



**FACULTY OF HOSPITALITY & TOURISM
SCHOOL OF HOSPITALITY**

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **HOS2223 REVENUE AND PROFIT MANAGEMENT**
Semester & Year : January-April 2020
Lecturer/Examiner : Ms. Dewi Pratomo
Duration : 4 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 1 part:

Case Study : TWO (2) case study. Answers are to be submitted in the platform (60 marks) provided within 4 hours.

2. This question paper must be submitted along with answer script and honours and authenticity declaration.

3. Change your file into Your full name-course code-student id for example xxx-HOS3004-B12345

4. Submit it to CN drop box when you finish. Only 1 submission is allowed.

WARNING: The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

Total Number of pages = 7 (Including the cover page)

PART : CASE STUDY (100 MARKS)

INSTRUCTION(S) : Answer all questions in this section. Submit your answer to the platform provided within 4 hours.

1. Revenue Management Strategy Case Study

Metropolis Convention Centre

Metropolis Convention Centre or referred as MC2 was opened in 2006 to great fanfare. Declared by the meeting world to be the most innovative and user friendly centre in United States, the centre has not failed to please all whom have entered. Located at the edge of downtown, the centre has added a new dimension to the city skyline. Its foam-coated circular architecture makes the centre appear almost embraceable from a distance, like a big soft pillow. This is precisely the image the architects intended as they wanted pedestrian seeing the centre to view it as a soft pleasant to visit. Hotel love the analogy and play off the pillow image in all of their convention advertising and marketing campaigns. The centre is the largest in six-state region. The centre tries to keep the exhibit space booked with trade and consumer shows and attempts to fill the remaining space with meeting and social events

Physical facilities:

- 750,000 square feet of contiguous exhibition space
- 250, 000 square feet of unobstructed meeting space in 176 rooms
- Two 36,000 square foot ballrooms, each divisible into thirds
- 6,800-seat theatre
- 1,875-space parking garage
- Another 2,700 spaces within six-block radius
- Two permanent three meals a day restaurants open show days
- Two cocktails lounges open 11 am-11 pm on show days
- Retail shops ring the exterior perimeter

Services:

- Full service catering service
- Full conference services
- Onsite electrical and telecommunication technician
- Onsite computer technician and audio visual contractor
- Light rail station stop on west side

SWOT Analysis

Strength:

- New innovative facility
- Ample space for accommodating 80% of all conventions held in the US
- Safe and clean location town for conventions

- Adequate hotels accommodations nearby

Weakness:

- Cost to travel to the location is high specially from East Coast
- Centre will not realize its full potential until its open for a few years as meeting planners' books so far in advance for fear of construction delay

Opportunities:

- The wonderful publicity surrounding its opening has intrigued meeting planner

Threats:

- Increasing of jet fuel impacting the price of airline tickets to travel to Metropolis Convention Centre

Competitors:

- All other convention centre in the country, all smaller venues in and around metropolis for the smaller business

Time period used for analysis: April through June, peak convention months for Metropolis

Booking pace and pattern:

- Large trade show 5-10 years out, large consumer shows three to five years out, smaller shows booking pattern varies by size
- Only prom and charity balls are booked 12-24 months' out

Channels currently used:

- Joint ventures for all marketing activities with convention and visitor Bureau, proprietary website, ticket for consumer shows sold online through ticket brokers

Rates:

- Each group rate is negotiating individually with a salesperson. Price depends on amount of space needed, food and beverages requirements, local hotel usage and potential traffic

The centre was built to drive tourism revenues into Metropolis. The centre enjoys an excellent mix of trade and consumer shows. Trade shows are most often closed to the general public but they also often generate the highest revenue. Most consumer shows are held over the weekend but some larger shows extend over two weeks

- Propose **FIVE (5)** possible strategies that may be applied during this time period to optimise revenues for the centre (20 marks)
- Propose **FIVE (5)** strategies the Metropolis Convention Centre could use to capitalize on opportunities to increase revenues and reduce the potential threats. (20 marks)

2. Forecasting and tactics case study

The Blue Lagoon Resort, Langkawi

The Blue Lagoon Resort Langkawi, a 5-star luxury hotel in Langkawi tells a tale of a lifestyle getaway. It is enveloped by immaculate splendour of sandy beach, marina and lush tropical hills. This awards-winning hotel in Malaysia embraces the architectural beauty from the Colonial era in a Mediterranean ambiance.

Sales Mix Overview

The general sales mix of the hotel guests means that the hotel is normally a leisure hotel (families) during school and other major holidays. There are 100 Family suites Room with family facilities (but no in-room laundry, the guests have to pay for the hotel to launder).

The Blue Lagoon Resort, Langkawi has a **high season with often excessive demand** in December with many families travelling from neighboring countries like Singapore and Indonesia as well as Middle East and Europe as It also has excellent leisure facilities and June is a good month for Internet Travel Agent bookings. The room types and numbers of each are as follows:

THE BLUE LAGOON RESORT ROOM TYPE BREAKDOWN:

| | |
|--------------------|--------------|
| Deluxe Suite Room: | 100 |
| Family SuiteRoom: | 100 |
| Standard Room | : <u>163</u> |
| Total | 363 |

EVENTS 2018

FUTURE (REGULAR)

- Christmas Day Dec 25th
- New Year's Eve Dec 31st

FUTURE (NEW)

- Christmas Lunch celebration Dec 25th
- Boxing Day Dec 26th
- New Year's Eve celebration featuring "Cold Play" December 31st (fireworks count down)

PAST YEAR 2018

| Dec 2016 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | Total |
|--------------|-----|------|-----|-----|-----|-----|-----|-------|
| | Mon | Tues | Wed | Thu | Fri | Sat | Sun | |
| Rack | 5 | 7 | 8 | 8 | 30 | 50 | 60 | 168 |
| Corp | 23 | 25 | 25 | 25 | 49 | 49 | 40 | 236 |
| T/Agent | 80 | 81 | 83 | 85 | 81 | 75 | 78 | 563 |
| Group | 20 | 20 | 71 | 41 | 84 | 90 | 76 | 402 |
| Package | 108 | 103 | 103 | 95 | 80 | 60 | 65 | 614 |
| Total | 236 | 236 | 290 | 254 | 324 | 324 | 319 | 1983 |
| % | 65% | 65% | 80% | 70% | 89% | 89% | 88% | 78.0% |

ON THE BOOKS 2019

| Dec 2017 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | Total |
|--------------|-----|------|-----|-----|-----|-----|------|-------|
| | Mon | Tues | Wed | Thu | Fri | Sat | Sun | |
| Rack | 3 | 3 | 15 | 18 | 33 | 50 | 45 | 167 |
| Corp | 17 | 27 | 11 | 11 | 37 | 61 | 50 | 214 |
| T/Agent | 85 | 82 | 80 | 85 | 80 | 50 | 43 | 505 |
| Group | 39 | 42 | 39 | 29 | 29 | 29 | 75 | 282 |
| Package | 70 | 71 | 127 | 100 | 127 | 100 | 150 | 745 |
| Total | 214 | 225 | 272 | 243 | 306 | 290 | 363 | 1913 |
| % | 55% | 62% | 75% | 67% | 85% | 80% | 100% | 75.3% |

COMP SET 2019

| Comp. Set | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Total |
|--------------|-----|-----|-----|-----|------|------|-----|-------|
| Park | 80% | 82% | 95% | 89% | 100% | 100% | 80% | 88.7% |
| Royal | 80% | 80% | 85% | 82% | 100% | 100% | 71% | 86.4% |
| Istana | 85% | 89% | 85% | 84% | 100% | 100% | 77% | 87.9% |
| Castle | 72% | 78% | 86% | 80% | 100% | 100% | 71% | 84.1% |

a. Draw the table below in your answer booklet and fill up the forecast for December 2020

YOUR FORECAST (20 marks: Accuracy 10 marks, Consistency 10 marks)

| Dec 2018 | MON 25 | TUES 26 | WED 27 | THUR 28 | FRI 29 | SAT 30 | SUN 31 | Total |
|----------|-----------|------------|-----------|------------|-----------|-----------|-----------|-------|
| RACK FIT | | | | | | | | |
| CORP | | | | | | | | |
| T/Agent | | | | | | | | |
| GROUP | | | | | | | | |
| Package | | | | | | | | |
| TOTAL | | | | | | | | |
| % | | | | | | | | |

b. Justify the forecast based on your market Segment (20 marks)

c. Referring to your forecast, the time of year and the rooms and rates listed, explain the revenue management strategy you would use to ensure that your forecast for December at The Blue Lagoon will happen. (10 marks)

| <u>Control Marker (strategy):</u> | <u>Would you Use? (Y/N)</u> | <u>What day/s and Rates/Rooms</u> | <u>Why/ Why not?</u> <i>If you don't use it, also explain why</i> |
|---|-----------------------------|-----------------------------------|--|
| Close-Out. | | | |
| Minimum Nights. Please state how many nights | | | |
| Rate Average. | | | |
| Low Rate Promotion | | | |
| Package | | | |

d. Generate **FIVE (5)** strategies on maximising revenue for the month ahead and relate to market segment (10 marks)

END OF EXAM PAPER



Final Assessments / Examinations HONOUR AND AUTHENTICITY DECLARATION

This form must be completed, signed and dated and either attached or submitted electronically for each final examination you take, including those taking place online or in your personal study time. You are advised to keep a copy of this form.

| | |
|--------------------------|--|
| Student name | |
| Student ID number | |
| Programme | |
| Course code and title | |
| Final examination format | |
| Lecturer's name | |
| Date of submission | |

PLEASE READ THE FOLLOWING STATEMENTS AND SIGN BELOW TO INDICATE THAT YOU HAVE SATISFIED THESE REQUIREMENTS.

1. I declare that this final examination is completely my own work, demonstrates my own abilities and knowledge and does not involve plagiarism or teamwork other than that authorised for this final examination.
2. More specifically, I declare that I have not contracted another person to do the work for me or allowed another person to edit and substantially change my work.
3. I have taken proper and reasonable care to prevent this work from being copied by another student.
4. I declare that my work for this final examination has not been submitted for assessment in any other course or programme within BERJAYA University College or elsewhere.
5. I am aware of and understand BERJAYA University College's plagiarism and academic dishonesty policies and that an infringement of this declaration leaves me subject to disciplinary actions and penalties.

Student signature _____

Date _____