

# Statistical decision making for hospitality managers questions

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## **Statistical Decision Making for Hospitality Managers / questions**

Q1. Lets say that you find that there is a correlation of 0.95 between the population of a city and the number of people who eat out frequently. What does this mean, if anything, about your chances of success if you locate your restaurant in a big city rather than in a smaller city?

A correlation of 0.95 between the population of a city and the number of people who eat out frequently suggests that there is a strong positive linear association between the population of a city and the number of people who eat out frequently. Thus, as the population of a city increases, the number of people who eat out frequently also increases. In other words, the number of people who eat out frequently will be higher in a big city compared to a smaller city.

This means a greater chance of success if I locate my restaurant in a big city rather than in a smaller city. This is because in a big city, there will be more number of people living and therefore, more number of people who eat out frequently. However, in a smaller city, there will be less number of people living and therefore, less number of people who eat out frequently.

The chance of success of restaurant will also depend on other factors, such as type of food and drink served to customers, food characteristics based on local culture, specialization in a certain types of food (seafood, vegetarian, Chinese, Indian, American or Italian), restaurant location and theme, take-out and food delivery services, etc.

Q2. Youve noticed that most of your younger guests request high-speed internet connections. What does this tell you, if anything, about the

composition of your internet users?

At present, more number of people uses internet than few years back and this trend is increasing day by day. Nowadays many portable devices such as mobile phone, tablet, and laptop are available that can be used for accessing internet anywhere. Broadband connection at home increases as the age group decreases (Internet Usage in the United States, 2009). This is because higher percentage of younger (18 to 29 years) and middle (30 to 49 years) age group people uses internet for doing their office/education work, for social networking (Facebook, Orkut, Twitter etc) and for downloading/uploading audio, video, photo and other types of files that requires high-speed internet connection.

Thus, it is common to observe that most of the younger guests will request high-speed internet connections. This is because the type of work they do require high-speed internet connection. This tells me about the composition of my internet users that most of the younger guests uses high-speed internet connection compared to other age groups.

#### Reference

Internet Usage in the United States. (2009). Retrieved February 3, 2012, from NAS Recruitment Communications: [http://www.nasrecruitment.com/docs/white\\_papers/Internet\\_Usage\\_United\\_States.pdf](http://www.nasrecruitment.com/docs/white_papers/Internet_Usage_United_States.pdf)