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# The Basics of Hotel Front-Office Operations

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The e-book “The Basics of Front-Office Operations” is available in English, Czech and Slovak. For further information about the project and the other intellectual outputs, please check the project website [ffoed.eu](http://ffoed.eu).

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# Introduction

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The world is currently trying to revive from the brutal hit of the Covid 19 pandemic, where the supply chains were harmed. The global economy is trying new ways to restart or continue the earlier successful development. One of the most influenced industries was tourism. Travel restrictions, fear of the disease, loss of employment or other economic factors forced people to reconsider their travel intentions, which directly led to reduced available workplaces in the industry. Many professionals left the industry and found jobs with better salary conditions of more stability. This let the HR managers to reconsideration of their targeting. New labour segments are discovered, and people willing to work and provide services are more than welcomed in the industry. The tourism and hospitality industry is open to all, even without basic knowledge and experience.

The main aim of this e-book is to present The basics of front office operations with stress on the direct applicability of this knowledge in Hotel operations. Hoteliers are struggling to find qualified employees, and this e-book, which is supported by the training method and video guides for PMS procedures, should give a comprehensive understanding to the newbies in the industry, the low-skilled workers or the people interested in entering the world of hospitality without any earlier experience.

Furthermore, the author of this brief introduction to front office management believes that the hospitality industry also provides possibilities for people with disabilities.

We provide the content in various ways and formats to the specific needs of the stakeholders.

We believe that the wide accessibility of the content might be beneficial for the stakeholders.

Therefore, all the content is available in “ready-to-print” format as well as in the “open-to-edit” format, which will give the readers the option to take notes and reduce redundant content (if the reader holds earlier knowledge or already works for a specific accommodation facility).

This e-book is divided into several sections.

## **Section 1 (The Positions of Front Office in Hotel Operations)**

is focused on a brief description of the hotel operations in the context of the hotel organizational structure. We believe that the understanding of hotel organization is a significant part of the basic knowledge, where the general subject like management, marketing, sales, or other topics of interest should be discussed in standalone publications or during the standard high school or university curricula. For unqualified, disadvantaged, or unemployed people, the general knowledge of the hotel operations is more crucial than a deep understanding of the theoretical constructs. This section described the connection of the standalone departments and their connection to the front office activities.

# Introduction

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## **Section 2 (The Organization of Hotel Front Office)**

targets the front office department and focuses on the description of its organization. In the context of the previous section, the selected positions and their roles are described as well as the services provided by specific employees.

## **Section 3 (Basic Requirements on Front Office Employees)**

describes the essential characteristics of front-office employees, mainly the front office agents, reservation agents, receptionists or concierge workers. This section discusses theoretical requirements based on current literature and empirical findings of job advertisement analytics. The results show the gap between the requirements on the ideal employees and the actual conditions that are more limited.

## **Section 4 (Standardization of the Front Office Processes)**

describes process standardization and overall quality management in the hospitality industry, focusing on front office operations. In addition, the hotel guest journey is presented to highlight the several touchpoints where the employees may influence the customers and their choice and spending in the selected hotel. Lastly, the general template for the standard operating procedures is presented and complemented by selected SOPs from hotel operations in connection to the front office processes based on the

structure derived from the global chain hotels, which will provide a comprehensive overview of the procedures connected to the interactions with the client.

## **Section 5 (Front Office Terminology)**

focuses on presenting the terminology used by the front of his employees in most hotels. The whole section is divided into several subsections covering the language from different perspectives. The first part is devoted to the terms connected with reservation management and handling through the PMS or other hotel systems. The second part presents the rates and meal plans in connection to different reservation types. Finally, the third part is devoted to various taxes and charges and lightly complemented by the housekeeping status is general hotel guest market segments, KPIs and technologies used by hoteliers to provide a better experience to their guests and a more efficient workspace for their employees.

# Position of Front-Office in Hotel Operations

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While talking about the hospitality industry and hotel operations, the essential part of the business is connected to direct service provision to the hotel clients. Therefore, the main scope of this e-book is directly linked to the front office operations. Still, the complexity of the services and interconnectivity of the departments is the reason for a brief description of the hotel operations context. Therefore, this section will present a brief overview of the hotel operations and stress the connection to the front office operations. As a result, the reader will understand the position of the front office and the importance of proper communication and data/information sharing.

According to Bardi (2007), the front office might be described as a central node of the hotel (when using the IT terminology) or the nerve system of the hotel living environment, which has two the most important functions – proper communication and accounting.

- **Communication.** Meeting the customers' inquiries about the hotel and its services. Providing the information for sales and marketing department, cooperating with housekeeping and food & beverages. The front office is the central hub, where the most important part of the communication happens.

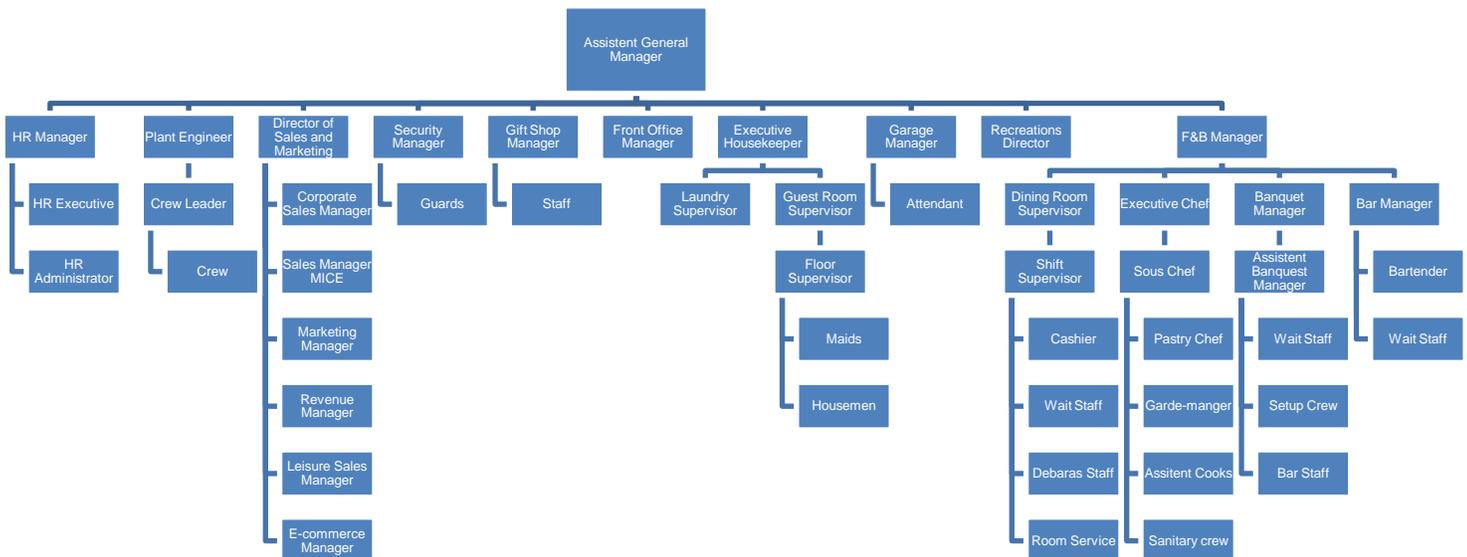
- **Accounting.** Charging the reservation accounts, billing while check-out or invoicing hotel non-quest. The ability to manage financial transactions using proper IT is crucial to keep the hotel's financial health.

When focusing on the operations level, Andrews (2013) mentions that the work of front-office employees must be coordinated with housekeeping, engineering, lobby staff, food & beverages, and concierge (often included in the lobby staff). The definition of the front office position provided by the author leads directly to the need to mention the context of the front office. Scheme 1 showcases the organisational structure of the high-class hotel with many functional workplaces and roles. Please note that the size of the accommodation establishment and range of provided services directly affect the hiring needs of HR managers and the concentration of provided services by the individual employees.

In the upcoming section of the e-book, individual departments will be described to showcase their position in hotel operations. Front Office staff is later described separately in more detail in Section 2, accompanied by Section 3, which describes the basic requirements on the Front Office employees.

## Hotel organization diagram without Front office

Scheme 1



## Hotel organization without Front office

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### Corporate Owner

A corporate owner is a person or company which physically owns the building and its outlet. The owner is trying to achieve one or several of the business goals, which might be the profit and the growth of the business value or stakeholder value. The owner is looking for a return on Investment and is not directly involved in the hotel operations (for high-class hotels or bigger hotels). In many cases, the owner purchases the franchise (briefly, the brand and standardized procedures to reduce the time needed to run the business and manage the processing details about the hotel operations as well as the marketing of the company) or hire the company which will manage the operations (management contract). Many hotels are still directly operated by the equity owners (mainly the small-scale ones). Therefore, the management is directly connected to the owners, and the difference in the stakeholder's operations evaluation is reduced/eliminated.

From a corporate owner's perspective, the front office is crucial while building great customer Relations and reputation, directly affecting the evaluation of the business/corporation.

### General Manager

The positions of the general manager can be easily misunderstood or misinterpreted. The general manager is mainly responsible for creating strategic goals and plans and a skilful team of Hospitality professionals who will secure the hotel's operations and individual departments. The most important quality of the GM is the leadership, the ability to create a synergetic team which will follow the company's vision and be skilful enough to lead the teams to reach the company goals (not only the financial ones).

GM needs a wide range of skills – planning, decision-making, organizing, staffing, controlling, Directing and communication. These are essential to developing competent staff. The GMs evaluation is based not only on the financials and industry-specific KPIs but also on the overall satisfaction of the customers and team members. GM is directly responsible for the whole system's performance, which creates a high-stress level while meeting the requirements of The owners, customers, employees, or other stakeholders.

General managers and their activities reflect the high need for analytical and communication skills. While the GM needs to be able the evaluate the performance of the individual outlets and Departments by using the general and industry-specific KPIs, they need to be able as well interpret and compare them in time and business context. After the evaluation, GM needs to be ready to provide the new strategies or stimulate the team in their creation process. GM needs to be able to change the strategies based on the availability of the data. Another crucial role is communicating the department managers' changes, news, and other services. The strong position of communication is stressed by the fact that sometimes the departments and more competing than cooperating in the operations to reach the partial

## Hotel organization without Front office

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interdepartmental goals.

The position of GM is accompanied in many hotels by the controller (or financial manager) and executive assistant. The executive assistant runs and manages the whole GMs office and maintains the schedule and communication. These assistants, sometimes called back-office assistants and managers, are skilled time managers and organizers with the overall overview of the hotel. The controller is mainly responsible for tracking the hotel's financial performance and health. The controllers are not making decisions but are crucial in the process of reports and statements preparation. Therefore, the controller should only evaluate the hard data and provide an objective point-of-view on hotel operations. Sometimes, the controllers are labelled as internal accountants, and for a smaller hotel, these services are outsourced or secured by the general manager or assistant.

### Assistant General Manager

Our organigram (organizational chart) presented in Scheme 1 starts with the position of Assistant General Manager. While the GM mostly deals with the strategical decisions and highly aggregated data, the Assistant GM is closer to the daily operations. Sometimes, this person is described as a liaison between the operations/departments and general manager or corporate owners. Daily communication between hotel management and division managers, transcription of strategic decisions and delivery to department managers, and detailed understanding of the hotel operations and top management are crucial skills and roles to be assigned to the hotel assistant GM. In many hotels, you can find the operations manager who creates the bridge between the hotel management and hotel employees while securing interdepartmental communication and connections.

### Plant Engineer

Plant engineers are responsible for the technical environment of the hotel and connected buildings or outlets, as well as the hotel's external environment and connected locations. While some hotels only maintain the property, resorts need more maintenance. The gardeners and designers are hired to deliver nice environments designed/tailored to the hotel concept and customer's needs. The main responsibility is to plan the maintenance and innovation of the physical environment of the hotels to meet the requirements of the customers and employees. Plant engineers must communicate with all the departments to secure their equipment and maintenance needs.

The budget allocated reflects the need for a high level of maintenance where any details might be crucial in quest satisfaction or cost savings. Sustainable property management might save costs, drive the hotel's profitability, and deliver a great first impression to hotel guests.

## Hotel organization without Front office

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The plant engineer oversees the electricians, plumber, heating, and ventilation or air-conditioning, as well as the communication with suppliers and service workers of the suppliers. Plant engineers are also responsible for workplace security and safety, fire security or, in some cases, IT management. In addition, the plant engineers build and maintain the whole environment for other hotel workers. Their activities are a crucial prerequisite for hotel operations. As mentioned by the hotel guest, the lack of maintenance and the imperfect conditions of the building are the main drivers of dissatisfaction (Sparks et al., 2016).

### Security Manager

Security Managers or Directors of Security commonly target two stakeholders - the employees and the customers. Internal security relates to the employees' fire, job and environmental security, where these need to be trained in accordance with the legal requirements. This department is mainly responsible for prevention. Still, in many cases, the department is also responsible for securing the owners' assets and the reduction of the employees' theft (Goh & Kong, 2018).

Contrary to internal security, where the hotel's employees and owners are secured, and appropriate measures are taken. At the same time, these are implemented in the internal procedures and training, the security and safety management targets, and the customers. The key persons of the hotel operations. Proper maintenance, fire safety, proper information delivery and the guidelines for using the in-property items and technology, prevention of thefts and other criminal events. The majority of the mentioned occasion might be reduced by proper planning and training of the employees where the ad hoc events must follow the pre-created scenarios or the proper use of technologies and the introduction to their use (Marques et al., 2022).

While working in the front office, the understanding of the security and safety procedures is crucial as the clients are mostly dealing with their problems with the front office employees, who should be able to solve these problems based on the pre-created SOPs or "forward" the clients to responsible employees, mainly the employees of the Security Department.

### Gift Shop Manager

Many hotels, mainly the full-service ones, provide various services in the lobby or connected hotel outlets. For example, one of them might be a gift shop, which represents not only the gifts able to be purchased by the hotel visitors but all the boutiques and shops located in the hotel lobby. Other services, like hairdressers, are listed below the Recreations Management.

## Hotel organization without Front office

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As the Gift Shop Manager, the responsibility is to run the whole gift shop as a standalone business unit connected to the other services provided by the hotel. The performance is reported to Assistant GM and combined with the performance of the other business units. The “gifts” represents additional product and services, mainly connected to the destination in which the hotel is located.

As an FO employee, you should know the portfolio and might be able to account for the Purchases in the hotel PMS.

### Garage Manager

The garage manager's responsibility is to secure the cars parked by the hotel customers and properly maintain the whole premises used for parking the cars and other vehicles. Furthermore, the garage manager must secure the proper cooperation with the security managers (mainly while securing the whole premises of the hotel garage and controlling entering and leaving cars, customers; and the complex security of the hotel guests), housekeeping and maintenance/engineering to secure the cleaning of the garage and front-office to track the sales of the services.

In connection with the front office, there is a need for cooperation and information sharing Between the garage management, lobby services (valet) and the front office and reservations department. If the garage is fully occupied, the FO employees should be able to provide additional information about the parking possibilities and the fees connected.

### Recreations Manager

Accommodation and F&B service are commonly described as crucial ones in hotel operations. Similar to Gift Shop Management, recreations are occasionally operated as a standalone business unit, but mostly as a department providing additional services for wellness, fitness, sports, and other recreation and entertainment-focused services.

Recreations managers are responsible for developing and organizing recreational activities for the hotel customers. The FO employees must understand/know the portfolio of provided services and the terms and conditions of their use. Cooperation of the employees between the departments is needed to harmonize the hotel clients' stay, satisfaction, and up-to-date information delivery. Similarly to the FO, the recreations managers must cooperate with the maintenance, housekeeping, engineering, sales and marketing and F&B.

## Hotel organization without Front office

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### F&B Manager

F&B Manager/Director is responsible for efficient operations of the kitchen (or more kitchens) and its sections, dining room, catering, banquet services, room service or the lounge bar operations. The knowledge of the F&B manager consists of the following: food quality control, sanitation and property safety and HACCP implementation, sanitation rules, inventory and stock-taking of the material used, staff training, dining rooms and other outlets setup, cash control and many other. In addition, f&B management is connected to the tracking of the current trends and demand in the market.

The F&B manager works closely with his assistant (responsibilities are similar to the Assistant GM in connection to hotel GM), executive chef, bar manager, banquet and catering manager, Property maintenance and engineering, sales and marketing, FO and other interested departments. The overall structure of the F&B department is complex and should be understood by the hotel employees and future hotel attendants. Furthermore, as the dining services are complementary and connected to accommodation services, the employees should know the principles of restaurant operations and gain basic theoretical and practical knowledge in this field.

As for FO employees, the product knowledge of the F&B outlet is required, and the ability to handle the accounts for hotel quests is mostly used while handling the dining services. Transferring the payments from the POS to PMS is vital, as well as informing the F&B about the sold products (breakfasts of other types of dining).

### Director of Sales and Marketing

As the name of the position directly states, the DOSM (director of sales and marketing) is mainly responsible for marketing the hotel, its products and services, and its sales. Firstly, marketing is commonly perceived as a managerial process of understanding customers' needs, wants and preferences, their influence by the marketing mix strategies and satisfaction while meeting the corporate goals. Therefore, marketing is a customer-centric strategy of hotel operations that influences all the internal processes and procedures and their management.

DOSM sets the strategy that reflects the characteristics of the customers and their segments, the corporate goals, available resources, and their efficient use. With a focus on the sales of the hotel products, the DOSM sets the external sales (acquisition and distribution of the product to first-time users) and internal sales (customer care, up-selling, cross-selling and customer relationship management, or the loyalty program) strategy.

## Hotel organization without Front office

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Concerning the marketing mix (set of tools used to set up the marketing strategy), the Marketing managers must create the products strategy (identify the core product, physical product and services; create packages; version the product; personalize the product for specific market segments), communication strategy (use the marketing communication tools for public relations, advertisement, direct sales, sales promotion and direct marketing effectively), pricing strategy (set the prices based on the competition, costs and the demand) and distribution strategy (select the appropriate distribution channels and set up the proper distribution mix). In current literature, various versions of the marketing mix are presented, but the core 4P presented above stays the same.

The position of the DOSM for the FO employees is crucial, mainly in customer care, customer relationship management and the marketing mix strategy creation. Therefore, the FO employees must adopt all these principles and understand their position as marketing executives.

### HR Manager

Human Resources managers are responsible for administering the legal requirements on the labour force and their application in the hotel operations, creating the human resources strategy and hiring and further developing the hotel employees. Cooperation between all the departments is needed for proper strategy creation, which reflects the organizational culture and requirements of the hotel stakeholders. As for the legal requirements, the owners might select from the various contracts (each of them delivered specific conditions of cooperation), respect the minimal wage, and cooperate with the labour unions to reflect the current labour code and its specifics.

Human resources strategy created the processes and procedures connected to hiring, job Placement and further development of the employees, which lead to the minimization of job fluctuation and securing the needs of the departments' managers. Financial requirements and presented in the human resources budget created by the GM.

The most visible part of human resources management is hiring/staffing. This includes the creation of the job description (set of requirements and preferred skills) and its control over the department and team leaders, creation of the human resources marketing strategy including the job advertising, screening of the candidates and their selection in cooperation with the department managers and team leaders. Lastly, after the candidates are hired, they must be trained for the position and go through the onboarding process that will present other crucial information about the whole business.

During employment, the HR managers provide training and development plans for the employees for their growth. Cooperation with the other managers is needed to secure smooth daily operations of all the departments. In contrast, the HR managers might help with the stimulation and motivation of the employees, as well as their coaching.

## Hotel organization without Front office

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### Executive Housekeeper

The main responsibility of the executive housekeeper is to upkeep the guest rooms and public areas of the hotel. The work is done by coordinating the work of room attendants and public area cleaners. Still, it is needed to highlight the other services provided by housekeeping, like laundry services. The executive housekeeper coordinated the work through the floor supervisors, whose main responsibility is in the very complex control of the cleaning and maintenance of the rooms and public areas on predefined floors. One of the responsibilities is to effectively train the housekeeping staff to follow the predefined procedures and cost-effective materials usage. Commonly, these services are outsourced, and the need for management of unskilled employees is needed.

Housekeeping must be controlled as housekeeping is strongly connected to customer satisfaction. Contrary to FO, indirectly. The many reviews and feedback reflect the cleanliness of the rooms, bathrooms, and public area and the accessibility of basic amenities. For these purposes, the connection of the housekeeping tools and PMS systems is used; in some cases, these are parts of the complex tool that coordinate the work of housekeeping, FO, engineering, and maintenance.

FO employees are mainly dealing with the during-stay cleaning issues, where they need to be able to notify the housekeeping department and track the status of the rooms in connection with their availability.

### Other important positions

Excluded from Scheme 1, several workplaces might be mentioned even though their position in current hospitality is quite specific.

Firstly, we must mention **the IT Managers/Executives**, whose responsibility is to maintain the IT infrastructure and applications used by the hotel employees or customers (when talking about the check-in kiosk, concierge apps or other tools used by the customers). The IT manager is sometimes subordinated to the Plant Managers. The connection to the front office is crucial while maintaining the computers and PMS (or other tools and technology used by the FO employees and hotel guests).

Another significant position in the hotel operations is **Revenue Manager**, who is subordinate to DOSM. Revenue managers play a crucial role in the process of setting the sales strategy of the hotel, mainly in the dynamic pricing (including the creation of the selling rules and procedures connected to direct sales, discounting, and cancellation policy), distribution strategy creation (creation of the distribution strategy and prioritization of the selected distribution channels) and market segmentation.

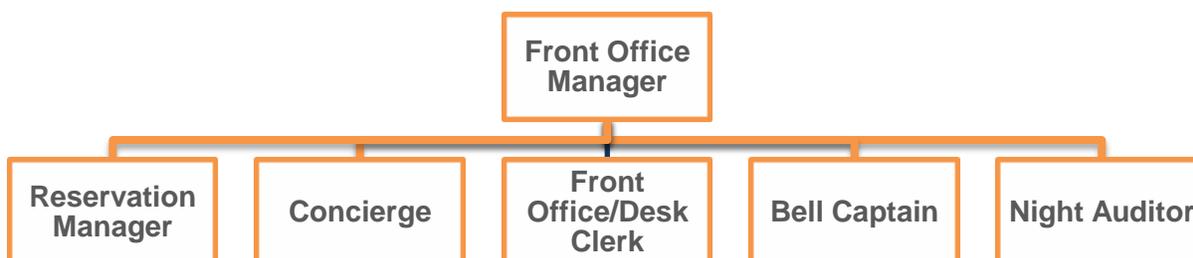
## The organization of Front-Office

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The hotel operations context was presented in the previous section, and right now, we will dig deeper into the organization of the Front Office. Similarly to the previous section of this e-book, the description of the selected roles and employees is presented. Figure 2 describes the organization of the Front Office in a large hotel, where the positions are not concentrated, but for small-scale hotels, these might be aggregated under the job of front office agents/clerks or simply receptions.

The sole position and basic requirements of the people working in such a position are presented in the 3 of this e-book and accompanied by the standard operating procedures in section 4 that targets the standardization of the procedures for this job position.

**Figure 2**  
**Front Office organization diagram**



## Hotel organization without Front office

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The organisational structure of the front office is linear, where the Front Office Manager is mainly responsible for the organization of the work in the context of provided services, human resources planning and controlling of the level of provided services. The front office might be perceived as a central hub for the whole hotel, where the accommodation services are provided, person-to-person communication with clients happens, and many services might be sold. The front office is the busiest place in the hotel, and all the procedures must be planned, realised and controlled to achieve high levels of customer satisfaction. In addition, this department is always (sometimes we see the application of the technologies for reducing the person-to-person contact) in contact with the clients. It serves as an information centre for hotel guests. The following sections of this chapter describe the basic activities the front office employees conducted. In some cases, the connection to the other departments is mentioned to showcase the interoperability of the departments.

### Front Office Manager

To understand the position of the Front Office Manager, we can directly mention his/her normal working day activities. As for the position in the hotel hierarchy, the FO managers are supervised by the Operations Managers of GM, where the financial and performance-related issues are managed. The normal working day starts with the night auditor meeting to discuss the previous day's overall performance and financial disparities connected to the room/guest accounts. After that, the meeting with the reservations manager/clerk is planned to oversee the incoming/departing reservations, the overall occupation of the hotel and possible changes in the number of reservations. After these meetings, the gathered information is given to the day shift and the front office clerks to be prepared for the upcoming day.

Furthermore, close cooperation with the sales and marketing department is needed to boost the overall hotel performance or performance of individual departments or outlets preferred by the sales team. Front office managers also gather the details from the banquets and MICE section of the hotel to prepare for FO staff. In addition, the F&B information about the current offer and menu is gathered.

Lastly, the status of the rooms is checked with the housekeeping and the maintenance team. It is crucial to mention that all these activities serve as input for the whole FO team to deliver a high level of services.

After the morning activities, the FO manager works on the administration of the department, the forecasting of the sales with the sales department, shift management in cooperation with HR and finances, FO performance with the revenue manager, and the status of the rooms and front office with the plant engineer and executive housekeeper. All these are accompanied by simultaneous information handling and sharing and the ability to replace any of the positions listed below.

## Hotel organization without Front office

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The FO manager is the supervisor in its nature. This means that the person can prosecute any FO activities on his or her own and has the organization, communication, and management skills to lead the team of professionals. In addition, the FO manager knows how to combine the employees, understand their concerns, stimulate them and train them to achieve better performance.

### Reservation manager/clerks

One of the crucial activities of the front office department is reservation handling. Reservation managers/clerks are responsible for creating and maintaining the reservations in the PMS and prosecuting the sales strategy while handling the reservation requests. Sales strategy is commonly developed by the Revenue Manager of the Director of Sales and Marketing, but in many cases, it's prosecuted by the Reservation Managers and Front Office Clerks. Reservation managers hold power to accept or decline the reservation request based on the predefined rules and the knowledge of the customers, as well as the hotel's overall performance. Therefore, it can be stated that these employees are directly involved in active revenue management. As for the reservations, they update the whole reservations database and maintain its content concerning various types of reservations and their statuses listed in the overview of the FO terminology. In addition, they need to control optional reservations, communicate with the clients about the reservations on the waiting list, and deal with reservation cancellations or no-shows or reservation modifications. All the reservations before guests' arrival and managed by the reservations department.

### Front Office Clerks

In small-scale hotels, the position of the front office clerks covers the activities of all the other Positions listed in this section. But while working for a full-service hotel, or upper scales hotel, the occupation is quite simple but hard at the same time as many of the services are provided or mediated by the FO clerks. The main occupation is handling the guests upon arrival and departure with continuous support during the stay. As for the Front Office Manager, the main activities might be listed to briefly describe the normal working day of the FO clerks. However, as this project focuses mainly on this position, the activities are more structured.

1. Attending the briefing before shift handling and reporting as well as gathering the information for smooth running of the FO.
1. Checking the arrivals and departures for the day.
2. Checking the room statuses.
3. Checking the list of VIPs and special planned amenities.
4. Preparing the pre-registration for VIPs, groups, or other preferred market segments.
5. Preparing all the stationery and office tools to work during the day's departures and arrivals.
6. Registering the guests during their arrivals.

## Hotel organization without Front office

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7. Keeping the client database updated and cleaned.
8. Opening clients' folios and updating the content based on the requests.
9. Updating the room rates based on revenue management, marketing instructions, and strategy.
1. Coordinate the information with the concierge and bell staff.
2. Managing the departures and connected housekeeping activities.
3. Upselling rooms and cross-selling other services.

These activities are the core ones. The smaller the hotel, the wider the range of activities prosecuted by the front office clerks. Further description of the qualification and skills needed can be found in upcoming sections.

### Concierge

The concierge is in the hotel lobby or might be physically connected to the front desk. The main purpose of the concierge is to provide the hotel guest with updated information about provided services during their stay. For the concierge, it is crucial to know the full range of the services provided by the accommodation facility and the terms of their use or reservation. The focus of the market knowledge is stressed by the fact that the hotel guests are using the concierge as an information source when looking for specific services provided by the hotel and its partners. Workers commonly build their range of services (sometimes based on the commission cooperation) with their partners and serve as an intermediary. Their position is linked to the reservation of theatre tickets, restaurants, and transfers of flights. In small-scale (or limited services) establishments, these activities are done by the front office clerks.

### Bell captain

The main responsibility of the bell captain is to manage the bell staff. The bell staff members are listed in this chapter's separate section under "Other Front Office positions" (lift boys, traffic managers, doormen, baggagists, valet and key clerks). The bell captain's occupation is in the smooth operations of the lobby and guests' stays, where various services are requested and handled. In addition, the bell captain is responsible for internal marketing, information delivery and above the standard service provision.

### Night auditor

Each day, all the room accounts must be closed, and the report about the hotel occupation should be prepared for the upcoming working day. Night auditors are responsible for closing the guests' accounts, reporting the arrivals, departures, and no-shows, and balancing all the FO financial transactions. Commonly, the night auditors serve as the night shift receptionists /front desk clerks. They need to have the ability to handle guests' requests during the day shift and resolve the possible financial disparities. There is a strong link between the FO and other managers and hotel controllers.

## Hotel organization without Front office

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**The doorman** creates the first impression on the clients. The doorman must be polite, language-

### **Other Front Office positions**

In luxurious or upscale hotels, several positions are located in the lobby. Since the hoteliers do not have enough skilled personnel, these positions are not so frequent, but for some market segments, these play a crucial role in creating the overall experience.

In this context, we should mention the **liftboys** (in some cases labelled as elevator operators) who oversee the operation of the lifts/elevators as they provide the clients with a seamless experience.

They can direct the guest to specific locations within the hotel and provide precise information about the whole hotel. Another position connected to the logistics of hotel clients is traffic manager.

**Traffic managers** might be found in the hotel lobby, where they oversee the clients and provide them with the requested locations and directions. In case the queues grow, they can reduce them by re-instructing the clients by providing them with other services and information. Sometimes, the traffic managers can check in or check out the clients.

equipped, and well-groomed to build the best first impression. The doorman welcomes the guest to the hotel, manages the baggage handling, opens the car door when the guests arrive and coordinates all the activities during the arrival. The doormen can also provide the guest with directions and basic information about the hotel, its location, or the companies around.

**Valet** might be listed under the garage manager in the previous section, but to present the position in the context of the other activities, it is better to list them as a bell service. Valets are responsible for parking the guests' vehicles as well as for the transfers. When the guest arrives, the valet is permitted to park the car, the baggagist handles the baggage, and the clients are welcomed and routed by the doorman. When the client leaves, the valet (in cooperation with previously mentioned employees) picks up the clients at the front desk and routes them to the prepared car. These services are not paid (if paid, they are accounted for by the front desk or cashier), and the valet's role is to fulfil the guest's requests and maximise their satisfaction.

**Baggagist** is the person who handles the baggage of the clients after arrival and accompanies them directly to their rooms. The baggagist knows the whole building perfectly and can provide the clients with detailed information. For example, in upscale hotels, the baggagist is given the information about the room where the clients stay after the arrival and arrange the baggage in the room before the client reaches the room.

## Hotel organization without Front office

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**Guest service agents** are the “ultimate” FO workers who assist the guests with all the queries and requests. These can process guest check-ins and check-outs, the payments, work as the concierge, and handle the during-stay requests or insufficiencies. Similarly, they can transfer requests to different departments and solve client issues efficiently. The proper knowledge from other FO positions is required.

**VIP quest service agents** can be met in the upper-scale hotels that provide very personal services to predefined market segments of the individual guests. These services are included in the room rates, and the employees deliver everything possible.

**These days, key clerks are not commonly found in hotels** as their main occupation was mainly connected to security and key handling during the guests' stays. Currently, the activities of key Clerks are managed by the receptionists or the concierge. However, hoteliers have started using check-in kiosks and other automated or semi-automated tools to provide a seamless stay experience. In this scope, the key clerks support the proper functioning of these tools and improve the guest experience.

**Switchboard** is another position getting replaced using modern technologies but is still relevant For certain market segments. The main occupation is to connect the hotel guest with Appropriate departments while dealing with specific requests and issues. In most hotels, these activities are handled by the front office clerks or concierge.

## Basic requirements for the Front-Office Employees

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In the first section of this e-book, communication and accounting were labelled as essential competencies for front office employees. Therefore, it is vital to look at the whole industry in various ways to capture the heterogeneity of the skills required by the human resources managers or front office managers. In the first section of this chapter, the main stress is put on the research articles and their outputs to capture the current state of art/knowledge concerning requirements of the managers before the Covid 19 pandemics. The second part targets the requirements mentioned by the human resources manager in the job advertisements in the first half of 2022. Finally, the differences are discussed at the end of the section.

### What are the general requirements for the FO employees?

Hai-yan & Baum (2006) listed 13 different skills required from the front office employees (skills are listed below based on their overall importance for the front office activities, complemented with a brief description).

- Communication skills (oral) the ability to effectively communicate with the clients, understand their requests and deal with them.
- Professional and ethical standard – understanding front office positions and the mutual relationship with the clients. Ethical and professional standards are connected to customer care, understanding cultural differences and the ability to serve the clients. Professionalism relates to the consistency of service quality and service delivery.
- Teamwork – ability to communicate effectively with other team members and inter-departments. It is vital to understand the front office position within hotel operations.
- Leadership qualities – ability to lead the people as the manager.
- Customer care – willingness to understand customers' needs and wants, find the solution for the requests, and place the client in the first position.
- Interpersonal skills – in many cases, a whole set of interpersonal skills are required: empathy, responsibility, flexibility, patience, active listening or, for example, motivation. These directly complement the most important one, the communication skills.
- Accounting – is the highest of the technical skills that require an understanding of accounting and the accounting processes.
- Marketing – ability to present the product and persuade the client to buy it/use it.

## Basic requirements for the **Front-Office Employees**

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- **Use of technology** – ability to work with general information technology, mainly in reservation management, accounting, and billing.
- **Health and Safety** – the skills connected with public health and its safety. Ability to provide first-aid treatment.
- **Communication skills (written)** – written part of the communication is mainly done through the systems and automated processes. The general standard must be learned, but the applications and system might improve the overall quality of the written communication (grammar checkers, templates).
- **Legal issues** – front office employees must reflect general legal requirements in the form of standards, and no further knowledge of these is needed on the operations level.

## Basic requirements for the **Front-Office Employees**

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To extend the list of crucial skills, Wilks & Hemsworth (2011) added language skills and Language knowledge, problem-solving capacity and negotiation skills. The authors also state that it is crucial to always focus on the customers and do as much as possible to satisfy their needs.

Some studies dig deeper into the topic of communication and give the readers a better Understanding of communication. For example, Sayin & Karaman (2020) focused on the three stages of the customers' journey (see the next chapter for further details) and identified the main topics of communication and related issues. In the reservation stage, communication is connected to several issues while handling customer requests. For example, the lack of information to be given to hotel clients, cultural or language barrier, quest sourced problems and personal inadequacy. This might lead to customer dissatisfaction, reduction of perceived service quality and loss of work efficiency. The same results can also be found in the other stages, where problem handling and stress management are crucial skills to have.

According to Andrews (2013), the main skills and competencies for Front Office Agents (the positions were selected as these are the entry-level positions commonly hired in the hospitality industry) are as follows.

- Thorough knowledge of PMS.
- Understanding of FO procedures.
- Social confidentiality.
- Well-groomed.
- Physically sturdy (most of the shift is on one's feet).
- Proficiency in English as a native language.
- Knowledge of other languages based on the target market.
- Ability to work in a team.
- Proper etiquette and manners.
- Stress management.
- Customer care.
- Diplomacy and negotiation skills.

In addition, we can link this section with the focus on the quality management section of this e-book, where the SERVQUAL model is described. According to Parasuraman, Ziethaml & Berry

## Basic requirements for the **Front-Office Employees**

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(1988), there are ten aspects of quality evaluated by the customers – Tangibles, Reliability, Responsiveness, Communication, Credibility, Security, Competence, Courtesy, Understanding / Knowing Customers, Access. When excluding the tangibles, we can simply state that the employees must:

- be reliable, both in the teamwork, but as well must be perceived as reliable when dealing with the request or inquiries by the customers,
- be able to answer the questions and reflect the needs of the customers,
- be able to speak fluently and communicate with the client in a suitable form,
- be trained and perform in the way he/she is creditable and trustworthy,
- create the feeling of security and calmness,
- be able to deliver required services and products,
- be attentive and courteous,
- understand the customers, their needs and wants and the ways of their fulfilment.

## Basic requirements for the **Front-Office Employees**

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### What do the HR managers want?

As the market changed in the last couple of months, there is as well a shift in requirements of the managers for hotel employees. To highlight the differences in the “must-have” and preferred skills, we reviewed the job advertisement posted online for FO positions and captured the requirements for the candidates. The most required competencies are listed below based on their frequency in the job descriptions.

- **Foreign Language** – the local language on a native speaker level is a must only for the hotels located in the regions and hotels targeting local customers. However, in destinations where most of the visitors are international, English is a must, followed by the other languages.
- **Communication skills (mainly verbal)** – the ability to politely communicate with the clients regarding their needs. Written correspondence is mainly prosecuted through automatized tools or with the use of templates.
- **Hard skills** – ability to use MS Office tools and, in some cases, the ability to work with the PMS systems.
- **Flexibility** – connected with the planning of the shifts and acceptance of the significant level of uncertainty. Flexibility is also connected to the ability to solve unpredictable situations and problems.
- **Professional Behaviour** – always conduct in a good manner and respect the clients. Connected with knowledge of the basics of services and front office management.
- **Responsibility** – ability to accept responsibility for the service delivery and feedback from the guests and the managers.
- **Independence** – the ability to work autonomously without needing assistance in daily operations.
- **Rigorousness** – respecting the details and targeting the delivery of perfect services.
- **Team** – ability to communicate with other team members, share crucial data and information with them and respect their work.
- **Ability to learn new skills** – the most crucial, even though listed as the last. Several job ads mentioned this ability as the most crucial as the others can be trained or developed.

## Basic requirements for the Front-Office Employees

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We have also conducted several interviews with the HR managers to stress the minimum requirements for entry-level positions in the hospitality industry with respect to the target audience of the FFOED project. There are several findings that directly support the scope of the project. First, all of them proved that the hospitality industry is open to anyone willing to work in the services, willing to learn and train and has at least basic communication skills (these can be trained as well, as the front office operations are mainly about standardized procedures and general terminology, phraseology).

Similarly to these findings, HR managers have already tried to target the segment of unemployed people or people with disadvantages, where the following comments were presented.

**The integration of people with disadvantages or unemployed people formerly working in Other industries** must be properly planned, and the work position must be well described, including the activities and partial steps of these activities. For many people, the whole hospitality industry seems like a simple industry, where only communication is needed. Contrary to this point of view, future employees should have at least general instructions and details about the work.

**Communication is only needed for positions that are directly connected to the interaction with clients.** HR managers are willing to find different positions for people who are not comfortable directly interacting with clients. There is room for people with great hard skills (reservations department) and a great physique (many lobby services or maintenance).

**The most significant problem lies within the low accessibility of these segments.** Therefore, Improving the connection between the stakeholders and shortening the acquisition process will be highly preferred.

## Basic Front Office Activities

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In this sense, we should mention at least the general scope of activities to be handled by the Front office employees. Andrews (2013) described the following activities handled by the Front Office Agents, who is the entry-level position for the Front Office.

- ✓ Attend briefings before the shift opening and take over from the previous shift. Also, attend the logbook for any special instructions.
- ✓ Check the arrivals for the day and room status, including departures for the day.
- ✓ Check the expected VIPs for the day and issue VIP amenities vouchers for fruits, flowers, beverages, etc., per policy.
- ✓ Prepare records and pre-registrations for VIPs, handicapped people and old people.
- ✓ Handle Group/Crew registration as per laid down procedures.
- ✓ Ensure all stationery supplies and forms are available for a full shift and requisition them from stores if necessary.
- ✓ Register and room all arrivals during the shift.
- ✓ Constantly update the Front Office database.
- ✓ Open guest folios immediately of new arrivals and send them to the Front Office cashier.
- ✓ Maintain room rates as per current Yield Management specifications.
- ✓ Prepare the room discrepancy report and double-check by physical verification by a bell boy.
- ✓ Work closely with the Concierge and provide relevant information to him.
- ✓ Give departure rooms to housekeeping promptly for resale.
- ✓ Assist in making room and occupancy reports.
- ✓ Upsell rooms to get higher revenues.
- ✓ Handle guests with scanty baggage diligently.
- ✓ Update guest history periodically to have an accurate database.”

Based on the previously mentioned skills and competencies, the whole “FFOED” project targets the mutual development of soft skills (mainly communication, professionalism, and Interpersonal skills) and hard skills (accounting and use of technology). The same approach was recommended by other researchers and authors (Baum & Odgers, 2001).

## Basic Front Office Activities

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The project outputs are given in Czech, Slovak and English to deliver the ability to learn basic methodology, general phrases and procedures. All in the ready-to-be-used form. In the previous sections, the overall organization of the hotel operations and front office was described, complemented by the description of the requested skills and competencies of front-office employees. The next sections will focus on the standardized processes/procedures and general front office terminology. These theoretical basics will be complemented by the training communication scenarios and the basic procedures in the selected PMS.

# Service Quality Management

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The previous section of this e-book created a comprehensive overview of front office positions in the hotel operations, its structure, and basic requirements for the front office employees. This Section highlights the processes connected to customer care that front office employees prosecute in the form of the standard operational procedures widely used in the hospitality industry. This section is divided into several subchapters that showcase the position of business processes and procedures in service quality management, quest journey and the critical touch points in the communication. The general structure of the SOPs and SOPs examples connected to the selected steps of the customer's quest journey are presented.

## Service Quality Management

This section briefly describes the importance of service quality management and the various approaches selected by the researcher and hospitality professionals. There are several models of Quality management available in the hospitality industry. For example, widely implemented SERVQUAL, TQM, ISO 9001 or simple star rating of hotels or other accommodation facilities. (Nunkoo et al., 2020)

The following chapters briefly describe the main concepts of the models and approaches to deliver a complex understanding of quality management. Many parts of these concepts are mutually shared and should be perceived as essential for the managers and workers in the hospitality industry.

### Total Quality Management

One of the used approaches, TQM (Total Quality Management), is used in many industries. For The hospitality industry, the main orientation of this model must be on the customers and their satisfaction. To reach the proper level of customer satisfaction, hotelier must train their employees and standardize the processes. (Mitreva et al., 2019)

The whole principle of the TQM is to create a customer-centric management system based on the idea of continuous mutual development of the employees, customers and other stakeholders. Moreover, the concept of quality is strongly implemented in the whole organization's culture and all the activities of the organization. Therefore, TQM is based on these essentials.

**1. Customer-centric.** The customers make the final evaluation of the service quality, leading to two basic considerations. First, the collection of feedback and evaluation is needed to ensure other essential concepts listed below, and no matter what the organization does (training and development programs, application of modern IT or process improvement), the efforts must be evaluated internally and from the customers perspective.

## Service Quality Management

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2. **Total employees' involvement.** Employees are delivering the services. The owners and managers must build a team (or several teams if needed by various departments) that shares a common vision and goals. All the employees are involved in the activities and understand their position in the process of service delivery. The team members are self-motivated and can stimulate the others for better organisational results.
3. **Process-centred.** All the activities should be perceived from the process perspective. The employees must know the inputs and the outputs (What happened before? What will be done next?) of their activities, all the stakeholders and their needs, wants, goals and simply, the whole context of their job. Complex understanding of the processes leads to higher involvement of the employees in their job, where they can perceive the narrow places and situations and propose innovative ways of service delivery.
4. **Integrated system.** As mentioned several times before, the complexity of the organization and the perception of this complexity are required. All the team members know the various systems, their connections, and the shared general and partial strategies implemented by other teams.
5. **Strategic and systematic.** TQM combines a bottom-up approach (mainly in innovations and service delivery improvement) and a top-bottom approach. Creating the vision, mission, and strategic goals shared by the team is crucial in understandable ways.
6. **Continual improvement.** The whole system and all its parts except the environment are changing, and all the team members are improving their agility and management of changes and innovations.
7. **Fact-based decision-making.** Well-standardized and described processes support the Demings Cycle of Quality Management, where the activities must be measured. To measure anything, the measurement must be defined and the data collected. Then, based on the data, the decisions should be made.
8. **Communications.** Lastly, proper communication is needed and must be continuously developed.

Processes and their management are widely examined in the studies focusing on business Process management, which is currently gaining popularity in the service industries, mainly in connection to process redesign, improving process efficiency and business innovations (Wurm et al., 2019). The processes are directly linked to SOPs and the fluency of the process, which can eliminate the waiting time and reduce the processing times (Nunkoo et al., 2020).

## Service Quality Management

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### SERVQUAL

The SERVQUAL model (the multiple-item scale for measuring service quality perception) was Created in 1988 by Parasuraman, Zeithaml and Berry (Dawson et al., 2020) and is still perceived as one of the pillars of quality management in service industries. The framework consists of evaluating more than 20 different factors divided into five standalone groups. The core concept pertained to the model's innovations and conversion to other industries.

The model is based on the definition of quality which consists of three major dimensions. (Saleh & Ryan, 1991)

- **Physical Quality** (the physical aspects of the services, the quality of their manufacturing, and the true value of the items).
- **Functional Quality** (quality of interactions and communication, service provision quality, welcomeness).
- **Design Quality** (style, visage, and appearance).

As mentioned in the previous section, there are ten essentials that the model is based on (please check the section focusing on the needs of the front-office employees). Lately, these ten essentials were widened and grouped into the following sections for hospitality.

- **Tangibles** – the physical perception of the product and services, their design and overall performance, as well as the visage of the employees.
- **Reliability** - is the ability to build the, trust a, feeling of, security and trustworthiness.
- **Responsiveness** – ability to understand customers' needs, wants and requirements and appropriately respond to them.
- **Assurance** – ability to securely deliver the services while reflecting the core of the personal service with the stress on the customers' happiness.
- **Empathy** – feeling the guests and trying to help them solve their issues and problems.

The whole SERVQUAL model was later criticized for its affirmatory basics, the omission of the difference between the expectations and the standalone experience, process centralization or interconnection of the dimensions. Moreover, the model is cross-sectional and does not deliver a complex understanding of the services provided and their dynamics. (Gržinić, 2007)

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SOPs briefly describe the mutually connected steps and guidelines for a specific process. These guidelines serve as a brief standardized manual for workers processing specific tasks. These standards do not reflect individual situations but try to showcase the processes comprehensively with detailed instructions. As the SOPs are process-based, the difference is in their application when the SOP is more detailed and focused on the prosecution of the activities and is used by the employees, not for the process redesign or improvement but to satisfy the needs of the customers.

The creation of the SOPs (for more details and examples, please check the upcoming section) can be described in the three core steps (Oragui, 2022)

- **Step-by-step guide** creation. The simple creation of a list of the connected steps and activities.
- **Hierarchy models.** The models that implement the most frequent decision-making points widen the scope of the standard.
- **Flowchart.** The most complex model describes the whole procedure's complexity, including all the decision-making points.

In this scope, it is beneficial to understand the benefits of standardising the processes provided by Prasanna (2013).

- Service delivery is based on the requirements of the customers and best practices in the industry.
- Service delivery consistency.
- Improvement of the skills and the skills and knowledge transfer.
- Improvement of the group knowledge and ability to help during service provision.

Internal standards are created concerning the customers' needs and based on the services and their level. This means that the standards should fit the specifics of the hotel operations. On the other hand, best practices show that the basic activities share many steps and might serve as an inspiration while creating company-specific SOPs. For this purpose, we propose the widened process of their creation created by Oraqui (2022).

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- 1. Set the SMART goal.** Why will the SOPs be created? What is their purpose, and why they are needed?
  - 2. Identify the stakeholders.** Choose the responsible creators and controllers and identify all the people involved in creating and applying the standard.
  - 3. Identify the users of SOPs.** First, ensure you understand in detail the users of SOPs, their level of knowledge and previous experience. Then, make the content suitable for them.
  - 4. Set to format.** Prepare the template for standard information delivery.
  - 5. Identify the processes and activities.** Then, fill in the SOPs and stick with a predefined structure.
  - 6. Review the documents.** Do the internal review as the stakeholder for their opinion concerning the SOPs understanding.
  - 7. Train the user.** Guide them through the SOPs and show them how to use them.
  - 8. Test the SOPs.** Apply the SOPs in real operations and review their form and content based on the experience with their implementation.
  - 9. Fully implement and maintain the SOPs.** Make sure you update the content when needed.

Fully standardized processes can help the employees during a situation of uncertainty, where they can support the document that targets the specific situation. Contrary to that, it is crucial to mention that in many cases, the situations or requests by the customers want to be standardized. That is why the SOPs contain these situations listed and can help in the training to be aware of these. That is why the context and the knowledge of the wider organizational structure are needed.

In the current literature, opposite voices that do not share the importance of standardization and process-focus can also be found. Still, we consider their complements to comprehensively Understand front office employees' positions/roles. For example, some authors state that instead of process and service standardization, hoteliers should train their employees in service improvisation competence (Secchi et al., 2020). Service improvisation competence (Serv-IC) is described as an ability to react to unpredictable situations promptly using available resources. Similarly to the previous literature, the proper preparation of SOPs and training of the employees can create the environment for such competence development.

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### **To sum up the previous finding, we can briefly state that:**

- the service quality is directly linked to the customer's satisfaction (Nunkoo et al., 2020),
- a high level of service quality can induce the quest for loyalty (Anabila et al., 2021),
- customer satisfaction in the hotels is highly affected by the waiting time (time needed to prosecute the tasks and requests) and customer interactions (fluency of communication) (Nunkoo et al., 2020),
- one of the tools to measure process times and procedures is the development of SOPs and their control after the training of front office employees (Moreo & Savage, 1990),
- to deliver high-quality services continuously, employees must be properly trained and continuously developed (Fitriyani & Evita, 2021),
- if satisfied, customers are willing to recommend the hotel to their friends (directly) or other travellers through the online reviews (Díaz & Duque, 2021),
- positive online reputation is linked to better hotel performance (Xie et al., 2014).

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Based on these studies, we can assume that the level of services derived from the employee's Quality directly affects the overall performance of the accommodation facilities, and the employees must be trained and continuously developed. Concerning the findings of the previous author, the whole training program highlights not only the SOPs but also the possible deviations of the situations to at least showcase the variability of the situations.

According to Rehman (2022), there are five basic stages of the hotel quest journey: pre-arrival, arrival, stay, departure and post-stay. Furthermore, due to the need for a more complex understanding of customer and their experience, we have added the procedure of reservation creation and travel inspiration as well as data collection, where the details about several accommodation facilities are collected, and variants are created/evaluated. The following list contains these touch points and the most common activities presented as standalone standards, lately complemented by the communication scenarios.

As seen in the following illustration, the customer journey can be perceived not only as a process but as a continuous set of activities.

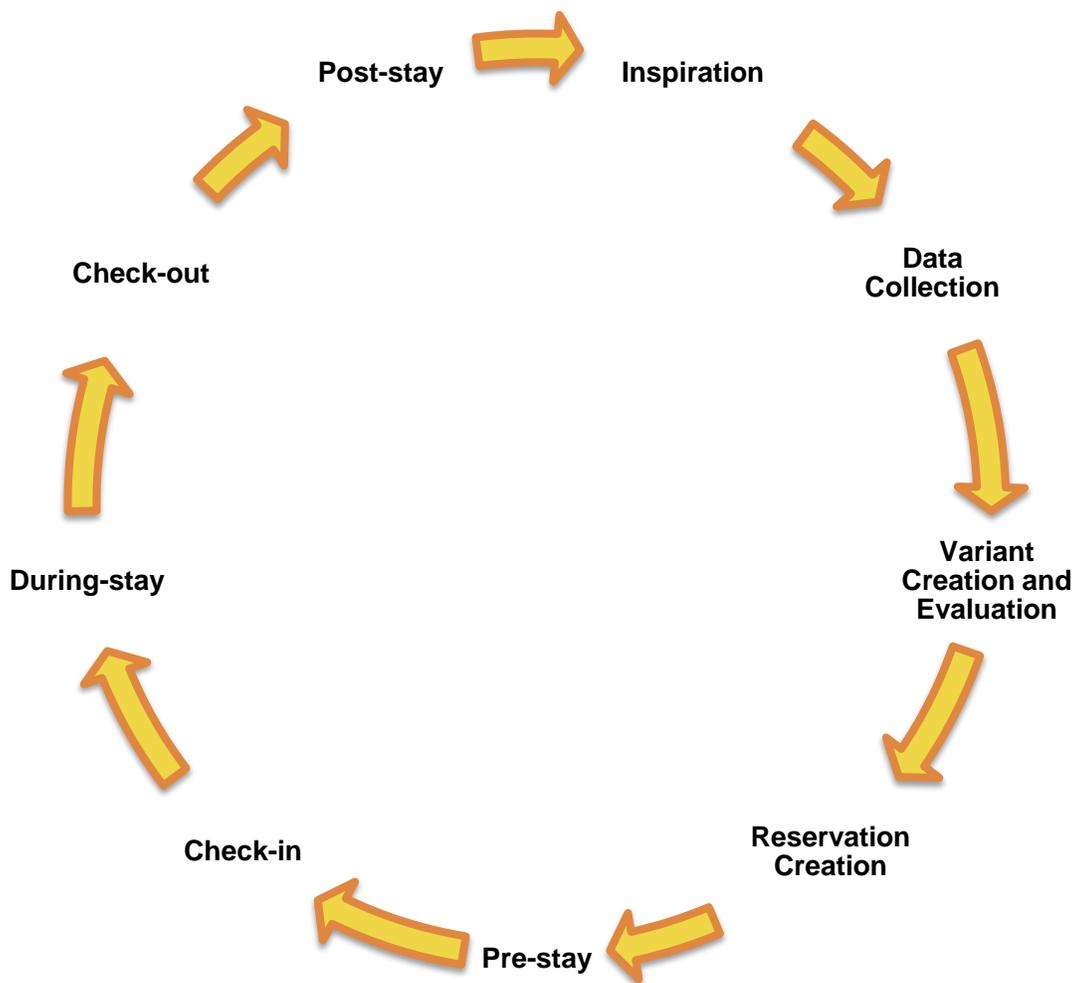
# Quest journey



# Quest journey

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As seen in the following illustration, the customer journey can be perceived not only as a process but as a continuous set of activities.



## Quest journey

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### Inspiration

In the inspiration phase of the hotel customer's journey, the customers recognize their needs and want and look for tips to satisfy them. One of the ways how to inspire your guests is to provide the best possible customer experience and “force” them to recommend your business to their family and friends through WOM (Word-of-Mouth) or eWOM (electronic WOM) in the form of reviews posted online (Díaz & Duque, 2021). Another way to inspire the quest directly is to do that through their satisfaction and experience (Anabila et al., 2021) or by proper planned post-stay communication in the form of personalized offers and other activities within CRM (Customer Relationship Management).

### Data collection and Variant creation

After the need recognition, guests are looking for the data and information about the accommodation facilities, mainly online on the various booking and review platforms or other social media (even the direct recommendations and verified by so-called “social proof” of selection (Zollo et al., 2021)). During the stage (sometimes called as consideration phase) following determinants are driving the customers' choice these are hotel price, discount or another purchase privilege, overall rating (a qualitative measure of online reputation), review volume and booking popularity (Hu & Yang, 2020).

### Reservation/Booking

According to Hu & Yang (2020), the booking channel selection is affected by nearly the variables in the consideration phase. The room rate, promotions and other marketing stimuli, rating and review volume are the main drivers of customers' choice, complemented by previous experience and compensatory strategy. Selected distribution channel directly impacts the possibility of communication and its content in upcoming stages.

### Pre-stay

This customer journey stage was mostly omitted since the marketing and sales managers mainly focused on customer acquisition. Currently, marketers and guest relations managers are trying to improve the mutual communication with the guests in the pre-stay stage to improve overall satisfaction by providing personalized communication, revenue generation by up-selling and cross-selling and decrease the cancellation rate, which directly affects the demand forecasting. With the increasing accessibility of the technologies, hoteliers are automating this communication. (Lei et al., 2019)

To keep up with the requirements of the hotel customers, front office employees must solve several requests during the pre-stay stage. Mainly the modifications of the reservations (room type change, the length of stay, modification of the number of guests), their cancellations or a simple request for further details about the stay, location or other services (including their reservations).

## Quest journey

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### **Arrival – Check-in**

This part of the customer journey relates to the first face-to-face interaction between hotel guests and front office employees. The overall look of the lobby, front office and the behaviour of the employees will directly affect satisfaction, and poor performance may lead even to retraction of the reservation if there are significant differences between the presented and real services.

The check-in process is one of the most standardized processes in the hotel industry due to its importance. Therefore, we have also included the check-in process as an example of the SOP structure in the upcoming section of the e-book.

As the industry is facing the dynamic development of the used technologies, several tools must be used to provide the guests with a smooth and seamless experience. For example, some authors propose using ID card readers to reduce the processing times of partial check-in activities (Chalupa et al., 2021) or event self-check-ins (Popescu et al., 2022).

### **During-stay**

When the clients are registered, hoteliers are trying to maximize their satisfaction. It is crucial to present great customer care, recognize customers' needs and wants, communicate with the guests properly, solve their problems and issues and proactively provide them with the product and service offers. Most of the request is connected to providing further information or problem-solving.

### **Departure – Check-out**

By analogy to check-in, the check-out procedure is well standardized as well. The whole process follows predefined steps that start from the request for the check-out, verification of the room account and posted charges, their payment and continuous feedback collection and service evaluation.

As front office workers, we can face very specific situations where the customers already made check-out through the concierge of guest journey applications (Lukanova & Ilieva, 2019) or left as skippers (see the terminology for further details). Furthermore, in the future, we can expect to face situations where the check-out will be a seamless experience with no interaction between the guests and employees but without losing expected revenue (Cui et al., 2021).

### **Post-stay**

The guest's departure was mostly connected with the termination of mutual communication. Thanks to modern technologies and process automation, the hotelier can benefit from the

## Quest journey

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already created relationship and inspire the clients to revisit, boost their loyalty and improve their involvement. An important part of post-stay communication is also collecting feedback and online reviews. (Yang et al., 2019)

Previously mentioned steps in the hotel guest journey can be perceived as communication stages and touchpoints. The hoteliers and their employees might benefit from the direct communication with the clients, increase their satisfaction, and the reservation generated revenue. Furthermore, the use of processes was mentioned several times, and these processes are linked to a predefined standard of communication. That is why the following sections present not only the structure of the SOPs adopted from the international chain but also the precise examples of these SOPs linked to the touchpoints of the guest journey.

## Structure of the SOPs

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To make the best of the standardization of the processes and procedures, the SOPs should be created in the same form to better understand their content. The following structure is derived from the SOPs used by the international hotel chains and might be considered a benchmark. Each part of the SOP is described and complemented by the example; in this case, the Check-in procedure was selected and described in detail, including unnecessary information to provide the reader with a comprehensive understanding of the SOP content.

- The name of the SOP must be presented clearly and precisely stated. In addition, the content must be linked to the name ed is added for better orientatiof of the SOP to ensure good orientation in the in-house standard. Sometimes, the department to which the SOP is issuon.
  - **Front Office/ Check-in with reservation**
- The SOP's creator must be stated and the responsible person for the content of the standard.
  - **Created by John Doe (FOM of Hotel International)**
- All the standards must also contain the time stamp, which will allow seeing the updated version of them and changes from previous versions.
  - **Issued on 6th May 2022.**
- In another section, **“Issued to”**, the employees who should understand and apply the content of the SOP are listed.
  - **Issued to: Front Office Agents, FO Supervisor and FOM.**
- The first part of the content, “Introduction”, highlights the core idea of the SOP and its importance. Then, in many cases, the context is described to avoid misunderstandings.

**Introduction:** After the reservation for the stay is created (by the client) and confirmed (by the reservations department), It is uploaded into the PMS with the status “Confirmed”. According to the hotel cancellation policy, the reservation is pre-paid or pre-authorized, and it is vital to check the account balance before arrival. Three days before the arrival, rooms are allocated based on the requests from the clients. After the arrival, it is crucial to check in and register the client (if all the requirements and met) or walk out the client (if there are significant reasons for such an action).

- After the context, the **main purpose of the SOP** is briefly mentioned.

**Purpose:** The main purpose is to check in and register the client while securing a high level of provided services, respecting the principles of active sales techniques and meeting the legal and administrative requirements. The SOP should enhance the quality of the services as well as the satisfaction of the clients.

## Structure of the SOPs

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- Verify the credit of the reservation (if necessary, pre-authorize the credit/debit card). **Inform the client about billing.**
- **Inform the client about the selected hotel room. Then, propose client another option or up-sell and cross-sell other services.** Make sure you have checked the basic principles of up-selling and cross-selling as well as the principles of active hotel sales.
  - *“Mr Brozovic, your room 210 is in the Western wing of the hotel, on the second floor. I can propose you an upgrade to the junior suite, which has more in-room amenities and the extra living room with the plasma TV for 15 EUR per night.”*
- **Provide the client with necessary details about the stay and basic details about the hotel and its outlets.**
- **Prepare the key/magnetic card and hand it to the client.**
- **Give the client the directions to the assigned hotel room.**
- **Explain to the client the possibilities of handling their requests during the stay.**
  - *“If you need anything during your stay, please contact my colleagues or me through the phone or our app.”*
- **Politely ask for other requests.**
  - *“Mr Brozovic, is there anything else I can do for you?”*
- **Close the conversation with a wide and warming smile.**

## Structure of the SOPs

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- Lastly, the **whole procedure is described** as a set of steps that need to be followed to achieve the predefined goal. In many cases, precise wording is used. In selected parts of the procedure, precise formulations are proposed to meet industry-wide communication standards with the clients. Italic is used to define the events that occur in time or the precise formulations used.
  - *The guest arrives at the hotel's front office (front desk).*
  - **Greet and welcome guests to the hotel.**
    - *“Good afternoon, Welcome to Hotel International; my name is Martin Novák. How can I help you?”*
  - *The client states that a reservation was made for a stay (be prepared for other requests that are not directly connected with the reservations and accommodation services).*
  - **Ask the client for their first name and surname – politely.**
    - *“May I ask you for a full name used to make the reservation?”*
  - **Look for a reservation in the PMS** (*Please note that the reservation might be missing in the system, so there is a specific SOP that will guide you through the whole situation*).
    - *“Thank you, Mr Brozovic; I will check your reservation in the system.”*
  - **Prepare the registration card for a quest and repeat the reserved services and products while collecting the personal data in the registration form.** Please note that a specific list of data is to be collected that reflects the current location requirements.
    - *“Mr Brozovic, may I ask you for your ID to fill out the necessary details in your registration card?”*
    - *“May I ask you as well for your email address to allow us to share all the documents in electronic form and maintain the communication with you through this channel?”*
  - After filling in all the details, **print out the registration form for the quest to be verified and signed.** (Some new PMS provides the electronic versions of the registration cards and their confirmation).
    - *“Mr Brozovic, here is the registration form that contains all the necessary information. Please sign the document in the bottom right corner if you agree with them.”*

LOGO	<b>“Template for SOPs”</b>
<b>Created by</b>	<i>List the name of the author of the SOP</i>
<b>Issued on</b>	<i>List the date when the SOP was issued</i>
<b>Created for</b>	<i>List all the team members who are involved in the procedure</i>
<b>Updated by</b>	<i>In case of an SOP update, add the person responsible for such an update</i>
<b>Updated on</b>	<i>In case of an SOP update, add the date of such an update</i>
<b>Introduction</b>	
<i>This section presents the basic idea in the context of previous and upcoming procedures.</i>	
<b>Purpose</b>	
<i>Description of the main purpose of the SOP. Linked to the introduction section. The direct goal includes the measures and key activities to be processed.</i>	
<b>Procedure</b>	
<i>Individual steps are supported by precise formulations if needed. Finally, the steps are listed concerning the mentioned goal.</i>	
<b>Critical points and unstandardized situations</b>	
<i>Lastly, the critical points and possible solutions are mentioned to provide a comprehensive understanding of the problem, SOP. These must be handled individually and are part of the empirical training focused on problem-solving, empathy and advanced customer care.</i>	

## Front-Office terminology

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While working in the front office, the employees use specific jargon and terminology that support smooth operations and communication. Within this chapter, we are highlighting the basic and most used terms and their brief description. This dictionary-like overview should be used before the training to understand these basic concepts. The presented list is not definite and misses the facility-specific jargon created by hotel employees and the details that European Hospitality does not commonly use. We highly recommend using the list of terms during the training and the operations. The presented terminology is general and might be updated to stick better with the culture and jargon of the single property.

The terms are grouped into a more homogenous cluster to better understand them and their concept and connected phenomena.

### Reservation and their management

The first set of terms is connected with the reservations, their creation and management. Then, for several terms, there are links to other terms that can deepen the understanding of front office operations.

**Confirmed Reservation** – Reservation was created by the reservation agent/front office worker in the PMS. The confirmation was made by the payment of reservation guarantee or card pre-authorization, based on the applied cancellation policy.

**Confirmation Number** – Unique identification code generated for the reservation and its identification.

**Floating reservation** – Specific functionality of the complex PMS systems where the reservation is created on a specific room type, but the precise room is allocated (be aware of the same wording for the allocation/allotment with different meaning) a few days before arrival. Floating reservations allow better and more efficient room management.

**Optional Reservation with Effect** – Optional reservation, in general, is created reservation based on the guests request. Still, the guest is not 100 % sure of the arrival, or the reservation is not yet guaranteed. The “Effect” is automated action of the PMS based on the predefined rules that will change the reservation status after the “Option date”.

**Option date** – Arranged and specific date for “Optional Reservation” that leads to specific action based on the reservation characteristics (“Effect”).

## Front-Office terminology

# Reservation and their management

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**Optional Reservation without Effect** – The principle is the same. After passing the “Option Date”, there is no automated action, and the PMS keeps the “Optional Reservation” status. The Front Office employee must change the status.

**Reservation on Waiting-list** – Main principle of the reservation on the Waiting-list is common to “Optional Reservation”. The difference is in the full occupation of the hotel capacity, where the reservation is pre-confirmed by the client with no guarantee of the capacity, which might be freed (based on the previous performance of the hotel).

**Tentative Reservation** – This reservation has no option date but in principles can be described in the same way. This reservation is confirmed after the guarantee payment or card pre-authorization.

**Optional Reservation without Effect** – The principle is the same. After passing the “Option Date”, there is no automated action, and the PMS keeps the “Optional Reservation” status. The Front Office employee must change the status.

**Reservation on Waiting-list** – Main principle of the reservation on the Waiting-list is common to “Optional Reservation”. The difference is in the full occupation of the hotel capacity, where the reservation is pre-confirmed by the client with no guarantee of the capacity, which might be freed (based on the previous performance of the hotel).

**Tentative Reservation** – This reservation has no option date but in principles can be described in the same way. This reservation is confirmed after the guarantee payment or card pre-authorization.

**No-show** – The situation where the client confirmed the reservation but did not arrive. For the reservation, the cancellation policy is applied.

**Cancelled Reservation** – Reservation that the client has cancelled. The freed capacity is sold on the market. The reservation can be cancelled freely or with specific cancellation charges based on the policy. Cancellation behaviour of hotels guest directly affects performance forecasting and revenue management.

**Cancellation ID** – Specific number or code that proves the cancellation of the room reservation must be available to the hotels and the quest.

**Check-in** – Registration of the quest for a stay. The whole process is complex and is described by the section of this e-book focusing on the standards (SOPs).

## Front-Office terminology

# Reservation and their management

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**Guest Registration Card** – The form with a predefined set of personal data that the front office employee must collect and verify before guest check-in. The local laws and restrictions define the range of personal data. The walk-out procedure must be applied when the client cannot provide the data.

**Walk-out** – The procedure is turning away the client who has the reservation due to the lack of available rooms or not fulfilling the requirements for client accommodation (missing details, black-list, missing ID, more people that were reserved).

**Check-out** – The process connected with the guest departure and account billing. The whole procedure is described as a standalone standard in the previous section.

**Allocation/contingency** – Agreement between hotel operator and business partner for a specific amount of room on predefined dates. Tour operators or huge corporations mainly use the allocation. The allocation consists of the capacity, in many cases predefined rates, services structure, and release date.

**Release date (Cut-off date)** – Predefined date for allocation, which allows the hotel operator to sell the allocated capacity freely. Until this date, the capacity is guaranteed to the business partner. The release date is specific for single allocation and might have the form of a fixed date or relative date, which showcase the number of the day before arrival. The relative release date is connected with higher flexibility for a business partner.

**Walk-in** – In some cases, walk-ins are defined as a standalone market segment. The walk-in reflects the situation when the client comes directly from the street without a reservation. For this client, the RACK rate is commonly offered.

**Cancellation Policy** – Set of rules used for demand management. The cancellation policy showcase the possible reservation changes and the relative dates for these specific changes.

**Cancellation Charges** – Based on the reservation policy, in some cases, the clients are charged a specific amount of money. If the reservation is not guaranteed, it might be hard to enforce the charge (accepting an unguaranteed reservation is not recommended). For guaranteed reservations, the difference between guarantee and charge is refunded.

**Prolonged stay** – When the client is satisfied or needs to stay at the destination for longer, the demand for a stay prolonging might occur. The client is price-insensitive (if the price is not significantly different), and the distribution and housekeeping costs might be reduced. The number or a relative number of prolonged stays is crucial for “Overbooking” estimated.

## Front-Office terminology

# Reservation and their management

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**Shortened stay** – In case of guest dissatisfaction with an unpredictable situation, the stay might be shortened. Based on the situation, the FOM should select the most suitable procedure that sticks with the cancellation policy and terms of trade.

**Overbooking** – The situation when more rooms that are physically available are reserved. The overbooking strategy is an overly complex and sophisticated approach to demand management that considers cancellations, no-shows, allocations, prolonged and shortened stays and the overall behaviour of hotel guests.

**Skipper** – The person intends to leave without paying for the consumed services. The practice tries to avoid skippers by pre-authorising credit/debit cards or guaranteed payments. However, in many cases, when the services and the during-stay consumption are charged on the room account, the clients can leave without payment and proper check-out.

**Pre-authorization** – This is an allocation of the specific amount on the credit/debit card of the client that serves as a guarantee for the stay. The authorization is cancelled based on the company terms and conditions or no longer than the reservation is fully paid.

**Up-selling** – Sales technique based on offering the better room type (the more expensive one) than was reserved by the clients. The benefits are promoted to the client to fit better the needs. In many cases, this technique is used when the reserved room type is fully occupied and the staff wants to avoid the walk-out of a free-of-charge room upgrade. Currently, up-selling is also used to describe all the sales activities that lead to higher revenue generated by the reservation.

**Gratuity** – Free of charged services.

**Cross-selling** – Sales technique that promotes other services offered by the accommodation facility (wellness, F&B and others) or its partners.

**Expected Arrival List** – The list of reservations/hotel guests is expected to arrive today. The list is as well used to maintain the no-shows.

**Expected Departure List** – The list of reservations/hotel guests that are expected to leave today. The list is commonly connected with the overview of the stayovers.

## Front-Office terminology

### Rates and meal plans

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The following set of terms is focused on various types of room rates and meal plans offered to hotel clients. The different rates might be perceived as well as stay restrictions that are described in the following section of the terminology overview.

**RACK** – The price of the hotel room is presented physically at the front desk. The rate is commonly described as the opposite of the **BAR (Best Available Rate)** as the highest rate publically available. In many countries, this rate is required by laws or directives. RACK is offered to *walk-ins* (see their specification as a marked segment for further understanding).

**BAR** – Best Available Rate is not the best rate offered by the accommodation facility but the best publically available rate. Within e-commerce, the *rate parity* is no longer required by the mutual agreements, and the BAR describes the online rate, even though there are differences in the rates on various online distribution channels.

**NR** – Non Refundable rate is connected with a property-specific discount (commonly 10 %), advanced accommodation payment, and other services without the cancellation policy. The payment is not returned to the client when the reservation is cancelled.

**MLOS** – Minimum Length of Stay can be used as a discount for longer stays and as a stay restriction, where the revenue managers try to target specific customers. Commonly, this restriction is used to avoid short stays.

**CORPRATE** – Corporate Rate is an agreement between the hotelier and corporate partners that guarantee special rates and services structure. Fixed rates are becoming more flexible, and discounts from BAR are offered to avoid revenue loss in a dynamic environment.

**Complimentary Rate** – Free of Charge accommodation provided to business partners.

**House Use** – Special rate or even gratuity offered to hotel employees of close partners.

**Opaque Rate** – Non-visible, time-limited and quest-specific offer. Sometimes described as well as the ad hoc rate.

**Incentive Rate** – Special discounted offer to loyal business partners who might provide their employees, families or other business partners with a company-specific discount code that stimulates their demand for hotel services.

**Group rate** – For the leisure or corporate groups, special rates are offered based on the group budget and revenue managers' willingness to sell the bulk of the rooms. The group rate is commonly lower, but the average room rate for specific occasions might be even higher.

## Front-Office terminology

### Rates and meal plans

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**Rate Parity** – The strategy of using the same public rates on the online distribution channels. Rate parity is no longer part of the agreements for the OTAs but might be found in the contract with other distribution partners. Rate parity can be described as rate equality. The client's final decision is not influenced by the price stimuli but by the distribution channel convenience.

**Rate Disparity** – Contrary to rate parity, the channels are differentiated by the presented price, and the preferred channels offer better rates and conditions or services. Therefore, a customer's decision is mainly affected by the price stimuli. On the other hand, a higher rate of disparity might cause confusion and loss of the customer.

**Full Board (American Plan)** – The room rate is complemented by the three daily meals (breakfast, lunch and dinner). The rate is charged, including these meals.

**Room Only (European Plan)** – The room is charged separately without other services.

**B&B (Continental Plan)** – The room is charged, including breakfast. The plan is the most common; for further reporting, it is crucial to administer the room revenue and other revenue separately.

**All-Inclusive** – Special plan that contains not only the accommodation but all the other services, charges and taxes. The range of services must be clearly defined to avoid service over usage and revenue loss.

**DDR** – Delegate Daily Rate is a rate used by the event planners to set the average rate of a set of services (accommodation is excluded) on the delegate for a day of the event. For shortened events, the Half DDR of 8 Hours DDR is used.

## Front-Office terminology

# Charging, Charges and taxes

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Customers' stay in the hotel room or generally in the hotel is directly linked to several taxes, charges or other payments. The main idea of this e-book is to present the most common and crucial ones for front office operations. The list is incomplete but proposes the main idea behind selected taxes and charges.

**Late Charge** – The transaction posted on the room account is already checked-out.

**No Post** – Special functionality that disables posting the charges on the room account from other departments of other systems.

**Void** – The cancellation of the charge posted on the room account. In many PMS systems, the payment can be voided only during the day of account posting.

**Stay Taxes** – In many countries, the stay (local) taxes are applied to support local administration or the government. The hotel guests commonly pay the local taxes (the tax is excluded from the room rate and paid separately), collected by the accommodation facility and monthly given to the administration body.

**VAT** – Value Added Tax connected to various products and services. All the items in the PMS account must be charged with the correct VAT.

**Damage Charges** – During the stay, the hotel guest might damage the inventory of the hotel room. During the housekeeping or maintenance, the proper check must be done, and any damage must be documented. Damage charges or refunds are applied during the stay or during client check out. The client must be informed about the whole situation and the requested amount.

**Room Key Loss** – In many hotels, room keys (cards) are given to the hotel client with the condition of their return. When the key is not returned, a key loss charge is applied. This charge should cover the lock exchange or card deactivation and reactivation.

**Routing instructions** – The rules used by the hotel front office employees are based on the agreement with the business partner. The rules are applied while charging the guest of the company account and directly link the groups of the accounts with the account owner. For example, corporate reservations can be used, where the accommodation is paid for by the company (including basic restoration as breakfast) and the rest of the consumption is paid for by the client himself.

**Amenity** – Service or product given to the client at no charge during the check-in or stay. This product should improve the overall guest experience and comfort of the stay.

## Front-Office terminology

# Charging, Charges and taxes

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**Crib Charge** – Special charge for a crib given to the guests with a kid under five years (the age limit should be directly set by the hotel management and the amount charged for such a service).

**Extra Bed Charge** – Surcharge is lower than the average guest rate for providing an extra bed in the hotel room.

## Front-Office terminology

# Housekeeping and room statuses

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While managing the reservations, registration or stays of the clients, it is crucial to understand the room statuses and the housekeeping services. The following set of terms is directly describing the statuses of the hotel's rooms and their understanding.

**Occupied** – The room is occupied by the hotel guest who stays in the room.

**Stayover** – The guest is not expected to check out this day. The room will remain occupied for at least one more night.

**On-Change** – The guest has departed/checked out, but the room is not yet cleaned. The room is not ready for guest allocation.

**Do Not Disturb (DND)** – The guest requested not to be disturbed.

**Cleaning in Progress** – The room attendant is currently cleaning the hotel room. When using proper housekeeping applications or real-time notifications in the PMS, the other employees can track the actual status of the room and estimated time of room preparation for guest allocation.

**On-queue** – The Cleaning is in Progress, but the client has already arrived and wanted to check-in. In this situation, there is a need for proper communication and up-to-date request solving.

**Vacant & Ready** – The room was cleaned and is ready for the next guest.

**Inspection** – The room was not occupied for a specific number of nights (commonly three nights) or touched. The level of cleanliness needs to be checked, and the status changed to dirty or inspected. Inspected room guarantees the standard cleanliness level but was not cleaned that day.

**Touched** – When the room was touched, someone entered the room, and the room attendant or housekeeping supervisor needs to check the level of cleanliness (inspect to room status).

**Dirty** – The room is labelled for cleaning. The whole cleaning procedure is highly standardized as it relates to room maintenance.

**Sleep-out** – The room is allocated to a hotel guest, but the bed was not used. The client slept outside.

## Front-Office terminology

### Housekeeping and room statuses

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**Out-of-Order (OOO)** – The room out of order is not sellable and is deducted from the hotel's inventory. There are several reasons why the room is OOO, for example, refurbishing, maintenance or proper extensive cleaning.

**Out-of-Service (OOS)** – Contrary to the OOO, the room is not deducted from the hotel capacity but cannot be occupied at this time. Some maintenance action is needed (TV remote not working, damaged light bulb etc.).

**Did Not Checked-out (DNCO)** – The room is formally occupied as the client did not checked-out, but the account is settled. Thus, the reservation status is not the skipper.

**Late Check-out (LC)** – The guest can check out later than the standard departure time. This service is commonly given to business clients or those guests when the capacity to allow operational room allocation. In some cases, for this service, the clients are charged.

**Early Check-in (EC)** – On specific occasions, the client is allowed to check in early, which is the standard time set by the hotel. The description is similar to the Late Check-out.

**Service Refused** – The cleaning of the room was refused by the client, directly by stating that with the door stamp or indirectly using Door Lock (DL) or Chain Lock (CHL).

## Front-Office terminology

# Guests and Market Segments

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When working in the front office, it is crucial to understand the difference between the hotel guests, even though the service level/quality should be maintained at the highest possible level. Therefore, proper market segmentation is a crucial activity for hotel marketing and revenue managers and directly highlights the specific needs of the market segments. As for the previous parts of the dictionary, we propose only the most common market segments and their brief specifics. For example, a comprehensive description of the market segments can be found in the book “Hotel Revenue Management: From theory to practice” by Stanislav Ivanov (2014).

**Frequent Individual Traveller (FIT)** – The market segment that is directly connected to e-commerce and online sales, where customers tend to use the Best Available Rates, book for vacant times, travel during holidays, and individually. The length of stays is shorter (ranging from 1 to 6 nights), and the customers use as well other services of the hotel when necessary. In the context of revenue management, this segment is sometimes labelled as a leisure individual.

**Leisure Group** – Leisure groups are mainly concentrated in the season of the high tourist demand while the stays range from 7 to 14 days. The rate is proposed to the intermediate, the tour operator (TO), who has already created the package of services. Therefore, there is a low expectation of up-selling and usage of other services that are not included in the package. When arriving, in many cases, the TO already shared the rooming list (complete details about the clients and their allocation in the predefined hotel rooms, which should speed up the whole check-in procedure). The group has different check-in times in some hotels to avoid queuing in the property's lobby.

**Corporate individual** – Business trips and corporate travel are great sources of income during the weekdays. The accommodation is connected to the special conditions of cooperation (*Corporate or Routing instructions*) based on the mutual agreement with the company. In addition, corporate clients are commonly given special services like early check-in, late check-out, and office services specially rated for other services provided by the hotel.

**Corporate group** – Group of corporate clients ranging from small meetings to large and hallmark events/conventions. Sometimes, this segment is labelled as MICE (Meetings, Incentives, Conferences and Exhibitions). The rate is based on the company budget or *Corporate*, and with connection to the events, other services are charged as a package – for example, *DDR*.

**SMERF** - Acronym for Social, Military, Educational, Religious, and Fraternal. The specific market segment might be connected to the special condition of stays.

**Non-quest** – The clients are not interested in accommodation services, but the other ones provided by the accommodation facility.

## Front-Office terminology

# Guests and Market Segments

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**VIP** – VIPs are commonly listed within the PMS with the notation about their status. Special procedures are prepared for them. Please check the procedures for VIPs in your hotel.

**FAM Trip** – Familiarization trips are commonly used to promote the hotel or other accommodation facility to the tour operators and their representatives when starting a new partnership or to enter new markets. The tour operator's representatives of other partners (can be targeted on event managers or other corporate clients) are given the full service free of charge to be familiar with the services and their quality. This costly way of hotel promotion can be the most powerful one as the representatives can directly experience the stay in the hotel. They are treated as VIPs to promote the business.

**PRESS Trip** – The press trip is similar to the familiarization trip. The only difference is in the targeting of the event on the communication houses that can promote the specific hotel abroad or in other local destinations. Currently, hotels are targeting influencers as well that have great reach.

**Crew** – Hotels close to the airports with a great location to the airport can benefit from this segment as the crews of flights are given full service in the hotel and a high level of flexibility.

**Blacklisted quest** – The quest that is not allowed to stay in the hotel. Mostly because of the previous stay and behaviour that occurred during that stay. In some cases, the poor credit history of the client is shared within the chain to avoid the unwanted loss of revenue.

## Front-Office terminology

# Basic KPIs – indicators of hotel performance

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As we understand the front office employees' terminology, we should be reporting the hotel's performance in some cases. In this instance, it is crucial to list the basic key performance indicators with the description.

**Occupancy rate** – The ratio of occupied hotel rooms to available hotel rooms. In the calculation, it is crucial to distinguish between available and total rooms. Available rooms are calculated from the total rooms subtracted by the rooms out of service. As the KPI is rate, the final number must be multiplied by 100.

**Market Penetration Index (MPI)** – Several indices are used to compare our hotel's performance to the market competition. MPI compares the value over one means of overcoming the competition. Values below one showcase the situation when the competition performs better.

**Average daily rate (ADR)** – The revenue generated by the accommodation services divided by the hotel room sold. The calculation does not consider other revenues and costs.

**Average Daily Index (ADI)** – When comparing the performance towards the competition, indices can be used. For example, ADI divides the hotel ADR by the average ADR of the competition set. The final evaluation of the results is the same as MPI and RGI.

**Average Guest Rate (AGR)** – The revenue generated from the accommodation service is divided by the number of hotel guests. Similarly to the ADR and AGR, other indicators can be created to divide the generated revenue into other variables.

**Revenue per Available Room (RevPAR)** – The calculation of this KPI is nearly the same as for the ADR. The difference is in the denominator, where all the available rooms for sale are included (see the Occupancy rate for the description of the difference between total and available rooms). Another way of calculation is multiplying the ADR by Occupancy Rate.

**Revenue Generation Index (RGI)** – Similarly to MPI and ADI, this index is used to benchmark the hotel performance towards to market in connection to the RevPAR calculation. Interpretation of the results keeps the same for all three KPIs.

**Total Revenue per Available Room (TRevPAR)** – This KPI also considers other revenues from other departments. Therefore, the results should be higher than RevPAR.

**Gross Operational Profit per Available Room (GOPPAR)** – Both previously mentioned KPIs are connected with the revenues of the specific hotel departments. Still, none of them considers the costs connected with hotel operations. Gross Operation Profit is a simple difference between hotel revenues and costs. Again, divided by the available rooms. GOPPAR more precisely describes the facility's current status and creates a better point of view on hotel operations and its profitability.

## Front-Office terminology

### Basic KPIs – indicators of hotel performance

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**Cost per Occupied Room (CPOR)** – The total costs allocated to the accommodation services are divided among the occupied rooms. The ability to calculate these average costs leads to better pricing of the hotel rooms and their distribution.

**Revenue per Occupied Room (RevPOR)** – The difference to RevPAR is in the use of occupied rooms. The calculation stays the same.

## Front-Office terminology

### Information Technologies and Distribution Channels

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The last section of the terminology is dedicated to the information and communication technologies and distribution channels specific to the hospitality industry. Finally, the core system is described and its functionality in connection to the front office operations.

**Property Management Systems (PMS)** – The core of hotel operations. In the past years, the PMS was mainly perceived as a tool for reservation handling based on the database of the clients (currently, we can call this system a reception system or a tool). Modern PMS are giving the hotel operators more functionality connected with comprehensive hotel operations management. The data are stored in a central data warehouse and accessed by the different employees on a different levels of detail/granularity. The whole system should support all the activities of the hotel. From the front office's perspective, the system is mainly used for customer relationship management, reservation handling and reporting.

**Point of Sale – Restaurant System (POS)** – There is a strong analogy with the PMS as the POS can be labelled a comprehensive restaurant system. All the restaurant functionality should be connected to a central node supporting operational, tactical and strategic decisions. Regarding front office management, it is crucial to exchange the details about hotel guests, their preferences, and purchased meal plans. Oppositely, the data about the consumption in the hotel restaurant can be transferred to PMS and let the client pay at the end of the stay. Close cooperation between the front office and F&V is also needed while providing the client with room service.

**Global Distribution System (GDS)** – One of the first complex distribution channels used mainly by airlines. The GDS is working on the B2B (Business to Business) principle, where the final client purchase the accommodation as part of the package from the intermediate (in many cases, the TO of the travel agent/agency). From the hotel perspective, we can reach global customers, their higher volume, but with higher distribution costs and lower rates. For example, we can list Sabre, Amadeus, Galileo or Worldspan.

**Online Travel Agency (OTA)** – Travel agents were formerly the intermediaries who purchased the capacity from the GDS. Their functionality was derived from the functionality of the GDS but currently provides a better user experience, more visually attractive interface, reviews and many more to the final clients. The distribution through the OTA can be direct (direct agreement with the commission-based distribution model – the commission is paid at the end of the month for all the checked-out reservations, or netto distribution model – the OTA collects the payment and after check-out is paid out to hotel without the agreed commission) or indirect, where the OTA is using the capacity allocated to the different distribution channel. When working with the intermediaries, it is crucial to check the status of the reservations, document any changes and inform the OTA through the extranet about them (no-show, for example). The distribution might be costly; the hoteliers tend to transfer the customer from OTA to more direct channels.

## Front-Office terminology

### Information Technologies and Distribution Channels

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**Tour Operator (TO)** – The travel packages' creator mainly targets the best tourist dates and locations. The agreement about the allocated rooms and the conditions is created in advance (sometimes more than a year before planned arrival). In this sense we are talking about the high number of reservations with lower than market rates.

**Web Booking Engine (WBE)** – The booking engine on the hotel website is a crucial tool for the hotel's direct online distribution. With respect to the functionality of the OTA, the hotel websites underwent huge development in recent years to deliver a better experience and faster booking process. However, the absence of the booking engine can repel the clients from the website. Therefore, third parties always provide the WBE.

**Meta Search Engine (MSE)** – These search engines search through the predefined (pre-indexed) distribution channels and add the dimension of rate comparison to search results. The final reservation is the note directly created on this website, even though there are trying different integration to make the customer journey more convenient.

**Channel Management Systems** – Having more online distribution channels might be time-consuming in capacity and rate updates. The channel management tools connect the selected online distribution channel into one hub, which is then used to manage the inventory, rates and reservations on the connected channels.

**Concierge application** – In many hotels, the concierge is not part of the Front Office team. However, the hotelier still wants to actively provide the clients with a wider portfolio of services and information. In this case, the clients might be instructed to download (or log into the web applications - depending on the provider of such a solution) the app, where the requests might be handled during their stay. There is always a user (hotel employee) whose responsibility is to handle these requests.

**Guest journey application** – Is having wider functionality than the concierge apps, where these provide the guest with the ability to check in online before arrival, use the phone as a room key, and handle the requests during the stay and check-out without meeting the front desk.

# Selected SOP's

## for Front-Office Operations

<b>SOP 01</b>	<b>Telephone reservation of accomodation services</b>
<b>SOP 02</b>	<b>General Rules for Telephone Communication</b>
<b>SOP 03</b>	<b>Cancellation of the reservation through the telephone</b>
<b>SOP 04</b>	<b>Reservation modification before the arrival</b>
<b>SOP 05</b>	<b>Provision of the information to hotel guests before arrival</b>
<b>SOP 06</b>	<b>Provision of the information to the non-hotel client</b>
<b>SOP 07</b>	<b>Check-in procedure</b>
<b>SOP 08</b>	<b>Walk-in Check-in procedure</b>
<b>SOP 09</b>	<b>Walk-out procedure</b>
<b>SOP 10</b>	<b>During stay problem solving – Air Conditioning Malfunction</b>
<b>SOP 11</b>	<b>Check-out</b>