



Self-Test 4

4. Why is a hotel room a perishable product?

5. Why is the 100 percent satisfaction guarantee not necessarily a good thing?

Check your answers with those on page 35.

THE GUEST PROCESS

The *guest process* is the set of steps guests follow from their initial contact with your hotel to their departure and afterwards. It comprises reservations, registration, occupancy, check-out, and follow-up.

Reservations

The guest's first contact with your hotel is through the reservation process, which is handled in various ways. In most cases, reservations are made directly with the hotel, either in person, by phone, or online. At other times, guests will make the reservations through their travel agent.

In-person reservations. With in-person reservations, guests stop by the hotel, often while passing through the area with plans to return. This gives the guest a chance to see the hotel, and the reservation agent should take advantage of the situation by giving the guest a brief tour of the hotel, perhaps even including a look at the rooms. Sometimes people from nearby communities seeking a local getaway will make an in-person reservation. For instance, parents may want a night away without being too far from their children in case of an emergency. Sometimes local people may need to make reservations for family or business associates who will be visiting. When an in-person reservation is made, the reservation agent is able to provide a written confirmation of the reservation.

Phone reservations. Reservations are most commonly made by phone, which, in a sense, is the most challenging for reservation agents because they must paint a picture with words of what the

guest will find at the hotel. Unlike mail reservations, the guest isn't always definite about making the reservation, and unlike in-person reservations, the guest can't see what the hotel is like. For many phone queries, the potential guest is just shopping around.

As a service to its franchisees, hotel chains offer a toll-free number for reservations at any of the chain's hotels. The central reservation office is connected to a computer in each hotel, allowing the operator to provide accurate information on availability and rates and to register reservations directly on the hotel's computer.

On-line reservations. Through the Internet and the World Wide Web, guests can now make reservations directly from their home or office computer. This is a great benefit to the hotel, since basically no labor is required to make this sale. However, to take advantage of these sales, hotels must now put more effort into creating Web sites that are attractive, accurate, and easy to use.

Travel agent reservations. Guests may not contact the hotel directly but instead use a travel agent, who basically makes the reservation as the guest would—on the phone or through on-line services. For this service, travel agents collect 10 percent of the room revenue from sales they generate. Some hotels are now curtailing this commission, limiting it perhaps to the first four or five consecutive nights of a guest's stay. While this is a fairly new development, it may mark a growing trend.

Types of Reservations

Guaranteed reservations. Guaranteed reservations are rooms that are held for an arriving guest all night. If the guest doesn't show up to occupy the room, he or she is charged regardless. A reservation is considered guaranteed if the guest pays for it prior to arrival or, more commonly, if the guest gives a credit card number when reserving the room. If the guest doesn't show up to occupy the room, the guest's credit card is charged for one night's room and tax. Guaranteed reservations that don't show up are called *guaranteed no-shows*.

Nonguaranteed reservations. Nonguaranteed reservations are rooms held as a courtesy to the guest until 4 P.M. or 6 P.M. on the day of arrival. After this courtesy hour, the guest's room is released and available for sale to the next person requesting a room. The hotel isn't obligated to have a room available for a guest with a nonguaranteed reservation who arrives after the courtesy hour.

It's important that the reservation agent inform the guest, upon making the reservation, of the hotel's guarantee policy. This allows the hotel to strictly enforce the policy, prevent any loss of revenue, and prevent any inconvenience to the guest. Guests with guaranteed reservations must be told how late they may cancel a reservation without

penalty. Guests with nonguaranteed reservations must be told what hour they must arrive by to be assured a room.

Handling the Reservation

Confirmation. Reservations are usually confirmed with a number that the agent gives the guest. Hotels use this number to access the guest's record, and the guest uses it as proof of the reservation. However, this system holds potential for error if the agent misreads the number or the guest writes it down incorrectly. Another way of confirming a reservation is through a letter to the guest, though this is usually done only when the guest requests it.

Cancellations. Cancelled reservations also receive a number like the confirmation number. This cancellation number is the guest's proof that he or she cancelled a reservation. This is particularly important for guaranteed reservations, where it's required to avoid a room charge.

No-show billings. No-show billings are the charges to a guest's credit card for a guaranteed reservation where the guest didn't arrive and didn't cancel. To avoid incorrect no-show billings and credit card disputes, it's very important that the reservation agent quote the guarantee and cancellation policy to all guests making reservations.

Registration

Registration is the process by which someone who has made a reservation becomes an in-house guest. For the GSR, the process involves collecting personal data and establishing the method of payment.

Collection of Personal Data

When the guest arrives at the front desk, the GSR takes the guest's name or confirmation number and begins searching for his or her reservation. The GSR then verifies data taken by the reservation agent and requests from the guest any additional information needed. The front desk needs to know such things as the guest's address, phone number, company affiliation (if any), room type requested, room location (if any special request was made), number of nights planned, and any special services required, such as cots, extra towels, or cribs.

Method of Payment

Guests will usually pay with a credit card. When the guest checks in, the GSR obtains authorization for the charge by swiping the credit card through a reader or by entering the number on a computer ter-

minal. The amount requested for authorization is usually an estimated total of the guest's room charge and taxes for the entire stay plus an additional percentage to cover incidental charges such as phone calls or purchases in the hotel's restaurants, bars, and shops. What cards a hotel accepts is determined by the hotel's administration and its bank.

When guests pay with cash or by check, they're required to provide identification and to pay for their entire stay. Sometimes these guests will extend their stay, which means that the front desk must collect payment for the extra days before check-out time of the last day paid for. If this doesn't happen, the guest could spend an extra night and slip out in the morning without paying the bill. Guests who skip this payment, or *skippers*, steal a night of service. Guests who pay with cash also aren't allowed to charge items against their room.

If a guest seems to be staying extra days but can't be contacted for payment, the hotel may elect to double-lock the room with an emergency key. The guest then can't enter and must go to the front desk and pay for the extra stay. This step should be chosen carefully, because the hotel certainly doesn't want to upset a regular guest who has simply forgotten to update his or her account. Some hotels now have this process totally automated with electronic locks, whose keys can be programmed to work for as many days as the guest has paid for.

During the registration process, the GSR tells the guest about the hotel and its services, verifies the guest's room rate, length of stay, and number of occupants, and gives the guest directions to parking and to the room, perhaps providing a map of the hotel. For security reasons, GSRs should never call out the guest's room number aloud, instead providing it to the guest through the key tag or written out in some form. For the same reason, GSRs should never give out the guest's room number or room key to anyone inquiring at the front desk. The visitor should be connected by phone to the guest, who can then give out the room number.

Occupancy

Once guests have registered, they've taken occupancy of the hotel. During their stay, they take advantage of housekeeping services and enjoy the hotel's amenities, including recreational facilities, restaurants, and gift shops. The hotel staff must take every step needed to ensure a pleasant stay for the guest. Everyone, from GSRs to room attendants to maintenance staff, needs to greet guests with a smile and a friendly hello.

Check-Out

When a guest checks out, the GSR should inquire about the guest's stay and whether everything met his or her expectations. If needed, the GSR will correct a problem, perhaps later informing management so that the problem can be prevented in the future. The GSR verifies charges, collects any payment from the guest, and issues a receipt. Finally, the GSR thanks the guest for his or her business and offers to make a reservation for a future stay.

Follow-Up

After check-out, the guest's information becomes a permanent part of the hotel's database. The sales department can then use that information to generate business, sending mailings to past guests about hotel events and special offers.



Self-Test 5

1. What's a guaranteed reservation?

2. *True or False?* The method of payment is established when the reservation is made.
3. Nonguaranteed reservations are held until _____.
4. What should the GSR inquire about during the check-out process?

5. Follow-up is usually done by what department of the hotel?

Check your answers with those on page 36.

YIELD MANAGEMENT

Yield management is the process by which the front-office manager maximizes the hotel's revenue by adjusting rates and instituting reservation policies (sometimes referred to as *restricting inventory*)