning the functioning of the restaurant. His cooperation with the executive manager, Kate, was very

efficient. The post of the chef had been free for a month as the previous chef, who had been working at the hotel for seven years, had retired. At present, a cook had taken over his duties. The role of the chef was to be in charge of preparing the daily menu and supervising the functioning of the kitchen. S/he was responsible for the control of expenditure on food and drinks and the tips. Paul and Ann did not advise on this control system but left it to the chef. Every new service provider (waiter/waitress) had to undertake a seven to 10 day training course and had to work under the guidance and mentorship of one of the experienced workers in the restaurant. Ann and Paul required a strict discipline. Providing high quality service was a part of the restaurant's tradition and that is why the owners considered this training course to be essential.

Catering Services

Opening hours for customers were from 11 a.m. to 10 p.m. on weekdays and from 8 a.m. to 10 p.m. on Sundays. Early lunches were offered at weekends. The Restaurant was closed at Christmas time and offered only a small menu at Easter. All the food and drinks were typical for the region and the revenue from the sale of the chef's specialities contributed a substantial part of the revenue for catering. Paul and Ann constantly emphasised the need to achieve and keep the high quality of food and drinks. They insisted on the chef buying ingredients of the best quality. The view of the customers was different from those of Ann and Paul. Even though most of the customers enjoyed having meals in the restaurant, the general opinion prevailing was that the quality of catering had decreased; the food was not of such a high quality as it used to be.

Customers

The visitor numbers peaked was during the high season, that is, from May to the end of autumn with the highest numbers of guests in July and August. The majority of the customers were elderly people - the inhabitants of the nearby towns of X and Y, families and some commercial travellers. The majority of the customers also came from the local region and due to the proximity of the restaurant to the 1st class road, 90% of the customers used to return to the restaurant. Kate acquired this information from the reservations' book and, from the record of the telephone reservations, which were processed and assessed monthly. However, the management believed that the main market segment could be commercial travellers, who used the services of the restaurant for business lunches and dinners. The restaurant also provided services for local entrepreneurs, who booked rooms for meetings and banquets. In

spite of the fact that Kate had sent brochures and leaflets with offers to the biggest tour operators in the country and abroad, bus tours comprised only a small part in the total income of the restaurant.

The Competition

There were no restaurants in the surrounding area. From the point of view of geographical location, the restaurant complex “St. Nicholas Restaurant” could be considered the nearest competitor. It was located about five km away from the restaurant *Gazdovský Dvor*. The competitor was also located close to the 1st class road. However, the entrance into the complex was dangerous to negotiate for entering and exiting traffic due to a very sharp bend. The local shopkeepers, who often had lunch in the restaurant, comprised the main market segment. Young people (under 30), who were attracted by the informal atmosphere, special salads and entertaining piano programme, formed another market segment.

The restaurant *Senator* was in direct competition to *Gazdovský Dvor* in the evening. This restaurant was located very close to the approach road to town X, approximately 10 km to the southeast of *Gazdovský Dvor*. It was situated in the countryside and away from the main road. The restaurant offered French specialities.

In town X there was a historical inn, which was a very attractive place especially for groups of tourists, in particular, elderly people.

In town X, there were motels, family restaurants and fast food outlets that did not belong to the same category as *Gazdovský Dvor*. Paul blamed the competition in town X for the decreasing income in *Gazdovský Dvor*. The number of restaurants in Town X constantly increased and, at the same time, the number of young people living in the town was growing.

Conclusion

Paul had been satisfied with the sales in the restaurant in previous years but the takings had gone down recently. Although Paul decided to lay off some staff during the low season from January to March, the takings during the following shoulder and high seasons continued to fall. To lower the costs, Paul considered further redundancy.

Paul's view was that the conference and banqueting business attributed to the local entrepreneurs now contributed to most of Gazdovský Dvor's income so he planned to enlarge the conference and banqueting rooms. However, he was not sure in which direction to go to achieve the previous takings and to improve the profitability of Gazdovský Dvor.

Questions and Activities

1. Make a SWOT-analysis of the given restaurant.
2. Using your current knowledge and experience in management and marketing, what advice would you give to Paul and Ann?
3. Work out a "mini-strategy" for Gazdovský Dvor for 3 successive years.

Recommended Reading

Kotler, P., Bowen, J. and Makens, J. (2009). *Marketing for Hospitality&Tourism* (5th Ed.), Pearson Prentice Hall, Upper Saddle River, NJ.

Restaurant SWOT Analysis. [on-line] available from:
<http://www.restaurantdoctoruk.co.uk/SWOTanalysis.htm> [accessed 2 April 2012]

SWOT Analysis of Restaurant Essays and Term Papers. [on-line] available from:
<http://www.oppapers.com/subjects/swot-analysis-of-restaurant-page1.html>
[accessed 2 April 2012]

Free Restaurant Marketing Strategies Tips and Information. Online Restaurant Marketing Resources. [on-line] available from: <http://www.myrestaurantmarketing.com/>
[accessed 2 April 2012]

How to Attract New Customers and Make Them to Return More Often. [on-line] available from: <http://www.restaurantmarketingzone.com/> [accessed 2 April 2012]

Is there a Sustainable Tourist? The Case of the Western Costa del Sol

by Yaiza López-Sánchez and Juan Ignacio Pulido-Fernández

Nowadays, experts agree that there are many tourist destinations on the Spanish coast in an advanced stage of maturity requiring a long comprehensive restructuring process (Bramwell, 2004; Vera and Rodríguez, 2011). Among these destinations, the Western Costa del Sol (Andalusia, Spain) stands out as the typical sun and sand destination that needs to renew its tourism development patterns, which might even imply the adoption of a new tourism model. However, for sustainable tourism development to be achieved, not only must tourism production (product/services) follow sustainable patterns at all stages, but also the end customer, in this case the tourist, being the main element of the tourism system, should know and value the principles of sustainability and maintain a responsible behaviour at the destination, thereby contributing to the achievement of the sustainability goals (Pulido and López, forthcoming).

In order to analyse tourists' levels of knowledge about the concept of sustainability in the Costa del Sol, a structured survey was conducted in the municipalities that make up this destination. Primary data were collected from 818 tourists during the months of July and August 2011. This information was crucial in finding to whether respondents understood the true value and meaning of a destination that is sustainable or, at least, that makes efforts to move towards more sustainable processes. In fact, the options include actions directly related to the basic pillars of sustainability (social equity, economic efficiency and environmental conservation (Nijkamp, 1990).

As shown in Table 1, there is widespread belief that sustainability is directly linked to environmental conservation (94.5%), which shows the traditional tie, almost exclusively between sustainability and environmental issues due to the outdated idea that the sustainability of a destination is only achieved through actions in favour of the conservation and maintenance of the environment, the conservation of the biodiversity, the rational use of natural resources, etc. (Lim and Cooper, 2009).

Table 1 Knowledge of the Concept of Sustainability by Tourists

A tourism destination being sustainable implies...	Yes (%)	No (%)
respecting and caring for the environment	94.5	5.5
local businesses benefiting from tourism	71.4	28.6
allowing an increase of the number of tourists per year	51.7	48.3
tourism improving the living conditions of the local population	61.7	38.3
the destination being able to continue to grow	52.0	48.0
destination's residents being able to decide about tourism growth	45.1	54.9
the destination being able to satisfy any of the tourists' needs	60.6	39.4

With regard to the social and economic benefits that sustainable management should mean for the territory, 71.4% of respondents considered that local businesses should benefit from a sustainable tourism destination, and 61.7% of them defended the idea that sustainable tourism should improve the standard of living of the local population. However, the percentage of agreement fell (45.1%) when the residents themselves were proposed to act as the decision makers involved in the tourism growth of the destination. It would appear logical that tourists consider that the local population should participate in the decision making process, since it has direct effects on their quality of life; residents are a fundamental part of the destination, as tourists interact and coexist with them during their stay and residents may be the direct beneficiaries of this economic activity although they can suffer the costs and impacts of any tourism mismanagement. However, this is not the case, at least, for the majority of those polled, who think that residents should not participate in these decisions.

It seems that the respondents were aware of the implications of sustainable tourism development in some of its dimensions, with environmental dimension scoring the highest (94.5%). Nevertheless, 60.6% of respondents believed that the destination should satisfy all of the tourists' needs, regardless of whether the local character and values were respected, putting the satisfaction of their own wants and needs before the respect and care for the host community.

Finally, more than half of the respondents (51.7%) believed that sustainable tourism permits an increase in the number of tourists every year or, at least, that the destination can continue to grow (52.0%) sustainably. They would appear to measure the effectiveness of sustainable

tourism in terms of quality, and not only of quantity. The fact that a destination continues to grow does not implicitly mean that the area has to aspire to increased long-term development, as the growing environmental and social costs may soon outweigh the economic benefits.

It was evident that some respondents were ignorant of the meaning of sustainability; 70.2% of them affirmed that the Western Costa del Sol is a sustainable tourism destination. This finding is of considerable concern, since the area is one of the Spanish tourism destinations where a huge investment effort is being made to build a new model in which all agents agree to acknowledge it as unsustainable. Finally, with respect to the willingness of tourists to pay if the destination's commitment to sustainability would result in a rise in the price of the tourism product, more than three-quarters of respondents (76.2%) would refuse to pay more for their stay.

It is evident, therefore, for the destination Western Costa del Sol, that tourist behaviour as far as the sustainability of the destination is concerned, does not translate ultimately into a higher economic valuation of the characteristics and values represented by a sustainable destination; only 23.84% of respondents observed added value in the destination as a result of the incorporation of sustainable practices and, therefore, would be willing to pay a higher price for their stay.

An analysis of the reasons for the negative response (See Table 2) revealed that that 56.8% of the respondents did not believe in such contributions, indicating scepticism regarding the final results that this commitment to sustainability would mean for the area. Likewise, 42.7% claimed indifference to such matters.

Furthermore, almost half of respondents (47.0%) thought that if a destination was more sustainable, it would be due to more efficient management of the resources and facilities, and therefore there should be no reason to raise the prices of the tourism products. It is noteworthy that 72.9% did not support the idea that businesses assume the costs, which shows that tourists do not shift such responsibilities to the private sector unilaterally. However, 41.0% believed that the administration should undertake these investments, as tourists already contribute with their taxes.

Table 2 Reasons for the Refusal to Pay more for a Sustainable Tourism Destination

	Yes (%)	No (%)
I do not care about these issues	42.7	57.3
I prefer to spend my money on social purposes	7.9	92.1
I do not live here. I'm on holidays, so this a problem of the local population, not mine	10.2	89.8
I do not believe in this kind of contribution. In the end, everything will remain the same	56.8	43.2
I would do it, but I cannot afford it at the moment	18.0	82.0
I contribute with my taxes, then the Government should assume these investments	41.0	59.0
Most impact is generated by businesses, so these costs should be charged to them	27.1	72.9
I do not believe that a sustainable destination has to be more expensive, but more efficient in its use of resources	47.0	53.0
I do not have enough information to make a decision	31.2	68.8

Questions

1. If the Western Costa del Sol aimed to position itself in the tourism market as a sustainable destination, should it keep the current type of tourist or should it adjust its tourism offer to other demand segments? Explain your answer.
2. At the moment, numerous studies support the idea that tourists are becoming more responsible to the destinations they visit. Do you think that these new values of tourists influence their destination choice or that, in fact, the price remains the key variable in that choice?
3. What kind of measures of information-awareness-action could the destination implement for its visitors to value its efforts regarding sustainability and be willing to pay for it?
4. In your opinion, what is the main reason that best justifies the unwillingness of tourists to pay among those presented in Table 2? Why?

Recommended Reading

Bramwell, B. (2004). Mass tourism, diversification and sustainability in Southern Europe's coastal regions. In B. Bramwell (ed.) *Coastal mass tourism: diversification and sustainable development in Southern Europe*, Channel View, Clevedon, pp. 1-31.

Lim, C. and Cooper, C. (2009). Beyond Sustainability: Optimising Island Tourism Development, *International Journal of Tourism Research*, Vol. 11, No. 1, pp. 89-103.

Nijkamp, P. (1990). *Regional sustainable development and natural resource use*, World Bank Annual Conference on Development Economics, Washington D. C.

Pulido, J.I. and López, Y. (forthcoming). Regeneration of mature coastal tourism destinations. Three case studies in Spain. In T. Mihalić and W.C. Gartner (eds.) *Developments, Issues and Challenges*, Nova Science Publishers, Inc., New York.

Rheem, C. (2009). *PhoCusWright's Going Green: The Business Impact of Environmental Awareness on Travel*. PhoCusWright Inc, Sherman (USA) [on-line] available from: <http://travelgreen.org/files/PhocusWright.pdf> [accessed 5 April 2012].

Travelhorizons (2009). *American travelers more familiar with "green travel" but unwilling to pay more to support it* [on-line] available from: <http://www.ustravel.org/news/press-releases/american-travelers-more-familiar-%E2%80%98green-travel%E2%80%99> [accessed 2 April 2012].

TripAdvisor (2007). *TripAdvisor Travelers Keen on Going Green* [on-line] available from: http://www.tripadvisor.com/PressCenter-i2285-c1-Press_Releases.html [accessed 2 April 2012].

Vera, J.F. and Rodríguez, I. (2011). *Tourism strategies for the renovation of mature coastal tourist destinations in Spain* [on-line] available from: <http://blogs.ua.es/renovestur/files/2010/03/Tourism-Strategies-for-renovation.pdf> [accessed 3 April 2012].

How to Die of Success: The Case of Machu Picchu

by Juan Ignacio Pulido-Fernández and Yaiza López-Sánchez

The Historic Sanctuary of Machu Picchu (HSMP), known worldwide as "the lost city of the Incas", is nowadays one of the main tourist attractions of the world. Discovered by the North American archaeologist and statesman Hiram Bingham on 24 July 1911, Machu Picchu is today one of the most important cultural relics in Peru and the world, designated as a Cultural and Natural Heritage Site by UNESCO¹ in 1983 and protected by the Peruvian government, which seeks to preserve the geological formations and archaeological sites within the Sanctuary, as well as to protect its flora, fauna and scenic beauty (UNWTO, 2004).

Since 1950, there has been a growing tourist interest in this site and, consequently, the development of infrastructure and services needed to serve the visitors has been increased. Although it was from the early 1980s that the highest volume of tourist flows to date to this destination took place, due to the Shining Path (Sendero Luminoso), terrorist insurgency and the economic problems that Peru was going through, this activity declined significantly and did not revive until 1992, when the social violence ceased. Since then, the influx of tourists has grown dramatically. As may be observed in Table 1, between 2004 and 2011 the number of visitors has increased by 83.51%. The highest level of occupancy occurs in 2011, when the HSMP receives the greatest volume of tourist flows in its history, with 832,143 visitors, 42.61% more than the previous year (583,480 visitors). Even during the months of January and February 2012, the HSMP received a total of 130,287 visitors, that was 27.27% more than during the same months in 2011 (102,373 visitors), which confirms its steady tourism growth at the present time².

Table 1 Total Tourist Arrivals to Machu Picchu (2004-2011)

2004	2005	2006	2007	2008	2009	2010	2011	Var. 2011-2004	%
453,456	540,304	552,255	657,765	716,289	685,507	583,480	832,143	83.51	

Note: In February and March 2010, due to the natural disasters (23-01-10), it was decided not to allow access to visitors. Source: Ministry of Culture – Regional Office of Culture – Cuzco.

Available

at: http://www.mincetur.gob.pe/newweb/portals/0/turismo/sitios/%20turisticos/Cus_MAPI_Ciudad_ILleg_Nac_Extra.pdf [accessed: 6 April 2012].

¹ Available from: <http://whc.unesco.org/en/list/274> [accessed 16 April 2012].

² Available from: http://www.mincetur.gob.pe/newweb/portals/0/turismo/sitios/%20turisticos/Cus_MAPI_Ciudad_ILleg_Nac_Extra.pdf [accessed 6 April 2012].

Moreover, Machu Picchu is currently considered one of the Seven Wonders of the modern world. In 2007, the "New Seven Wonders of the World" were voted by Internet, with over 100 million participants (www.new7wonders.com): The Great Wall of China, Christ the Redeemer on Corcovado Mountain in Rio de Janeiro, Machu Picchu in Peru, Chichen Itza in Mexico, Petra in Jordan, the Taj Mahal in India, and the Colosseum in Rome. In fact, in 2008 the flow of visitors received by the HSMP was 8.89% up on the previous year, probably triggered by its designation on 7 July 2007 as one of the Seven Wonders of the Modern World.

The growth figure in visitor numbers over the last few years might lead to the wrong idea that tourism is the solution, without negative consequences, for the development of the territory. Increasing the number of tourists seems to be the goal of most managers in those destinations where the main problem stems, precisely, from overcoming the estimated carrying capacity, which endangers the resources and the potential positive impacts of tourism in the territory. In fact, the Inca citadel of Machu Picchu has been at risk of dying of success: the jewel of Peruvian tourism that attracts about 800,000 tourists per year has saved itself from the UNESCO list of "World Heritage in danger". The World Heritage Committee of UNESCO decided in July 2011 not to include the Inca monument in the black list of endangered heritage, although it recommended that an international panel of experts monitored the evolution of the site, especially in its most critical point: access. UNESCO has repeatedly warned that the monument is close to saturation point and the Peruvian Government should not undertake any policy to attract new visitors³.

The current tourist pressure on this site should make the agents involved in its management and development question themselves as to how much longer the heritage located within the HSMP can put up with the current management model, and which are the steps that should be taken to prevent irreversible damage. Despite being the main tourism destination of Peru, the management of the HSMP does not guarantee its sustainability. On the contrary, the measures taken in isolation only contribute to environmental degradation. In addition, the control of the tourism business at this site depends on foreign tour operators and few, but powerful source markets. Therefore, this is a destination controlled by international tour operators, who put upward pressure on the exploitation of the most emblematic resources and downward pressure on production costs (labour, local services, etc.), in order to maximise its profitability. Thus, the growing presence of visitors has increased the impact of tourism on: the environment

³ To see the World Heritage Committee decision: <http://whc.unesco.org/en/list/274> [accessed: 16 April 2012].

including increased solid waste generation, processes of urbanisation, direct and uncontrolled use of the most attractive cultural and natural areas (especially the Inca city, the Inca road network and some of its primary forests); and on the local population through mistreatment of the porters working for tourists who do the Inca Trail, acculturation processes, etc.

If the negative impacts on the environment and the local population continue to increase, the number of visitors to HSMP could drop. This situation would force the authorities to take extreme measures, such as closing the HSMP partially or completely for a certain period to foster its recovery and relaunch it, as it has happened with other emblematic tourism resources worldwide.

Controlling 'Uncontrolled' Tourism

There are numerous examples where tourist pressure has endangered the resources of a destination. The Neocave of Altamira (Spain) is a clear example of how the influx of visitors endangered the integrity of the original cave paintings. In 1977, it was decided to close it. Finally, this situation culminated with the opening in 2001 of the current building that houses the museum and a replica known as the Neocave (<http://museodealtamira.mcu.es>). Another destination in similar circumstances is Lascaux (replica cave known as Lacaux II), whose Upper Palaeolithic cave paintings are currently closed to the public (<http://www.lascaux.culture.fr>), the Temples of Angkor (Cambodia) (<http://whc.unesco.org/en/list/668>), or the Egyptian tombs, in which humidity from the breath of many tourists, not to mention their footprints, are causing damage that may be irreparable⁴.

In this regard, a powerful tool that may facilitate a new form of access and knowledge of cultural heritage is "virtual tourism"⁵, which has become one of the major potential resources for the future development of the tourism industry. Experts agree that this type of product facilitates the access of tourists to remote, inaccessible, fragile or closed heritage resources. Such a concept would even make it possible to find out about places or buildings that existed in other times in history, or to move to other historical periods and learn about lost cultures.

⁴ Newspaper articles of interest :

<http://www.guardian.co.uk/culture/2011/jan/17/tutankhamun-tomb-to-close>

<http://www.theaustralian.com.au/archive/travel-old/tutankhamuns-tomb-to-be-closed-to-tourists/story-e6frg8ro-1225988942645>

⁵ In a recent article, Guttentag (2010) identifies six areas of tourism in which virtual reality can make valuable contributions: planning and management, marketing, entertainment, education, accessibility and heritage conservation.

Another example is offered by the *Centre for Future Studies*, a strategic futures consultancy (<http://www.futurestudies.co.uk>), which has raised the option of establishing a system based on a ticket draw. Once the annual ceiling on visits has been established, an online draw would take place where anyone in the world could participate. The winners would visit these places under a certain price range and a calendar of availability⁶. Thus, following goals would be met: reducing pressure on resources; guaranteeing local control of the market compared to the current vulnerability to that of the international tour operators, which would reduce pressure on prices and increase local benefits; improving tourists valuation of these sites, to the extent that winners would feel privileged as they would have access to a place so special and restricted; and, consequently, the transition to a more responsible behaviour of these tourists, who would value more the sites they visit.

Questions

1. If you managed tourism in the HSMP, would your long-term goal be increasing, maintaining or reducing the number of tourists? What actions would you take to achieve that goal?
2. What would be the consequences of tourism in Peru if UNESCO forced the temporary closure of Machu Picchu? Would the country lose the influx of tourists or would it be redistributed to other destinations in the area?
3. In this type of destination, controlled by international tour operators, do you think that tourism is a tool for the economic development of the local population? Why? Why not?

References and Websites

Centre for Future Studies, <http://www.futurestudies.co.uk> [accessed 16 April 2012]

UNWTO (2004). *Tourism Congestion Management at Natural and Cultural Sites – A Guidebook*. UNWTO, Madrid.

Recommended Reading

Foreign office and ministry of tourism of the Government of Peru (MINCETUR) (2012) [online] available from:

http://www.mincetur.gob.pe/newweb/portals/0/turismo/sitios%20turisticos/Cus_MAPI_Ciudad_LLLeg_Nac_Extr.pdf [accessed: 6 April 2012].

⁶ Report into the Future of Travel prepared on behalf of Churchill Travel Insurance by The Centre for Future Studies in January 2006. Available from: <http://www.churchill.com/pressReleases/220906.htm> [accessed: 16 April 2012].

Guttentag, D. (2010). Virtual Reality: Applications and Implications for Tourism, *Tourism Management*, Vol. 31, No. 5, pp. 637-651.

Martorell, A. (2002). *Machu Picchu, Patrimonio Cultural y Natural de la Humanidad: problemas y alternativas*, Ecosistemas, 2002/2 [on-line] available from: <http://www.um.es/gtiweb/adrico/medioambiente/machu%20picchu.htm> [accessed 24 April 2012].

Portugal, R. (2011). *Plan de Uso Público del Santuario Histórico de Machu Picchu*, Consorcio KHIPU-ECOAN, *mimeo*.

UNESCO (2012). <http://whc.unesco.org> [accessed 16 April 2012].

Zoomers, A (2008). Global Travelling Along the Inca Route: Is International Tourism Beneficial for Local Development?, *European Planning Studies*, Vol. 16, No. 7, pp. 971-983

Pokok Rhu (*Pokok Rhu, pronounced Poko Roo, means Casuarina tree, in Malay*)

by Mac McCarthy

Overview

Pokok Rhu is the brainchild of Harry Anuar and Dominic March. They opened the doors of their cafe bar nine months ago and attracted the usual casual curiosity-seekers in the first few weeks, but they have failed to establish a sustained following, despite their best efforts. Wednesdays and Saturdays are quite busy, as are most places, in Preston a town in northern England, during the daytime, and the most lucrative nights are Thursday, Friday and Saturday. At the moment, though, they are barely breaking even after covering all costs.

The location is good – on Cannon Street, Preston - as it is accessible and close to the centre of town; indeed, it is right at the heart of the dining hub and is thus surrounded by many other eateries that aim for the lunch-time crowd and the dinner parties. The wealth of competition was an aspect that Harry and Dominic underestimated when making their initial plans.

Considerably more thought went into their restaurant offering, in terms of ambience, decor, service and product. The menu comprises mostly light meals and snacks, drawing on dishes from South East Asia as well as Mediterranean fare. Several types of coffee and tea are available, along with bottled beers, which are largely Asian and European, and an interesting, if not especially broad, selection of wine. The chef has experimented successfully with a fusion of Balinese and Mediterranean dishes.

The decor is contemporary with strong Asian influences: bamboo furniture; lanterns; two water features at each end of the café; and a Buddha statue in a prominent position in the middle. Dominic has always been a Buddhist and Harry became a Buddhist three years ago. The colours are largely blue, brown and cream; all of this makes the venue immediately striking in terms of its restfulness and tranquillity. The music tends to be New Age, with an Eastern flavour, and classical jazz, especially in the evening.

Staffing

Harry manages the business and takes a basic salary. Previously, he worked as a coordinator in a Malaysian logistics company until he met Dominic. As their relationship developed, he decided to study Hospitality and Tourism in order to pursue their plan of opening their own business in Preston. During his first year in Preston, Harry worked for a logistics company and used the time to develop his language skills, make contacts and learn more about English culture. Dominic works at the local university as a lecturer in Games Development. He helped with the planning and design of the restaurant but leaves all management issues to Harry. It has been Harry's dream for many years to open a cafe bar and his administrative management skills are excellent.

Kitchen Staff

Paul, the chef, gained considerable experience with a number of prestigious restaurants in the north west before spending four years travelling around the Mediterranean and then in Thailand, where he gained more experience through casual employment. His aim was to broaden his knowledge and develop his skills in alternative approaches to developing menus. He met Harry and Dominic a couple of years ago in Phuket and they kept in touch. He has considerable imagination, skills and experience as well as a significant degree of independence. Paul likes to be boss in his kitchen, to a point where he is not always as tactful as he could be with staff in the restaurant.

Kate, the assistant chef, spent three years with a leading international hotel company before deciding that she had spent enough time in corporate hospitality and wanted to work in a small independent business. Although she took a salary cut to work at Pokok Rhu, she feels the experience is invaluable as she is much closer to all aspects of the business and believes it will be a great help towards her ambition of opening her own business at some point in the future. She understands the broader business as much as kitchen management and cooking and she knows how to handle Paul to ensure everything runs smoothly.

Imran, the kitchen assistant, is currently a second year Hospitality student at the local university. He enjoys the job and finds it helps him with his studies as the other staff and Harry are all willing to discuss the business with him. He worked for a major global fast food company in his final year at college and finds the new environment very different and stimulating. At times, though, he lacks confidence and is shy about putting forward ideas.

Restaurant Staff

Jane is the head waitress and she is a born organiser. After a four-year stint of bar work in Madrid, Spain, she completed a degree in Media Practice, got a job in a small, independent documentary making company and worked on a highly controversial film about sex workers in Nottingham, England. She felt distinctly uncomfortable with the ethics of the director and the way he edited the film, so she left and has been working for Harry since the day Pokok Rhu opened, occasionally handling some of the paper work and office duties when Harry is away.

Alice was a former bar manager at Shenanigan's, the Irish pub where Jane worked in Madrid. Alice and her husband married last summer and moved to England because of his job; he works in banking in Manchester. On Jane's recommendation, Alice got the job as a waitress at Pokok Rhu and brings the same degree of experience and professionalism to it as Jane. Originally from Germany, Alice has never lived in England and so is finding the job useful financially and as a way of settling in.

Danny, a first year Tourism Master's student at the university, works part-time as a waiter at the restaurant. He enjoys the experience and it is helping with his language skills as he is from Shanghai. At home, he had worked for his father in the catering supplies industry and is knowledgeable about the logistical and supplies needs of restaurants; Danny is finding it very interesting to be working in a restaurant. Danny's girlfriend is looking for a part-time job and Harry has promised to employ her once the business is established. On the rare occasions when extra staff have been needed, Danny has been a useful source, contacting his friends who are also students.

Cleaning Staff

Dorothy and Phil are a husband and wife team. Phil took early retirement following an industrial accident but recovered far quicker than expected. Dorothy had given up her job to look after him but now finds she has less to do for him. Although Phil's mobility is a little restricted, they applied for the cleaning job together. Harry was so impressed by their matter-of-factness and determination that he hired them immediately. They are very reliable, although Harry is now finding it a little difficult as Dorothy insists on sitting with him when he comes in, to offer him advice on the business; she used to be a manager in a local bakery. She and Phil have been keen musicians for years and play regularly at local venues.

The Premises

The main room of the restaurant has capacity for 50 covers, with a small bar area occupying one corner. Behind that, there are two rooms, one being the kitchen and the other an empty room, about half the size of the restaurant room, currently being used for storage. Beyond those and along a corridor, there is a kitchen store and toilets. At the back, there is a sizable patio. Upstairs consists of three large empty rooms and a bathroom, currently unused.

Key Concerns

- *Profitability* – the initial outlay was high to get the restaurant looking the way it does, so the bank repayments are demanding, especially now during the recession. Because of the highly original menu, food costs are not cheap either. The business has failed to establish a regular clientele and so, following the initial footfall, takings have stalled and profitability is low.
- *Pricing* – the lunch and day time prices seem to be about right and compare well with other places that offer something a little different and upmarket. The evening prices are actually too cheap to cover the cost of ingredients although customers observe that some dishes seem to be expensive.
- *Market and Marketing* – the market is pretty saturated and the business has not established a niche for itself. Harry is the first to admit that marketing is not his strong point and his efforts have lacked imagination. Whilst the business runs like clockwork as a result of his logistics experience, there is a lack of presence in the local community. Conversations with customers and friends have revealed that people are undecided whether it is a daytime coffee and lunch shop or an evening restaurant. It is the evening trade that is especially sluggish. Positioned where they are in a relatively promising location, they are still surrounded by a lot of competition for the lunchtime trade and the situation is only marginally better in the evenings.
- *Staff* – the two teams work like a dream, although separately, and they are highly motivated. They are also well paid, which has always been one of Harry's key drivers: pay well, treat people with respect and you will be rewarded. It is largely true, though that the two teams have not yet managed to establish an effective cooperative working

relationship. They get on very well but regularly fail to communicate effectively with each other, resulting in wrong orders, slow delivery and occasional arguments between Paul and Jane. Harry can't understand it and thinks it must be an English peculiarity as the employees regularly go to the gym or the cinema together.

- *Customer feedback* – the customers love the restaurant! The design and the food are frequent sources of positive comment, along with the friendliness of the staff. People say they will tell their friends and they will come back, yet there are very few regulars. Michael has kept an ear to the ground at work, and realised that people really don't know that Pokok Rhu exists. He has discussed with Harry whether he should do more to spread the word at the university as this would be a cheap form of advertising.
- *The menu* – the specials are: Tom Yam; Nasi Goreng; and Chicken in Pandanus Leaves. Customers are still reluctant to try these dishes and opt for the Mediterranean ciabattas and lasagne dishes instead, although the mixing of lasagne with Malay “rendang” dishes has proven to be popular. The night-time guests are a little more adventurous. The fusion dishes were popular at a couple of taster evenings but the business has not capitalised on this success.
- *Alternative business ideas* – Harry is wondering whether adding outside catering to the business would work to increase their local reputation and to boost sales. It would be a way of enabling diversification but it would also bring its own challenges and additional demands on staffing. Dominic has floated the idea of creating an online games cyber café in the back room for real enthusiasts rather than teenagers who want to pass the time; he envisages turning it into a club and linking with other groups around the world. He has a contact with a games design company in Austria, Blue Elephant Inc., who are keen to establish on-line games' clubs.

Activities

1. Explore the problems in the above scenario using mind-mapping, rich pictures and Synectics techniques.
2. Generate creative solutions that will help Harry to revitalise his business.
3. Consider the benefits and limitations of your proposals

Recommended Reading

- Amabile, T. (1998). How to Kill Creativity, *Harvard Business Review*, Sept-Oct. pp.77-87.
- Baumgartner, J. (2003). 10 Steps for Boosting Creativity [on-line] available from: www.jpbc.com [accessed 25 April 2012].
- Buzan, T. and Buzan, B. (2006). *The Mind Map Book*, BBC, London.
- Csikszentmihalyi, M. (1996). *Creativity: Flow and the Psychology of Discovery and Invention*, Harper Collins, New York.
- De Bono, E. (2009). *Lateral Thinking: A Textbook of Creativity*, Penguin, Harmondsworth.
- Gosling, J. and Mintzberg, H. (2003). The Five Minds of a Manager, *Harvard Business Review*, Nov., pp. 54-63.
- Henry, J. (2006). (ed.) *Creative Management & Development*, Sage, London.
- Kövescses, Z. (2010). *Metaphor: A Practical Introduction* (2nd Ed.), OUP, Oxford.
- Majchrzak, A. and Wang, Q. (1996). Breaking the Functional Mindset in Process Organizations, *Harvard Business Review*, Vol. 74, No. 5, pp.93-99.
- Mayle, D. (2006). (ed.) *Managing Innovation*, Sage, London.
- Michalko, M. (2006). *Thinker Toys*, Ten Speed Press, Berkeley, CA.
- Morgan, G. (1997). *Imaginzation*, Sage, London.
- Napier, N.K. and Nilsson, M. (2008). *The Creative Discipline: Mastering the Art and Science of Innovation*, Praeger Publishers, Westport, Conn.
- Nolan, V. (2003). Whatever Happened to Syntectics? *Creativity & Innovation Management*, Vol. 12, No. 1, pp. 24-27.
- Plsek, P. (1997). *The Three Basic Principles Behind All Tools For Creative Thinking*, Paul E. Plsek & Associates, Inc., [on-line] available from: <http://www.directedcreativity.com/pages/Principles.html> [accessed 25 April 2012].
- Proctor, T. (2005). *Creative Problem Solving for Managers: Developing Skills for Decision Making and Innovation*, Routledge, London.
- The Mindgym* (2005). Times Warner, New York.
- Weiermair, K. (2004). *Product Improvement or Innovation: What is the key to success in Tourism?* OECD, Paris.

Journals

- Creativity and Innovation Management
- Harvard Business Review
- International Journal of Service Industry Management
- Journal of Services Marketing

Revenue Management Implementation

by Wolf Magnus Gerstkamp and Detlev Remy

Hôtel de la Montagne: Challenges in Implementing Revenue Management

Crans-Montana is a well-known ski-resort in the centre of the southern region of the Alps in Switzerland, located on a high plateau (1500 metres above sea level) on the sunny side of the valley Valais. The village “Crans-Montana” was officially founded in 1892 with the opening of the Hotel du Parc. The resort became famous and well known due to several tourism and sporting events such as the alpine ski world championship in 1987. Today, Crans-Montana is the host of various events in winter (ski world cups and Carprice Festival – the largest winter festival in Europe) and, in summer, the prestigious Omega Golf Tournament takes place during the first weekend in September. Crans-Montana is an attractive cosy resort-style city with plenty of good shops and restaurants and its local population is approximately 5,000 including the suburbs. It attracts tourists for winter sports (more than 160 kilometres of prepared ski slopes) and events as well as in summer for hiking and various summer activities (Crans Montana Tourism, 2012).

The Hôtel de la Montagne – Business Facts

The *Hôtel de la Montagne* is an upper-class privately owned five-star hotel located near the city centre of Crans-Montana. It has 50 double-rooms and 12 suites with both mountain and valley view. All rooms are equipped with a king size bed, small sitting area, desk, television, broadband internet access, an en-suite bathroom with shower and bathtub, shower, two sinks and beauty amenities. Internet and all other amenities, as well as breakfast, are already included in the room price.

The “La Vallée” Restaurant is open for breakfast, lunch and dinner, with 80 seats, and the “Les Valaisans” Restaurant is open for lunch and dinner. The latter is an à la carte restaurant, specialising in fusion cuisine in the evenings. Additionally, the hotel offers four conference or banqueting facilities: one ballroom with a maximum capacity of 150 guests in banqueting style or 200 in conference style and three 3 smaller rooms for a maximum 50 customers each. All of the banqueting facilities have a joint reception area and valley view.

On the ground floor of *Hôtel de la Montagne*, there is a brand new spa area of 500 square metres, including swimming pool, Jacuzzi, sauna, steam bath, and two massage and spa therapy rooms. There are always two employees available for the well-being of the clients. The spa is open from 7:00 in the morning until 22:00 in the evening. Spa treatments are offered on demand via a booking system.

Outside the hotel there are 30 parking spaces available, 10 covered and 20 uncovered. Valet parking is charged at euros 12.00 (CHF 15) per day. Additionally, the hotel provides a free shuttle service within the village for all customers and an 'on call' pick-up service from the local station but only during high-season, which is from December until middle of April and from July until the end of September.

The room prices for the hotel are listed in Table 1; prices are converted to euros at current exchange rate (data abstracted from the hotel brochure 2012).

Table 1 Hotel Room Rates 2012

Category	1 person high season	1 person low season	2 person high season	2 person low season
Standard room Mountain view	euros 300 (CHF 360)	euros 200 (CHF 240)	euros 400 (CHF 480)	euros 310 (CHF 370)
Standard room Valley view	euros 350 (CHF 420)	euros 250 (CHF 300)	euros 450 (CHF 540)	euros 360 (CHF 430)
Suite Mountain view	euros 550 (CHF 660)	euros 450 (CHF 540)	euros 650 (CHF 780)	euros 550 (CHF 660)
Suite Valley view	euros 800 (CHF 960)	euros 700 (CHF 840)	euros 950 (CHF 1,150)	euros 800 (CHF 960)
Parking	euros 12.00 (CHF 15.00)	euros 12.00 (CHF 15.00)	euros 12.00 (CHF 15.00)	euros 12.00 (CHF 15.00)

Challenges: Decline in Revenues

Overall the hotel was running satisfactorily in the past, although since 2008 the director of the property recognised a constant decline in bookings, and also revenue, of at least 5% annually. During the winter season 2011-2012 the occupancy rate was even lower with a decline of 12% in bookings and a corresponding 15% decrease in revenue compared to the 2010-2011 winter

season. The owners are sure that this dramatic drop in revenue is due mainly to the poor snow conditions in the area during last season. This view is supported by the official Crans-Montana Tourism numbers and Valais Tourism authorities. Interestingly, the season 2011-2012 had the highest snow level in the area for decades. However, many potential clients and also regular customers made their bookings in other ski resorts.

Furthermore, the owners realised that some of their facilities were under-utilised, mainly the Spa area, function rooms and the restaurant “Les Valaisans”. Except during high demand periods around Christmas and New Year both restaurants were running on a 50% occupancy with a turnover (seats are occupied once per meal period) of 1 and the Spa area was only used by 20 customers per day on average, with a maximum of 50 during periods of high-demand. The conference facilities were booked only three times per week on average for smaller events such as birthdays or anniversaries as most customers preferred to celebrate in the up-market restaurant environment of “Les Valaisans”. Ultimately the restaurant was not available for other customers due to special event bookings and the owner had to ask potential customers to book other days if they did not want to stay in the restaurant “La Vallée”.

Competition and Seasonality

Crans-Montana has currently five 5-star hotels and another one is about to open in summer 2012. It has eight 4-star hotels and several smaller accommodation establishments in the area, which are not considered as direct competition. Direct competition for *Hôtel de la Montagne* can be identified as being all 5-star hotels and two 4-star hotels as they are all offering very similar services and facilities. All of these hotels are privately owned and managed although two of the 5-star hotels belong to a world-wide consortium, which ensures minimum facilities, services and standards of all its member hotels. The owners of *Hôtel de la Montagne* do not believe in the benefits of being members of such a consortium and they are also not very happy about the cost of the annual membership fees.

Also, as mentioned previously, the nature of tourism demand is highly seasonal. Seasons start in the middle of December until Easter, with extremely high demand over Christmas and New Year. In the summer season (July to September) demand fluctuates strongly and during the rest of the year, demand is considerably low.

The *Hôtel de la Montagne* is using a hotel reservation system for the rooms which was acquired in the late 1990s. All other outlets work with their own reservation and booking systems. The receptionists have to manually merge the different invoices and charges when necessary.

The customers can make bookings directly with the hotel via telephone, or on the internet or by email. The employees make the booking and send back a confirmation. To enhance the number of bookings the owner decided to place small advertisements on the local tourism webpage and in the brochures and directories which are distributed locally to all tourists in Crans-Montana.

Support Needed

In spring 2012 the hotel owners and the director contacted the hotel revenue management consultancy “775 Consult”, based in Austria and operating worldwide, to investigate the possibility of a revenue management application and thereafter to propose a scheme for the implementation of revenue management. Subsequently, a series of interviews were conducted with the hotel owners, the director and the heads of departments to analyse the macro and micro environment and the product offerings. Based on the interview responses, it was clear that the main interest was primarily maximisation in revenues, especially in low demand periods, and better utilisation of capacity, such as rooms, restaurants, functions space and spa. However, the hotel owners made it very clear that there was not much room for financial investment. The revenue management consultants explained in depth the concept of revenue management with its strategic levers and tools especially with a focus on independent hotels and they outlined the implementation process which could be costly and time-consuming and involved a wide range of processes. Segmentation and a review of product offers would be one of the first tasks. The process itself incorporates management commitment, analysis of existing practices, focus on training and setting revenue management objectives, and thereafter, technical aspects such as IT-infrastructure, interfaces and so on, to enable forecasting demand patterns and the setting of pricing structures to reflect demand. The operational part would incorporate data collection, estimation and forecasting, optimisation and control.

At this stage the management of *Hôtel de la Montagne* agreed with the necessary steps and therefore the revenue management consultants moved forward with the implementation process. The second step in the process began with data collection then focused on forecasting, inventory allocation and pricing strategies. A considerable amount of time was spent reviewing the existing forecasting methods and the distribution options, such as Online Travel Agencies and Destination Marketing Organisation collaboration. Having analysed the

demand patterns and the inventory allocation, new pricing mechanism including rate fences and cancellation policies were developed to reflect these patterns. Additionally, new price bands and packages were developed to target new market segments and also in order to stipulate new demand. In line with this a communication strategy was developed to train all employees in this new business practice, such as explaining rate fences or length of stay restrictions.

Due to financial restrictions, a decision was taken to postpone the recruitment of a full-time revenue manager; instead the head of the front office department and two of his employees have received intensive training on revenue management practice. Furthermore, the hotel owners have decided to invest in a revenue management software system, with the opportunity to integrate the Property Management System and the reservations system.

In the final step the consultants have advised the hotel team on monitoring revenue management performance, measured by Revenue per Available Room and Gross Operating Profit per available room. Additionally, they have advised on future developments of existing revenue management tools such as including the spa and function spaces in the revenue management practice.

Questions

1. Determine and critically evaluate all relevant factors, which impact on the above case.
2. Discuss the existing pricing structure and suggest possible adjustments.
3. Examine any possible barriers to revenue management implementation.
4. Outline the relationship between pricing mechanism and inventory allocation.
5. Discuss the importance of a clear communication strategy for revenue management practices.

Recommended Reading

Cross, R. G. (1997). *Revenue Management: Hard-Core Tactics for Market Domination*, Broadway Books, New York.

IDeaS (2005). The Basics of Revenue Management, *Integrated Decisions and Systems, Inc.* [on-line] available from <http://punetech.com/files/IDeaS-Basics-of-RM.pdf> [accessed 24 April 2012].

Jones, P. and Hamilton, D. (1992). Yield Management: Putting People in the Big Picture, *Cornell Hotel & Restaurant Administration Quarterly*, Vol. 33, No. 1, pp. 88-95.

Kimes, S. E. and Singh, S. (2009). Spa Revenue Management, *Cornell Hospitality Quarterly*, Vol. 50, No. 1, pp. 82-95.

A Holiday in Turkey

by Maria Tătărusanu

A group of friends consisting of four adults and three children from a city in Romania decided to spend an unforgettable holiday on the sunny beaches of Turkey, where they had been two years previously and they had enjoyed it very much. They booked a seven day break in a luxurious 5 star resort hotel. The price of a ticket for the family with one child was 1834 euros for the late August and early September period. The package was purchased from a well-known local travel agency, with a reputation for professionalism and high quality of service over time, with 10 years' experience in the tourist market.

The departure took place from the local airport and the direct flight landed at the local Turkish airport. On arrival, the group of Romanian tourists was looking for a bus that displayed the name of their resort. They understood from the Romanian travel agent that they would be transported to their hotel. When they found the bus, they were surprised that they had no seats and they had to stand up, with their luggage beside them. They were even more surprised when they noticed that the tour guide did not ask for their passports, as he did with the other tourists on the bus. In fact, their names were not recorded on the list, but the guide agreed to register them at their request.

On arrival at the hotel, the receptionist explained them that she had no reservation in their names, which seemed to them incredible! "Certainly it's a misunderstanding; the tickets were purchased beforehand, some of our friends worked with this agency. How is it possible?" said the leader of the Romanian group. Because they could not reach consensus with the hotel representatives, they called the agency from Romania to see what happened. The employees from Romania confirmed that the payment had been made to the tour-operator, but it appeared that the tour operator had not made the payment to the hotel. The company had 'disappeared' a few days before and no-one knew where the employees had gone.

The receptionist explained that there was no other way than to pay the hotel for the entire period and then the travel agency from which the group bought the tickets should return the amount later. In addition, it was not possible to book accommodation in the hotel for only one night, as the tourists wanted so that they could think of a solution during the next day, because

the hotel only offered all-inclusive seven day packages. Furthermore, it was peak season and the hotel occupancy was almost 100% so it would be very difficult to find the four requisite free rooms for seven days for the Romanian group!

Another problem arose regarding the request for full payment if the group was to stay for a week. Even if they could benefit from a reduction of 10%, because only 2 people had international credit cards, the transactions could not be verified because it was Sunday and the amount far exceeded the amount of cash held by the group. After five difficult hours, during which the extremely stressed group had to wait at reception, they were finally offered accommodation. They were very relieved, although one of the families had to sleep in a room that was normally occupied by hotel staff. On the following day, they paid the due amount in full.

Eventually, the holiday went well and the hotel service was very good, although there were moments when cultural differences were apparent. For example, bartenders were not always courteous when the ladies ordered drinks. When they returned home, the travel agency reimbursed them for the total amount paid to the hotel. They were compensated for the inconvenience as follows: deduction of two free nights' accommodation; cost of the telephone calls they made to solve the problem; and the foreign exchange difference that occurred between the two points of payment.

Questions

1. Who is responsible for this situation?
2. How should the manager of the Romanian travel agency have dealt with the situation?
3. How should the managers of the Turkish hotel have dealt with the situation?
4. How should the tour operator have dealt with the situation?
5. Is it possible for the travel agency to ensure that this situation will not recur in future?
If so, how?
6. What obligations does the travel agency have to its clients?
7. What advice would you give to the tourists? Who should provide them with such advice?

Recommended Reading

Mistilis, N. and Sheldon, P. (2005). *Knowledge management for tourism crisis and disasters* [on-line] available from: <http://www.slideshare.net/Nostrad/knowledge-management-for-tourism-crises-and-disasters>, [accessed 12 April 2012].

Nedelea, A. and Bălan, A. (2010) *E-tourism and tourism services consumer protection*, in *Amfiteatru Economic*, n. 28/2010 [on-line] available from: www.amfiteatruconomic.ro/temp/Article_979.pdf, [accessed 12 April 2012].

The Hallmark Event

by Gopal Srinivasan

It was a dream of Utopia to host a prestigious Hallmark event in their country and their dream was realised in 2011. Over three million euros was allocated for the event and, Ms Stronglove, a prestigious national personality who sat on the parliamentary ethics committee, was appointed to head up the event team. At first everything seemed to be going really well.

Then a 'black cloud' descended over the event. Part of the gleaming new steel and concrete stadium crashed to the ground and local very severe flooding halted the work force. As a consequence, the venue was far from ready one month before the event and the project ran out of funds. The government watchdog revealed massive irregularities in the tender and corruption charges were lodged against the contractors. Payments to the overseas contractors, who were appointed to help the event, were put on hold. The arrival of the international participants in the Hallmark event was delayed whilst further funding was raised to complete the building project.

Questions and Activities

1. What advice would you offer the organisers of an international Hallmark event in terms of strategic planning and tactical operations?
2. What can be done to redeem the negative national image created by corruption charges and other irregularities?
3. Should a Hallmark event be directed by a political or a sporting personality? Discuss the pros and cons.
4. Suggests ways in which it might be possible to plan for a profit when hosting an international Hallmark event.
5. Conduct a SWOT of four international Hallmark events: choose two previous 'successful' events and two 'failed' events

Recommended Reading

Masteralexis, L., Barr, C. A. and Hums, M. A. (2011). *Principles and Practice of Sport Management* (4th Ed.), Jones & Bartlett Publishers, Boston, MA, Chapter 4, pp. 64-84; Chapter 13, pp. 321-342.

Van der Wager, L. and Carlos, B. R. (2008). *Event management: for tourism, cultural, business and sporting events*, Mate, Zagreb, pp.78-92.

Romania and its Legendary Inns

by **Daniela Tatiana (Corodeanu) Agheorghiesei**

Maria is a student on the Master's course in Tourism and Hospitality at a university in Iași. For study topic in the tourism management discipline, Maria chose to talk about two inns (Hanu Ancuței and Hanul Răzeșilor) located in the region of Neamț, where she was born. This region is close to the border of the well-known Bucovina area - also called the Land of Monasteries, an area which is the current focus of the government tourism strategies. In recent years, tourists to the area have increased from both within Romania and abroad. Besides the cultural traditions of the area, tourists may choose to visit various sites including:

- The memorial houses of great Romanian storytellers, that is, Mihai Eminescu's Memorial House in Ipotești; he was a genius of Romanian poetry;
- The pottery exhibition from Cucuteni within the Historical Museum in Piatra Neamț
- The Ethno-folklore Museum Nicolae Popa from Târpești;
- The Ure Oxen Reservation from Vânători-Neamț, the Natural Dendrological Park from Văleni-Neamț, the Silver Wood from Văratec-Neamț to experience the pleasure of breathing and walking in the fresh air and beauty of secular forests and natural reservations;
- The famous Cotnari vineyard to taste the wines;
- The nearby monasteries (the area is renowned as the "cradle of the Romanian Orthodoxy") to stay overnight;
- The picturesque Piatra Neamț mountain town; it would be a pity to miss the ride above the city with the gondola or to miss the chance to see the XVth century old churches built by Stephen the Great, or even to hiking in the mountains around.

The first thing Maria does is to make an online search for information on the inns and the above sites and then she schedules her trip to the two inns to see through them the “eyes” of the tourist and also of the tourism research analyst.

“Hanu Ancuței” – The Legendary Inn

When Maria began searching for the Hanu Ancuței on the internet, a wealth of information appeared both on the website of the inn (with a state-of-the-art design), local gourmet sites, travel agency sites, previous student papers and blogs of people who had visited the inn and were impressed by it. Maria also took a virtual tour of the inn, provided by its website.

Hanu Ancuței is located on one of the main European roads that cross Romania (E85) towards Suceava and Bucovina’s gates, and a distance of only 100 km away from one of the most important university towns in the area – the city of Iași. Iași is an important tourist centre that is situated 350 km north of Bucharest, the capital of Romania. Hanu Ancuței is a legendary inn, well-known to all Romanian students, from primary school to high school, because it is the subject of a book, with the same name, written by the great storyteller Mihail Sadoveanu. It is said that the inn was built early in 1819 as a place for changing the horses that pulled the four-wheeled, closed carriages. It was also a place of overnight stop for the weary travellers who stopped to drink a cup of wine, enjoying the presence of the beautiful hostess Ancuța. There are documentary records of Hanu Ancuței from 1876 but the description by the great storyteller Mihail Sadoveanu in his book *Hanu Ancuței* remains impressive and unique: *“... I think that no other inn like this is found on earth, no matter how much you would walk the roads of the earth. Such of walls – the same as citadel walls, such of trellis work, such of wine cellars - such a wine - cannot be found elsewhere.”* (<http://www.hanu-ancutei.ro>).

In 1943, the inn was demolished and after two and a half decades it was rebuilt. The inn has a rustic restaurant with 300 seats inside the building and 200 seats on the terrace. The décor of the restaurant is special. You can find: a stove with pots and cast iron cauldrons for the tasty food, similar to the one on which your grandmother once cooked; a carpet weaving loom from the early twentieth-century; several hand-painted chests; and traditional masks that people wear on Christmas or New Year’s Eve while performing their carols.

Hospitality services offered by the inn are rated at 4 stars.

Although the *working kitchen* in the Hanu Ancuței is provided with the latest technology, the entrance has an artistic arrangement, in the spirit of the eighteenth century traditional kitchens. The waiters are dressed in authentic traditional costumes and are trained in the hospitality training school of the group of companies to which the inn belongs. Traditional food is served on wooden plates or on plates engraved with the lyrics of the great storyteller Mihail Sadoveanu.

The *accommodation* provides rooms decorated in the traditional style but with the very modern and comfortable facilities.

The *wine cellar and its vinothèque* provide the connoisseurs with specialist collection wines, encouraging them to attend sophisticated wine tasting events.

Upon arrival or departure, visitors can admire and buy *Romanian traditional souvenirs* evoking the spirit of the inn. In autumn or on religious holidays, there is a great opportunity to participate in *folk dance performances* where famous singers sing popular music.

The inn also offers the possibility of organising *cultural events, conferences or national and international symposia*.

On the roadside close to the inn, *large billboards* invite passers-by to have the *Traveller's Lunch*, or to stop overnight in one of the rooms at affordable prices.

The Inn has a parking for 100 places, with security ensured non-stop.

“Hanul Răzeșilor” – The Touristical Gate of Upper Moldavia

Built recently, Hanul Răzeșilor can be found on the internet even in English, with the slogan “The Touristical Gate of Upper Moldavia”. By developing the inn, the owner intended “to revive the freeholder’s spirit in this part of Moldova”. The inn seems to be a real ethnographic museum, with Romanian traditional craft objects used by freeholders in their homes a long time ago: handmade towels, icons, spoons, carpet weaving looms with old Romanian traditional motifs, etc. The desire of the owner - a passionate person of the Romanian traditions and culture, is “not to mix culture with tavern business”.

The name of the inn is related to the book *“Hanul Răzeșilor”*, written by Ion Muscalu.

It is located in the vicinity of the other inn, Hanu Ancuței. The Touristical Complex “Hanul Răzeșilor” is placed at the crossing of two roads that are very important for the tourism of the

Moldavia area of Romania, constituting “a real outpost for the whole touristic activity in the northern part of Moldavia and Bucovina” (according to the information on its website (<http://www.hanulrazesilor.ro/ro/>)). The inn is part of a tourism complex, located within a distinct natural environment. It is rated three stars, and its accommodation offer is included on sites either as a tourist resort, hotel or guesthouse.

The *Tourist Complex* “Hanul Răzeșilor” displays large and impressive architecture that preserves the style of old inns. It consists of two buildings; both the exterior and interior are decorated in the traditional Romanian style.

The *accommodation* comprises 22 rooms with 54 available beds, and modern facilities (bathroom, heating, TV, hot water, etc.).

The *restaurant* (including the bar) has a capacity of over 150 covers and there is an outside terrace in rustic style with 54 seats at tables, on the shore of two ponds. Tourists can watch the chefs prepare the famous traditional dishes in the Romanian style.

For tourists who prefer the silence of the isolated areas, the inn offers accommodation in six peasant houses within the complex, located close to rivers or forests, where various *agro-tourist activities* can be developed. Tourists can participate in various activities, such as gardening, milking the cows or preparing the famous Romanian traditional dishes.

The inn has a *wine cellar* with 40 seats at the tasting tables and a special collection of wines.

It has its own *car park with branded minibuses*, which can be used to organise tourist routes to the local attractions.

The *kitchen* offers international cuisine and also organic products, obtained from its own farm. The billboards invite the tourists to the *Freeholders` Lunch*.

Hanul Răzeșilor has its own “*taraf group*” (*folk music band*), and many special events (such as receptions, dinners, business meetings, traditional folklore evenings, New Year’s parties etc.) can be organised in its “spacious saloons with a particular aesthetics” (<http://www.hanulrazesilor.ro/ro/servicii.html>).

Maria also has found some reference about these inns on the internet on culinary blogs.

Questions and Activities

1. Make a SWOT analysis for each of the two inns. What are the key characteristics of each? To what extent are the two inns in competitors?
2. What marketing strategies does each of the two inns apply? What are the customer target segments which they address?
3. Provide a work plan that would show the objectives and strategies that can be applied by each of the inns in order to create a competitive advantage over competitors.

References and Websites

*** *Hanu Ancutei*, <http://www.hanu-ancutei.ro/> [accessed 26 April 2012].

*** *Hanul Ancutei*, http://ro.wikipedia.org/wiki/Hanul_Ancu%C8%9Beib [accessed 26 April 2012].

*** *Hanul Ancutei*, http://www.neamt.ro/Info_utile/Obiective/Hanul_Ancutei.htm [accessed 26 April 2012].

*** *Hanul Răzeilor. Poarta Turistică a Moldovei de Sus*, <http://www.hanulrazesilor.ro/> [accessed 26 April 2012].

*** *Complexul turistic Hanul Răzeilor. Variante de traseu turistic*,

<http://www.hanulrazesilor.ro/ro/trasee.html> [accessed 26 April 2012].

Viorel Patrichi, *Mecenant la Hanul Răzeilor*, Revista Performana,

<http://www.revistaperformanta.ro/2010/10/14/mecenant-la-hanul-razesilor/> [accessed 26 April 2012].

Recommended Reading

Barrows, C. W. and Powers, T. F. (2009). *Introduction to management in the hospitality industry*, John Wiley & Sons, Hoboken, New Jersey.

Ford, R. C., Sturman, M. C. and Heaton, C. P. (2012). *Managing quality service in hospitality : how organizations achieve excellence in the guest experience*, Delmar, Cengage Learning, Clifton Park, New York.

The Hindustan Times [New Delhi], *Traditional hospitality served at Japan's old inns*, 7 April 2010, [on-line] available from: <http://business.highbeam.com/408843/article-1P3-2003947611/traditional-hospitality-served-japan-old-inns> [accessed 25 April 2012].

From Gold Town to Ghost Town

by Samantha Bower

Pilgrim's Rest is a historic gold mining town situated on the eastern escarpment region of the province of Mpumalanga, South Africa. It dates back to 1873 when a miner, Alex Patterson, discovered alluvial gold on a farm named Ponieskrantz. Despite efforts to keep the find a secret, a second prospector, William Trafford, also discovered gold close by. News of such findings spread rapidly and soon after, more than 1500 prospectors from across the globe arrived in the area. On 22 September 1873, Pilgrim's Rest was officially proclaimed a gold field resulting in the development of a flourishing town with numerous shops, bars, bakeries, banks, churches and the famous Royal Hotel. The town earned its name from the relief of the constant disappointment of the 'false trails' encountered.

Once the alluvial deposits were depleted, the last mine closed in 1972 and the miners moved on to new pastures. In 1974, the Mpumalanga Provincial Government purchased the town and commenced its restoration as a historic and cultural asset. In 1986, Pilgrim's Rest was declared a national monument. Referred to as a 'living museum', the town consists of a main high street split into 'Up Town' and 'Down Town' areas, characterised by corrugated-iron structures. There are approximately 30 tourist-related businesses including a number of museums, tea rooms, curiosity shops, a bank, post office, churches, the famous Royal Hotel, and several informal traders selling various arts and crafts. Beyond the high street, other attractions include the graveyard with the famous 'Robber's Grave' which suffers the indignity of facing in a different direction to the other graves, a golf course, a holiday resort/caravan park and environmental education centre. Tours of the 'Diggings Site' can be booked - this site is a reconstruction of the how the valley once looked during the Gold Rush. Horse riding, trout fishing, and hiking trails are additional activities available in the area.

Thus, since its declaration as a national monument, the town has been promoted as a key historic tourist destination, attracting both domestic and international tourists. It has benefited from its location on the famous 'Panorama Route' in the Province, a self-drive tourist route which links a number of attractions such as the Blyde River Canyon (the largest green canyon in the world), Bourke Luck Potholes and God's Window, to name a few. Pilgrim's Rest is also

in close proximity to the world-renowned Kruger National Park. Thus, it is well-placed to draw tourists.

Pilgrim's Rest is managed by the Mpumlanga Department of Culture, Sport and Recreation which has a responsibility for heritage conservation and the development of heritage resources in the Province. The Public Works Department is responsible for the buildings and infrastructure. In 2007, however, there was a marked decline in visitor numbers to the town, with a number of tour operators removing Pilgrim's Rest from their packages/itineraries. With high unemployment in the area, local people now plague the high street looking for opportunities to tap into the tourist spend. Visitors have complained about being hassled to buy nuts or sub-standard arts and crafts, and to have their car 'guarded' or washed. There have even been reports of visitors returning to their cars only to find that they have been washed without permission and then payment is demanded.

Crime has increased rapidly in the area, with numerous cases of theft and vandalism being reported. One of the museums that houses the traditional mining equipment has suffered theft of ironwork, in addition to the tramlines being lifted and sold to scrap metal dealers. Businesses have also reported 'in-house' theft by their respective employees, some of whom are former miners.

For those tour operators who are still bringing tourists to Pilgrim's Rest, this increase in crime has resulted in it being a day-visitor destination rather than an overnight destination. Furthermore, there is limited tourist accommodation available and tourists are rather staying in the nearby town of Graskop. Other complaints have related to the 'shabby appearance' of the buildings and infrastructure, with a number of buildings being considered a health hazard and the access roads are poorly maintained. The responsibility for these issues lies with the Department of Public Works who have failed to invest in the town due to reported budget constraints.

All these aspects, in addition to a lack of secure, designated parking and a general sense of uncleanness of the town are impacting negatively on the visitor experience. Visitors also report that there is a lack of activities to encourage them to stay longer and even return to the destination. With the exception of the annual gold panning competition, there are few events and there is a lack of available guided tours.

In recognition of the problems cursing this national monument, the National Department of Tourism allocated approximately €975,000 in 2006 to revitalise the town. The key areas identified for development included the building of a new museum and tourist information centre, improved signage, a formal car wash area and the revival of the existing tramline. Invitations to tender for the implementation of the project were advertised in two national newspapers. However, the appointed implementer did not deliver on the project. The lack of monitoring and reporting structure led to a misuse of funds with €907,000 unaccounted for, with the exception of the purchase of a car and payment of a salary; no progress had been made on the actual project. The remaining €68,000 as subsequently retrieved by the National Department and the implementer was dismissed. Even if the Department re-releases the remaining funds, they are still insufficient to make a considerable impact on the town.

In conclusion, although responsibilities have been allocated to the various public bodies, that is the provincial Departments of Public Works and Culture, Recreation and Sport, respectively, neither has been allocated budgets. Furthermore, the local municipality in which Pilgrim's Rest lies remains marginalised when, indeed, it should be given the responsibility to manage and maintain this tourist attraction. Thus, with no leadership and no investment, this once thriving tourist destination is now rapidly losing its appeal and is in danger of becoming a 'ghost' town.

Questions

1. Consider the scenario whereby the responsibility for Pilgrim's Rest is transferred to the local municipality and a budget is allocated. What suggestions would you make to the Municipality to revitalise the area and improve the overall visitor experience?
2. What measures can be taken to turn Pilgrim's Rest into an overnight/repeat-visit destination rather than a day-visitor destination?
3. Following the revitalisation of Pilgrim's Rest, discuss some examples of promotional techniques that could be considered in order to attract the domestic and international traveller, the independent traveller and the tour operators.

Websites

www.pilgrims-rest.co.za [accessed 24 April 2012].

www.pilgrimsrest.org.za [accessed 24 April 2012].

www.pilgrimsrest.com [accessed 24 April 2012].

Challenges of Promoting Rural Tourism in Kenya

by Roselyne N Okech and Morteza Haghiri

Tourism in Kenya is dominated by the safari experience in game parks and reserves, coastal beaches in Mombasa and Malindi and finally the Maasai gaze. The imbalance between wildlife and rural tourism has profound economic, social and environmental impacts especially in certain areas of the country. The Government of Kenya, through the Ministry of Tourism and Kenya Tourist Board, are therefore working round the clock to develop and market the Western Kenya tourism circuit in order to make it an international and domestic tourist destination. A greater part of Western Kenya is made up of rural areas, which means that most of the touristic activities and features that this region can offer are based in the rural areas within Western Kenya (Okech, 2007).

In the last two decades there has been growing awareness of the importance of entrepreneurship and new venture creation. At a national level, entrepreneurial activity contributes to prosperity, economic growth and renewal. In regional areas, entrepreneurship is encouraged to overcome regional disparities in wealth and to solve local employment problems. The Western tourism circuit in Kenya has a potential for tourism, but there is an opportunity for the locals to take charge of the tourism sector and to change the foreign trend of dominating the tourism sector as it is in the coast. The custom has been to overcharge the locals and give fair prices to their fellow counterparts, something that discourages domestic tourism.

With the current development policies, small and medium sized enterprises (SMEs) will receive major support from the government as it struggles to face-lift the economic structure of this country. With downturns in rural economies over the last three decades, it is perhaps understandable that governments have given a great deal of attention to the economic benefits of tourism, particularly for rural areas attempting to keep pace with, and adapt to, the vigorous globalised economy. "In the developed world it has become fairly commonplace to write of rural areas making the transition from spheres of production to landscapes of consumption. Processes of counter-urbanisation, the de-localisation of work, and the profound structural changes that have occurred in rural areas have led to an important reappraisal of the role and

place of rural areas in national economies, and of the role of rural studies” (Rigg and Ritchie, 2002: 369). Key advantages of rural tourism are that it is based on local initiatives, managed locally, has local spin-offs, is rooted in local scenery and it taps into local culture.

Promoting Entrepreneurship

Fostering entrepreneurship and an entrepreneurial culture has become a key policy priority for governments. To encourage entrepreneurship and an entrepreneurial culture, however there is a need to understand the factors that influence and shape individuals’ intentions to start a business. Residents must develop and promote tourism and then serve the needs of the tourists. Some community residents reap the benefits of tourism, while others may be negatively affected (McGehee and Andereck, 2004:133).

With respect to the high levels of competitiveness and environmental uncertainty that exist in the operation of business today it is not surprising that many entrepreneurs lack the skills needed to operate their business successfully. Within the hospitality, tourism and leisure industries in Kenya, whilst there are a large number of multi-national chains, a substantial volume of small, entrepreneurial enterprises dominates. Very few of these businesses actually grow significantly and thus individual entrepreneurs are required to possess multi-faceted skills in order to compete with larger companies who employ specialist skills. In addition to employing specialists, the larger organisations clearly have the resources necessary to continually develop their staff through training and development programmes.

Given the limited resources generally available to entrepreneurs, they have no choice but to define their operations in terms of the skills needed as opposed to the specialists available. It is safe to assume that the entrepreneurs will rarely have the resources available to afford a full time accountant or a full time market research specialist. Many entrepreneurial firms die in their infancy. Dramatic although dated, generic statistics indicate that only 50% of new firms live as long as 18 months and only one in five actually make it to 10 years (Siropolis, 1986). There are many reasons for this failure rate; however, the overwhelming cause of failure has been identified as poor management. Many entrepreneurs are ill-prepared as managers since they may go into business with a good product idea but little or no business or managerial experience.

Across the African continent, the explosion of SMEs and self-employment has failed to translate into a sector vibrant enough to be the engine of long-term economic growth or to generate significant employment. These enterprises often face government and formal sector indifference and sometimes downright hostility, while their activities routinely conflict with urban planning and infrastructure guidelines. The communities in Western Kenya identified the following list of challenges in trying to promote rural tourism in the area.

Challenges

Lack of capital

Across the region, the sector is characterised by a systematic lack of access to capital for start-up, working capital project expansion; commercial banks and other institutional lenders are obsessed with the need for collateral as a condition for advancing business loans to this sector.

Lack of clear government legislation

Given the lack of conceptualisation and operational consistency, the Kenyan government was also seen as not having clear policy for the region on the regulation sector

Low level skill development

Poor levels of training in numerous areas of business management also characterise the sector. The low levels of skill and technical competence have meant that the sector is currently plagued by lack of innovation, growth and profitability. In addition, the lack of awareness of business opportunities, supporting institutions and a generally low standard of entrepreneurial education has resulted in high SME failure rates throughout the region.

Lack of linkages between micro, small and medium enterprises

The linkage between large businesses and SMEs is, in most cases, poor. Although there does exist great potential for SMEs to supply goods and services to large businesses, this is an opportunity that remains untapped. The current situation is that large businesses find it increasingly difficult to find reliable business partners in the SME sector with whom to work. The SME sector, on the other hand, is not aware of the standard of services and goods required or indeed how they can access this market.

Lack of business opportunity awareness and financial institutional support

There is a clear weakness in the SME sector in terms of its ability to identify and pursue new and emerging business opportunities. This issue could be due to the fact that there are few institutions or mechanisms to popularise the business opportunities that exist in other sectors.

Lack of commitment by the public sector

The role of the public sector and shortcomings in its implementations and planning also contribute to the problems being experienced by SMEs across the region. By adopting a policy of increasing the amount of goods purchased locally, they can ensure that such income remains within the local/regional economy.

Corruption and mismanagement of key development institutions

The effect of endemic corruption and mismanagement of the dominant development vehicles, particularly those affecting rural based SMEs, was explored. These businesses have been subject to looting, mismanagement and political patronage, to the detriment of members and intended beneficiaries. The importance of the development institutions and their immense potential in supporting and promoting rural based SMEs is the key to the economic recovery of the sector and indeed the region.

Questions

1. How do the tourism organisations within a town or region recognise its attractiveness as a tourist destination and rally its resources to make the most of its business opportunities?
2. What are the tourism entrepreneurial opportunities into which the locals within rural areas can tap and establish?
3. How engaged should the local government be in guiding development and establishing rural tourism?

References

- Briedenhann, J. and Wickens, E. (2004). Tourism Routes as a Tool for the Economic Development of Rural Areas – Vibrant Hope or Impossible Dream? *Tourism Management, Vol. 25*, pp. 71-79.
- Keller, P. (2004). The Future of Tourism. In P. Keller and T. Bieger, (eds.) *The Future of Small and Medium Sized Enterprises in Tourism*, Publication of AIEST 54th Congress, Petra, Jordan.
- McGehee, N.G. and Andereck, K.L. (2004). Factors Predicting Rural Residents' Support of Tourism, *Journal of Travel Research, Vol. 43*, pp. 131-140.
- Okech, R.N. (2007). Marketing Rural Tourism: Case Study of Re-imagining Western Kenya. In T. Ratz and S. Csilla (eds.) *(Inter) Cultural Aspects of Tourism Development*, pp. 149-164.
- Rigg, J. and Ritchie, M. (2002). Production, consumption and imagination in rural Thailand. *Journal of Rural Studies, Vol. 18*, No. 4, pp. 359-371.
- Siropolis, N.C. (1986). *A Guide to Entrepreneurship*. Houghton Mifflin, Boston.

Further Reading

- Champion, A. G. and Hugo, G. (2004). *New forms of urbanization: beyond the urban-rural dichotomy*. Ashgate Publishing Ltd, Burlington, VT.
- Hall, D., Kirkpatrick, I. and Mitchell, M. (2005). (eds.) *Rural Tourism and Sustainable Business Practices*. Multilingual Matters, Channel View Publications, Clevedon.
- Prakash, M. (2008). For Tourism Entrepreneurship in India, *International Journal of Tourism and Travel Management, Vol. 1*, No. 1 pp. 57-61.
- Holland, J., Burian, M. and Dixey, L. (2003). *Tourism in Poor rural Areas: Diversifying the product and expanding the benefits in rural Uganda and the Czech Republic* [on-line] available from: http://www.propoortourism.org.uk/12_rural_areas.pdf. [accessed 25 April 2012].
- Tanahashi, T. K. (2010). A theoretical profile of globalisation and its sustainability, *International Journal of Sustainable Society, Vol. 2*, No.3, pp. 306-325.

The Sweet Spot between Conservation and Development and the Legacy of Irene

by Sue Clark

The Catskills State Park is a mountainous area located in New York State and is within 2-2.5 hours driving from the centre of Manhattan. It covers an area of approximately 250,000 hectares, around 48% is designated as Forest Preserve or is protected by New York State and the rest is populated by small towns and villages; the population density is low. Around 70% of the residences in the area are 2nd homes, mostly belonging to people from the New York Metropolitan area, who visit at weekends in the skiing season and in the summer. Local employment incomes are well below the average for the rest of the state and there is some real rural poverty. (Central Catskills Chamber of Commerce 2009 www.centralcatskills.com).

The stakeholder relationships in the region are complex. Six counties have some part of the Park within their boundaries. There are numerous local town and village councils and there is no overall authority charged with the responsibility for care of the Park. Responsibility for the forest preserve lies largely with New York State. Local community stakeholder groups tend to be dominated by powerful and articulate voices from the second home owner community who mostly want to preserve the area as it is. Perhaps the most powerful stakeholder in the region is the Catskill Watershed Corporation (CWC)(www.cwconline.org). This is because the watershed supplies New York City with pure fresh water and is a highly prized and protected resource. The water requirement from New York City makes economic development in the region very difficult as there are always concerns about the quality and integrity of the water supply.

The Catskill Center for Conservation and Development (CCCD)(www.cccd.org) is an organisation with a mission to support the conservation of the forest preserve and mountain wilderness areas but also to support appropriate economic development in the region. It strives to somehow find the “sweet-spot” between conservation and development. It tries to take a central stance amongst the various stakeholders involved. One of the most significant challenges is to convince many local businesses and politicians that there is economic value in the beauty of the mountains and the forest preserve.

Tourism has been an important economic contributor to the region for decades. Historically the Catskills were first renowned for grand hotels accessed by early railroads and then for a proliferation of ethnocentric resorts patronized by the residents of New York City. The tourism infrastructure of the region has fallen into decline and there is a general lack of accommodation, restaurants, retailing and also good information about the recreational activities available within the Park. The CWC, CCCD and local Chamber of Commerce are trying to support initiatives around the recreational use of the park, sustainable outdoor activity based tourism and agri-tourism. Many of their initiatives have been based around the villages of Margaretville, Arkville, Pine Hill and Phoenicia that lie along the East Branch of the Delaware River and the Esopus Creek that flows into it. These villages are within what is considered to be some of the most beautiful scenery in the Catskills, have small businesses supporting the local tourism and recreation industries and are looking to develop more business

Most importantly there is talk of rebranding the region and to move away from outdated images of the Catskills. In 2004, a local business consortium submitted a proposal to create a resort adjacent to an existing state owned ski facility and bordering part of the forest preserve. The communities closest to the proposed development were Pine Hill, Margaretville and Arkville. The resort was planned to include a 150 room hotel and a number of homes and condominiums. The community and its stakeholders were deeply divided in their opinions on this proposal. Those in favour were looking at jobs and economic development and those against feared for the conservation of the environment of the park and also the disruption of their rural idyll. Following the proposal there were seven years of acrimonious and bitter public debate before any kind of compromise could be reached.

In those seven years the economic environment altered significantly and there questions were posed regarding whether the resort proposal was financially viable. The recession has caused many small businesses to fail, house values have fallen as second home owners have stopped buying and unemployment has increased overall. New York State has withdrawn much of its financial support from the ski area and it is in imminent danger of closure.

However there are some businesses which have survived and even flourished. New owners of a supermarket in Margaretville have invested heavily in rejuvenating the entrance to the village with a new parking area, lots of flower tubs and benches along the river. Local shops and the Chamber of Commerce have responded also by improving the street scene and exterior of

buildings. Early in 2011 there was a feeling of quiet optimism - that the worst was over and those businesses which had survived would thrive in the coming summer and autumn seasons.

On August 28th 2011 Tropical Storm Irene veered west from its predicted course and slammed into the Catskills depositing 45cm in some places in only a few hours. The East Branch of the Delaware River and Esopus Creek and their tributaries flooded catastrophically. Margaretville, Arkville and Phoenicia suffered devastating damage to homes and business; roads and bridges were washed away and the communities were cut off. The new supermarket in Margaretville was under two metres of water and the pharmacy next door disappeared into the torrent. Some people had to be rescued from the roofs of their houses by helicopter, but mercifully there were few physical injuries.

The clear up job is mammoth and, months later, the scars remain clearly visible. An already economically fragile tourism community is in tatters but the local people were trying to rally round to improve the infrastructure and to offer services to visitors in time for the ski season that started in December 2011. Sadly this was a bad season for snow; there were only limited opportunities for skiing during the winter of 2012.

Questions

1. Is this fragile tourism industry and community in danger of losing its market for ever? Why? Why not?
2. In what ways might tourism potentially help the region get back onto its feet?
3. On what kind of tourism do you think it might be appropriate for current efforts to be focused?
4. Would you support the development of the proposed ski resort adjacent to the forest preserve? Why? Why not?

Reference

Central Catskills Chamber of Commerce Report (2009). [on-line] available from: www.centralcatskills.com [accessed 25 April 2012].

Recommended Reading

Catskill Watershed Corporation (2012). [on-line] available from: www.cwconline.org . [accessed 25 April 2012].

Catskill Center for Conservation and Development (2012). [on-line] available from: www.catskillcenter.org [accessed 25 April 2012].

Belleayre Resort Development (2012). [on-line] available from: www.belleayreresort.com. [accessed 25 April 2012].

Problems in Paradise

by Sue Clark

The Sandy Bay Resort occupies a barrier island off the Gulf Coast of Florida. The island is about 8 km long and around 0.8 km wide and is only accessible via a very short, 250 metre boat ride. The beach area, which extends the full length of the island on the Gulf side, and the mangroves on the landward side have been designated as nature reserves for the birds and turtles that breed there. The beach is deliberately kept very natural, in keeping with the ambiance of the resort, but also to respect the flora and fauna that live there.

The resort has quite an unusual ownership structure. The land and facilities of the resort are owned by the Shaw family headed by Frank, father of Alan and Jocelyn. Frank spends most of the year resident on the island. The condominiums are owned privately by people who may or may not choose to be part of the resort's vacation rental programme. About 48% of the units are in fact rented out as vacation homes. The resort facilities include: swimming pools; a tennis centre; one restaurant; housekeeping; and a small store which also offers activities like kayaking. There is no serviced (hotel) accommodation on the island. Although the island has building permits for 400 condominium units, only 200 have been built along the 1.4 km stretch of the beach. Some of the units are apartments (six in a block), all with a maximum of three floors, in line with the environmental characteristics of the island, and others are truly fabulous single family homes.

However, there are problems with the local wildlife and the infrastructure. One guest found a rat in a child's bedroom, some units have cockroach infestations, many of the rental units have become a bit shabby and are lacking in contemporary facilities such as modern kitchens and bathrooms. Overall the resort is beginning to look and feel somewhat rundown. A major problem for the owners is the need to have everything transported by boat. For example, it costs \$600 (about 450 euros) for a furniture delivery truck to cross and \$60 (about 45 euros) every time someone needs to cross in a van to repair something. There is very little incentive for the owners to update their condominiums when costs are so high and, in any case, all of the units are rented at the same cost per number of bedrooms despite their condition and the

resort takes 55% commission on all rentals. There is no standardisation of quality, fixtures and fittings so guests are unsure about the quality of the unit they are renting.

Frank Shaw's long term business partner owns the boat transit company that operates to and from the island. Revenues at the resort are falling along with its reputation and the economic situation is not helping. Guests are complaining about the units, the facilities, especially the restaurant and, in fact, everything but that fabulous beach.

A new General Manager, who really believes that the whole place needs upgrading and modernising, but gradually and sympathetically, is employed. He is supported to a degree by Frank Shaw's son Alan, but it is his ambition to turn the island into a five star full service facility resort "as manicured as Disney". On the other hand Frank and the majority of the owners who do not belong to the vacation rental scheme, but who do have a powerful and articulate Home Owners Association, want nothing to change. They have bought their pieces of paradise and they want to keep them in the same way. On the whole, the owners regard the holiday-makers as somewhat of a nuisance getting in the way of their island, without necessarily acknowledging their financial contribution to the facilities. Frank does, however, recognise that the financial viability of the resort is becoming increasingly unsustainable and something must be done as a matter of urgency.

Questions and Activities

1. What are the fundamental problems this resort is facing?
2. What are the particular issues involved for a General Manager when the owner of the property is resident on the resort, as in this case.
3. How might the General Manager incentivise the owners to refurbish their units?
4. Devise and justify a strategic plan for the development of the resort over the next 10 years.

Saint Vitus Cathedral, Prague Castle (Czech Republic, Prague): Sustainable Development of Tourism in a National Cultural Monument

by Liběna Jarolímková

Introduction

Prague Castle is the most significant and frequently visited cultural-historical monument in The Czech Republic. However, high attendance has had a negative impact on the monument. This case study uses a concrete example for development of management knowledge and skills on the topic of tourism sustainable development and in the context of cultural heritage preservation.

After completing the tasks in this case study, the students will be able to:

1. evaluate and respect barriers originating from the need to preserve cultural heritage while planning for the development of tourism
2. propose variants of possible solutions for attendance regulation
3. interpret the impact of individual variants on a particular locality's attendance and to devise an optimal solution

Background information

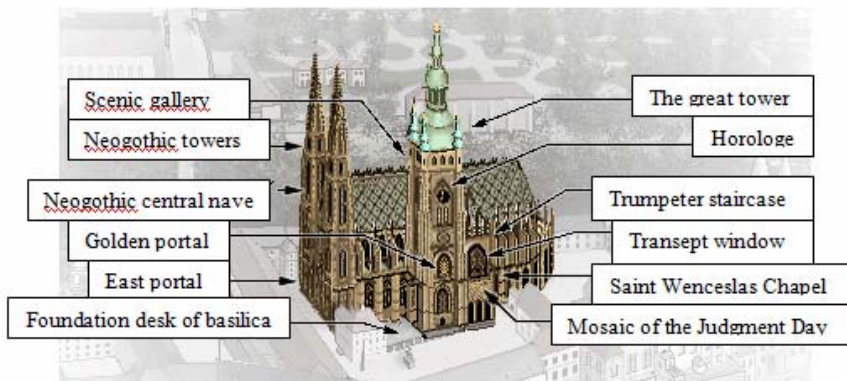
Prague Castle is the most frequently visited cultural-historical monument in The Czech Republic; it was visited by 5.7 million people during the last year (in 2010). The area consists of a monumental complex of palaces, offices, a church and fortifications, all built in the style of the period. It is the symbol of one thousand years of the Czech state's development and the residence of the state's head. Due to its importance, the Prague Castle was declared a National Cultural Monument, and therefore it falls under the highest level of cultural heritage protection in the Czech Republic. It is also part of the Prague historic centre, which is on the list of the UNESCO World Heritage Sites (See <http://whc.unesco.org/en/list>).

A part of the Prague Castle area is the gothic Saint Vitus Cathedral. Its construction began in 1344 and lasted for almost 600 years. Until today, the rich and valuable decorations have remained well-preserved. In order to conserve the furniture, wall paintings, polychromes and

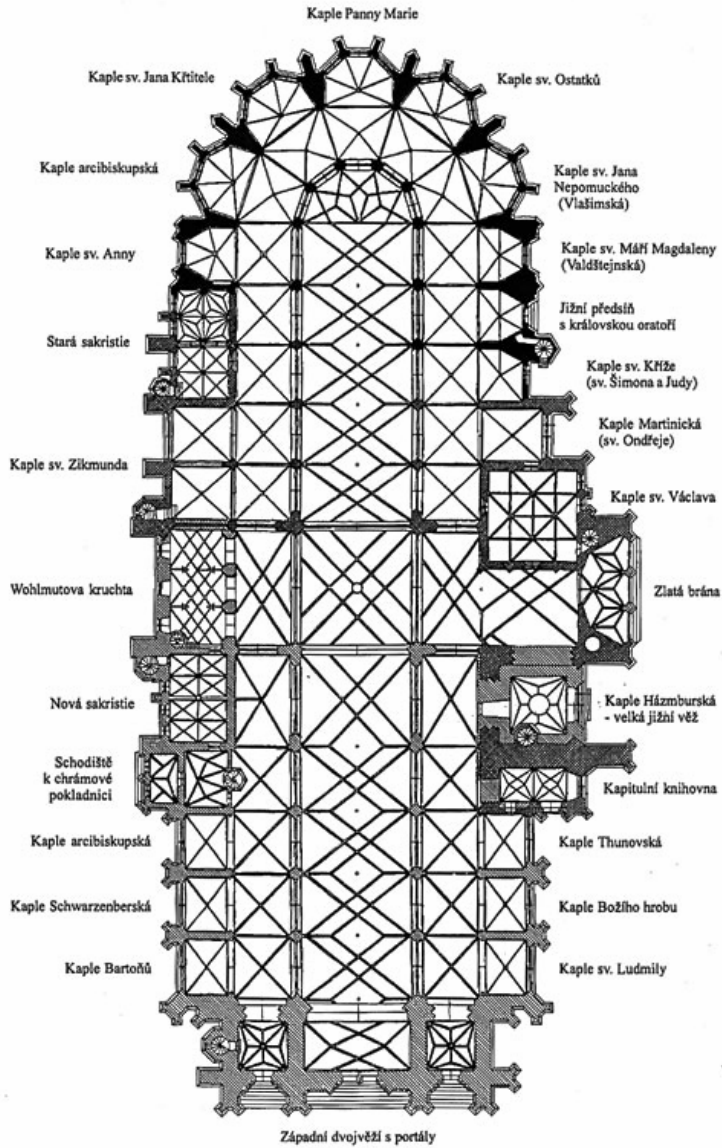
other art works in the cathedral's interior; it is essential to ensure stable climatic conditions and so climatologic measurements are carried out continuously. Despite its large size, the building reacts sensitively to climate changes during the year, and also to heavy visitor traffic. A particular problem that can affect the stability of the climatic conditions inside the cathedral is the change in humidity and air flow caused by opening the entrance doors.

During the high season, daily attendance reaches tens of thousands of people. Over the day time period, the attendance is unevenly distributed but the attendance peaks daily between 10 a.m. and 1 p.m. With respect to the monument protection, some regulations have already been put into place. For example, only one entrance is open and, behind the door, a tambour has been hung (a curtain blocking the air flow); on wet days, the door is closed after a visitor comes in; and the cathedral's underground area has been closed to visitors. The regulation of the visitor numbers was solved by introducing an entrance fee to the oldest part of the cathedral.

Picture 1 The Saint Vitus Cathedral



Picture 2 Ground plan of the Saint Vitus Cathedral



Main entrance

Websites

<http://zholo.com/praha/cz.php?st=katedralasvsvita> (Pic. 1)

<http://www.katedralasvatehovita.cz/cs/prakticke-informace/pudorys-katedraly> (Pic. 2)

www.hrad.cz/en

Questions

1. What factors cause climatic changes in the cathedral? Which of these factors can be influenced? How?
2. What measures can be taken to minimise the negative influence of attendance on climate conditions in the interior?
3. What are the segments of the cathedral's visitors? How is it possible to influence the attendance of particular segments?
4. Suggest possible general solutions for attendance regulation and evaluate their positive and negative consequences not only with regard to preservation of the monument but also to the visitor's point of view.
5. What measures do you suggest for making the visitors distribution even during the day? How can you motivate the organisers (travel agencies etc.) to plan the visits during less busy parts of the day?
6. Do you know any other monument which has problems similar to those of the Saint Vitus cathedral? How is the attendance regulated in this monument?

The Marketing and Management of Ganga Lake, Arunachal Pradesh, India

by Gopal Srinivasan

The Ganga Lake or Gyaker Sinyi is a naturally made lake in Arunachal Pradesh. It is located about 6 km from Itanagar, the capital city of the north-eastern state of Arunachal Pradesh (See <http://www.mapsofindia.com/aranachal-pradesh/tourism/ganga-lake.html>). This lake is located in the foothills region of the Himalayan range. It is a famous picnic spot for the locals but the access routes are poorly maintained and, sometimes, very muddy. When visitors arrive, the lake authorities promptly collect parking and entrance fees. The lake is very beautiful with its fascinating green surround, mainly composed of trees of a formidable height, orchids and ferns; bamboo plants are also growing in the forest.

The whole scenery is breath-taking and, on arrival, most visitors immediately begin to take photos. There is a small park and a boat house providing boating services for guests. The park is frequented by families with young children. Its worst feature is that lots of plastic bags and other non-biodegradable items, discarded by the visitors, are evident. The lake/park maintenance staff, who are responsible for clearing up the mess, seem to be inadequately staffed to cope with the volume of rubbish. Some visitors have questioned why they collect entrance fees when the lake/park is not maintained properly.

There are a few cottages that were built by the lake authorities for guest accommodation, close to the lakeside, but they have been abandoned. As they have not been occupied for several years, the managing authorities of the park, the Arunachal Pradesh tourism board, have not listed them on their website (<http://www.arunachaltourism.com/accommodation.php>).

Questions

1. What is your view of the park's management operations?
2. There do not appear to be any foreign tourists in the area? Would you encourage visitors from overseas to visit the park? If so, how would you attract them?

3. Would you put any plans in place to promote the lake and develop the lakeside accommodation or would you leave the site to develop naturally? Justify your response?
4. What is meant by a protected area permit (PAP) and what is its effect on the tourism industry?

Recommended Reading

Dwyer, L. and Forsyth, P. (2006). (eds.) *International handbook on the economics of tourism*, Edward Elgar Publishing Ltd., Cheltenham, UK, Chapter 12, pp. 266-280.

Sharpley, R. and Tefler, D. J. (2002). (eds.) *Tourism and development: concepts and issues*, Channel View Publications, Clevedon, Chapter 3, pp. 81-111.

Soteriades, M. (2011). *Tourism Destination Marketing*, LAP Lambert Academic publishing AG & Co, KG, pp. 1-96.

http://arunachalpradesh.gov.in/enter_ap.htm [accessed 25 April 2012].

Websites

<http://www.mapsofindia.com/arunachal-pradesh/tourism/ganga-lake.html> [accessed 25 April 2012].

<http://www.arunachaltourism.com/accommodation.php> [accessed 25 April 2012].

A Future Marketing Plan for Tourism in Calabria

by Sonia Ferrari

Calabria, the furthestmost southern tip of Italy, is a region characterised by low population density and limited processes of industrialisation but it is rich in natural resources, which remain unspoiled, in part precisely as a result of its poor productive infrastructure and its remote location. Protected areas constitute a high percentage of its land mass (approximately 30%). Tourism data shows that the region, as a tourist destination, is still in the early phase of its life cycle, notwithstanding its considerable potential, which could be harnessed through careful marketing planning aimed at developing new market segments and eco-compatible forms of tourism rather than the development of the existing flows, which have been planned without great care.

The region accounts for only 2.2% of the national tourist trade. Italian tourists represent 3.3% of the total and foreigners 0.9%. Over the course of the last 20 years, however, excluding the period of crisis which began in 2008 and ended in 2011, tourism flows towards Calabria have been increasing considerably, with the number of overnight stays more than doubling and an average length of stay of 5.6 days opposed to the Italian average of 3.8 days. It can therefore be hoped that the region is undergoing a true revitalisation in the national and international tourism markets even if, when evaluating these increases, we must take into account the fact that numbers were low to begin with.

When studying the resources of the Calabrian tourism industry, it is possible to identify a series of elements which can be considered to be primary tourist attractions. These are, however, threatened by a number of factors and are largely potentialities, as they require investment in order to become distinctive elements of local tourist offerings which could be focused upon for an effective policy of differentiation of the tourism system.

The strong points of the region are its climate, which could make it possible to attract tourists throughout the year, and its natural resources, which remain unspoiled in places, and especially in the inland areas, which are yet to be discovered. As a result of the fact that the region, with its 780 kilometres of coastline, is surrounded by the sea, tourist offerings have, until today,

always been centred on this natural resource in which it is richest. The sea is, moreover, the greatest attraction for Italian tourists, and this has led to a high level of neglect of the region's other resources in tourism planning and, as a consequence, a low level of knowledge or interest on the part of tourists in the other attractions that the region has to offer.

The preponderance of seaside offerings, which account for 66% of accommodation facilities and 88% of sleeping accommodation, concentrated in the areas along the coast, makes demand highly seasonal. This seasonality is the weakest point in the entire regional tourism system. Moreover, the fact that the region's offerings and image are concentrated on its seaside offerings exposes it to competition with other areas of the Mediterranean, which are more competitive in terms of cost-quality relationships. Finally, existing seaside offerings do not seem to take into account the on-going evolution of demand which, from traditional holiday models (*sun, sand and beach*) is moving towards more active types of holidays that include numerous interests and relatively complex and diversified types of tourism products.

The region's seasonality is among the highest in Italy, with an extremely high concentration of tourism flows during the summer months, especially in July and August. During these two months the region is host to over 44% of its yearly total of Italian tourism and nearly 32% of its foreign tourism⁷. Flows peak in August, the month when most of the Italian tourism is concentrated (38.8% of the annual total) and 18.5% of foreign tourism. Overnight stays by foreigners are higher in July than in August.

The extremely high seasonality of demand has obvious negative consequences which give rise to a vicious cycle. Indeed, it reduces interest in investing in tourism and impoverishes low season offerings, which serves to further compound the problem. This issue has significant consequences, such as extremely low gross and net use indices of accommodation facilities, low rates of return on investments and difficulties in recruiting qualified staff. In addition, the sea is threatened by pollution, which manifests itself mainly during the summer months as a result of the plethora of visitors, who overburden the purification plants and sewage systems. The seasonality issue is aggravated by the low presence of foreign tourists, since Italians still have a much greater tendency to concentrate their stays during the summer months. Foreigners account for 15.6% of arrivals and 18% of overnight stays. Only five other Italian

⁷ All statistics presented up to this point refer to the year 2010. Source: Tourism Information System, 2012, *Calabria, Twelfth Report on Tourism*, the Region of Calabria.

regions have lower percentages. Nonetheless, the average length of stay of foreigners in Calabria (7 days) is longer than that of Italians (5.4 days)⁸.

Local tourism is of considerable importance in the region. The majority of Italian demand consists of Italians coming from Campania (21% of arrivals and 29% of overnight stays), Lazio (12% of arrivals and 12% of overnight stays) and Calabria itself (17% of arrivals and 11% of overnight stays)⁹.

Marketing planning must take into account the fact that it is starting off with the disadvantage of an entire tourism system characterised by a lack of strategic market orientation, the consequence of the limited planning which has been typical in the past. This concern is compounded by evident shortcomings in complementary and auxiliary tourist services such as entertainment, reception and information services, especially during low-season periods, as well as a lack of specialised facilities and services targeting specific market segments. The small number of facilities complementary to reception facilities, such as conference halls or equipment for sports or entertainment able to satisfy the needs of new market segments, prevents the development of new forms of tourism in periods when the primary seaside attractions are not completely accessible. The final element which represents a disadvantage appears to be the lack of *primary tourist attractions* with an extra-regional target market, for instance theme parks, golf courses, working tourist ports, etc.

With respect to Calabria's image, we can observe that the region's *positioning* in the tourism market is uncertain, which results in it having an image which is not well-defined and means that its individual regional destinations are not well-known. Moreover, its image has deteriorated on an international level as well over the years as a result of news reports and for economic and social reasons. Finally, it is only over the last few years that policies have been put into effect to launch the *Calabrian tourism brand* on a national and international scale.

Questions and Activities

1. Perform a SWOT analysis of Calabria as a tourist destination.

⁸ The year 2011. Source: Tourism Information System, 2012, *Calabria, Twelfth Report on Tourism*, the Region of Calabria.

⁹ The year 2010. Source: Tourism Information System, 2012, *Calabria, Twelfth Report on Tourism*, the Region of Calabria.

2. What type of market positioning does the region have today? Do you think it is necessary to reposition it in order to make it more competitive in terms of tourism?
3. Outline the essential criteria to be included in a Strategic Marketing Plan for Tourism in Calabria, identifying its principal short- and long-term objectives.

Recommended Reading

Kolter, P., Bowen, J.T. and Makens, J. (2009). *Marketing for Hospitality and Tourism*, Pearson Education, London.

Morrison, A. (2012). *Marketing and Managing Tourism Destination*, Routledge, London.

Hall, M. C. (2008). *Tourism Planning: Policies, Processes and Relationships* (2nd Ed.), Pearson Education, Essex, England.

Seiter Plaza

by Mac McCarthy

Introduction

James Seiter and William Whitney established the Seiter Plaza project in 2004, although it was not completed and opened until November 2007. Originally destined to be known as The Millennium Plaza, the name was changed by Whitney upon the sudden death of his partner, in a desperate attempt to secure and maintain the funding that had largely been acquired as a result of the confidence of the backers in Seiter.

The period between June 2005, when the plan was conceived, and April 2007, when the funding was finalised and the project was given the green light, was largely one of gaining commitment from backers and financial institutions. Most of the backers were either friends or acquaintances of Seiter's, who had had dealings with him before and respected him. The financial institutions were encouraged by the strategic plan devised by Seiter and by the strength of commitment of the private backers. After Seiter died suddenly in February 2006, a number of backers became jittery - there was not the same confidence in Whitney. Nevertheless, he managed to hold the plan together by relentless pursuit of retailers to whom he offered franchises; the change of name for the project seemed to clinch it with the financial backers.

Seiter Plaza

Seiter Plaza opened its doors to franchisees in July 2008 and the first customers entered the sumptuous surroundings on 12th November 2008.

The site consists of:

- An all-purpose sports stadium, with Velodrome
- A swimming pool and leisure centre
- A nine screen cinema
- A crèche
- A fresh food market based upon the night market in Bangkok
- A cluster of fast food outlets all grouped together in a themed area which uses designs

and photographs focused on the Temples of Angkor in Cambodia.

- A 100-room hotel [4 star] with two restaurants
- An enclosed shopping centre that houses 165 retail outlets, many of them high street names but also including a significant number of specialist shops that sell high price luxury and consumer goods [these are the franchises]
- SAPSA supermarket

The Plaza site is situated on the edge of the Pennines, adjacent to an artificial lake, within easy reach of Manchester, Leeds, Bradford and most other mid-north western cities and towns. Whilst well served by motorway networks, however, the infrastructure leading in and out of the Plaza is subject to severe congestion and, more recently, to flooding following the bad weather of November 2011.

Plaza Management Enterprises

Plaza Management Enterprises (PME) is a tightly-knit group of just 70 managers and staff who run the PME-owned outlets, manage the franchisees, and run cleaning and maintenance operations. The stadium, swimming pool, leisure centre, cinema and crèche are run by PME, utilising specialist staff recruited for that purpose. All retail franchises are controlled by their own management.

Whitney is situated ‘in the centre’ of this group of managers and staff. He has an unusual management style that is not entirely in line with his former partner’s and he is very much resented by significant numbers of his staff. In addition, he has hardly endeared himself to the managers of the retail outlets who have to deal with him on contractual matters and provision of services.

The retailers are contractually barred from employing their own cleaners. Cleaning and maintenance services are provided to the retailers on a tiered model of delivery according to how much they pay [Standard, Superior and Deluxe]. All cleaning and maintenance falls under the remit of the Services Manager, who provides and manages these services to the franchises. The same services are provided to the PME-owned parts of the plaza on a matrix model. This means that team leaders are assigned different parts of the Plaza as their workload is based upon a number of criteria. This is very confusing for team leaders as they are running different systems and rotas according to who they are dealing with. Whitney brought this approach to

the plaza from his past experience in retail management, in the belief that cleaning and maintenance were potentially more profitable than many organizations realized. However, even the Services Manager struggles with the concept and spends a lot of time sorting out rota issues.

The relationship with the retail outlets is managed largely by the Head of Finance, Lyn Talbot, with interventions from Whitney himself. She does a good job of maintaining reasonable relations with them, often calming them down after Whitney has had one of his angry outbursts, but she admits herself that relationship management is not her key strength. The General Manager, Clair Simpson, also has a role to play, meeting with retail outlet managers bimonthly to discuss outstanding and current issues.

The managers of the leisure, sports and cinema facilities are responsible for operations within their area, promotions and staffing, including training. Terry Simons is head of the Sports Stadium and he has had a somewhat mixed relationship with Whitney. When he hosted the Kroma Sports and Leisure Ltd. Annual Conference, for a sizeable fee, Whitney was full of praise and encouraged him to do “more of the same”. However, Terry’s attempts to broaden the appeal of the stadium through a variety of sporting activities have been less well received. Whitney has not been impressed and has sought to dominate the strategy and the programme for all of the sports facilities, by implementing centralised budgeting and focusing narrowly on profit maximisation. Terry Simons has argued that responding to diversity in all its forms, from meeting the needs of the local community to running major events for minority as well as mainstream sports, will promote long-term growth.

The use of the leisure facilities has been steady but relies as much on usage by visitors living within striking distance as by visitors to the whole complex. The sports stadium has never really attracted the wide range of sports that Whitney envisaged. He confidently predicted baseball, American football and table tennis tournaments, but the stadium increasingly relies on football as its main source of income.

Whitney’s Style

William Whitney began his career as a stationery salesman in the USA, working his way up to become Marketing Director of the organisation. They parted company as a result of the growing number of complaints about his aggressive style, although they acknowledged that

sales had never been higher than after he took over. However, the growing unrest began to show itself in the number of key staff who were leaving. With a very generous payout, Whitney left to start his own business, a fast food franchise, which quickly grew to be a significant feature around the Southern States.

Whitney met James Seiter when the latter was attending a retail conference in Miami and they quickly became friends, although they and others agreed that they were “chalk and cheese” – complete opposites in character. However, they had complementary skills. Seiter, whose father was American and mother was English, had lived in England for many years, making a significant fortune in publishing and book retailing. He was semi-retired when they met but had become intrigued by the vast shopping malls he saw in the USA and that he knew were appearing on the English landscape. Following a number of conversations, the two decided to embark upon the venture that Whitney now ran, following Seiter’s death. Because of his continuing links with his food franchise, Whitney makes frequent trips back to the USA.

After capitalising on Seiter’s name, Whitney scarcely concealed his jealousy for his former partner, disguising this as criticism of Seiter’s “lack of backbone when it comes to people”. Whitney’s approach is to “pay big bucks and kick ass”; he expects a very high level of commitment and has created a climate of fear and distrust through some of his excesses, including continuing to question a pregnant member of his team about monthly sales figures as she went into premature labour. He describes his style as hands-off and empowering - but enjoys his “surprise swoops” when he “raids” a department or section at dawn to find out if they are up to scratch. He offers attractive incentive packages to managers, based on results, which are measured against targets set centrally, and he has always delivered on his promises. As a result, a number of managers and some individual staff members have received impressive bonuses, awarded at the annual February staff conference.

Whitney frequently berates his staff and his managers for their lack of commitment and drive, often publicly, which creates some embarrassment. Following the flooding incident, he criticised his general manager, Clair Simpson, at a management meeting for not getting things back to normal quickly enough; furthermore, he ordered her to threaten the Services Manager with the sack over it.

He gets on well with the company secretary, Paul Vickery, and in several conversations with Paul, Whitney has placed the blame for the problems firmly on British culture and the distinct lack of a service orientation. Whitney perceives the British culture as being complacent and lacking sufficient aggression in retail and service management. “In the US, the customer is king and service is everything,” Whitney told Paul who tries, with limited success, to calm things amongst the other managers and suggests more teamwork at all levels and the introduction of customer focus programmes. Whitney’s comment was “To hell with that – get hungry and stay hungry, if you want to keep your jobs! If they’re not a team, they should be. If they’re not team players, why did we recruit them in the first place?”

Paul gets on well with Clair and tries to support her, although he is reluctant to stand up to Whitney’s attacks on her when things are not going as he would like. Paul is the ideal team worker and helps to keep senior management meetings reasonably calm but Clair feels that he could be more proactive – he uses his role as company secretary as a way of hiding from the battles, she thinks.

Whitney’s Problems

In his haste to get the Plaza completed before the backers got any shakier, Whitney employed some contractors who were positively encouraged to cut corners; these measures are now leading to some safety problems, including the collapse of a safety rail at the Temples of Angkor food outlet, causing an old woman to break her hip when she fell onto it. Poor electrical insulation led to a fire in the summer of 2010, which gained much publicity as it was in a storage area next to the crèche and the fumes led to a number of small children being hospitalised. More recently flooding occurred in parts of the complex, which Whitney blames firmly on the weather.

The retail chains that moved into the Plaza are less than pleased by their trading results which are falling below the expected levels, and have done so since the outlets opened. They blame their poor profits on a number of factors, including:

- Poor car park management
- Ineffective marketing of the Plaza by PME
- High overheads, despite the centralised control
- Poor organisation and management of ancillary services, including cleaning and

maintenance, in particular the constant stream of breakdowns, although minor, create a poor impression with consumers:

- Sports and leisure facilities that are a hub of discontent

Inevitably, the economic climate across the world since 2009 has also had an impact.

Whitney's response was to "kick more ass" amongst his own staff and adopt a somewhat belligerent tone to the complainants. He then leaves people to 'get on with it' but the climate of fear has meant that there is nobody either able or willing to step into the breach to give some strategic direction to Plaza Management Enterprises, when Whitney makes one of his frequent return trips to America.

In addition, as a result of Whitney's idea of encouraging internal competition, the sports stadium, cinema and crèche have reached a level of conflict where they barely speak to each other, let alone cooperate. Much of this is due to Whitney setting them targets that were punishing. The Head of PME Sales and Marketing, Denny Nespero, who has frequently been at the centre of these conflicts because of his responsibility for targets, has not coped as well as he might with the conflicting demands and has simply tried to implement Whitney's policies as best he could. He has had frequent bouts of sickness due to stress. This stress has been exacerbated by his staff losing respect for him, perceiving him as Whitney's lackey and whipping boy. At the monthly results and budgets meeting, Denny frequently finds himself berated and other managers at his level have been known to use him as a scapegoat in order to gain favour and advantage in budget bids. This situation has not been helped by Whitney's jokes at Denny's expense, focusing on his Filipino origins. Furthermore, there is a high degree of resentment towards the retail outlets as they are seen to be "stealing customers" from the PME-owned facilities; in addition, they get higher wages than PME staff. In contrast, the PME management are paid extremely well, in line with Whitney's espoused policy, as are 'so-called' office staff, namely Finance and HR.

The hotel, owned and run by Rajana, a successful Southern European chain, has had similarly disappointing results, due to the lack of customers. Whitney's promise of luxury shopping/leisure holidays, with coach trips into the Yorkshire Dales, the Lake District and the Pennines never really got off the ground, causing the hotel management some considerable consternation. When they tried to organise their own coach tours and holiday packages, he

refused to allow the coaches access to the car park and he banned his leisure operations from co-operating with the hotel without his involvement, although he had initially promised discounted rates for hotel customers.

Between July and November 2011, 10 of the retail outlets were vacated because of falling sales and a lack of any perceived future upturn. Three of these were part of national retail chains, whilst the rest were specialist shops.

The Market

Situated as it is in the Pennines, it was hoped that Seiter Plaza would become a weekend holiday centre as well as a shopping experience. Seiter had been confident that the range of offerings could compete effectively in a market already well served by large and distinctive retail outlets in Manchester, Sheffield and even further afield in Newcastle and London, though this proved to be somewhat optimistic. City centre developments in Manchester, Leeds and Newcastle further increased the competition for tourist-shoppers. On-line shopping became a further threat.

Furthermore, the period since 2001 has seen a significant increase in low cost shopping flights to Brussels, Paris, Amsterdam and Prague. Whitney's slow response to the problems, and to the needs of customers and franchise retailers, have not helped him to secure a footing in this highly competitive market.

Facts and Figures

Capital value of Seiter Plaza £880 million

Sources of capital:

Seiter estate	15%
Private backers	40%
Financial institutions	35%
Whitney	10%

Date	Projected total retail sales from PME outlets and the franchises	Actual total sales from PME outlets and the franchises
Nov 2008 – Oct 2009	£69 million (euro 82.04 million)	£48 million (euro 57.07 million)
Nov 2009 – Oct 2010	£98 million (euro 116.52 million)	£57 million (euro 67.77 million)
Nov 2010 – Oct 2011	£135 million (euro 160.52 million)	£66 million (euro 78.47 million)
Nov 2011 - Oct 2012	£160 million (euro 190.24 million)	Not yet known – current indications are disastrous

Whitney believed that the big barrier would be the £140 million target but had planned to have added more features by September 2011 in order to add to “the big push” as he called it. Unfortunately, he had not delivered on any of these and the retailers were angry, which is yet another reason why some began to move out. Seiter Plaza needs rescuing but there is no strategic vision and no believable leader to make it happen.

The Crisis

In January 2012, the backers called a meeting with Whitney to express their concerns over falling profits and three years of consecutive low returns on their investment. Clair Simpson and Paul Vickery were also in attendance. Clair was asked to report on current sales figures, visitor numbers and marketing strategy. Paul was asked to report on staff turnover, morale and current occupancy of the retail facilities.

Faced with the evidence and what he perceived as a betrayal, Whitney criticised the entire group for their lack of forward thinking and their inability to operate a 21st. century retail facility. In return, the backers asked him to become a non-executive chief executive and step aside to allow a new Managing Director, or they would take more drastic measures. Reluctantly, he accepted and Clair Simpson was appointed as the new Managing Director, having been given a year to demonstrate an effective turnaround strategy. Paul was appointed as the new General Manager and the vacancy for a new Company Secretary was advertised a week later.

The Dawning of a New Era

Clair and Paul set about identifying the problems and quickly became enmeshed in the conflicts and contradictions that seem to pervade the company. The managers took the opportunity to voice their concerns as strongly as possible, knowing that Clair and Paul had previously been sympathetic to their plight. All of them cited their areas as priorities for improvement, and quickly fell into bickering amongst themselves over demands for improvements.

As Clair announced her plan to bring in a team of consultants to the staff and to the retail managers, 14 staff resigned and four retailers told her of the likelihood that their company head offices were considering withdrawing. The next day, a customer was injured as a result of an accident in the swimming pool, due apparently to a fault in the filtration system.

Activities

Clair has suggested that you, a team of consultants, should be called in. She would like you to:

1. Identify problems
2. Prioritise key issues for improvement
3. Suggest a way forward for the company and provide strategic and tactical plans for dealing with the key issues you have identified

Recommended Reading

De Wit, B. and Meyer, R., (2010). *Strategy: Process, Content, Context* (4th Ed.), Thomson Business Press, London.

Enz, C. A. (2009). *Hospitality Strategic Management: Concepts and Cases* (2nd Ed.), Wiley, Chichester.

Griseri, P. and Seppala, N. (2010). *Business Ethics and Corporate Social Responsibility*, South Western Cengage, Andover.

Johnson, G., Scholes, K. and Whittington, R., (2008). *Exploring Corporate Strategy, Text and Cases* (8th Ed.), FT Prentice Hall, Harlow.

Lynch, R., (2008). *Strategic Management* (5th Ed.), FT Prentice Hall, Andover.

Mintzberg, H., Lampel, J., Quinn, J. and Ghoshal, S. (2003). *The Strategy Process Concepts Contexts, Cases* (4th Ed.), Prentice Hall.

Okumus, F., Altinay, L. and Chathoth, P. (2010). *Strategic Management for Hospitality and Tourism*, Butterworth Heinemann, Oxford.

Olsen, M., West, J. and Tse, E., (2008). *Strategic Management in the Hospitality Industry* (3rd Ed.), Cassell, London.

Olsen, M. and Zhao, J. (2008). *Handbook of Hospitality Strategic Management*, Butterworth Heinemann, Oxford.

Tribe, J., (2010). *Strategy for Tourism*, Goodfellow, Oxford.

Journals

Journal of Business and Strategy

Strategy and Leadership

International Journal of Contemporary Hospitality Management

International Journal of Service Industries Management

Journal of Business and Strategy

People Management

Strategic Management – Wiley

Strategy and Business <http://www.strategy-business.com> [accessed 25 April 2012].

Strategic Management Process, Content, & Implementation

Strategy and Leadership

Seiter Plaza Sports Stadium

by Mac McCarthy

Introduction

Seiter Plaza Sports Stadium is a commercial operation situated within the Seiter Plaza shopping complex, which opened its doors in November 2008.

The sports facilities consist of:

- An all-purpose sports stadium, indoor tennis, 5-a-side football, volleyball, squash and Velodrome
- A swimming pool, sauna, spa pool and leisure centre
- The crèche [this was placed within the leisure centre because there was a convenient space and is therefore included within the management remit of the Stadium]

Terry Simons is head of the Sports Stadium and has had a somewhat mixed relationship with the senior management of the plaza, especially William Whitney, the Managing Director, to whom he reports. When he hosted the Kroma Sport & Leisure Ltd Annual Conference (see note 1 below), for a sizeable fee, Whitney was full of praise and encouraged him to do “more of the same”. Terry had monitored Kroma’s progress as the fastest rising sports retailer in the UK in terms of sales, since 2005.

However, Terry’s attempts to broaden the appeal of the stadium through a variety of sporting activities have been less well received. Whitney has not been impressed and has sought to dominate the strategy and the programme for all of the sports facilities, by implementing centralised budgeting and focusing narrowly on profit maximisation. Terry Simons has argued that responding to diversity in all its forms, from meeting the needs of the local community to running major events for minority as well as mainstream sports, will promote long-term growth.

He had been keen to get the stadium and the Velocentre onto the agenda with the UK Olympics Committee. Whitney blocked this without even hearing the full weight of the arguments but then changed his mind when he looked at Terry’s financial forecasts, blaming

Terry himself for not pushing the arguments forcefully enough at management team meetings. Even so, Whitney was reluctant to approve the bidding and marketing budgets required to make it happen. As a result, Terry achieved limited success with the Olympics bids, and Whitney is now upset at the loss of what would have been very valuable publicity.

The Culture

The strain of trying to meet Whitney's demands is taking its toll on Terry Simons and on his staff, and a number of the better staff have left or are in the process of leaving. At a recent team meeting, Terry said: "The problem is Mr. Whitney sees sports facilities as just another service offered within a retail setting – a giant shop that sells sports facilities and activities. He doesn't understand the ways in which we are different from retailing. He doesn't understand that we can play a part in local and regional sports development, that we can develop long-term growth from widening our access and availability. He wants us to be proactive but within his boundaries – and, above all, we have to meet his targets which he sets without understanding how sports facilities work. We have to make money without spending it." This was a brave speech on Terry's part, given Whitney's knack for knowing everything that is going on.

The culture in the shopping centre has suffered from Whitney's aggressive management style and bullying, resulting in staff being demotivated and often in conflict with each other; Whitney encouraged ruthless competition between departments. Terry has largely protected his staff from this adverse treatment through his own style which has been strong, supportive and fair. He has encouraged cooperation rather than internal competition. However, staff have begun to feel demoralised because of the shockwaves from the rest of the organisation. They have seen Terry's ideas being blocked and recognised that this unfairness is hindering their own development. Some staff have left already.

Current Performance and Business Development

The use of the leisure facilities has been steady but relies as much on usage by visitors living in the neighbourhood as by visitors to the whole complex. Terry has tried to promote the facilities in the local region through advertising and has put forward ideas for establishing links with schools, sports and community groups, and even the local authority. The latter move was based upon the fact that local authority sports facilities are somewhat basic and limited because

of limited budgets with a largely rural area. He has not received wholehearted support from the top.

The sports stadium has never really attracted the wide range of sports that Whitney envisaged; he confidently predicted baseball, American football and table tennis tournaments, but the stadium increasingly relies on football and fitness as its main source of income. Terry maintained that sustained growth would need to be a long term aim, as it would take time to develop the interest of the local community. Terry also felt that over time the stadium could be used to host regional sporting events which would provide a visitor attraction as well as bringing in competitive events. The competition for hosting is very strong, as many other venues already had a long-standing reputation as good quality venues. Manchester has an excellent venue that was renovated and upgraded in advance of the London Olympics. Other places were firmly established as centres with Olympic swimming pools, indoor playing areas and running tracks. Even universities entered the market for hosting training and smaller events for the Olympics.

The competitive advantage at the Seiter Plaza Sports Stadium was its ability to offer a wide range of facilities, but Terry argued that this meant embarking on a systematic marketing campaign targeted at different niches. This campaign, inevitably, would take time. Sports Associations, who were potential customers for hosted events had already established links with other venues that were booked up to two or even three years ahead.

Terry has submitted bids to the UK Olympics Committee to host training for athletes and also to host minority events, which he felt, nevertheless, would attract significant numbers of visitors. His late entry into this market led to limited responses to these bids, and as a result the forecasted returns are disappointing. He is under pressure to achieve quick profits in the meantime and Whitney is insisting he focuses on other potential projects and leave the Olympics contracts to the assistant manager. Terry is concerned about the impression this could create and about the long-term implications.

Current business is somewhat variable, as indicated Table 1.

Terry has recognised that high profits are most likely to come from being a centre for hosting regional and, ultimately national events, particularly if the Olympics contract is successful as

this would help to establish their reputation. In addition, he sees great opportunities for hosting conferences, such as the recent one for Kroma. He got support for this idea but he has been turned down for additional resources that would facilitate this. His only real allies have been the General Manager of the Rajana Hotel (see note 2 below), which is one of the franchise operations at the Plaza, and Clair Simpson, Whitney's deputy.

Table 1 Summary of Current Business

Facility	Usage	Profit contribution
Velodrome	Currently limited	Potentially high, though seasonal
Indoor tennis	Medium usage; slowly growing	Consistent medium level of profit
Squash	Medium usage; slowly growing	Consistent medium level of profit
Health and fitness suite	High level, particularly early evenings	Very consistent, medium level
5-a-side football	Limited, slowly building up	Currently low; could develop to medium
Swimming pool	Medium usage	Consistent medium level of profit
Volleyball	Limited, slowly building up	Currently low; could develop to medium
Sauna and spa	Medium usage	Consistent medium level of profit
Crèche	High	Low to medium levels of profit

The Crisis

Current sales figures, visitor numbers and marketing strategy are failing for the business as a whole; staff turnover, morale and current occupancy of the retail facilities are below expectations.

Whitney was forced to step down in January 2012, and Clair Simpson was appointed as the new Managing Director, having been given a year to demonstrate an effective turnaround strategy. She recognises the value of Terry's ideas and has told him to present her with an analysis of the current situation, together with an outline strategy for the Sports Stadium. Terry has asked for your help to do this.

Note 1: Kroma Sports and Leisure Ltd.

Kroma Sports and Leisure was established in 2004 as a retail outlet with a strong focus on football related merchandise, trainers, home gym equipment, bicycles and golf equipment. Golf proved to be too costly and bicycles were poor sellers. Research revealed that golfers preferred more specialised retail outlets for their needs where they could get expert guidance and support. Kroma had employed golf pros in each store and this, combined with the reluctance of customers to view a general sports retail operation as a professional source for their needs, led to high overheads with insufficient return.

Note 2: Rajana Hotel

Rajana is a chain of hotels operating around Southern Europe. Their first venture into the UK was the hotel at Seiter Plaza. The disappointing results have led the Rajana executive team to reconsider their decision and currently they are monitoring progress very carefully – a decision will be made within 12 months regarding the future of the Seiter Plaza hotel.

Questions

1. Critically analyse the current situation at the Sports Stadium:
 - Produce a SWOT analysis, indicating the three key points in each quadrant and giving reasons for their inclusion
 - Use a Fishbone Diagram and Porter's Five Forces to identify the current state of the business in its competitive environment
 - Critically examine the current offerings using the Boston Matrix

2. Suggest a strategy for Terry to take the Stadium forward, giving reasons for your answer. Use an appropriate Strategic Management model and TOWS to identify key actions.

Recommended Reading

Beech, J. and Chadwick, S. (2004). *The Business of Sport Management*, Prentice Hall, Harlow.

De Wit, B. and Meyer, R. (2010). *Strategy: Process, Content, Context* (4th Ed.), Thomson Business Press, London.

Hove, R. et al., (2008). *Sport Management: Principles and Applications* (2nd Ed.), Butterworth Heinemann, Oxford.

Johnson G., Scholes K. and Whittington R., (2011). *Exploring Corporate Strategy, Text and Cases* (9th Ed.), FT Prentice Hall, Harlow.

Lynch R., (2008). *Strategic Management* (5th Ed.), FT Prentice Hall, Andover.

Mintzberg H., Lampel J., Quinn J. and Ghoshal S. (2003). *The Strategy Process Concepts Contexts, Cases* (4th Ed), Harlow, Prentice Hall.

Robinson, L. (2003). *Managing Public Sport and Leisure Services*, London, Routledge.

Slack, T. (2006). *Understanding Sports Organisations: The Application of Organisational Theory* (2nd Ed.), Champagne, Illinois, Human Kinetics.

Thompson, J. L. and Martin, F. (2010). *Strategic Management: Awareness and Change* (6th Ed.), South Western Cengage, Andover.

Watt, D. C. (2003). *Sports Management and Administration* (2nd Ed.), London, Routledge.

Useful Journals

International Journal of Service Industries Management

Journal of Business and Strategy

People Management

Institute of Sport and Recreation Management – <http://www.isrm.co.uk/> [accessed 25 April 2012].

Management of Recreation and Leisure & Sports Management

Strategy and Business <http://www.strategy-business.com> [accessed 25 April 2012].

The Surga Project

by Mac McCarthy

Since 2007, a small group of operators on Bali have been working in partnership to try to sustain and even increase business, despite the damaging blow dealt by a series of catastrophes, including the bombing in 2002 and various natural disasters. This initiative was led by a young entrepreneur and hotelier who took charge of the family business in 1999.

Ganesha Hotel, Seminyak Beach

The Ganesha Hotel was established in 1985 by two brothers from Java. The son of one of the brothers now runs it, since his father retired and his uncle emigrated to Australia. He is Ferry Widigara, a graduate of the University of Yogyakarta, who studied enzymology before joining the business on graduation, as a result of his father's persuasion. He quickly showed a very strong talent for finance and strategy and it was his idea to establish the partnerships that have helped to sustain his business and the others involved.

The hotel has 22 cottages, each with double bed, shower, TV and small fridge. Eight of them, the superior rooms, have a beach outlook. Adjacent to the main reception is a dining room and bar, which guests use for breakfast and an occasional late night drink. The evening dinner trade is not especially substantial, except on Saturdays when there is an early evening barbecue, followed by a cabaret of traditional dance and gamelan performances. In addition, the hotel has a swimming pool and provides free airport transfers for guests who have booked in advance.

In only two years, Ferry had increased the hotel's profitability by 18% and set out an ambitious plan to acquire two restaurants, one nearby in the beach resort of Seminyak and the other in Ubud, a place that is internationally renowned for arts, crafts and culture. His father was somewhat cautious about the plan, but, with persuasion from Ferry's uncle and mother, he agreed. Ferry chose every aspect of the design of the restaurants with considerable care, assisted by his friend Yudi Prayogi, in order to place them firmly in the niche market that he wanted. The distinctive terracotta and cream décor was complemented by furniture and fittings bought on Lombok, a neighbouring island, and noted for textile and pottery design. The

menus were chosen carefully to provide dishes from Java and Bali, and, in addition, a unique fusion of Javanese and Mediterranean dishes. The restaurants, named simply Java, quickly became popular and, through the internet, their reputation spread. Within a year, they were profitable and have gone from strength to strength ever since, although they were affected by the drop in tourism following the bombing in 2002. By 2006, however, the hotel and the restaurants saw steady growth in profits of around 12% per year, despite the effects of the bombing on tourist confidence.

Much of Ferry's success was due to a sound approach to business strategy and also to strong people management. He kept his staff informed about what was going on and listened to whatever they had to say, offering them clear leadership when it was needed.

Five years ago, in 2007, Ferry met Ben Paul, a young English Marketing graduate, and together they devised a plan that would enhance the business by establishing partnership agreements with other businesses on the island. Ben now works as Marketing Director for the partnership. Ben had adapted well to Balinese approaches to doing things, recognising the need to be polite and friendly as well as persuasive, and to allow time for decisions to be made.

The Bali Partnerships & Locations

The partnerships are focused on two key areas: Legian beach and Ubud. In many ways, these locations were the obvious places to start. The most popular beach area on Bali consists of three beaches that run into each other, as do the villages that give each stretch its name: Kuta [famous for surfers, wild night life and noise]; Legian [attracting a more mixed crowd of holiday-makers]; and Seminyak [attracting the richer, more discerning groups, considerably quieter and classier than Kuta]

Ubud was once a single village but it spread into neighbouring villages as its fame and fortune grew. It attracted the artistic rich and famous in the 1930s and 1940s, became renowned as a centre of Balinese arts and crafts thereafter and now attracts tourists interested in arts and ecotourism. Its prosperity has grown too and the artwork is bought for display around the world.

[a] The Legian Partners

Ben very quickly signed up two Diving Schools to the partnership, reasoning that by combining advertising resources with the rest of the group and targeting marketing on the major hotels, more custom would be generated – he was right. He did the same with other Water Sports providers along the Kuta-Legian stretch, including a surfing school, cruises to the coral reefs and fishing trips around the Gili Isles. By working through Wayan Suwardi, the President of the Small Craft Association, he was able to engage the interest of small boat owners more easily, as Wayan was highly respected personally but also association president.

His marketing plan was simple but effective; he signed the businesses up to pool advertising resources and share the costs, which he managed, for a percentage-based fee. He then approached the large hotels, extending his field with every new addition to the partnership, offering the hotels a simple one-stop booking service managed by his staff in an office based in the Ganesha Hotel, also in return for a percentage-based fee. Within nine months he had introduced on-line bookings and free collection by taxi for guests wanting to use particular services. By keeping the percentage fees low but by charging both suppliers and customers, Ben was able to provide a lucrative additional source of income to Ferry's business, as well as extending his influence and potential for growth.

Next, coach tours to different parts of the island were incorporated into the business; deals were established with local restaurants, guardians of temples and proprietors of other famous sites. These associations were termed secondary partnerships by Ben, as he acknowledged that he could not negotiate preferential deals with such places in the way he could with the service operators.

Within two years this partnership network was thriving and proved to be lucrative for all concerned. The hub of the network, of course, was the Ganesha Hotel and its trade almost doubled in that space of time, whilst the two restaurants went from strength to strength.

[b] The Ubud Partners

The obvious starting point in Ubud was to find a hotel that could hold a similar position in the town to Ganesha in Seminyak, and then to develop and extend the offering to the large hotels as more services were offered. This task proved to be somewhat troublesome as the offerings in Ubud were rather more specialised, leaving Ben and Ferry initially perplexed as to how to

handle them. Walking, shopping and attending traditional dance/culture shows seemed to be the main pastimes.

It was when Ferry read some reports on ecotourism that he saw opportunities in mountain biking, nature trails up to the two large volcanoes on Bali and extending the coach tours to places such as Bekasih, the largest temple on the island. The next step was a simple one: ecotourism triggered ideas of culture tourism and Ben set about finding places where people could learn Balinese cookery, drawing, painting, dance and playing gamelan instruments. These offerings were unique to Ubud, in the way that surfing was to Kuta – and it worked. Ferry took the decision to fund a small office in Ubud rather than find a hotel base, so he rented premises adjacent to his increasingly popular restaurant there.

Recent Developments

Following the bombing of a Kuta nightclub in 2002, Bali tourism almost collapsed. Estimates vary as to the loss of revenues to the island but islanders believe that the number of foreign visitors to Bali by over 50% in the immediate aftermath (see appendix 1). With almost 80% of Balinese families deriving some part of their income from tourism, directly or indirectly, this was clearly a disaster and many operations simply collapsed. The bombing in Jakarta on September 9th 2004 cast another shadow over all development on Bali. Furthermore, the tsunami that hit parts of Indonesia on December 26th 2004 affected tourist confidence in S.E. Asia, including Bali, even though it was actually far away from Bali and had no physical impact there whatsoever. A series of disasters made a negative impact throughout the decade but Bali tourism recovered quickly in each case and continued to grow overall. Indeed, it was estimated that the figures would show that in 2011, over 2.5 million tourists had visited Bali.

Many operators and businesses went out of business after the 2002 bombing and others took the view that recovery would be slow and painful. As a result, they had to managing their budgets carefully and follow a policy of retrenchment. Bali tourism climbed steadily until another bomb in 2005, which caused a major, though short-lived decline once more. The graph in appendix 1 demonstrates the pattern overall.

Whilst the partnerships had begun to achieve success, thanks to Ben, Ferry decided that a bolder approach was necessary to ensure a strong basis for growth and he began to look for more adventurous ways of facing the future. He made a call to his old friend, Yudi Prayogi,

who had helped him to decorate and develop the restaurants, hoping to develop a business venture together.

Yudi Prayogi and the Mimpi Manis Hotel

The Mimpi Manis hotel in Ubud is owned by Yudi Prayogi, a former member of Indonesia's leading boy band of the 1990s, who bought the hotel after the band broke up. It has a reputation for beautiful Balinese cuisine and excellent live music, with Yudi making occasional appearances singing with the resident trio. The hotel is especially popular with rich Javanese business people, who like to take weekend breaks there, and with Dutch expatriates who live in Ubud. Yudi frequently hosts art exhibitions for the more notable of the local artists and is a popular member of the local arts scene generally.

Three years ago, Yudi opened an exclusive restaurant and cabaret lounge: Pria Pria. Billed as the most exciting and exotic show outside of Bangkok, the all-male cast perform an unusual blend of dance, mixing traditional Balinese styles with Western disco; the costume designs, the stage sets and the quality performances have attracted growing attention from a wide range of visitors. Pria Pria is located on the outskirts of Seminyak and is a popular venue with Japanese and Indonesian tourists, and also minor celebrities visiting from Jakarta. Yudi is very proud of the production values there and frowns on anyone who refers to the club as a 'drag' (males dressed as females) show.

Yudi has expressed considerable interest in aligning his hotel with the partnership group and Ferry has reciprocated. However, Ferry is also interested in the neighbouring property, Dunia Mimpi, and feels that a connecting thoroughfare would serve both hotels. Yudi is less sure about this as he feels it may detract from his hotel, but Ferry has also expressed an interest in Pria Pria, suggesting that it could be headlined as the premier venue for evening entertainment.

Ferry's Ideas

Ferry has explored the Dunia Mimpi Hotel in some detail. It is built in the traditional style of teak and bamboo, adjacent to Mimpi Manis, but it is declining rapidly. Indeed, its occupancy averages a mere 10% per month, it is in need of repair and the only really attractive facility, its swimming pool, is out of order! In addition, there is no direct road access to the hotel; customers are dropped off at the roadside and have to hike up a steep path, carrying their luggage, to gain access. Nevertheless, the buildings are beautiful and the grounds are spacious,

with the finest views in Ubud. Access can be gained through the Mimpi Manis grounds, across a footpath and through a back gate, which could easily be upgraded to allow buggies to be used for guest transport. Ferry and Ben have discussed the possibility of turning the hotel complex into a health and holistic therapy spa hotel, widening the pathway at the back and allowing easy access from Mimpi Manis, with the cooperation of Yudi.

Ferry is also interested in bringing Pria Pria into the partnership and marketing the refurbished hotel complex as a major evening venue; Ben is somewhat sceptical but willing to support Ferry. It would add a new dimension to the current offering and fits his growing vision of what he calls The Surga Project. (Surga means “heaven”) He sees this project as part of the regeneration of Bali as well as a major opportunity to ensure long-term growth, through shared risks in partnership.

Attracting Investment

T.I.G. Holdings, a British-Australian company, has a long-established reputation in the tourism development business, with a strong focus on land and hotel development. The Managing Director, Annie Linklatter, met Ferry at a conference on Bali rejuvenation in January 2011 and was impressed by his good business sense and his vision. She liked the fact that Ferry believed now was the time to make major leaps forward rather than opt for steady improvement, and he hoped that she would be sufficiently interested to provide financial backing for The Surga Project.

She also found him easy to work with; her previous dealings in Indonesia had been strained by the cultural differences between her and local business people. Her track record in Australia extended to Japan also, but she had limited experience of Indonesia. A previous encounter with Wayan Suwardi stuck in her mind as typical of what she had encountered. She had been attempting to buy a stretch of land for hotel development that included the edge of the fishing village where Wayan lived. It was Wayan with whom she negotiated for the land, including a deal whereby the local fishermen would be suppliers to the hotel when it was operational. Behind all the pleasantness and formalities that had accompanied their meetings, nothing ever got done quickly – there was always some religious festival or other event that hampered progress and nobody said very much about what was not done as it would become an issue of ‘face’. Annie liked to get things done through other people – “I don’t delegate,” she once said, “I empower. That means come back and tell me you succeeded!”

Annie was very interested but had ideas of her own. She wanted to reduce the number of partnerships to those that had a track record on delivery and that were firmly established near the key hotels, the Ganesha and Mimpi Manis. In that way, the partnerships could be controlled more easily. She wanted to develop the hotel properties and extend them – the Dunia Manis would be a perfect overspill for Mimpi Manis and the spa could be confined to one part of it.

Annie wanted to test the water at Lovina by opening another Java restaurant by the beach. She had already found an interesting property there, the Phoenix Mahu Boutique Hotel. It was completed in 2008 in Lovina, but never opened. A financial crisis affecting the owners led to them putting the project on hold and subsequently putting it onto the market in 2009. The new owners purchased it for a very favourable price but it remained empty and unused, and consequently has lost some of its initial appeal. The facilities include a restaurant, modern kitchens and a small leisure suite, including fitness room, sauna and Jacuzzi. There are 69 rooms, all en-suite. Ferry and Ben felt somewhat overwhelmed by this suggestion from Annie; it didn't seem to fit with their ideas and yet they were unclear why.

A significant sticking point for Annie was *Pria Pria*, which she felt would not be attractive to Australian tourists and could possibly tarnish the image of *The Surga Project*, an allusion to her belief that property development and consolidation were the key to the plan. Of course, she had the same concerns as many other Australians, despite the data foreign visitors showing impressive growth, following:

- the bombing at the Australian Embassy in Jakarta on September 9th 2004
- the tsunamis of 2004, 2006 and 2010
- earthquakes of 2005, 2006, 2007, 2009 and 2012

Whilst none of these directly affected Bali, they did have an impact on confidence. Interestingly, Australians accounted for 27% of foreign visitors in 2011.

Staffing and Staff Policies

The staffing situation across the range of businesses was quite complicated. Ferry ran his hotel and restaurants on a largely paternalistic basis, in keeping with the prevailing culture of Bali. He had a standard personnel records system, including employment records and pay system.

Recruitment was done on a fairly ad hoc basis – people were recruited as and when they were needed, often through the families and friends of existing staff. There was no shortage of potential employees, particularly since the bombing.

There have been few real problems in the hotel and restaurant; staff were treated well and encouraged to share their ideas, although empowerment was not part of the agenda. This was due to Ferry's belief that some western ideas just would not work on Bali. When Ferry took over many staff were member of his own extended family; he was required to show leadership – and he did, which gained him a great deal of respect from older members. More recently, as these employees have retired, recruitment has continued to be focused upon the community.

Training is carried out when it is needed; new staff are quickly shown what to do and are then put into the care of an experienced person who looks after them for the first couple of weeks. There is no formal system and management training is non-existent, apart from problem-solving sessions held with managers of the hotel departments and the two restaurants when it is felt they are needed. A lot of the older staff, particularly at the hotel are distant relatives of Ferry and the two restaurants are managed by cousins.

Ferry has relied largely on family and friendship loyalties as the basis for staff relations; team meetings are encouraged at the start of each day in the hotel and the restaurants. There is no appraisal system and no reward system in place. Wages have been increased each year by 4%; this has worked well to date because the businesses have always been profitable, even during the periods of struggle. Staff morale is generally good – and it has remained high since the bombing because no redundancies were announced, unlike in many other businesses on the island.

Ben has a concern about the HR issues in the partnerships. Most of their staff are employed on a casual basis and so the standard of their work and commitment has been somewhat variable on occasion, although they are renowned for their friendliness. He has suggested to Ferry in the past that a more systematic approach in the core businesses would set a good example and if training was properly organised then staff from the partner organisations could be included in sessions. Ferry is sympathetic to this view but has other strategic priorities and is keen to develop his proposals.

Ben is in charge of the staff, who run the one-stop shop internet offices in Legian and Ubud, with the help of a supervisor in each office. He has introduced target setting for each of two staff teams because he thinks this is appropriate, in the light of their marketing and administration role. He also holds monthly review meetings with each team to look at complaints, systems issues and training needs. However, he has stopped short of introducing an appraisal system as he is unsure how this would be received in Balinese culture, especially when the rest of the organisation does not have one.

Annie has expressed her reservations previously, particularly about the quality standards in some of the partner organisations. Her background and experience at TIG Holdings has conditioned her to a much more systematic and Western approach to staff development and appraisal. She feels that the way forward has to be supported by stronger HR policies and systems – and she despairs of some of the activities in the partner organisations. Her preference would be to rationalise and get rid of all but the most consistent of them.

Yudi runs his hotel on similar lines to Ferry, although he has a strict regime of training at Pria Pria, particularly for the performers there.

Proposals

In a meeting at the beginning of March 2012 with Annie, Ben, Yudi and some of the other members of the partnership group Ferry outlined their plans:

- To buy the Dunia Mimpi hotel and renovate it, linking it with a small through road to Mimpi Manis.
- To develop the Dunia Mimpi hotel as a spa hotel, with holistic therapy provision, meditation courses and massage.
- To establish partnerships across the island, incorporating Mimpi Manis in Ubud to provide a stronger base and focal point for the group there
- To include Pria Pria in the partnership and to market it as a major attraction and unique addition to Seminyak nightlife.

Privately, after the meeting, Ben raised the issue of human resources management (HRM) and the implications of the new proposals for this. Annie still wants to develop the hotel in Lovina but Ferry, Yudi and Ben are not so sure.

Activities

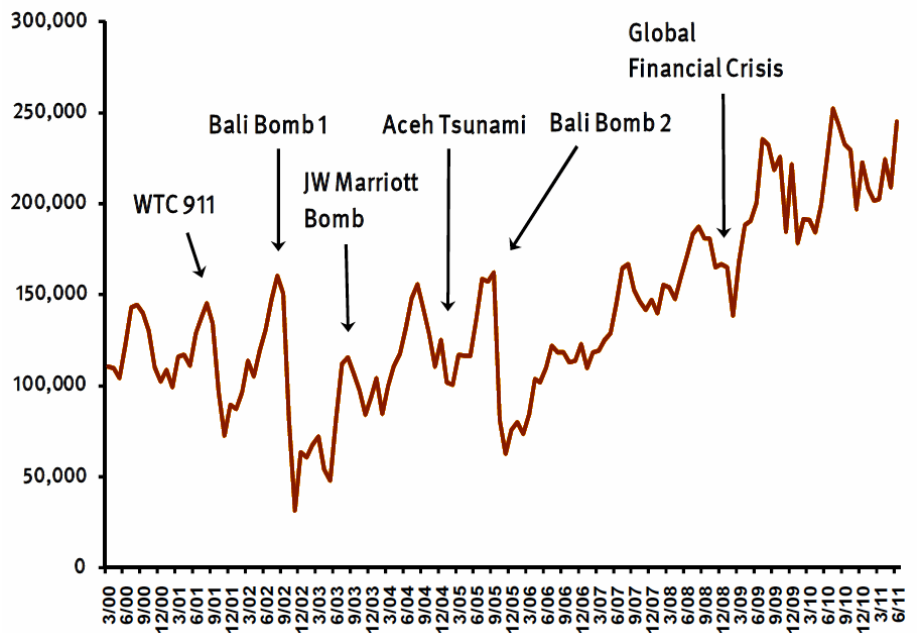
You will act as an external consultant advising Ferry Widigara. You are required to:

1. Critically assess his approach to developing the business to date
2. Analyse the implications of Ferry's proposals for the future development of the Surga Project

N.B. A key issue is the fact that the Project consists of businesses that Ferry owns and businesses that he does not. Your answer must include:

- analysis of current issues
- consideration of the implications of the proposals
- identification of key questions that need to be asked when considering the proposals

Appendix 1 Number of Foreign Arrivals at Ngurah Rai International Airport (March 2000 – June 2011)



Source: Bali Tourism Board (www.knightfrank.co.id)

Recommended Reading

De Wit, B. and Meyer, R., (2010). *Strategy: Process, Content, Context* (4th Ed.), Thomson Business Press, London.

- Enz, C A (2009). *Hospitality Strategic Management: Concepts and Cases* (2nd Ed.), Wiley, Chichester.
- Hofstede, G., Hofstede, G.J. and Minkov, M. (2010). *Cultures and Organizations: Software of the Mind: Intercultural Cooperation and Its Importance for Survival* (3rd Ed.), McGraw-Hill Professional, London.
- Johnson, G., Scholes, K. and Whittington, R. (2008). *Exploring Corporate Strategy, Text and Cases* (8th Ed.), FT Prentice Hall, Harlow.
- Lynch, R., (2008). *Strategic Management* (5th Ed.), FT Prentice Hall, Andover.
- Mintzberg, H. (1987). Crafting Strategy, *Harvard Business Review*, Vol. 65, pp. 66-75.
- Mintzberg, H., Lampel, J., Quinn, J. and Ghoshal, S., (2003). *The Strategy Process Concepts, Contexts, Cases* (4th Ed.), FT Prentice Hall, Harlow.
- Moran, R.T, Harris, P.R. and Moran, S.V. (2010). *Managing Cultural Differences: Global Leadership Strategies for Cross- Cultural Business Success* (8th Ed.), Butterworth-Heinemann, Oxford
- Okumus, F., Altinay, L. and Chathoth, P. (2010). *Strategic Management for Hospitality and Tourism*, Butterworth Heinemann, Oxford.
- Olsen, M., West, J. and Tse, E. (2008). *Strategic Management in the Hospitality Industry* (3rd Ed.), Cassell, London.
- Olsen, M. and Zhao, J. (2008). *Handbook of Hospitality Strategic Management*, Butterworth Heinemann, Oxford.
- Tribe J. (2010). *Strategy for Tourism*, Goodfellow, Oxford.
- Trompenaars, F. and Hampden-Turner, C. (2012). *Riding The Waves of Culture: Understanding Diversity in Global Business* (3rd Ed.), Nicholas Brealey Publishing, Clerkenwell.

Journals

- Journal of Business and Strategy
- Strategy and Leadership
- International Journal of Contemporary Hospitality Management
- International Journal of Service Industries Management
- Journal of Business and Strategy
- People Management
- Strategic Management – Wiley
- Strategic Management Process, Content, & Implementation
- Strategy and Leadership

Part 3

Points for Discussion

Non-revealed Case Studies

Birthday Party by Alexandr Burda

Points for Discussion

- Outline the basic rules that should be kept when making an agreement
- Identify the main disadvantages of making deals with friends

“In the Dark” by Graham Stone

Points for Discussion

- Accommodating customer likes/dislikes and allergies
- Monitoring of the restaurant; video cameras
- Customer contracts; accidents; hand washing prior to eating
- Avoid serving hot liquids; coffee served in bar/foyer
- Quality of the dining experience
- Hand washing prior to eating
- Repeat visits

The Right Decision by Jana Stuchlikova

Points for Discussion

- Outline and justify the factors that should influence the decision-making processes of the hotel managers when introducing new services

“Hotel Baum Reisen” by Andrea Szőke

Points for Discussion

- Discuss the role and importance of written communication in the hotel industry
- How do you see the role of intercultural differences in the communication of the service provider and the customer?
- How have hotel booking facilities changed recently? What market segments are affected by these changes?

The Importance of Staff – Guest Communication by Jana Stuchlikova

Points for Discussion

- Describe the way you would resolve the situation as the manager
- Outline the basic performance criteria for waiting on staff

Difficult Guests by Radmila Dluhosova

Points for Discussion

- List the basic rules for dealing with difficult guests

Marketing Communication in an Hotel by Jana Stuchlikova

Points for Discussion

- Outline and debate the possibilities for marketing communication improvement and the consequent quality improvement of the service as a whole
- Identify the advantages and disadvantages of leasing constituent parts of a hotel to different entities

The Five Star Wake-up Call by Margarita Platace

Points for Discussion

- Procedures and responsibilities of the receptionist regarding wake-up calls
- Additional activities and flexible approaches to guest service
- The hotel's policy in connection with regular guests
- The hotel's responsibilities in similar cases

Missing Luggage by Margarita Platace

Points for Discussion

- Procedures for, and responsibilities of, bellboy and receptionist
- Luggage control for departing groups
- Future practice

Outsourcing/Insourcing by Eva Vavreckova

Points for Discussion

- Suggest activities that a hotel management team should perform before the decision is taken to outsource certain services to an external supplier
- Consider the key aspects in relation to the agreement between the hotel and the supplier when outsourcing in the Housekeeping department

New Form of Hospitality – New Challenges! by Giuseppe Emanuele Adamo

Points for Discussion

- Factors that positively and negatively affect prospective clients' and owners' perceptions of the short-term rental of private homes
- Emerging trends in hospitality, for example, couch surfing
- Advantages, disadvantages and risks for the house owners who rent their properties

Management Control Systems for Food Procurement by Marcus Pearson

Points for Discussion

- Managing the quality control points and processes used in the ordering of perishable food and the subsequent steps along the procurement chain that lead to customer satisfaction and ensures safety
- The nature of 'relationship marketing' and the association between the supplier, the caterer and the customers
- Responsibilities of the stakeholders

The Unexpected Accident by Iwona Burian

Points for Discussion

- Ellis' bad experience when working with adults (and subsequent relationships with her managers) may affect her future performance at work
- This accident might have been avoided if Ellis had been trained adequately to work with adults
- The safety policy for organising activities for guests should be improved so that similar mistakes do not re-occur in the future. Each staff member must be familiar with it, and sign an agreement to comply with it, from the outset

Sprinkler by Eva Vavreckova

Points for Discussion

- List further risk factors that might lead to the activation of fire alarms in hotel guest rooms
- Outline a system of precautions to prevent the recurrence of such a situation in the hotel
- Suggest ways in which the hotel management compensate the “innocent” guest whose room has been flooded

Student Issue by Sue Clark

Points for Discussion:

- Have you ever encountered a situation where someone feels bullied – but others regard the situation as normal?
- Do you think that Jenna should have joined the off campus semester? Why? Why not?
- Issues pertaining to the management of the students

ERASMUS Summer Work Placement by Jan Žufan and Donna Dvorak

Points for Discussion

- The decision by the hotel company in Madrid to rehire several of the managers who had given notice. Consider the perspectives of the parent company, the rehired managers, and the local staff as well as possible alternatives
- The issue of sexual harassment seemed to be ignored or overshadowed by the more immediate operational problems plaguing the hotel
- The ramifications of the situation described in the case study on the company’s reputation and steps that would need to be taken to repair such damage

Day Trip Disaster by Pat Aspey

Points for Discussion:

- Organisational issues
- Lack of information regarding the plans for the trip
- Age and fitness level of the group
- Compensation

Budget flights, operating costs and safety by Gopal Srinivasan

Points for Discussion

- Cost and safety issues
- Business ethics
- Product pricing strategy (low budget airlines)
- Adverse effects of Fierce Competition
- Value for money
- Travel Insurance

Revealed Case Studies

Importance of Quality Staff by Klára Karakasné Morvay

Points for Discussion

- Importance of human resources management in hotels
- Methods of selection for a position
- Advantages and disadvantages of casual and temporary staff
- New trends in hotel job requirements
- The role and methods of motivation
- New guest segments in hotels
- Importance of guest-oriented approach and guest satisfaction

Cultural Intelligence in a Luxury Hotel in Qatar by Matthew H. T. Yap

Points for Discussion

- Cultural dimensions of individualism and collectivism, power distance, uncertainty avoidance, masculinity and femininity, long-term orientation (Hofstede, 2001; Hofstede, Hofstede and Minkov, 2010)
- Value dimensions of egalitarianism, harmony, embeddedness, hierarchy, mastery, affective and intellectual autonomy (Schwartz and Sagiv, 1995)

Hotel Work Performance Issues in China by Matthew H. T. Yap

Points for Discussion

- Five aspects of work performance in the context of hotels – work enthusiasm, readiness to innovate, job performance, understanding work duties, and work skills (Suliman, 2007) in the context of the case scenario
- Developing performance management (Armstrong and Baron, 2005)
- Qualitative (Cruz, 2007) and quantitative (Dess and Robinson, 1984; Allen, Dawson, Wheatley and White, 2008) methods of determining work performance through employees' and customers' (Connolly and McGing, 2007) perceptions

Strategies for Facilities' Planning by Anna Šenková

Points for Discussion

- Brainstorming, the aim of which will be to identify and formulate the criteria for the SWOT analysis of Gazdovský Dvor
- Planning strategies
- Marketing strategies
- Market segmentation

Is there a Sustainable Tourist? The Case of the Western Costa del Sol by Yaiza López-Sánchez and Juan Ignacio Pulido-Fernández

Points for Discussion

- Market orientation as a competitive advantage in tourism management
- Consumers' willingness to pay more for a sustainable tourism destination
- A sustainable destination needs tourists who value sustainability
- Incorporation of demand policies in the restructuring processes of mature tourism destinations

How to Die of Success: The Case of Machu Picchu by Juan Ignacio Pulido-Fernández and Yaiza López-Sánchez

Points for Discussion

- Saturation management of the great icons of tourism
- Negative impacts of mass tourism
- The role of the UNESCO in World Heritage Site management
- Emerging trends in sustainable tourism management

Pokok Rhu by Mac McCarthy

Points for Discussion

- Identify the key differences between analytical and creative approaches to problem solving; what are the purposes, benefits and limitations of each?
- Discuss the difference between rational problems and complex messy problems.
- Within the case study explore the following elements:
 - Profitability
 - Pricing
 - Market and Marketing

- Staff
- Customer feedback
- The menu
- Alternative business ideas

Revenue Management Implementation by Wolf Magnus Gerstkamp and Detlev Remy

Points for Discussion

- Consideration of issues such as perceived fairness and impact on stakeholders
- How will the competition react to this new business practice?
- Implementation process needs to be coordinated and monitored

A Holiday in Turkey by Maria Tătărusanu

Points for Discussion

- Aspects of management in times of crisis (consider the perspectives of the travel agent, the tour operator and the accommodation provider)
- Travel agency responsibilities; tour operator responsibilities; information provided to customers on travel package
- Precautionary measures taken by the travel agency in order to avoid or resolve problems that can lead to bankruptcy

The Hallmark Event by Gopal Srinivasan

Points for Discussion

- Forward planning; lead time
- Volunteer teams
- Financial Budgeting and forecasting (weather)
- Politics and politicians in event management
- Corruption and irregularities
- Event management
- Planning and execution
- Quality management (infrastructure)

Romania and its Legendary Inns by Daniela Tatiana (Corodeanu) Agheorghiesei

Points for Discussion

- What are the main advantages and disadvantages of the internet as a source of information about inns? What is your view on blogs in this context?
- In your view, what is the key role of inns in the hospitality industry?
- What do you think will be the future for inns as providers of accommodation? Make a comparison with other accommodation providers
- What strategies would you recommend for managing inns in the current context of globalisation and the global economic crisis?

From Gold Town to Ghost Town by Samantha Bouwer

Points for Discussion

- Challenges created by public sector owned/managed visitor attractions
- Visitor attraction success in locations experiencing high unemployment
- Visitor expectations of historical tourism sites
- Marketing of ‘deteriorating’ visitor attractions to international tourists; the consequences

Challenges of Promoting Rural Tourism in Kenya by Roselyne N Okech and Morteza Haghiri

Points for Discussion

- Discuss the key role of stakeholders, both public and private, in taking advantage of rural resources and encouraging local community support for SMEs
- Discuss ways in which the local community might address the issues of corruption and mismanagement of local resources that are hampering successful business ventures?

The Sweet Spot between Conservation and Development and the Legacy of Irene by Sue Clark

Points for Discussion

- The stakeholders in the Catskills are hugely influential in determining how any kind of tourism can be developed. How do you think stakeholders can be moved towards consensus?
- Ski development is very controversial in protected areas. Why is this the case? Do you agree with such controversy?

Problems in Paradise by Sue Clark

Points for Discussion:

- Key problems; short and longer term potential solutions
- The handover of responsibilities from Frank to Alan
- Brainstorm potential developmental opportunities for the island resort
- Conduct a SWOT analysis

Saint Vitus Cathedral, Prague Castle (Czech Republic, Prague): Sustainable Development of Tourism in a National Cultural Monument by Liběna Jarolímková

Points for Discussion

- Barriers in commercialisation of the cathedral for tourism purposes
- Negative factors influencing the state of the cathedral
- Attendance regulation
- Sustainable development of tourism in UNESCO World Heritage Sites

The Marketing and Management of Ganga Lake, Arunachal Pradesh, India by Gopal Srinivasan

Points for Discussion

- Tourism destination maintenance
- Adequate staffing and management
- Operational efficiency
- International marketing and product promotion
- Infrastructure in tourism destination
- Travel documentation

A Future Marketing Plan for Tourism in Calabria by Sonia Ferrari

Points for Discussion

- Negative effects of high seasonality
- How to reduce seasonality (price discrimination, attractions of new segments etc.)
- Hotel occupancy rates, length of stay and different tourism segments
- How to improve place image and tourist attractiveness

Seiter Plaza by Mac McCarthy

Points for Discussion

- Produce a diagram to illustrate the different parts of the Plaza. You could employ the Rich Picture technique or simply create your own style of diagram. Annotate it with the notes concerning the different problems associated with each area.
- What are the failings in strategy at the Plaza? Why is an effective approach to strategy important for organisations? What needs to be done to develop an effective strategy for the Plaza? What are the external factors that are creating problems here?
- Think about the work of Mintzberg on planned and emergent strategy in relation to Seiter Plaza and consider its implications for helping to understand the Plaza's strategy and future strategic needs. Try to develop a SWOT, PESTEL and TOWS analysis of the Plaza.
- How important are factors in the market and competition? Explore the situation at the Plaza using elements of Porter's Five Forces model
- Consider the case study through the perspective of a strategic planning model; how does the model help you to understand the problems and challenges for the future?
- Discuss the approach to Human Resource Management at the Plaza; think about recruitment, organisation structure, team interaction and rewards' management
- Whitney's style has clearly been at the heart of the problems here. Critically examine his approach, identify where it is problematic and explain why.

Seiter Plaza Sports Stadium by Mac McCarthy

Points for Discussion

- Explore and comment on Terry Simon's plans for Plaza. Why is an effective approach to strategy important for organisations? How do models such as SWOT, Porters Five Forces and the Fishbone Diagram add new dimensions to your understanding of the problems?
- How important are factors in the market and competition? Explore the situation at the Plaza using elements of Porter's Five Forces model
- Internally, what are the key issues? How do models such as the Cultural Web help your understanding? What are the different aspects of culture that are important here? Are values and mission important considerations?
- Whitney's style has clearly been at the heart of the problems here. Critically examine

his approach, identify where it is problematic and explain why. Compare and contrast it with Terry's style.

The Surga Complex: Selamat Datang Di Bali by Mac McCarthy

Points for Discussion

You should pay particular attention to:

- HRM [including any cultural dimensions to this]
- Strategy
- Business development, including financing, marketing and branding
- Cultural differences [see Hofstede's comparisons of national culture and consider the implications for Annie's style compared with Ferry's: <http://geert-hofstede.com/research.html>]

This book offers a range of cases written by specialists from industry and academia who have drawn on their knowledge and experiences to offer problem solving exercises in hospitality and tourism management. Although reference is made to specific national settings, the problems can be transposed to other locations and offer management students and trainees a wide range of opportunities for interactive learning.

Each case concludes with a series of questions for students and trainees and, in some instances, ideas for associated follow-up activities; with some cases, references and websites are provided. Additionally, for the guidance of teachers, trainers, students and trainees, the authors have indicated points for discussion and suggested activities relevant to the scenarios.

The cases may be used for individual and/or group exercises and offer students and trainees who aspire to hospitality or tourism management careers opportunities for considering, analysing and evaluating real and simulated scenarios set in various international locations. Some suggestions for further reading are included with the longer revealed cases.

"Case study methods are being used increasingly in teaching and training. This third volume of the series comprises international case studies written by contributors not only from European countries but also from Africa, Canada, India, New Zealand, the USA and the Far East so offering hospitality and tourism students, teachers and practitioners opportunities to consider issues and problems that focus on broad managerial, international and cultural perspectives."

Jenifer Emery, Vice President,
La Fondation pour la Formation Hôtelière.

ISBN 978-973-702-924-9



9 789737 029249