CHR Reports Compendium 2011

Abstract
An Anthology of Reports, Tools, and Roundtable Proceedings published in 2010 by the Cornell Center for Hospitality Research, including articles by the faculty of the School of Hotel Administration published in the Cornell Hospitality Quarterly.

Keywords
Cornell, CHR, School of Hotel Administration, hospitality, SHA

Disciplines
Hospitality Administration and Management

Comments
Required Publisher Statement

© Cornell University. This report may not be reproduced or distributed without the express permission of the publisher.
Cornell Hospitality Compendium 2011

An Anthology of Reports, Tools, and Roundtable Proceedings published in 2010 by the Cornell Center for Hospitality Research, including articles by the faculty of the School of Hotel Administration published in the *Cornell Hospitality Quarterly*.
Advisory Board

Ra’anan Ben-Zur, Chief Executive Officer, French Quarter Holdings, Inc.
Scott Berman, Principal, Industry Leader, Hospitality & Leisure Practice, PricewaterhouseCoopers
Raymond Bickson, Managing Director and Chief Executive Officer, Taj Group of Hotels, Resorts, and Palaces
Stephen C. Brandman, Co-Owner, Thompson Hotels, Inc.
Raj Chandnani, Vice President, Director of Strategy, WATG
Rod Clough, Managing Director, HVS
Benjamin J. “Patrick” Denihan, Chief Executive Officer, Denihan Hospitality Group
Kurt Ekert, Chief Commercial Officer, Travelport GDS
Brian Ferguson, Vice President, Supply Strategy and Analysis, Expedia North America
Chuck Floyd, Chief Operating Officer—North America, Hyatt
Anthony Gentile, Vice President—Systems & Control, Schneider Electric/Square D Company
Gregg Gilman, Partner, Co-Chair, Employment Practices, Davis & Gilbert LLP
Susan Helstab, EVP Corporate Marketing, Four Seasons Hotels and Resorts
Jeffrey A. Horwitz, Chair, Lodging + Gaming, and Co-Head, Mergers + Acquisitions, Proskauer
Kevin J. Jacobs, Senior Vice President, Corporate Strategy & Treasurer, Hilton Worldwide
Kenneth Kahn, President/Owner, LRP Publications
Kirk Kinsell, President of Europe, Middle East, and Africa, InterContinental Hotels Group
Radhika Kulkarni, Ph.D., VP of Advanced Analytics R&D, SAS Institute
Gerald Lawless, Executive Chairman, Jumeirah Group
Mark V. Lomanno, President, Smith Travel Research
David Meltzer, Vice President of Global Business Development, Sabre Hospitality Solutions
William F. Minnock III, Senior Vice President, Global Operations Deployment and Program Management, Marriott International, Inc.
Shane O’Flaherty, President and CEO, Forbes Travel Guide
Thomas Parham, Senior Vice President and General Manager, Philips Hospitality Americas
Chris Proulx, CEO, eCornell & Executive Education
Carolyn D. Richmond, Partner, Hospitality Practice, Fox Rothschild LLP
Steve Russell, Chief People Officer, Senior VP, Human Resources, McDonald’s USA
Michele Sarkisian, Senior Vice President, Maritz
Janice L. Schnabel, Managing Director and Gaming Practice Leader, Marsh’s Hospitality and Gaming Practice
Trip Schneck, President and Co-Founder, TIG Global LLC
Adam Weissenberg, Vice Chairman, and U.S. Tourism, Hospitality & Leisure Leader, Deloitte & Touche USA LLP

The Robert A. and Jan M. Beck Center at Cornell University

Cornell Hospitality Report
Compendium 2011
Vol. 11, No. 3 (January 2011)
© 2011 Cornell University

Cornell Hospitality Report is produced for the benefit of the hospitality and related service industries by The Center for Hospitality Research at Cornell University

Rohit Verma, Executive Director
Jennifer Macera, Associate Director
Glenn Withiam, Director of Publications

Center for Hospitality Research
Cornell University
School of Hotel Administration
489 Statler Hall
Ithaca, NY 14853

Phone: 607-255-9780
Fax: 607-254-2292
www.chr.cornell.edu
Thank you to our generous Corporate Members

Senior Partners

Hilton Worldwide
McDonald’s USA
Philips Hospitality
SAS
STR
Taj Hotels Resorts and Palaces
TIG Global

Partners

Davis & Gilbert LLP
Deloitte & Touche USA LLP
Denihan Hospitality Group
eCornell & Executive Education
Expedia, Inc.
Forbes Travel Guide
Four Seasons Hotels and Resorts
Fox Rothschild LLP
French Quarter Holdings, Inc.
HVS
Hyatt
InterContinental Hotels Group
Jumeirah Group
LRP Publications
Marriott International, Inc.
Marsh’s Hospitality Practice
Maritz
PricewaterhouseCoopers
Proskauer
Sabre Hospitality Solutions
Schneider Electric
Southern Wine and Spirits of America
Thayer Lodging Group
Thompson Hotels
Travelport
WATG

Friends

American Tescor, LLC • Argyle Executive Forum • Berkshire Healthcare • Center for Advanced Retail Technology • Cody Kramer Imports • Cruise Industry News • DK Shifflet & Associates • ehotelier.com • EyeforTravel • 4Hotellers.com • Gerencia de Hoteles & Restaurantes • Global Hospitality Resources • Hospitality Financial and Technological Professionals • hospitalityinside.com • hospitalitynet.org • Hospitality Technology Magazine • Hotel Asia Pacific • Hotel China • HotelExecutive.com • Hotel Interactive • Hotel Resource • HotelWorld Network • International CHRIE • International Hotel Conference • International Society of Hospitality Consultants • iPerceptions • JDA Software Group, Inc. • J.D. Power and Associates • The Lodging Conference • Lodging Hospitality • Lodging Magazine • LBA Worldwide, Inc. • Milestone Internet Marketing • MindFolio • Mindshare Technologies • PhoCusWright Inc. • PKF Hospitality Research • RealShare Hotel Investment & Finance Summit • Resort and Recreation Magazine • The Resort Trades • RestaurantEdge.com • Shibata Publishing Co. • Synovate • TheTravelCom Network • Unifocus • USA Today • WageWatch, Inc. • The Wall Street Journal • WIWIH.COM
| CONTENTS |
|-----------------|-----------------|
| **ACCOUNTING**  | 4               |
| Accounting Research in the Cornell Quarterly: A Review with Suggestions for Future Research, James W. Hesford and Gordon Potter | 4 |
| **FINANCE**     | 4               |
| Who’s Next? An Analysis of Lodging Industry Acquisitions, Qingzhong Ma and Peng Liu | 4 |
| Public or Private? The Hospitality Investment Decision, Qingzhong Ma and Athena Wei Zhang | 5 |
| Hotel Management Contracts—Past and Present, Jan A. deRoos | 5 |
| What We Know about M&A Success: A Research Agenda for the Lodging Industry, Linda Canina, Jin-Young Kim, and Qingzhong Ma | 6 |
| Real Estate Investment Trusts: Performance, Recent Findings, and Future Directions, Peng (Peter) Liu | 6 |
| An Analysis of Future Delinquency for Hotel CMBS Loans, John B. Corgel and Aaron Walls | 7 |
| **FOOD AND BEVERAGE MANAGEMENT** | 7 |
| Customer Preferences for Restaurant Brands, Cuisine, and Food Court Configurations in Shopping Centers, Wayne J. Taylor and Rohit Verma | 7 |
| The Impact of Prix Fixe Menu Price Formats on Guests’ Deal Perception, Shuo Wang and Michael Lynn | 8 |
| What Matters More? Contrasting the Effects of Job Satisfaction and Service Climate on Hotel Food and Beverage Managers’ Job Performance, Sean A. Way, Michael C. Sturman, and Carola Raab | 8 |
| Guest Service Management and Processes in Restaurants: What We Have Learned in Fifty Years, Alex Susskind | 9 |
| The Wine Cellar Management Tool 2.0, Gary M. Thompson | 9 |
| **HUMAN RESOURCES** | 10 |
| What Makes It So Great? An Analysis of Human Resources Practices among Fortune’s Best Companies to Work For, Timothy R. Hinkin and J. Bruce Tracey | 10 |
| **INFORMATION TECHNOLOGY** | 10 |
| Integrating Self-Service Kiosks in a Customer-service System, Tsz-Wai Lui and Gabriele Piccoli | 10 |
| Hospitality Business Models Confront the Future of Meetings, Howard Lock and James Macaulay | 11 |
| **LAW**         | 11              |
| How Employment Law Became a Major Issue for Hotel Operators, David Sherwyn | 11 |
| Brand Rights and Hotel Management Agreements: Lessons from Ritz-Carlton Bali’s Lawsuit against Ritz-Carlton Company, Chekitan S. Dev, John H. Thomas, John Buschman, and Eric Anderson | 12 |
MARKETING

The Drivers of Loyalty Program Success: An Organizing Framework and Research Agenda, Michael McCall and Clay Voorhees .................................................................12
Building Customer Loyalty: Ten Principles for Designing an Effective Customer Reward Program, Michael McCall, Clay Voorhees, and Roger Calantone ..................................................................................................................13
Developing Measures for Environmental Sustainability in Hotels: An Exploratory Study, Jie J. Zhang, Nitin Joglekar, and Rohit Verma..........................................................................................................................13
Making the Most of Priceline’s Name-Your-Own-Price Channel, Chris Anderson and Shijie Radium Yan .............13
How Travelers Use Online and Social Media Channels to Make Hotel-choice Decisions, Laura McCarthy, Debra Stock, and Rohit Verma ...........................................................................................................15
Hospitality Marketing: A Retrospective Analysis and Predictions, Chekitan Dev, John D. Buschman, and John T. Bowen ................15
Customer Choice Modeling in Hospitality Services: A Review of Past Research and Discussion of Some New Applications, Rohit Verma ..............................................................................................................16

OPERATIONS MANAGEMENT

The Hotel Industry Seeks the Elusive “Green Bullet,” Sustainability Roundtable Participants, chaired by David Sherwyn.....16
Making Customer Satisfaction Pay: Connecting Survey Data to Financial Outcomes in the Hotel Industry, Gina Pingitore, Dan Seldin, and Arianne Walker .................................................................................................................17
Current Research and Events in the Spa Industry, Mary H. Tabacchi ..................................................................................17
Leadership in the Service of Hospitality, Judi Brownell ........................................................................................................18

REVENUE MANAGEMENT

How Hotel Guests Perceive the Fairness of Differential Room Pricing, Wayne J. Taylor and Sheryl E. Kimes ....................18
The Future of Hotel Revenue Management, Sheryl E. Kimes ..................................................................................................18
Improving Hospitality Industry Sales: Twenty-five Years of Revenue Management, Chris K. Anderson and Xiaozqing Xie...19
Restaurant Profitability Management: The Evolution of Restaurant Revenue Management, Gary M. Thompson ........19

STRATEGY AND ANALYSIS

Successful Tactics for Surviving an Economic Downturn: Results from an International Study, Sheryl E. Kimes ...................20
Cases in Innovative Practices in Hospitality and Related Services: Set 2, Sheryl E. Kimes, Cathy A. Enz,
Judy Siguaw, Rohit Verma, and Kate Walsh .........................................................................................................................21
Cases in Innovative Practices in Hospitality and Related Services: Set 3, Cathy A. Enz, Kate Walsh,
Rohit Verma, Kate Walsh, Sheryl E. Kimes, and Judy Siguaw .............................................................................................21
Cases in Innovative Practices in Hospitality and Related Services: Set 4, Cathy A. Enz, Kate Walsh,
Rohit Verma, Kate Walsh, Sheryl E. Kimes, and Judy Siguaw .............................................................................................22
The Quest for Consistent Ratings, Rohit Verma and Russell Arthur Smith ...........................................................................22
The Future of Meetings: The Case for Face-to-Face, Christine Duffy and Mary Beth McEuen ........................................23
Accounting Research in the Cornell Quarterly: A Review with Suggestions for Future Research

James W. Hesford and Gordon Potter

An analysis of accounting-related articles published in the Cornell Hospitality Quarterly shows a shift from prescription to description, with an increasing use of scientific research methods. We found that the literature has examined the industry’s use of the Uniform System of Accounts, cost management, and management control systems, including the effects of nonfinancial measures and the balanced scorecard. Although a uniform system of accounts offers consistency, it may limit a hotel manager’s ability to match costs with departmental revenues. Budgeting and capital budgeting are particularly difficult issues for the hospitality industry, due to the fact that most hotels involve independent parties as ownership and management. One oddity of the hospitality industry is that few managers adjust budgets to reflect operational outcomes. In addition to our review, we provide suggestions for future research. http://cqx.sagepub.com/content/51/4/502.abstract

CORNELL HOSPITALITY QUARTERLY, VOL. 51, NO. 4, NOVEMBER 2010, PP. 502–512

Who’s Next? An Analysis of Lodging Industry Acquisitions

Qingzhong Ma and Peng Liu

The years 2004 through 2007 witnessed a rush of takeover deals in the lodging industry, in which numerous publicly traded hotel companies and hotel real estate investment trusts (REITs) were acquired—mostly by private equity firms, and in many cases, Blackstone Group. Notwithstanding the suspension of such activities in the past two years, this article analyzes what factors determine the choice of the targets during that period in the lodging industry. An examination of these takeover deals determined that targets were most likely to: (1) be either a large hotel company or a relatively small REIT; (2) have a high percentage of fixed assets and a low level of debt; (3) have a mismatch between growth prospects and available resources; and (4) be in their middle age as publicly traded firms. Conditions that permit acquisitions, including availability of credit, will eventually return, making this analysis useful to current and future owners, investors, and executives in the lodging industry. Those who want to be acquired, for instance, can adjust their corporate profile to be more attractive, and those who wish to discourage acquisition can take on debt and spin off assets to be less attractive. www.hote lschool.cornell.edu/research/chr/pubs/reports/abstract-15238.html

CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 11
Public or Private? The Hospitality Investment Decision

Qingzhong Ma and Athena Wei Zhang

As the economic recession gradually recedes, companies with sufficient capital have numerous investment opportunities. The question is what type of lodging assets are appropriate for investment, in terms of value creation. In this report, we examine the choice between listed lodging assets (publicly traded firms) and those that are unlisted (privately held standalone companies or subsidiaries). Based on a large sample of acquisitions in the lodging industry from 1981 to 2006, where both listed and unlisted lodging assets are involved in the transactions, our results strongly suggest that acquisitions of unlisted lodging assets create more value to the acquiring shareholders. Further, among the acquisitions of unlisted assets, more value is created when stock is used as payment, when deal is relatively large, and when competitive bidding is avoided in the transaction.

www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15339.html

CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 17

Hotel Management Contracts—Past and Present

Jan A. deRoos

Conceived as a relatively simple arrangement that allowed international expansion by hotel chain operators without the risk of real estate ownership, the management contract has become an intricate and nearly essential element of the contemporary hotel industry. While trends in management contracts have shifted with the relative bargaining power of owners and operators, the key to a successful contract is aligning the interests of all parties. Owners seek some reasonable guarantee of cash flow, while operators need assurance that they will be able to benefit from their continued operation of a property. In place of a single document, management contracts now include numerous concurrent agreements that address such matters as real property rights, intellectual property rights, hotels as financial assets, hotels as operating businesses, and the needs of owners, operators, and lenders.

http://cqx.sagepub.com/content/51/1/68.abstract

CORNELL HOSPITALITY QUARTERLY, VOL. 51, NO. 1, FEBRUARY 2010, PP. 68–80
What We Know about M&A Success: A Research Agenda for the Lodging Industry

Linda Canina, Jin-Young Kim, and Qingzhong Ma

The lodging industry is a fruitful area for merger and acquisition research, although the empirical evidence is surprisingly sparse given the degree of industry consolidation. Although M&As are motivated by the expected synergy between the target and the acquiring firms, some mergers are successful while others are not. Studies have found that, on average, lodging transactions are distinct from those in other industries because owners of both target and acquirer are better off after the merger. A thorough analysis of lodging M&A deals may enhance our knowledge of the factors related to successful deals not only in the lodging industry, but also in other industries. This investigation of the current state of knowledge of M&A success suggests an agenda for further research on lodging industry transactions. In particular identification of the best practices associated with each stage of the M&A process, especially about how lodging firms integrate, transfer, and manage the resources of the combined firm, is a ripe area for future research.

http://cqx.sagepub.com/content/51/1/81.abstract

CORNELL HOSPITALITY QUARTERLY, VOL. 51, NO. 1, FEBRUARY 2010, PP. 81–101

Real Estate Investment Trusts: Performance, Recent Findings, and Future Directions

Peng (Peter) Liu

The volume of research specifically directed at lodging real estate investment trusts (REITs) is slender, although numerous studies have been conducted on REITs generally. Tax regulations designed to make REITs passive owners, rather than operators, has to some extent been offset by the development of the paired-share company, which involves a REIT as an owner and a separate but related corporation as operator. Studies of REITs generally have found that regulatory requirements disperse ownership and focus management’s attention on its position as the shareholders’ agents. While REITs have carried more uncertainty of results than conventional real estate investments, the remain a vehicle for relatively small investors to participate in large real estate holdings. Despite the presence and apparent success of lodging REITs, no study has specifically addressed which ownership format is most suited to the hotel industry.

http://cqx.sagepub.com/content/51/3/415.abstract

CORNELL HOSPITALITY QUARTERLY, VOL. 51, NO. 3, AUGUST 2010, PP. 415–428
An Analysis of Future Delinquency for Hotel CMBS Loans

John B. Corgel and Aaron Walls

The hotel industry seems to be recovering from its recent abyss, but the damage to many properties from months of financial strangulation will continue for some time. In particular, the hotel industry faces the prospect of heavily leveraged properties submerged by delinquencies and defaults. An analysis of debt coverage ratios for 365 hotel properties with commercial mortgage backed security (CMBS) loans shows considerable deterioration from 2008 to a nadir in 2010. Starting in 2011, net operating income and debt coverage ratios should gradually improve, with noticeable improvement in 2012.

http://cqx.sagepub.com/content/51/4/457.abstract

CORNELL HOSPITALITY QUARTERLY, VOL. 51, NO. 4, NOVEMBER 2010, PP. 457–458

Customer Preferences for Restaurant Brands, Cuisine, and Food Court Configurations in Shopping Centers

Wayne J. Taylor and Rohit Verma

An analysis of the mall restaurant preferences of a national sample of 1,737 U.S. residents sheds light on how to configure mall food service and demonstrates how local malls can determine what their particular market desires. The study tested demographic differences in relation to mall configurations and in relation to the types of food-service concepts that are in highest demand. Using customer choice analysis, this study asked respondents to choose among six mall food-service configurations, including one that had a large food court and one that had no food court at all. The most popular configuration combined a moderate-size food court with several casual and fast-casual restaurants. Least popular was the choice that had only table-service restaurants and no food court. The study also asked respondents to select their favorite mall restaurant concepts, with a particular eye to demographic differences in restaurant preferences. Since this is a national sample, it's not surprising that familiar national QSR and casual-dining chains topped the list. However, certain demographic groups rated the QSRs as their favorites, while others were more favorable to table-service concepts. Thus, as local and regional mall operators determine which restaurant concepts to offer in their malls, they should consider their customers' demographics and preferences. With that analysis, malls can set the mix of local and national operators, QSR and table-service concepts, and the configuration of those restaurants in the mall.

http://www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15193.html

CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 3
The Impact of *Prix Fixe* Menu Price Formats on Guests’ Deal Perception

**Shuo Wang and Michael Lynn**

A web study of nearly 500 U.S.-based respondents compared three possible formats for presenting the service charges for a *prix fixe* meal, namely, as a percentage added to the meal price, as a dollar amount added to the meal price, and as an unknown amount obscured by inclusion in the full meal price. For those who received a single price only (with an unstated service charge), the respondents estimated a mean service charge of just over 13 percent, which is reasonably close to inferring the commonly applied 15-percent service charge. Respondents thought that a 12-percent added charge was good value, but when the stated service charge was higher than the conventional 15 percent they viewed the meal as a bad deal compared to the meal with the unknown service charge included. Survey participants regarded the dollar-amount service charges similarly, but this format also may serve to obscure the service-charge calculation. The chief implication for restaurants is that even with a *prix fixe* menu, guests are making value calculations at all times, and the service charge is one of those value issues—one that seems to stick out in customers’ minds. [www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15301.html](http://www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15301.html)

*CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 15*

What Matters More? Contrasting the Effects of Job Satisfaction and Service Climate on Hotel Food and Beverage Managers’ Job Performance

**Sean A. Way, Michael C. Sturman, and Carola Raab**

Research has provided little empirical support for the often-repeated concept that employee job satisfaction is a causal driver of employee job performance, customer satisfaction, and company performance. This concept is an enduring one, however, and it has been codified as the starting point in the widely espoused service profit chain. Using a sample of 84 food and beverage (F&B) manager groups from 40 Asian hotel properties, we examine the effect of job satisfaction, and contrast this effect with that of group service climate, on supervisor ratings of group job performance behaviors (group task performance and organizational citizenship behaviors). The findings underscore the weak connection between job satisfaction and job performance. However, group service climate was found to have a positive effect on supervisor ratings of group job performance behaviors. Consistent with prior research, this study’s findings indicate that managers may improve their employees’ job performance (and job satisfaction) by ensuring that employees understand what is expected of them and how their performance will be appraised and rewarded by the organization. Voted 2010 Article of the Year by the CQ editorial board. [http://cqx.sagepub.com/content/51/3/379.abstract](http://cqx.sagepub.com/content/51/3/379.abstract)

*CORNELL HOSPITALITY QUARTERLY, VOL. 51, NO. 3, AUGUST 2010, PP. 379–397*
Guest Service Management and Processes in Restaurants: What We Have Learned in Fifty Years

Alex Susskind

Although restaurant-related research has long focused on boosting sales, the focus on revenue as a quantitative discipline has arisen only in the past fifteen years, with restaurant revenue management. This series of studies is emblematic of the increased focus on scientific studies to help restaurateurs improve their operations. Another thread of research, on service process management, included a series of articles explaining the many elements beyond the food itself that go into a successful restaurant operation. A particular element in guest satisfaction is the extent to which employees believe that their restaurant maintains service standards. Finally, when service goes awry, service recovery requires handling guest complaints in a prompt and appropriate fashion. Service failures subject restaurants to negative word of mouth, but it’s not simply a matter of a dissatisfied guest complaining to a certain number of friends. Instead, the nature and number of subsequent negative comments depends on the type of failure—with food quality being most critical.

http://cqx.sagepub.com/content/51/4/479.abstract

CORNELL HOSPITALITY QUARTERLY, VOL. 51, NO. 4, NOVEMBER 2010, PP. 470–482

The Wine Cellar Management Tool 2.0

Gary M. Thompson

Version 2.0 of this tool is substantially upgraded to provide more analytical tools and information for users. Version 2.0 adds several new fields, sort capabilities, reports, and charts. Basic use of the tool is described in the 2009 report, “Managing a Wine Cellar Using a Spreadsheet,” also by Gary Thompson. The Wine Cellar Management Tool is a spreadsheet that can be used to help manage a wine cellar, either for individuals or for firms such as restaurants or bars. The spreadsheet comes in two versions. The “Sample” version allows you to examine how the spreadsheet will look after you have entered data on the wines you own. The “Blank” version is the version you should use to enter your own data after you have downloaded it.

The spreadsheet is already formatted with the formulas that you will need to use the tool. Thus, you do not need to know much about a spreadsheet. Instead, all of the data are entered or edited via fill-in forms that are accessible from the “Switchboard” worksheet that is part of the download. As described in the report, the original version of the spreadsheet contains a large number of cellar analyses that are interesting and informative, and that can be used to help guide cellar management decisions, such as what to consume or what to promote. All that the tool requires is that you be disciplined about recording the inflows and outflows to and from the cellar. Because the data reside in a spreadsheet on your computer, there are no data security issues.

www.hotelschool.cornell.edu/research/chr/pubs/tools/tooldetails-15068.html

CORNELL HOSPITALITY TOOLS, NO. 15
What Makes It So Great? An Analysis of Human Resources Practices among Fortune’s Best Companies to Work For

Timothy R. Hinkin and J. Bruce Tracey

Although few hospitality organizations are listed in the annual survey of Fortune magazine’s 100 best companies to work for, an analysis of companies with similar operating challenges provides clear direction for hospitality and service companies’ human resource practices. This study examined twenty-one companies, including one food-service firm (Starbucks) and three hotel chains (Four Seasons, Kimpton, and Marriott). Most companies analyzed were grocery and health-care organizations, which share human resources issues with the hospitality industry, such as long operating hours, relatively high turnover, and relatively low pay. The innovative human resources practices isolated in this analysis were a culture that emphasizes the value of people, scheduling flexibility, creative staffing practices, people-oriented training programs, transparent and well aligned performance management policies, and compensation policies that reflect the organization’s values and link pay to performance. http://cqx.sagepub.com/content/51/2/158.abstract

CORNELL HOSPITALITY QUARTERLY, VOL. 51, NO. 2, MAY 2010, PP. 158–170

Integrating Self-Service Kiosks in a Customer-service System

Tsz-Wai Lui and Gabriele Piccoli

Most hospitality companies have been implementing self-service channels with a goal of reducing costs, increasing customer satisfaction and loyalty, and reaching new customer segments. No matter how successful the self-service channel, though, companies rarely eliminate traditional personal service when they introduce a self-service channel. Instead, companies typically maintain a portfolio of service-delivery channels which allows guests to select the way they interact with the companies. Consequently, managers should consider the interaction among the channels within the portfolio, with particular attention to how they complement each other. Using structural equation modeling, the study described here examined the financial and guest-satisfaction results of integrating a self-service kiosk in two brands operated by an international hotel company. Based on data from the company, this study indicates that when certain routine tasks (e.g., checking in and issuing room keys) were handled in kiosks, hotels did see increases in average daily rate. However, when something went wrong with the self-service check-in, the hotels in question saw a reduction in guests’ willingness to return. Oddly, the addition of the check-in kiosks did not increase guests’ perceptions of service speed at check-in. www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15217.html

CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 6
Hospitality Business Models Confront the Future of Meetings

Howard Lock and James Macaulay

Economic recovery has been slow to reach many parts of the global hospitality sector, and one of the most sluggish areas to improve has been the meetings and association business. Even as business activity resumes, the recession and other events, including the Icelandic volcano eruption in April 2010, have caused firms to review their corporate meeting travel patterns. In parallel, a significant disruption with profound implications for the hospitality sector is occurring in the form of technology-enabled business-travel substitution. Corporate travel departments seeking innovative ways to reduce costs, enhance productivity, reduce carbon footprints, and transform the meeting experience are turning to rapidly maturing video and virtual meeting technologies to replace conventional transient and event-oriented business travel. Seeing the possibilities for serving this market segment, several leading hotel chains have introduced video and virtual meeting technologies as lines of business. For companies willing to adapt, new strategies and business models to capitalize on this disruption will drive competitive advantage and greater market share. www.hotelschool.cornell.edu/research/chr/pubs/perspective/perspective-15235.html

CORNELL HOSPITALITY INDUSTRY PERSPECTIVES, NO. 4

How Employment Law Became a Major Issue for Hotel Operators

David Sherwyn

In the wake of new statutes and case law, issues relating to discrimination have expanded in the last twenty-five years to absorb a substantial amount of management time and attention. The basic law of discrimination is the Civil Rights Act of 1964, which created specific protect classes. That law was revised and expanded in 1991, and other causes of discrimination were added by such laws as the Americans with Disabilities Act and the Age Discrimination in Employment Act. Supreme Court decisions have clarified and expanded certain aspects of the laws, notably the definition of sexual harassment. Perhaps the fastest growing complaint involves retaliation, in which employees seek to claim that unwanted employer actions result from some aspect of a civil rights complaint. While considerable confusion remains over certain aspects of discrimination law, employers should make every effort to properly instruct their supervisors and follow court-outlined procedures.

http://cqx.sagepub.com/content/51/1/118.abstract

CORNELL HOSPITALITY QUARTERLY, VOL. 51, NO. 1, FEBRUARY 2010, PP. 118–127
Brand Rights and Hotel Management Agreements: Lessons from Ritz-Carlton Bali’s Lawsuit against Ritz-Carlton Company

*Chekitan S. Dev, John H. Thomas, John Buschman, and Eric Anderson*

In the lawsuit, *P.T. Karang Mas Sejahtera (KMS) v. The Ritz-Carlton Hotel Company, LLC*, a jury found for the plaintiff, the owner of the Ritz-Carlton Bali Resort and Spa, against the defendant, The Ritz-Carlton Hotel Company, LLC. Ritz-Carlton’s parent company, Marriott International, had previously formed a partnership with Bulgari S.p.A., the Italian luxury jewelry and accessories firm, to create Bulgari Hotels and Resorts, a line of luxury hotels. The first two Bulgari properties opened in Milan and Bali. Soon after the Bali project was announced, KMS sued Ritz-Carlton for breach of contract. We show that this and other recent court decisions situate hotel management contracts squarely under agency law, which states among other provisions that a principal has a nearly absolute right to terminate such a contract. In the Bali case, the violated duties included a duty not to compete with or assist the competitors of a property being managed under contract within that property’s competitive market set. We argue that, as a consequence of these legal decisions, issues pertaining to brand rights and management contracts have been clarified. In this paper we outline these brand rights issues, review these precedent-setting legal cases, explain why Ritz-Carlton lost the suit to KMS, and draw several lessons pertaining to hotel management. [http://cqx.sagepub.com/content/51/2/215.abstract](http://cqx.sagepub.com/content/51/2/215.abstract)

*CORNELL HOSPITALITY QUARTERLY, VOL. 51, NO. 2, MAY 2010, PP. 215–230*

The Drivers of Loyalty Program Success: An Organizing Framework and Research Agenda

*Michael McCall and Clay Voorhees*

Despite the proliferation of loyalty programs over the past three decades, evidence regarding their effectiveness in cementing customer loyalty remains mixed and often inconsistent. The current lack of understanding of what factors drive a successful loyalty program represents an important knowledge gap. Accordingly, this review: *(1)* organizes current thinking on loyalty program management and *(2)* outlines an agenda for future research. This review is organized around three categories of drivers that affect loyalty program effectiveness: program structure, reward structure, and customer factors. In synthesizing this body of research, this review identifies a important research questions that offer opportunities for hospitality managers and academic researchers to collaborate on a mutually beneficial topic that has both theoretical and practical importance.

[http://cqx.sagepub.com/content/51/1/35.abstract](http://cqx.sagepub.com/content/51/1/35.abstract)

*CORNELL HOSPITALITY QUARTERLY, VOL. 51, NO. 1, FEBRUARY 2010, PP. 35–52*
Building Customer Loyalty: Ten Principles for Designing an Effective Customer Reward Program

*Michael McCall, Clay Voorhees, and Roger Calantone*

Reward programs are incentives designed to create loyalty among customers and to provide the best rewards to the “best” customers. These programs have proliferated in the hospitality industry for nearly three decades, with little direct evidence that they actually build either attitudinal or behavioral loyalty. While program implementation seems to have expanded exponentially, the actual components and structure of any given program appears to be driven more by what the competition is offering rather than by demonstrated effectiveness. This report (1) identifies program components that have been shown to be effective, and (2) offers a series of guiding principles that hospitality and marketing managers should find useful in designing and modifying their reward programs. Although there is no universal recipe for reward program success, the ten guiding principles adduced in this report could assist managers in leading the conversation on how to make their programs more effective. Key points include finding genuine ways to rewards guests, differentiating the loyalty program from those of competitors, and continually reevaluating tier requirements to ensure continued guest participation. [www.hoteleschool.cornell.edu/research/chr/pubs/reports/abstract-15236.html](http://www.hoteleschool.cornell.edu/research/chr/pubs/reports/abstract-15236.html)

*CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 9*

Developing Measures for Environmental Sustainability in Hotels: An Exploratory Study

*Jie J. Zhang, Nitin Joglekar, and Rohit Verma*

Hoteliers’ efforts to improve the environmental sustainability of their operations would be promoted by having a consistent industry-wide measure for benchmarking current operations and tracking the effect of environmental sustainability initiatives. This report presents the results of an exploratory study that develops such a measure, using resource consumption records of 984 U.S. hotels over a period of eight years, as found in the hotels’ year-end operating statements. According to an exploratory factor analysis, the proposed measure consists of two parts: an operating factor based primarily on electricity, water and sewer, and maintenance expenses, and a behavioral factor, which is largely driven by laundry, linen, and supplies for both rooms and F&B operations. In general, costs found in the operating factor are under management control, but the costs in the behavioral factor are subject to guests’ activities. By normalizing the average of each of these two factors at zero, hotels that score above zero are spending more than other hotels, and those with a score below zero are relatively more efficient. These factors can be compared according to various hotel characteristics, such as chain segment, presence of a management company, location (both in terms of the degree of urbanization and climate zone), and whether the hotel offers F&B service. For instance, the above-average costs of providing F&B are clearly depicted in these measurements (as compared with limited-service operations). [www.hoteleschool.cornell.edu/research/chr/pubs/reports/abstract-15232.html](http://www.hoteleschool.cornell.edu/research/chr/pubs/reports/abstract-15232.html)

*CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 8*
Making the Most of Priceline’s Name-Your-Own-Price Channel

Chris Anderson and Shijie Radium Yan

Many hotels make rooms available at reduced rates through such websites as Priceline.com. Priceline’s Name-Your-Own-Price application allows consumers to bid on hotel rooms with certain specifications, but the consumer does not know what hotels have placed rooms in the Priceline system. While this approach fills rooms, it also creates challenges for the hotels regarding how much to charge, because Priceline creates a screen between the hotel and its customers. The hotelier is challenged to decide what price to charge. Using the calculations shown in this report, hoteliers can analyze Priceline’s reports on bids received to determine what price to offer through Priceline. A field test of this method on a large convention hotel in 2010 recorded a 24-percent increase in Priceline-associated revenue. A sample of the spreadsheet calculations is included.

www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15296.html

CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 13

Best Practices in Search Engine Marketing and Optimization: The Case of the St. James Hotel

Greg Bodenlos, Victor Bogert, Dan Gordon, Carter Hearne, and Chris Anderson

The website redesign for the St. James Hotel in Red Wing, Minnesota, provides a test case for the best practices relating to website optimization for search engine marketing. The goal of search engine optimization is to ensure that a hotel’s website appears at or near the top of search engine results pages—in the area sometimes called the Golden Triangle. Although this case focuses on Google, the principles are similar for all search engines and meta-search engines. The goal of search engine algorithms is to present the most relevant pages for each query. To make sure that your pages are included in the “relevant” group, your website must include a logical presentation of appropriate keywords on each page. Tags for page headings and photographs should align with keywords for each page’s topic. With a site diagram, Google’s web crawlers can locate and index all pages on a website. Further authority is added when outside agencies link into a page. Finally, a hotel can purchase keywords or position on the search results page, in a section clearly labeled as sponsored results. This area does receive users’ attention, but not as much as the “organic” search results do.

www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15320.html

CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 16
How Travelers Use Online and Social Media Channels to Make Hotel-choice Decisions

_Laura McCarthy, Debra Stock, and Rohit Verma_

Social media have created a new distribution channel and opened a deep well for marketing research. Social media also have changed the way travelers determine where they will stay—particularly leisure travelers. Hospitality firms need to understand consumers’ attitudes toward social media, and find ways to use the depth of information available on social media sites. For example, hotels can interact with their customers on such websites as Facebook, Flickr, Twitter, and YouTube by sharing information, watching for service failures to correct, and refining their brand. The study presented here takes a snapshot of the rapidly changing field of how consumers gather information and make their decisions regarding travel purchases, based on responses of 2,830 recent travelers. With regard to gathering information for a hotel stay, the principal dividing line occurs between business travelers and leisure travelers. Business travelers often use the hotel recommended by their company, although many of them use search engines or online travel agents for their hotel search. Recommendations of friends and colleagues are less important to business travelers than they are to leisure travelers, who cited personal recommendations from friends and families as far and away the chief source of information, followed by travel related websites, search engines, and OTAs. Once the information is gathered, however, travelers of all kinds turn more to such sources as the brand website, OTAs, and TripAdvisor. Late in the decision process, the respondents tended to book rooms on the brand website or an OTA. [www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15359.html](http://www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15359.html)

_Hospitality Marketing: A Retrospective Analysis and Predictions_

_Chekitan Dev, John D. Buschman, and John T. Bowen_

Looking at the evolution of marketing as recorded in the pages of the Cornell Hospitality Quarterly one sees a continual increase in the complexity of the marketing issues for the hospitality industry. Each decade’s articles have been marked by an emphasis on a particular aspect of marketing. The 1960s was the decade of promotion, while the 1970s saw the development of new lodging products and the beginnings of market research. The explosion of brands and product tiers in the 1980s ushered in an era of brand management, and the beginning of revenue management. Following the brutal shakeout of the early 1990s, the lodging industry turned to customer satisfaction and loyalty as key elements of operations. The eruption of the internet dominated the first decade of the twenty-first century, as hospitality companies and guests alike sought to understand how to use this amazing tool. Going forward, the 2010s will continue the changes wrought by electronic media, most particularly the eclipse of printed media and the rise of social media. [http://cqx.sagepub.com/content/51/4/459.abstract](http://cqx.sagepub.com/content/51/4/459.abstract)
Customer Choice Modeling in Hospitality Services: A Review of Past Research and Discussion of Some New Applications

Rohit Verma

Customer choice modeling techniques have grown in sophistication and applicability, so that this methodology can be useful for assessing the services and amenities that are market drivers for customers of hospitality businesses. In essence, customer choice modeling is an experimental process that seeks to identify the key market drivers by comparing respondents’ choices among packages of products and services, known as choice sets. By comparing the ratings of various choice set packages, one can assess which features of a product or service are most critical to the purchase decision. Also helpful in customer choice modeling is analysis of existing purchase patterns, which can be collected from point of sale devices and web activity. However, valuable though they may be, those collected data are backward looking—telling what customers did, but not what they will do. In contrast, customer choice modeling can look forward to see what customers might like, provided the experiment is designed correctly. http://cqx.sagepub.com/content/51/4/470.abstract

CORNELL HOSPITALITY QUARTERLY, VOL. 51, NO. 4, NOVEMBER 2010, PP. 470–478

The Hotel Industry Seeks the Elusive “Green Bullet”

Sustainability Roundtable Participants, chaired by David Sherwyn

Participants in Cornell’s first sustainability roundtable concluded that a major challenge facing the hotel industry is to define exactly what “green” means, as standards are unclear and consumers’ views are inconsistent. Thus, hotels are sometimes reluctant to implement sustainable systems, especially given sometimes lengthy payback periods. Although the industry seeks to improve the sustainability of its operations, most hotels encounter substantial barriers to implementation. Hoteliers must consider payback periods to demonstrate the value of financing “green” initiatives, once they determine which are genuinely valuable. If the payback period exceeds three to seven years, the initiative is difficult to finance. To avoid being labeled as “greenwashing,” or exaggerating the environmental value of their practices, some hotel operators have focused quietly on sustainable development. Roundtable participants recommended that the green hotel industry develop clear indices of sustainability, even though that means comparing dissimilar programs. For example, recycling and clean energy are both important to sustainability, but the energy program is invisible to guests, unlike the recycling program. Thus, participants pointed to a need for a “green bullet,” or a realistic measure of sustainability that would combine the sometimes competing interests of owners, management firms, and customers.

www.hotelschool.cornell.edu/research/chr/pubs/roundtableproceedings/roundtable-15212.html

CORNELL ROUNDTABLE PROCEEDINGS, VOL. 2 NO. 1
Making Customer Satisfaction Pay: Connecting Survey Data to Financial Outcomes in the Hotel Industry

Gina Pingitore, Dan Seldin, and Arianne Walker

In recent years, reports in the business press have questioned the value of measuring customer satisfaction, suggesting that such research does not explain or predict financial performance. To the contrary, in this report we demonstrate that customer satisfaction research, when designed and executed with the prerequisite psychometric and statistical rigor, does in fact yield actionable insights and show clear linkages to actual financial outcomes. We focus here on customer satisfaction measurements in the hotel industry and their connection to financial performance. All hoteliers know that in order to survive they need to attract and retain guests. However, hoteliers also need to know specifically what it takes to satisfy their guests. This report describes the key operational and performance indicators needed to improve satisfaction and presents evidence that satisfying hotel guests yields a measurable financial return on investment. This survey determined that customer satisfaction directly bears on repeat purchases and on the likelihood of making recommendations. The study found, for instance, that guests who experienced outstanding service were likely to spend more on ancillary items in subsequent hotel stays. Getting things right is important. Four key performance indicators particularly affected guests’ evaluations: reservation was accurate, check-in was completed within five minutes, no problems were experienced during the stay, and no billing errors occurred. Guests who experienced all four of these performance indicators were most likely to grant the hotel a top satisfaction rating. www.hoteleschool.cornell.edu/research/chr/pubs/perspective/perspective-15257.html

Current Research and Events in the Spa Industry

Mary H. Tabacchi

From the start of the modern spa in the mid 20th-century, the spa industry has grown substantially worldwide. Part of that growth involves spas of different types—each with its own business model, including day spas, hotel-based spas, resort spas, and destination spas. Regardless of the type of spa, most operations provide massage and nutrition-related services, with nutrition growing substantially in importance. Recession has trimmed the industry’s sails, but barriers to exit are substantial enough that even weakened operations might continue in business. The spa industry is widely fragmented, despite some notable consolidation. Because of the pressure on prices, some spas have been tempted to offer services in a commoditized fashion, but the most successful spas will focus on their total operation to promote their brand. It seems likely that the spa industry’s growth will resume when economies improve. http://cqx.sagepub.com/content/51/1/102.abstract

CORNELL HOSPITALITY INDUSTRY PERSPECTIVES, NO. 5

CORNELL HOSPITALITY QUARTERLY, VOL. 51, NO. 1, FEBRUARY 2010, PP. 102–117
Leadership in the Service of Hospitality

Judi Brownell

The definition of leadership has changed considerably in the past 100 years, beginning with the “great man” concept and, more recently, involving “transformational leadership.” The next step in leadership evolution is servant leadership, in which the leader seeks to support and empower followers, moving toward a relatively egalitarian relationship. The implications are considerable for the hospitality industry, since it is based on the concept of service. Hospitality educators could take steps to instill servant leadership principles in students to equip them for this leadership style.

http://cqx.sagepub.com/content/51/3/363.abstract

CORNELL HOSPITALITY QUARTERLY, VOL. 51, NO. 3, AUGUST 2010, PP. 363–378

How Hotel Guests Perceive the Fairness of Differential Room Pricing

Wayne J. Taylor and Sheryl E. Kimes

When customers perceived hotel revenue management practices to be fair, they are more likely to be satisfied with the hotel and are more likely to return to that hotel. This survey of 815 people examined the effects of the following three factors on the respondents’ assessment of the fairness of hotel rate policies: familiarity with the practice, provision of information about the practice, and the brand class of the hotel. Of those three, familiarity with a pricing practice was the most important factor affecting perceived fairness, suggesting a focus on increasing guests’ familiarity with pricing practices.

www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15176.html

CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 2

The Future of Hotel Revenue Management

Sheryl E. Kimes

A survey of nearly 500 revenue management professionals forecasts that the application of revenue management (RM) will become more strategic and will include more of hotels’ income streams. In particular, RM will likely be applied to function space, and may also include spas, restaurants, and golf courses. The growing central, strategic role of RM will require upgraded measurement techniques, possibly a profit-oriented metric, such as gross operating profit per available room (GOPPAR). Future revenue managers will principally need analytical skills, leadership skills, and communication skills. This report was supported by IDeaS, and the SAS Singapore office, which assisted by analyzing the data using SAS® Text Analytics.

www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15299.html

CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 14
Improving Hospitality Industry Sales: Twenty-five Years of Revenue Management

Chris K. Anderson and Xiaoqing Xie

Revenue management has expanded from airlines to lodging and rental cars, and, more recently, restaurants, golf courses, and casinos. The first revenue management–related article in the Cornell Quarterly introduced the topic in 1988. Subsequently, the Quarterly has published numerous revenue management studies, covering hotels, restaurants, golf courses, and function space. In addition CQ has examined distribution and pricing issues. This review of twenty-plus years of CQ articles suggests directions for future revenue management research. http://cqx.sagepub.com/content/51/1/53.abstract


Restaurant Profitability Management: The Evolution of Restaurant Revenue Management

Gary M. Thompson

While the term restaurant revenue management was defined in this journal in 1998, the history of publications in the Cornell Hospitality Quarterly (CQ) related to managing restaurant profitability spans nearly fifty years. Of the 160 published articles related to restaurant profitability, more than one-quarter have appeared in the CQ. This article presents a new, decision-based framework for restaurant profitability, which expands on the earlier revenue-focused framework. The existing CQ articles are categorized using the framework, and the gaps are used as the basis for identifying a large number of worthwhile, but as yet unanswered research questions related to restaurant profitability. http://cqx.sagepub.com/content/51/3/308.abstract

Cornell Hospitality Quarterly, August 2010, PP. 308–322
Strategic Pricing in European Hotels: 2006–2009

Cathy A. Enz, Linda Canina, and Mark Lomanno

This paper examines the pricing, demand (occupancy), and revenue (RevPAR) dynamics for European hotels for 2006 through 2009. The results of this four-year study reveal that in both good times (2006–2007) and bad (2008–2009) hotels that offer average daily rates above those of their direct competitors have lower comparative occupancies but higher relative RevPARs. Based on 8,026 hotel observations, this pattern of demand and revenue behavior was consistent for hotels of various sizes and type of hotel management (i.e., chain-affiliated or independent), and held true in most market segments across all geographic regions of Europe. Occupancy and RevPAR volatility was greater in eastern and southern European hotels (compared to those in the north and west of Europe) and in the economy segment (as compared to higher level hotels). The results suggest that higher relative revenue performance is accomplished by hotels that offer higher rates than their competitors. It also suggests that key strategic factors such as hotel size and chain affiliation do not alter the pattern of findings. The results support the view that lodging demand may be inelastic in local European markets, a finding consistent with previous work in the U.S. and Asian markets. The results of this study appear to confirm the view that RevPAR is not stimulated by dropping competitive prices, and that hotel size and chain affiliation do not in meaningful ways alter the patterns found for the percentage difference in occupancy and RevPAR. www.hoteleschool.cornell.edu/research/chr/pubs/reports/abstract-15216.html

CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 5

Successful Tactics for Surviving an Economic Downturn: Results from an International Study

Sheryl E. Kimes

A survey of 980 hotels around the world, conducted from December 2009 through February 2010, found that discounting was the number-one tactic used to offset the effects of the Great Recession of 2008–2009. At the same time, most respondents who cut their prices agreed that discounting was not particularly successful in maintaining revenue levels. In addition to discounting, hotels also applied tactics that included marketing initiatives, obscuring room rates, and cutting costs. Hotels that sought to attract new market segments reported reasonably strong success. Those that used rate-obscuring tactics typically assembled value-added packages, offered a free night with purchase, or made heavier use of opaque distribution channels. About one-quarter of respondents reported cutting costs, usually by closing facilities, taking the opportunity for renovation, or reducing operating hours. Asked for their recommendations for the next recession, the respondents said that they would avoid discounting and focus instead on market initiatives. For 2010, in addition to marketing programs, the respondents said that they planned to use rate-obscuring approaches, with an emphasis on value-added packages. www.hoteleschool.cornell.edu/research/chr/pubs/reports/abstract-15220.html

CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 7
Cases in Innovative Practices in Hospitality and Related Services: Set 2

Sheryl E. Kimes, Cathy A. Enz, Judy Siguaw, Rohit Verma, and Kate Walsh

The second set of ten cases of hospitality innovators presents a diverse group of concepts and companies, all of which have used novel thinking to meet marketplace needs, regardless of whether those needs are newly identified or longstanding. Although most of the innovations have been made possible by relatively new technology, all of them rest on a core concept of focusing on customers’ desires. Whether the innovations were developed by extending existing concepts or through discontinuous inspiration, they have been generally accepted by customers. The implications and lessons from these ten cases, Brewerkz, ComfortDelgro Taxi, Dinnerbroker.com, Iggy’s, Jumbo Seafood, OpenTable.com, PriceYourMeal.com, Sakae Sushi, Shangri-La Singapore and Stevens Pass, are valuable for all segments of the hospitality industry.

www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15213.html

CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 4

Cases in Innovative Practices in Hospitality and Related Services: Set 3

Cathy A. Enz, Kate Walsh, Rohit Verma, Sheryl E. Kimes, and Judy Siguaw

Service innovation involves not only new ideas, but novel turns on existing concepts. Many innovations use the latest technology, but innovation does not require new technology, just new thinking. Regardless of the source of an innovation, the goal is to improve operations, guest service, and revenues. The ten innovators presented here are as follows: Cayuga Sustainable Hospitality, which has developed a sustainable management platform, starting in Costa Rica; Chic & Basic, which has developed hostels in Spain that feature hip design and unusual amenities; Jet Blue, which has adapted the net promoter scale, a customer measure, to its employees; Jumeirah Essex House, which hired a curator to work with the New York arts community to create an Artist in Residence program; The Ritz-Carlton Hotel Company, which has built an upgraded training program using its core company values; Runtriz, which has used a wifi-enabled touch screen application to allow guests to efficiently acquire upscale hotel services; Boston’s Seaport Hotel, which has parlayed its harborside location into a full-blown sustainability program; Thayer Lodging, which has implemented Pure Air guest rooms and meeting rooms, not only for guest comfort but for improved meeting results; Trip Television, which has wedded internet video technology with guest-focused information applications; and Xsense Experiential Design Consulting, which helps improve new properties by helping developers connect with the culture and history of their site.

www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15237.html

CORNELL HOSPITALITY REPORTS, VOL. 10 NO. 10
Strategy (continued)

Cases in Innovative Practices in Hospitality and Related Services: Set 4

Cathy A. Enz, Kate Walsh, Rohit Verma, Sheryl E. Kimes, and Judy Siguaw

This final set of hospitality innovators presents vignettes and brief descriptions of 23 innovators. While the innovation does not have to be the first or best, in many cases the practices described are either unique or most fully realized. The innovators are grouped by the nature of the innovation, including product originality, interior design, unusual staffing or marketing approach, technology enabled, and human resources. The concepts are as follows (in order of presentation): Ubuntu, L’Ouest Express, Founding Fathers, POSH “Improvisational Cuisine,” Praq, CitizenM, Qbic, Pixel Hotel, Restaurant Freud, Hotel Restaurant Abrona, Dans Le Noir?, Heart Attack Grill, re:vive, MiWorld, Hilton Garden “Ultimate Team Play,” InterContinental TweetMyJOBS, Chick-fil-A Innovation Laboratory, Shangri-La Advanced Hospitality Program, Wendy’s International web-based training platform, W Hotels’ “employee celebrities,” Marriott International’ Diversity Ownership Program, Southwest Airlines’ citizenship program, Wyndham Hotels “Women on Their Way,” and the “alumni” programs of Harrah’s, Microsoft, Deloitte, and Bain & Company.

www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15277.html

CORNELL HOSPITALITY REPORTS, VOL. 10 NO 12

The Quest for Consistent Ratings

Rohit Verma and Russell Arthur Smith

Participants at this roundtable examined the status and challenges of both formal ratings (such as Forbes or Michelin) and informal ratings and comments on social media websites (including TripAdvisor and Facebook). The roundtable was held in January 2010 at the Cornell-Nanyang Institute of Hospitality Management, in Singapore. Although the formal systems are well established, there still is no single system for rating or ranking hotels worldwide. Since some national governments have devised their own rating systems, a certain number of stars may have a different meaning for hotels in one location as compared to another nation or even another province. Even more challenging is finding a way to interact with the postings on the internet. Hoteliers are still determining whether and how to respond to comments—especially negative ones—and to find ways to gain marketing information from the social media. Other issues connected to hotel and restaurant ratings include how to adjust existing rating systems in keeping with different cultural norms and how to ensure accurate information in social media (including correcting errors of fact).

www.hotelschool.cornell.edu/research/chr/pubs/roundtableproceedings/roundtable-15214.html

CORNELL HOSPITALITY ROUNDTABLE PROCEEDINGS, VOL. 2 NO 2

Cathy Enz
Kate Walsh
Sheryl Kimes
Rohit Verma
The Future of Meetings: The Case for Face-to-Face

Christine Duffy and Mary Beth McEuen

With the advent of virtual-meeting technology, the issue of how to format group meetings and events has become remarkably complex. Meetings can be completely virtual, completely face-to-face, or a hybrid of the two. Leading companies are using all three formats. The challenge for meeting planners is to decide which format is most effective for important business outcomes. Rather than rely on personal preferences or currently popular approaches, the decision regarding meeting type is a strategic one that should rest on specific, scientific criteria. This paper examines those science-based decision criteria to help executives determine when face-to-face is the most effective approach to large-group meetings or events. This decision is important because face-to-face meetings require the greatest investment of all meeting types, and thus carry the greatest expectations for a strong return on investment. Face-to-face is most likely to be the best approach in the following three business situations:

• To capture attention, particularly when you want to initiate something new or different;
• To inspire a positive emotional climate, as a way to catalyze collaboration, innovation, and performance; and
• To build human networks and relationships, realizing that information can increasingly be shared virtually whereas the greater value is in people networks and relationships.

The research presented in this paper provides a discerning approach to determining when an investment in large-group face-to-face meetings and events will have the greatest impact. www.hote lschool.cornell.edu/research/chr/pubs/perspective/perspective-15297.html

CORNELL HOSPITALITY INDUSTRY PERSPECTIVES, NO. 6
Chris Anderson, Ph.D., is an assistant professor at the Cornell University School of Hotel Administration (pp. 14, 19).

Eric Anderson holds a master’s degree from Florida International University. (p. 12)

Greg Bodenlos, a graduate of the Cornell School of Hotel Administration, is manager of internet marketing for The Fairmont Southampton, Bermuda (p. 14).

Victor Bogert, a graduate of the School of Hotel Administration, works for the IT Finance group of HSBC’s banking arm (p. 14).

John T. Bowen, Ph.D., is dean and professor at the Conrad N. Hilton College of Hotel and Restaurant Management at the University of Houston (p. 15).

Judi Brownell, Ph.D., is professor and dean of students at the Cornell University School of Hotel Administration (p. 18).

John Buschman is an instructor and graduate research assistant at Florida International University (pp. 12, 15).

Roger Calantone, Ph.D., is the Eli Broad Professor of Business and chair of the marketing department at the Eli Broad College of Business at Michigan State University, where he is co-director of the Institute for Entrepreneurship (p. 13).

Linda Canina, Ph.D., is an associate professor at the Cornell University School of Hotel Administration (pp. 6, 20).

John B. Corgel, Ph.D., is the Robert C. Baker Professor of Real Estate at the Cornell University School of Hotel Administration (p. 7).

Jan A. deRoos, Ph.D., is associate professor and the HVS International Professor of Real Estate at the Cornell University School of Hotel Administration (p. 5).

Chekitan S. Dev, Ph.D., is an associate professor at the Cornell University School of Hotel Administration (pp. 12, 15).

Christine Duffy, president of the Cruise Line International Association, was at the time of publication president and CEO of Maritz Travel Company (p. 23).

Cathy A. Enz, Ph.D. is the Lewis G. Schaeeneman, Jr. Professor of Innovation and Dynamic Management at the Cornell University School of Hotel Administration (pp. 20, 21, 22).

Dan Gordon, a graduate of the School of Hotel Administration, is a revenue management analyst for Morgans Hotel Group (p. 14).

Carter Hearne, a graduate of the School of Hotel Administration, is a marketing manager for Expedia (p. 14).

James W. Hesford, Ph.D., is an assistant professor at the Cornell University School of Hotel Administration (p. 4).

Timothy R. Hinkin, Ph.D., is the Georges and Marian St. Laurent Professor in Applied Business Management and the Richard J. and Monene P. Bradley Director of Graduate Studies at the Cornell University School of Hotel Administration (p. 10).

Nitin Joglekar, Ph.D., is an associate professor of operations and technology management at the Boston University School of Management (p. 13).

Jin-Young Kim is a doctoral candidate at the Cornell University School of Hotel Administration.

Sheryl E. Kimes, Ph.D., is the Singapore Tourism Board Distinguished Professor in Asian Hospitality Management at the Cornell University School of Hotel Administration (pp. 18, 20, 21, 22).

Peng (Peter) Liu, Ph.D., is an associate professor at the Cornell University School of Hotel Administration (pp. 4, 6).

Howard Lock is the global practice lead for Hospitality at Cisco’s Internet Business Solutions Group (p. 11).

Mark Lomanno is president of STR Global (p. 20, 23).

Tsz-Wai Lui, Ph.D., is an assistant professor at the School of Hotel and Tourism Management at the Chinese University of Hong Kong (p. 10).

Michael Lynn, Ph.D., is the Burton M. Sack ’61 Professor in Food and Beverage Management at the Cornell University School of Hotel Administration (p. 8).

Qingzhong Ma, Ph.D., is an assistant professor at the Cornell University School of Hotel Administration (p. 4, 5, 6).

James Macaulay is a director with the Economics Practice of the Cisco Internet Business Solutions Group (p. 11).

Robert Mandelbaum is vice president of research information services for Colliers-PKF Consulting (p. 25).

Michael McCall, Ph.D., is a research fellow of the Cornell Center for Hospitality Research and professor and chair of the department of marketing and law at the School of Business at Ithaca College (pp. 12, 13).
Laura McCarthy, a graduate of the School of Hotel Administration, works on a web marketing team at TIG Global (p. 15).

Mary Beth McEuen holds a master’s degree in organizational leadership and is vice president and executive director for The Maritz Institute (p. 23).

Gabriele Piccoli, Ph.D., is professor of information systems at the University of Grenoble Ecole de Management and a visiting scholar at the Cornell School of Hotel Administration (p. 10).

Gina Pingitore, Ph.D., is chief research officer at J.D. Power and Associates (p. 17).

David Sherwyn, J.D., is an associate professor at the Cornell University School of Hotel Administration (p. 11, 16).

Judy Siguaw, D.B.A., was the founding dean of the Cornell-Nanyang Institute of Hospitality Management and is dean of the College of Human Ecology at East Carolina University (pp. 21, 22).

Randell Smith is co-founder and CEO of STR (p. 24).

Rohit Verma, Ph.D., is a professor at the Cornell University School of Hotel Administration (pp. 7, 13, 15, 16, 21, 22).

Shuo Wang, is a Ph.D. candidate at the Cornell University School of Hotel Administration (p. 8).

R. Mark Woodworth is president of Colliers-PKF Hospitality Research (p. 25).

Wayne J. Taylor, a graduate of the Cornell School of Hotel Administration, is a marketing analyst for the Venetian Resort Hotel Casino in Las Vegas, Nevada (pp. 7, 18).

John H. Thomas, Ph.D., is an assistant professor in the School of Hospitality and Tourism Management at Florida International University (p. 12).

Gary M. Thompson, Ph.D., is a professor at the Cornell University School of Hotel Administration (pp. 9, 19).

J. Bruce Tracey, Ph.D., is an associate professor at the Cornell University School of Hotel Administration and editor of the Cornell Hospitality Quarterly (p. 10).

Clay Voorhees, Ph.D., is an assistant professor of marketing at the Eli Broad College of Business at Michigan State University (pp. 12, 13).

Arianne Walker, Ph.D., is director, U.S. Automotive Research at J.D. Power and Associates (p. 17).

Kate Walsh, Ph.D., is the Fred G. Peelen Professor of Hospitality Global Strategy at the Cornell University School of Hotel Administration (pp. 21, 22).

Aaron Walls is a research analyst with Colliers PKF Hospitality Research (p. 7).

Rohit Verma, Ph.D., is a professor at the Cornell University School of Hotel Administration (pp. 7, 13, 15, 16, 21, 22).

Shuo Wang is a Ph.D. candidate at the Cornell University School of Hotel Administration (p. 8).

Mary H. Tabacchi, is an associate professor of finance at Ithaca College (p. 5).

Jie J. Zhang, Ph.D., is a doctoral candidate in operations and technology management at the Boston University School of Management (p. 13).
The Center for Hospitality Research
www.chr.cornell.edu