

case study

Lines at the Hotel Front Desk: A case for effective capacity management

By Michael Nalley and Diego Bufquin

Introduction

This case study addresses some of the problems that hotel service providers face in managing wait times for guests during high demand periods. Nobody likes to wait in line, however, scientists estimate that we spend 2 – 3 years waiting in line during our lifetime (Pullman & Rodgers, 2010). Hotel managers' continued efforts should be to minimize the actual wait time and the perceived wait time for the guest. Actual and perceived wait times can negatively impact guests' engagement and overall satisfaction. At the front desk, some guests may want the full check-in experience, some may want an abbreviated check-in experience or others may want to bypass the front desk altogether. Certainly, there are many options available for hotel managers to try to manage customers' service expectations, first impressions, and wait times, and to mitigate guests' disappointment and frustration. Technology has also provided several tools that can assist in this capacity management process. As a result, hotel managers must determine what tools and resources they will utilize to address queuing issues at their individual hotels, and to improve wait and perceived times in order to accommodate guests' expectations.

Background

Samantha Kelly is the new Director of Front Office at the Emerald Isle Orlando Hotel & Conference Center, located in Orlando, Florida. Samantha is new to this hotel, she is a college graduate with a hospitality management degree and has worked in the hotel industry for 10 years with the Marriott and Hilton hotel groups. Samantha went through an arduous interview process, during which she learned about the priorities for the front desk area, including accolades and pain points from the guest's perspective. One of the areas of concern that she will need to address immediately is the guest's wait time at the front desk. Specifically, the check-in process is this area in which the hotel is receiving the majority of complaints. Consequently, guests' check-outs for the hotel receive some of the highest guest remarks, because most guests at this specific property are using the express check-out service. Samantha plans on reviewing the guests' comments posted on online social media channels and feedback obtained through the internal guest survey system. She also plans to interview the key departments

in the hotel that interact with the guest and front desk to obtain their perspective and opinion on the wait time issue.

Samantha is very familiar with the formula for customer service $S = P - E$ (S-satisfaction, P-perception and E-Expectation). To maximize guest satisfaction, Samantha will review industry trends, best practices, options and resources to accurately gauge the guest's expectation of service while enhancing the perception of the service delivered. Utilizing all the facilities and resources of the hotel, Samantha's goal is to devise a strategic plan to address the capacity management issue of the front desk, while meeting and exceeding the guest's expectation for service. She is aware that there is not going to be one single answer to this problem, and that utilizing a combination of available capacity management techniques will be the best approach to resolving this issue.

Capacity Management

Many times, capacity and demand management are used interchangeably; however, they are quite different. Demand management is focused on influencing how many visitors attend or use a service; whereas capacity management ensures that sufficient capacity is available to meet the demand (Pullman & Rodgers, 2010). The focus of a capacity management strategy is a critical operations function for all service-based organizations (Bozarth & Handfield, 2006; Davis & Heineke, 2005; Fitzsimmons & Fitzsimmons, 2004). The ability of an operations department to sustain enough capacity in order to meet the demand can impact the guest experience, employee satisfaction, profitability and long-term sustainability of the organization (Pullman & Rodgers, 2010). Two major considerations in managing the wait are (1) keep the wait as short as possible and plan accordingly to meet the demand, and (2) ensure that the guest waiting in line have their physiological and psychological needs and expectations met while waiting in line (Ford, Sturman, & Heaton, 2012). Options that managers must consider when choosing their approach to capacity management include closing the doors to further customers, adding capacity, managing the demand, allowing the line to form then managing the line with queuing tactics, or do nothing and accept the consequences from the guest.

Queuing Theory

Queuing, in order to receive any type of product or service, deflects time away from other more anticipated or essential activities (Weng, Gotcher, & Kuo, 2017). Indeed, waiting in line was found to be linked to different emotional and behavioral outcomes (Hwang, Yoon, & Bendle,

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2012). For instance, in an experimental study by Oakes (2003) which was performed in a university setting, results confirmed the existence of a significant positive relationship between background musical tempo variation and temporal perception (i.e., perceived minus actual wait duration). More specifically, findings revealed that slow-tempo music produced significantly enhanced affective responses (i.e., satisfaction, positive disconfirmation of expectations, and relaxation) compared to fast-tempo music, thus implying that the service environment can affect customers' attitudes, expectations and moods. Furthermore, in another study by Grewal, Baker, and Voss (2003), customer density was shown to increase customer expectations about waiting times; and when customers had higher expectations of long waiting periods, customers' outlet evaluations and loyalty intentions tended to weaken significantly as a result of such expectations.

Fortunately, these situations could be countered by a more streamlined distribution of customers into several queues, or a better design of the queue layout. To do so, organizations must predict three main factors: (1) arrival patterns, or the number of guests arriving and

the way they enter the waiting lines; (2) queue discipline, or how arriving guests are served; and (3) time for service, or how long it takes to serve guests (Ford, Sturman, & Heaton, 2012). By predicting these three elements, hotel organizations can do a better job designing and managing queues. So in this case, if a hotel front desk manager knows exactly the number of check-ins and check-outs that will occur during a specific day and period of time (e.g., morning, afternoon, evening), as well as the amount of time (e.g., 2-3 minutes) that it takes on average to perform such check-ins and check-outs, then it will be much easier for such manager to schedule the right amount of employees and to make decisions about queue designs or line types.

Line Types

Hotel managers must plan out what line types will best meet customers' needs and expectations. In the following section, "channel" refers to an employee, while "phase" refers to a step in the queueing experience (Ford et al., 2012).

- Single-Channel, Single-Phase Queue: in this type of line, there

Figure 1

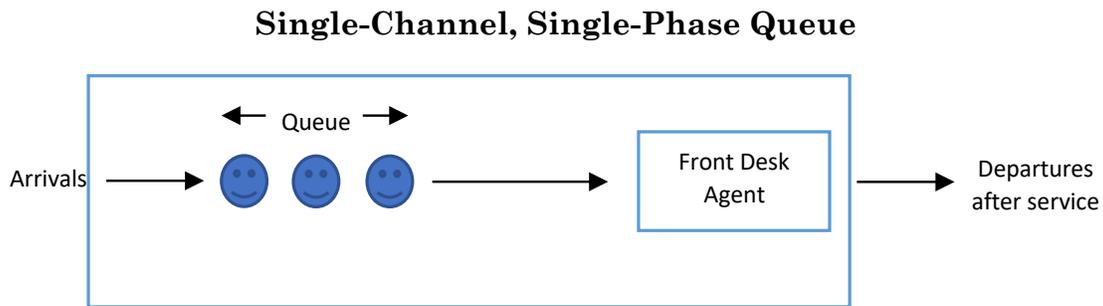
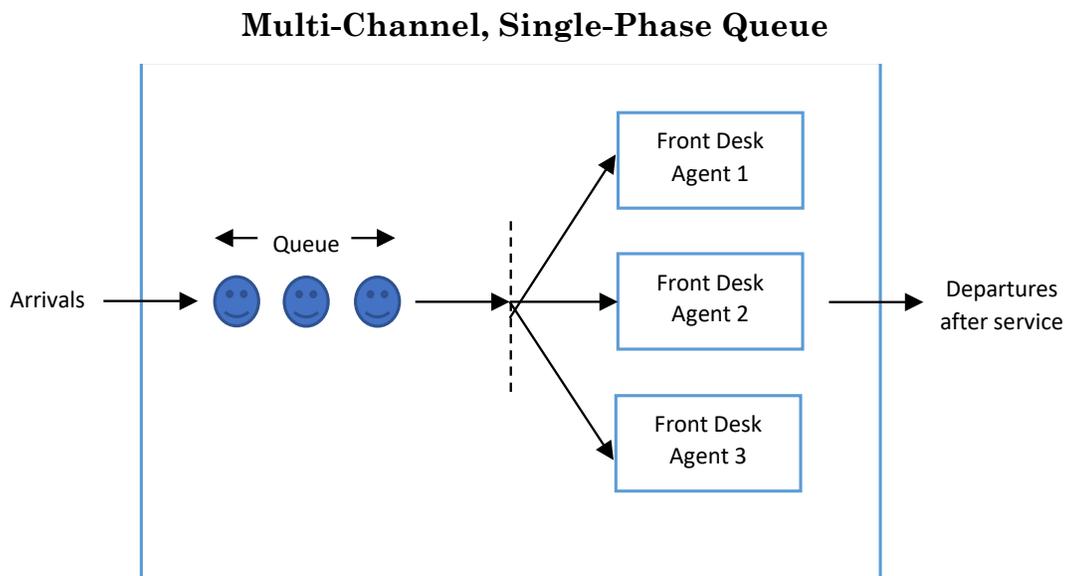


Figure 2



is one employee and one step. Hotel customers come in, wait in line, and then have their check-in/out performed by an employee. In a hotel, it is possible for customers to stand in one of several single-channels, single-phase queues. In this case, a customer chooses one of the available lines, then waits until he/she reaches the front desk counter to begin the check-in/out process with the employee.

- Multi-Channel, Single-Phase Queue: in this type of queue, the customer begins in a single line, which then leads to multiple employees for the service. In other words, the customer waits to arrive to the front of the single line, and then is served by the next available front desk agent.

Managing Wait Perceptions

Knowing that queues and wait times can influence customers' perceptions, emotions, attitudes and behavioral outcomes, it is important for hospitality organizations to find ways to improve the quality of the wait. Accordingly, how customers wait and feel about the queue is as significant as the duration of the wait. Hence, here are a few things to consider when planning or designing queue experiences (Ford et al., 2012):

1. Busy or distracted customers feel that wait times are shorter than unoccupied customers: it is thus important to entertain or distract hotel customers who wait in line, so that their service experience while waiting becomes more pleasurable.
2. Apprehensive waits feel longer than more predictable waits: if hotel customers do not know what to expect from large queues, they will start to feel anxious. Therefore, hoteliers should make sure to design queues that lower feelings of endless or unpredictable waits.
3. Unexplained lines feel longer than explained lines: if customers do not know why they are waiting longer than average, they will start to develop negative feelings toward a hotel property and employees. Hence, it is up to front desk managers to develop processes that allow customers to know exactly why they are waiting more than expected.
4. Unfair waits feel longer than fair waits: if customers perceive that there is no queue discipline, which allows random customers to cut in line or be served out of order, then customers will feel angry about it and start complaining. As a result, hotel front desk managers should design lines that are clear to follow and train their employees on service procedures that lead guests to respect the implemented queue design.
5. Waiting by yourself feels longer than waiting in a group: grouping guests with other guests in a line, with whom they are able to interact, will make the wait feel shorter.
6. Interesting waits seem shorter than waits that are not interesting: providing such things as monitors in the lobby to keep the guest informed of pertinent information, or providing internet

access to personal devices while standing in line will shorten the perceived wait.

7. Happy guests find the wait shorter than those who are sad: managers need to think of ways to keep the guest happy during the wait and make unhappy guests feel better about the wait for service. This could be achieved for instance by providing foods or drinks, and/or other services to the guests.

Hotel Data

Emerald Isle Orlando Hotel & Conference Center data:

- AAA: 4 Diamond hotel property.
- Forbes: 4 Star hotel property.
- Business mix: 80% business/group/conference, 20% leisure.
- Annual Occupancy = 81%.
- 1,750 rooms.
- 350,000 sq. ft. of meeting space.
- 5 ballrooms, 255,000 sq. ft. total space.
- 14 food & beverage offerings (fine dining to quick casual).
- Spa & fitness center.
- Golf course, tennis, volleyball & basketball courts.
- Self & valet parking.
- Bus & conference center porte-cochere.
- 15 front desk stations, rewards member check-in & satellite check-in available.
- Concierge desk & shuttle service to theme parks and attractions.

When Samantha reviewed the hotel's online social media channels and guest survey feedback, some of the key concerns described by the guests were as follows:

1. Leisure guests feeling lost in the sea of group or convention guests during check-in.
2. Rewards program guests not feeling that they are getting the recognition or expedited check-in.
3. Long wait times during peak periods on busy arrival days, up to 1 to 1.5 hours.
4. Lack of flexibility of the front desk to offer/cover satellite check-in desks in the conference foyer.
5. Guests returning to the front desk with problems (i.e. wrong room, key not working, problem with the room) do not have an expedited line for service.
6. Poor signage and not enough staff in the lobby to direct guests during the check-in process.
7. 85% of the guest used the express check-out service (in-room or hotel app) and this area received their highest guest satisfaction score.

The following is a breakdown of the guest feedback data for the arrival check-in experience from solicited and unsolicited guests. Solicited surveys are those that the hotel sends to the guest requesting that they provide their feedback on their stay at the hotel. Unsolicited feedback is feedback provided by the guest on social media channels,

also called user generated content (UGC).

Table 1

**Emerald Isle Hotel's
Social Media Ratings
(5 = max score)**

Channel	2017	2018 YTD.	Change
Facebook	4.3	4.2	-.10
Yelp	3.2	3.5	+.30
TripAdvisor	4.2	4.3	+.10
Google	4.1	4.3	+.20

Summary of primary frustrations with guest arrival process (unsolicited feedback):

- Hidden fees (resort charges).
- Long wait times at the front desk during the check-in process.
- Rude staff and management.
- Incorrect room assignment and information.
- Boring experience and a waste of time.
- Need better signage for loyalty guest check-in.
- Easy check-out experience.

Table 2

**Emerald Isle Hotel's Guest
Surveyed Response
(Comment Card) (100 = max score)**

Year	Score	Change
2018	73.0	+.08
2017	72.2	+.07
2016	71.5	+ 1.06
2015	69.9	-.03
2014	70.2	+.04
2013	69.8	

Summary of primary frustrations with guest arrival process (solicited feedback):

- Long wait times at the front desk.
- Line does not flow well and is confusing.
- Seems like there is no direction, no one available to ask questions.
- People jumping ahead in the line, holding a space for someone else in their group.
- Rude staff & management, very short and indifferent to guest concerns.
- Too many group guests at one time, overwhelmed while checking-in with my family.

Competitor Set Analysis

Most hotels are utilizing a multi-channel single phase queue systems and making changes based on the guest volume, bottlenecks and expected arrival patterns. Many hotels are offering an additional line (single-channel, single-phase queue) for specific types of guest check-in:

- Rewards or loyalty guest
- Leisure guest
- Specific group guest
- VIP guest and celebrities

Some of the larger convention hotels based on volume and peak demand have moved to a multi-server, multi-line single phase queue system with hotel staff posted in the lobby to manage line movement. Satellite check-in is available for large convention groups in the ballroom or convention area. This also diverts traffic and volume away from the front desk during peak check-in periods. Stanchions are added in the lobby check-in area based on volume to direct line flow and provide an orderly manner to line progression. Lobby Ambassadors are being added to direct guests and answer questions, based on volume, arrival patterns and type of guest checking-in. Free Wi-Fi is being made available in the lobby for guests waiting in line to keep them engaged, and many groups use this capability to provide an overview of their meeting and specific agenda items. Several hotels are also offering food and beverage amenities, such as a cookie (like Double Tree hotels) or other amenities (orange juice, champagne, fruit, flower, fresh towels, etc.) to welcome the guest and possibly appease them for any discomfort or wait.

Stakeholder Departments and Employee Feedback

Unfortunately, employees at the Emerald Isle Orlando Hotel & Conference Center think that the current procedures are sufficient and that no change is needed. However, the lines have posed a problem in guest frustration and feedback. Employees feel that guest interactions should be personal throughout the entire stay, from arrival to checkout. They also feel that leisure guests should not be "swallowed in" by convention groups, considering these guests typically pay a higher rate and have longer average stays. All employees are encouraged to go above and beyond to meet the guests' needs, and the hotel staff feel that they have the necessary tools and support to accomplish this mission.

Current Hotel Focus and Trends

The Emerald Isle Orlando Hotel & Conference Center is trying to make an increased effort to positively impact the guest stay with enhanced communication and services that meet their specific needs. During the holidays, they are decorating the lobby area and hotel, creating a kid play area in the lobby and assisting leisure guests with their specific entertainment needs. They are also trying to inform rewards members about the mobile key capability before arriving, so they can check-in online and have the electronic room key downloaded onto

their phone for room access. They continually try to make each guest feel at home with personal interactions, such as knowing their specific preferences (room type, room location, birthday, anniversary), and their schedule for the trip. They do not suggest satellite check-in to any of the groups unless the group specifically asks for it. However, they will inform the groups when this option may be in their best interest. They do try to obtain rooming lists and arrival times from the group guests, and schedule accordingly to meet high demand periods. At the moment, they are considering asking all guests what their anticipated arrival time is, and informing them the peak times for waiting during the check-in process, so that they can plan accordingly.

Current hotel industry front desk trends that are available for consideration:

Customer Service

- Scheduling Lobby Ambassadors during busy times to greet guest and direct traffic flow.
- Reward member privileges at check-in (expedited check-in, online check-in & mobile key).
- Satellite check-in for large convention groups in the meeting area or convention space.
- Pre-register, assign rooms and pre-key small groups or tours and check-in at alternate locations within the hotel.
- Hosted kiosk for key pick up and return guest issues for expedited service.
- Requesting all guest (business & leisure) arrival information and adapting employee scheduling accordingly to meet demand.

Technology

- Adding more technology into the mix, i.e. express check-in, mobile key & check-in kiosk.
- Mobile key is the use of the guest cell phone as the device that will access the hotel room via an electronic (virtual) key, which is sent to the device.
- Informing guests about new available check-in technology when they make the reservation and on the hotel's website prior to check-in.
- Offer free high speed internet access (HSIA) in the lobby for guests waiting so they can multi task while in line.
- Kiosk usage from rental car and airport locations to expedite check-in, decrease wait time at the front desk, and provide guests with alternative choices.

Queuing theory

- Hotels are using a combination of single-channel, single-phase queue and multi-channel, single phase queue based on demand. Based on peak demand periods, additional front desk stations may be added (multi-channel) to the single-phase queue.

Discussion

Based on the guest feedback data, employee feedback data, information on managing wait perceptions and available line queuing options provided, what action plans could Samantha devise to reduce the actual and perceived wait times for the guests while checking-in at the hotel. Consider the following questions and devise a multipronged approach (varied options) that she could implement. Also consider how she could utilize the other departments in the hotel in such capacity management solutions and demand management areas, in order to be more prepared for the guest and group arrivals.

Questions

Queuing Theory

1. Which one of the three main factors in the queuing theory are most appropriate for Samantha to focus on in this case and why?
2. Can the hotel do a better job at predicting the overall demand and peak periods? How would this help them in their scheduling and choice of line queues?
3. Would it be advisable for Samantha to look at other hotels from the competitive set to see what the service standards are? What would you measure and analyze to determine your own hotel standards?
4. Lastly, how would you make a decision as to the optimal number of employees to schedule during a specific day or time period? Please be as specific as possible when answering this question.

Line Queue Types

1. Based on the information provided, what would be the best type of line queue for this specific property?
2. What are the main advantages of adopting such line queue in comparison to other line queue options?
3. Would you adopt the same type of line queue for all guest segments (e.g., groups, transient and frequent customers)? What are some other options that Samantha could implement that would deter or alleviate the demand at the hotel's front desk for all of these different segments?
4. What type of available technology would you consider using to reduce the number of hotel guests waiting in lines?
5. How and what would you communicate with different types of guests (e.g., groups, transient and frequent customers) regarding the various lines or technologies available to them?

Management of Wait Perceptions

1. What could Samantha do to entertain, engage or distract hotel guests to reduce their anxiety and frustration while they wait in line?
2. What types of queue may help lower feelings of endless or unpredictable waits?
3. What processes or actions could Samantha and her team

implement to inform guests of potential long wait periods or options that the guest may utilize?

4. What type of training or training topic should the front desk staff be provided to enhance their service capabilities in this area?

Competition Trends

1. What concept tools and resources are being utilized by other hospitality venues (e.g., theme parks, restaurants, airlines, car rentals) to manage capacity which could be utilized at the Emerald Isle Orlando Hotel & Conference Center?
2. What are the upcoming trends in capacity management and why? Please search the web to discover these upcoming trends.
3. Would you choose not to be a patron of an establishment that did not utilize capacity management techniques to manage the guest wait? Please explain in detail your decision

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