

Hotel continental essay sample

[Sport & Tourism](#), [Hotel](#)



Mr. Oscar Mendoza is the owner of Triumph Tours, a travel agency business that has been experiencing difficulties in getting hotel accommodations for his tour groups during the peak travel months of December, January, July, and August. In July of 1989, Mr. Mendoza read in the newspapers an advertisement for the leasing of Hotel Continental's facilities. A 27-room hotel located in Diliman, Quezon City along Don Mariano Marcos Avenue.

During the last two years, Hotel Continental incurred losses which led management the decision of leasing out its facilities. The room capacity of the hotel is just right for the Triumph Tours' requirements during the peak months, and Mr. Oscar Mendoza is now considering the idea of leasing. Mr. Ernesto de los Santos, the travel agency's Marketing Manager, is tasked to gather data relevant to the hotel industry which could also help Mr. Mendoza in figuring out the appropriate bid price.

I Point of View

The group assumes the point of view of Mr. Oscar Mendoza, the owner of Triumph Tours, who earnestly thinks of leasing Hotel Continental's facilities but needs further data to justify his intention.

I. Problem Statement

What is the best decision for Mr. Mendoza to address his difficulties in providing hotel accommodations particularly on peak seasons?

II. Analysis of Relevant Case Facts

Strengths:

Several customer list/ travel group

Profitability is maximized during peak months (December, January, July and August) Proficiency/ Capability in operating a travel agency

Experienced marketing manager/ marketing team

Weaknesses:

Difficulties in providing hotel accommodations during the peak months

Inexperience in hotel management

Opportunities:

Stable/Favourable economy attracts new customers.

The present government administration showing good signs of peace and order in the country will have leverage for customers positive outlook, hence the increase in travel/accommodation demand. Development of new promotions.

Opportunity to lease Hotel Continental.

Numerous choices of lodging provider to compliment with Triumph Tours depending on customers' preference. Threats:

Inflation

Competition from other travel agencies/hotel agencies.

Economic fall/trend will affect the travel industry.

Terrorism threats that will affect the tourism in the country.

III. Alternative Courses of Actions (ACA)

a. Lease Hotel Continental

Pros:

The room capacity is just right for Triumph Tours' requirements during peak months. Can easily adjust to customers' accommodation needs

Fast and better booking communication

Cons:

High operating and maintenance cost

Possible incurrence of losses during non-peak months

Stiff business competition

The hotel losses during the past 2 years of operations

b. Tie-up/Special Agreement with hotel/s

Pros:

Cost effective

Can accommodate more customers

Competitive rates

Prospective customers have numerous selections of hotels depending on their preferences. Tying-up with other hotels may create other business opportunities such as partnerships and corporation.

Cons:

Risks in selecting prospective hotels

Possible increase on agreed special rate depending on the hotel's needs.

c. Construct own

Pros:

Long-term investment

Attracts foreign investors

Cons:

Requires large amount of investment

Most costly among all alternatives

High maintenance cost and pre-operating expenses

Numerous competitors in the lodging industry

Location of the hotel

IV. Decision/Recommendation

After weighing the pros and cons of all the alternative courses of actions, the group decided to recommend the Alternative 2 - To tie-up with other hotels. Since Mr. Oscar Mendoza is having difficulties in providing hotel accommodation during its peak months, tying-up with other hotels would be the best decision because it immediately addresses the Travel agency's major problem. The said decision is supported by the following points: First, tying-up with other hotels would be cost effective than leasing or constructing own hotel since it does not require a large amount of investment. This option is less costly among the three alternatives. Second, tie-up agreement is flexible as to the duration and context. It is open for improvements after evaluation. Third, there will be wide selections of hotel accommodation depending on customers' preferences. Every tourist has his own choice of place to stay so tying-up with different hotels would be the best choice. Lastly, it can come up with more competitive rates since

linking/dealing with hotels usually comes up with a special low rate for the travel agency's customers.

C. Contingency

If under some circumstances the afore-mentioned recommendation failed to materialize, the group elects next best thing to do is to resort to option 1- To lease Hotel Continental. This is still better than constructing own hotel since it can also immediately address the travel agency's accommodation problem. However, Mr. Mendoza should take into consideration the non-peak months that call for bolstering Promotional Strategies of the hotel such as: Offering a variety of special coupons for discount, admission and drink rates. There could also be coupons for other local entertainment destinations such as museums, movie theaters, and amusement parks. Discounted travel rates

Tendering best possible deals and free amenities such as free continental breakfast or breakfast buffet to each guest, a free newspaper left at each guest's door and even a concierge service that helps guests get their dry cleaning done and find over-the-counter medication. Creating own list of free amenities e. g. a souvenir bathrobe, a free drink at the hotel bar or complimentary shuttle service to some local places of interest. Offering a variety of special coupons for discount, admission and drink rates. There could also be coupons for other local entertainment destinations such as museums, movie theaters, and amusement parks.