teaching note

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

Summary

The Emerald Isle Orlando Hotel & Conference Center is one of 7 hotels in the Emerald Isle chain of hotels. The Orlando property is 3 years old and is the flagship property for the brand. The other 6

hotels were built on the same template but were also adapted to meet their individual location/market. The company plans to build 7 more hotels, 2 per year over the next 3.5 years. Their goal is to place them in developing and key convention markets. Their service level goals are to be industry leaders in the 4 Diamond / 4 Star market, and to provide a unique unparalleled service experience for their guest. All hotels will cater to business and leisure guests, the business mix goal is 75% group/convention and 25% leisure guests.

The delivery of service is based on maximizing the guest experience through various touch points during the guest stay. Guest feedback via social media and the guest survey/response system is utilized to determine service failures, opportunities and wins. Each department of the hotel is charged to manage this process, determine service solutions and collaborate with other departments for the guest experience. Because the Emerald Isle hotels are relatively new in the convention market, service has been focused on as a differentiator and competitive edge to drive and obtain market share.

Samantha Kelly was hired by the resort to be able to turn around the front desk area from a service standpoint. Specifically, she was hired to find solutions for the capacity management issue that the Emerald Isle Orlando Hotel & Conference Center is facing, and to devise a plan for implementation and success. Samantha has experience as a Director of Front Office in both Marriott and Hilton hotel groups. Samantha's personal goals is to turn the front desk area around and use this as a spring board to assist her in moving up to the Rooms Division. It has been communicated to Samantha during the interview process that, if she is successful in managing such capacity management challenge, she could be promoted as Rooms Division Director.

Time is of the essence for Samantha, the hotel is moving into its busy season and she needs to get things fixed at the front desk in preparation for the increased demand and occupancy. Samantha has the backing and support of her immediate director of the rooms division, human resources manager and general manager for this project. She has been informed that every resource at the hotel is at her disposal to remedy the described capacity management problem. Because Emerald Isle Hotels are trying to build a solid and reliable brand, this issue is also impacting the overall company's reputation and guest loyalty.

Target Audience

This case study is suitable for undergraduate and graduate students in lodging, hospitality, tourism, and other business disciplines. The intention of the case is to make students aware of the capacity management issues facing a hotel, and how it must adapt to stay relevant and appealing to its evolving consumers. Hotel data are provided for the students to analyze the current situation and formalize corrective plans for the future.

Learning Outcomes

Queuing Theory & Line Types

The queuing theory is the mathematical study of waiting lines or queues, which includes the arrival process, service process, number of servers, number of system places and the number of customers. As a branch of operations research, the queueing theory can help hotels and other hospitality organizations to make informed decisions about the resources needed to provide a service. At its most elementary level, this theory involves the examination of 3 main factors: (1) arrival patterns, or the number of guests arriving and the manner in which they enter the waiting lines; (2) queue discipline, or how arriving guests are served; and (3) time for service, or how it long it takes to serve guests (Ford, Sturman, & Heaton, 2012).

As a result, in this section, students should first try to gather some information regarding industry standards related to the number of minutes that it takes to perform traditional front desk tasks, such as check-ins/outs. The instructor should also have a class discussion on whether such industry standards differ according to various hotel categories (e.g., resort vs urban hotel, 5 Diamond versus 3 Diamond properties, etc.) and customer segments (e.g., business/leisure travelers, transient travelers, groups, and frequent/rewards guests). Indeed, leisure customers at a resort may feel the need to socialize a little more with front desk agents, or take their time to check-in/out; while business customers at an airport or convention hotel, who are usually in a hurry and value convenience and speed of service, may prefer not to have any interactions with front desk staff.

Second, the instructor should give a brief overview about the capability of hotel PMSs (property management system) to predict the number of customers that will check-in/out based on current and historical data. Nowadays, state of the art PMS systems allows hotel managers to predict the exact number of customers that will be checking in/out of a property at any given time periods of the day (e.g., morning, afternoon, evening). Lastly, an active class discussion should be promoted regarding the different line types that could be

implemented by this hotel property. Having said that, the following questions should also be asked to students:

- Should the Emerald Isle Orlando Hotel & Conference Center have separate front desk areas for various customer segments (e.g., group, transient, and frequent/rewards customers)?
- Do group check-ins/outs take the same amount of time to perform than individual or transient customer check-ins/outs?
- What are the current best practices regarding the implementation or design of queues at large convention hotel properties?

Similarly, students should also think about an optimal number of front desk agents and stations, which would allow the Emerald Isle Orlando Hotel & Conference Center to considerably reduce its wait lines up to an acceptable time frame. Studies have shown that guests from different countries have different levels of tolerance when it comes to waiting times (Pingitore, Huang, & Greif, 2013). For instance, customers in the USA have a much lower tolerance (i.e., 5 minutes) for wait lines than guests from Japan (i.e., 30 minutes), after which guest satisfaction starts to decrease significantly (e.g., exceeding the "breaking point" of a 5-minute wait in the USA results in a 47% decrease in guest satisfaction!).

Finally, the role of technology (e.g., self-service kiosks, mobile check-ins/outs & stand in line hotel apps), in reducing such lines or queues, should also be addressed. In order to do so, the instructor should encourage students to do some research about the frequency of use regarding the aforementioned technologies at hotels. Student should also try to answer the following questions:

- What types of technology would you encourage hotel customers to adopt?
- How would you inform your hotel guests about these different technologies?
- How would you display the existence of such technology in your lobby area and/or hotel rooms?
- Do you think it's important to encourage hotel customers to adopt non-technological options, such as express check-outs for instance?

Lesson Plan

Prior to the lesson, students will be asked to read the case study and additional resources on top of the course curriculum on the topic area (capacity management, managing demand and managing the guest wait lines). There are multiple ways that this case can be utilized: over a multi class period, as a semester long project, or as a capstone assignment for the course. Discussion Topics for in class lectures include:

1. Changes in hotel guests' profiles and preferences:
- Evolution of the guest to include 5 traveling generations (Traditionalists, Baby Boomers, Gen X, Gen Y, Gen Z).
- Desire to participate in the experience, guest involvement in the service process.

  - Kiosk self-check-in, express check-out, self-parking and luggage service.
- Increased international visitors.
- More reliance on technology and capabilities.

2. Changes and advances in technology that have impacted hotels:
- New products and trends that have shaped the current environment of the hotel industry:

  - Computers, internet, SMART phones, Online hotel bookings & revenue management
- Mobile check-in, high-speed internet access (HSIA), enhanced app technology and digital room keys.
- Smart and efficiently designed guest rooms, reimagined public spaces, and creative updates around food and beverage.

3. Schedule a tour during class time to visit a hotel in your area that is similar to the Emerald Isle Orlando Hotel & Conference Center:
- Monitor guest check-ins and determine the queuing strategy.
- Evaluate their check-in time for the varied types of guests and compare to industry averages.
- If possible, collaborate with the hotel and have the students go through the check-in and rooming process.
- Have the Front Office Manager talk with the students and share their approach on the topic and hurdles they have had to overcome.
- If a tour is not an option, assign students to groups and have them evaluate a hotel and provide a report/presentation.
- Invite a Front Office Manager, from a local conference hotel, to be a guest speaker on this topic.

Instructions

This case study can be instructed in a variety of ways including a single class format, multiple class periods (i.e., 3 or 4 class periods) or provided as a semester long project:

- In a single class format, students would read the case prior to coming to class, answer the case study's questions and be prepared to discuss the case. The question assignments could then be turned in to the instructor in order for it to be graded.
- In multiple class periods (over a 4-class period), the case could be introduced in the first class, while additional classes could cover the questions provided, and then the final class could be used to summarize the results and outcomes.
- In a semester long project, the case study could be adapted and be provided in a course long project format, in which students would work outside the classroom on the topic areas and then present their findings in a group presentation. Moreover, students could be required to prepare a written report answer-

ing the case questions and providing their recommendations for the capacity management plan.

Discussion Topics and Recommendations

Check-in procedures

- Update current procedures to minimize wait times and improve the guest experience. Front desk should receive additional training on how to manage the guest interaction and provide the desired service.
- Service standards should be reviewed for time of check-in for business, leisure, rewards customers and conference guests. These standards should then be developed into a staffing guideline to meet the demand (e.g. 1 staff member per 50 arriving conference guest, 1 staff member per 25 arriving leisure guests)
- Hotel property management system (PMS) should be re-evaluated for any tools or enhanced capabilities to assist in the process.
- Request hotel arrival times of guests during the reservation process for planning and scheduling purposes. Determine peak periods and schedule accordingly.
- Review available technology and seek to add what is suitable and cost effective (SMART Key, Kiosk, Property management system (PMS) upgrades, hotel app stand in line capability, pre-register and pre-key all arrival guests).

Managing line queue strategy

- Continue to utilize a single-channel – single-phase queue strategy, but be flexible to adjust to a multi-channel – single-phase to accommodate different types of guests.
- Distinguish lines between transient guests, frequent guests, and convention groups (single-channel – single-phase queue.
- Utilize stanchions, lobby greeters and management personnel to manage the line flow and insure that the guest feels that there is order and progression while waiting in line.

Guest Communication

- Inform the guests in advance of potential service delays or extended wait periods for service.
- Notify leisure guests if a convention group will be on property in their confirmation or pre-arrival email.
- If they know ahead of time, they can make plans accordingly (check-in either earlier or later in the day), and they won't be as surprised and possibly less annoyed with the wait time.

Enhanced Guest Service

- Implement a tiered approach to early arrival/check-in based on loyalty status or additional fee. Loyalty guests would receive a priority check-in, mobile key access or kiosk service prior to the normal check-in time. If the guest is willing to pay an additional fee, they can obtain an express check-in or allowed to check-in prior to the normal check-in time.

- Recognize and understand the needs of the guests, and adapt the service at the front desk to meet their specific needs.
- More time spent on leisure guests to provide information needed, i.e., resorts fees, parking fees, hotel map, transportation, restaurants, entertainment, etc.
- Convention guests are typically more concerned about being on time for their meetings and don't require all the information on available amenities.

Technology

- Allow wait time to be more productive for all guests by providing HSIA, Group lobby greeters, TV monitors and access to hotel and group online apps.
- Offer additional off property hotel check-in locations, airport, car rentals, train station and ferry. All of these processes should provide the same level of seamless service.
- All hospitality venues contribute to build the overall guest expectation to wait for service.

Questions

Queuing Theory

1. Which one of the three main factors of the queuing theory are most appropriate for Samantha to focus on in this case and why?

> All three are important for the hotel to consider and utilize. However, since the hotel is a conference center hotel and has large groups frequently checking in, greater awareness of arrival patterns, or the number of guests arriving and the way they enter the waiting lines would be most beneficial to the front desk operation.

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?

> Yes! Based on the awareness of the peak periods of demand, it would enable the hotel to schedule their staff better to meet the high demand periods. Also, they would be able to adjust or change line queues from Single-Channel, Single-Phase Queue to a Multi-Channel, Single-Phase Queue based on these periods and adjust accordingly.

3. Would it be advisable for Samantha to look at other hotels in the competitive set to see what the local standards for service are? What would you measure and analyze to determine your own hotel standards?

> Absolutely! She should be aware of how her comp set uses line queues, schedules staff (staffing guidelines), times for check-in for varied types of guest, use of satellite check-in for groups, as well as the procedures they use to handle tours groups, small groups, use of lobby managers and their approach in prioritizing service for leisure guest, loyalty guest and V.I.P. guests.

4. Lastly, how would you make a decision as to the optimal number of employees to schedule during a specific day or time period?

Determine the check-in volume by hour for the front desk based on previous history for the time period, anticipated arrivals, walk-ins and group manifests. Schedule employees to ensure that the maximum amount of front desk staff are available and coordinate with any request for satellite check-in or tour and small group arrivals.

Line Queue Types

1. Based on the information provided, what would be the best type of line queue for this specific property?

Multi-Channel, Single-Phase Queue would be the best line queue for normal operations, with the ability to adapt the line queue to add Single-Channel, Single-Phase Queue for specific guests/groups as needed.

2. What are the main advantages of adopting such line queue in comparison to other line queue options?

Multi-Channel, Single-Phase Queue will offer a greater volume of guests to be served than the other line queue type. Also, this type of queue is easy to manage and is a format that is commonly used in the hotel/hospitality industry.

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?

No! This line queue would be the base or standard. Depending on the arrival patterns, types of guests, groups or tours, this would be adapted to meet changing needs. Samantha could utilize satellite desks for applicable groups to reduce guest demand and flow, she could pre-register and pre-key small groups and tours and distribute keys at another location (i.e. bus, meeting room, closed restaurant, separate area of the lobby). She could also communicate peak arrival times to other guests (leisure, business, etc…) who may decide to check-in at another time. Lastly, she could also use a tiered system to prioritize check-ins based on guest loyalty statuses and their willingness to pay for priority check-ins.

4. What type of available technology would you consider to reduce the number of hotel guests waiting in lines?

The hotel could invest in kiosks that could be used in various locations in the hotel lobby area, meeting space or off property at rental car locations, airports & etc… The hotel could enable guests to check-in remotely using the hotel app, satellite check-in, updated PMS system with capacity management capabilities, online standing in line software and mobile key to allow guests to bypass the desk.

5. How would you communicate with different types of guests (e.g., groups, transient and frequent customers) regarding the various lines or technologies available to them?

Communication could occur on the website prior to making an online reservation, in the guest reservation confirmation, welcome email to the hotel outlining check-in options, check-in information on the hotels app, information on the group website, group collateral materials & social media advertising on the hotels advanced check-in options, and even inside hotel rooms.

Management of Wait Perceptions

1. What could Samantha do to entertain, engage or distract the hotel guests to reduce guest anxiety and frustration while they wait in line?

Use a line queue strategy that enables the guest to understand the flow of line and communicate to them the average wait time; have hotel staff in the lobby to greet the guest and direct them to the line and then monitor and assist the guest; offer the guest some type of refreshment while they are standing in line; open additional lines or stations based on demand; have entertainment in the front desk area (music) for the guest to listen to; have TV monitors positioned so the guest can watch and learn about the hotel, group or local area; offer luggage storage and let the guest return at a later time to check-in; offer free high speed internet access (HSIA) for the guest to allow them to multi task.

2. What types of queue may help lower feelings of endless or unpredictable waits?

Multi-Channel, Single-Phase Queues typically have the least perceived wait times. The guest is in a single line and there are multiple stations that are being used to move the line forward. In a Single-Channel, Single-Phase Queue, the line can get bogged down because of one guest who may take additional time at the desk.

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?

For long wait periods, Samantha and her team could communicate (via email, text, confirmation) to the guests the peak hours of check-in and recommend to arrive at a different time. They could also implement a tiered check-in time system based on guest loyalty status or their willingness to pay for expedited check-in. Lastly, they could also offer luggage storage and let the guests return at a later time to check-in after they have attended their meeting.

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

Capacity management and line queue theory, managing wait perceptions, how to provide service to a frustrated guest, basic

customer service skills (warm greeting and listening skills), brain storming to find ideas on how to update and enhance the service provision.

Competition Trends

1. What concepts tools and resources are being utilized by other hospitality venues (e.g., theme parks, restaurants, airlines, car rentals) to manage capacity that could be utilized at the hotel?

Many theme parks are using the fast pass concept with arm bands to assist in managing the guest wait time and scheduling rides. Restaurants are using mobile app technology as well for virtual stand in line capabilities.

2. What are the upcoming trends in capacity management and why?

Hotels are part of the customer service journey that a guest takes when they travel for business or leisure purposes. As part of the service providers that the guest encounters, the service provided at hotels is compared and measured with the other service providers that the guest encounters. How these providers manage the line queue in their organizations will make an impact on the guest and their overall judgment of the individual provider. Thus, hotels must make sure that they are staying current with developing trends and techniques to keep a positive appreciation by the guest.

Upcoming trends (Kuklin, 2018):

- Mobile queuing – via an app or company website to enable the guest to stand in line on line.
- Queues for self-service kiosks – removing the uncertainty of forming a line while waiting to utilize the kiosk.
- Transparent queues – providing customers accurate and real time information about the status of their wait.
- No more one size fits all approach, different service providers are adapting queue theory to meet their specific needs and customers' expectations (i.e. airports automated call forward queuing, customs virtual queuing and ticketing mobile queuing).
- Journey mapping – incorporating the line queue theory into the customer's journey and developing strategies to provide alternatives and minimize wait.
- Customer experience – associate experience, providing employees with current information on queueing practices and status to empower and make available for enhanced guest services.

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.

Personal preference, look for reasons covered within the case to judge the students' understanding and ability to apply concepts.

Topics for Further Research and Consideration

- Technology, (FD processes, mobile check-in, smart key, FD computer system enhancement).
- Innovation (satellite check-in, smart key, staging check-in, fast pass concept, convention check-in desk).
- Guest communication, (group vs. transient, fees, check-in expectations, loyalty program advantages, smart key for everyone).
- Staff training, (rudeness, greeters, line management, miss information and communication).
- Front desk procedures: pre-register and pre-key guests to quicken the check-in process; determine the need for guest signature on registration card; use of guest history to provide credit information and authorization.

Assessment

Based on the professor's preference, students will be required to provide the following:

- 1. A presentation on the case study, including relevant pictures/materials to support their findings/recommendations.
- 2. A written report answering the questions from the case study, supporting their answers with relevant research and citations.

The grading rubric could be as follows:

- Overall case report = 125 points
  - Discussion questions = 65 points.
  - Hotel's front desk strategy, combination of options and examples of similar brands = 20 points.
  - Group presentation = 20 points.
  - Peer review = 10 points.
  - Writing & grammar = 10 points.

As an optional requirement, students could provide a report on a local convention hotel and describe the strategy/tactics that local convention hotels use in managing their queues at the front desk.

Additional Reading

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