
Grand Xing Imperial Hotel: Seeking Sales Romance for the Love Month

It was an hour before the end of Mr. Shem Ganzon's shift. He was the Special Assistant to the General Manager of Grand Xing Imperial Hotel. His daily tasks included forecasting, reviewing all proposals before presenting them to the General Manager and providing him with options, coordinating all departments in the hotel, setting deadlines for all tasks, creating a checklist, gathering issues that need to be addressed, creating reports and sales projections, setting quotas, and determining what needed to be prioritized. He felt more pressure now, ever since being promoted, but he was grateful to be given with such an opportunity even though he'd been with the company for only two years. He had just finished reading all the reports, creating recommendations and updating his checklist when he received an email. It was a task from the Chief Operating Officer.

The annual Dinagyang Festivalⁱ of Iloilo City had just concluded, and the hotel needed to start planning for Valentine's Day. The four hotels that The Grands company owned needed to submit a proposal for a marketing strategy to increase room revenue, banquet, KTVⁱⁱ and restaurant profits. Each hotel needed to create its own theme, design and promotions to cater to their varying target markets. Mr. Ganzon informed his department heads that they would have a meeting the next day to discuss their plans for the month of love. Mr. Ganzon needed to have some ideas for the marketing strategy ready for the meeting.

i The Dinagyang Festival is a religious and cultural festival that is held in Iloilo City on the fourth Sunday of January every year.

ii Karaoke television entertainment room.

Company Overview

The Grand Hotels envision operating a chain of hotels in Iloilo City by 2020, offering tastefully designed standard accommodation enhanced by delicious cuisine and personalized customer service. Its mission was to provide a working environment that inspires and motivates service excellence for total customer satisfaction.¹

The Iloilo Grand Hotel Corporation was hatched from a business venture of four friends who were prominent and successful entrepreneurs in their own fields of interest. They were Marcelino M. Florete, in jewelry and hotel; Mr. Rodolfo C. Tiu, in appliance; Mr. Alfonso G. Tan, in construction; and Mr. Romeo S. Go, in the shoe industry.²

Their first business venture together started with The Lee Garden, a Chinese restaurant at Delgado Street, Iloilo City. The closing of this restaurant led the partners to take interest in the hotel business. On December 8, 2003, the Iloilo Grand Hotel started its operation at Iznart Street, Iloilo City. Mr. Marcelino M. Florete Jr., an experienced hotelier and owner of the Cebu Business Hotel in Cebu, became the Chairman of the Board. Mr. Rodolfo C. Tiu was elected President and Chief Operating Officer, Mr. Romeo S. Go, Treasurer and Ms. Helen L. Tan, the Corporate Secretary.³

After seven years, on December 8, 2010, a sister hotel, The Grand Tower Suites located at H. Montinola - Iznart Streets was officially opened for full operation. In time, the partners decided to expand and put up their own respective hotels. Messrs. Florete, Tan and Go decided to sell their shares to Mr. Rodolfo C. Tiu and, on January 2014, the Tiu family became the sole owner of Iloilo Grand Hotel, the Grand Tower Suites and of the Iloilo Grand Hotel Corporation.⁴

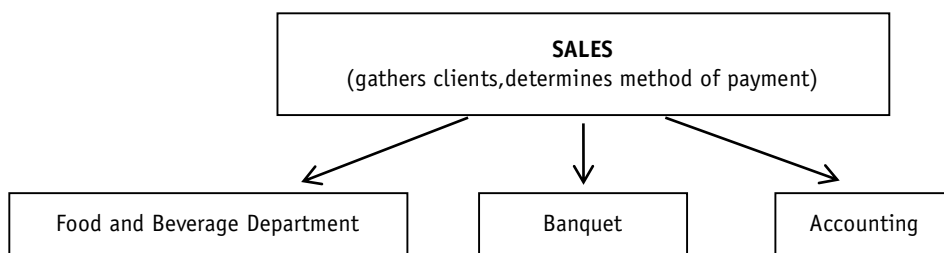
On July 1, 2015, Madison Hotel PHL, located at Delgado Street, Iloilo City, was officially opened for operation. This was the third hotel of the Grand Hotels chain. On September 2016, Grand Xing Imperial Hotel, the fourth of the chain's hotels started its operations.⁵

Each of the four hotels had a different structure, and each of them catered to different markets. Iloilo Grand Hotel, The Grand Tower Suites and Madison Hotel were standard hotels and catered mostly to business travelers and the traveling public. Grand Xing Imperial Hotel, on the other hand, catered to executives, businessmen and corporate entities. The hotels were located near each other, with the Grand Tower Suites facing the Grand Xing Imperial Hotel.⁶

Operations

Grand Xing Imperial Hotel had four revenue centers: guest rooms, function rooms, KTV rooms, and Flames, its restaurant. Reservations of guest rooms were handled by the Front Office Department while the Sales Department gathered clients for the other four revenue centers.⁷

Figure 1
Flow of operations in the hotel's three revenue centers: function rooms, KTV rooms and the restaurant.



Source: Interview with Mr. Shem Ganzon, January 24, 2017.

The Sales Department forwarded all reservations and requests to the Food and Beverage Department (F&B), Banquet and Accounting. The F&B Department handled all food and beverage requests and concerns, the Banquet Section dealt with the preparation for the set-up and design of the function rooms, and the Accounting Department was in charged with the financial aspect of the operations.⁸

The Front Office Department dealt with guest room reservations and increasing rooms revenue. In some hotels, the Front Office Department consists of six sections: the reception, reservations, billing, bell service, telephone exchange, and business center.⁹ For Grand Xing Imperial Hotel, the department consisted of Bellmen who assisted guests and took care of their luggage, and Front Office Associates who performed multiple functions: answering inquiries, taking incoming calls, making outgoing calls, routing calls, coordinating with other departments concerned, performing cashiering functions, creating reports, doing night audits, providing assistance to guests, and serving as the front line for all guest complaints.¹⁰

In 2017, the hotel had 35 KTV rooms on the fourth floor and a supervisor who was in charge of their operations. The hotel also had a grand ballroom that could accommodate up to a thousand guests and was a good venue for conventions and huge events.¹¹

The Marketing Department also worked hand in hand with the other departments, being in charge of the formulation of marketing strategies and promotions.¹²

For Mr. Ganzon, his job in managing the newest of the company's hotel chains was more challenging as compared to managing the other hotels. With the other three, the standards were already established, whereas at Grand Xing Imperial Hotel they had to create new standards and routines. The hotel had started from scratch and was still building systems that would make its operations more systematic and smooth flowing.¹³

Human Resource

As with any other organization in the hospitality industry, one of the major challenges in terms of human resource was employee attrition. With Grand Xing Imperial Hotel, and the with the three other hotels owned by the company, attrition was anticipated but was not that alarming. To ensure that the manpower needs of all four hotels were provided, and that operations were not affected, the company had an ongoing hiring process and also accepted OJTs (On the Job Trainees) who were Hotel and Restaurant Management or Tourism Management students from various schools in the city and province of Iloilo. The hiring process was complicated as compared with some other hotels. The company performed a series of tests and interviews to the applicants to ensure they have the best in the industry. Those who were hired

were then distributed to the four hotels. Grand Xing Imperial Hotel was prioritized first because it was the company's main and biggest hotel.¹⁴

The Challenges

The challenges faced by Grand Xing Imperial Hotel were the usual challenges faced by any hospitality organization. These included: dealing with people of different nationalities and culture, complaints on some amenities, technical issues with the facilities like air conditioners, TVs and hot and cold showers. These concerns were expected, and the management believed that prevention was better than providing resolution so they made sure that all information was accurate and they found ways to deal with these concerns.¹⁵

The hotel didn't have a reservation system, and most of its guests were walk-ins. The hotel also didn't yet have a website on which guests could book online.¹⁶

The Central Dilemma

The four hotels owned by The Grands sought to excel but not to compete with each other, because each of them catered to a different market niche. For the month of February, each hotel was tasked with creating a marketing plan that would attract a "sales romance" -- to increase sales volume, generate more profit, and maximize the hotels' potential for the opportunity provided in the month of love... in the city of love, Iloilo. Mr. Ganzon needed to have some ideas for his hotel's marketing strategy ready for his meeting with the chief operating officer.

Exhibit 1
Map of Iloilo City



Source: Google Maps.

<https://www.google.com/maps/place/Iloilo+Grand+Hotel+Corporation/@10.6926624,122.5600008,15z/data=!4m5!3m4!1s0x33aee5648b39f99b:0xa830af6a4d1d22e2!8m2!3d10.6926624!4d122.5687555?hl=en> Accessed February 3, 2017.

Exhibit 2
Iloilo Grand Hotel



Source: *The Grand Hotels*. 2017. Unpublished.

Exhibit 3
The Grand Tower Suites



Source: *The Grand Hotels*. 2017. Unpublished.

Exhibit 4
Madison Hotel PHL.



Source: *The Grand Hotels. 2017. Unpublished.*

Exhibit 5
Grand Xing Imperial Hotel



Source: The Grand Hotels. 2017. Unpublished.

Endnotes

1. The Grand Hotels "Company Profile" January 2017. Printed document.
2. Ibid.
3. Ibid.
4. Ibid.
5. Ibid.
6. Interview with Shem Ganzon, January 24, 2017.
7. Ibid.
8. Ibid.
9. Lago, Elpedia Marte. "Front Office System and Procedures". Chapter 1, *Front Office Department*. Philippines. 2010
10. Interview with Shem Ganzon, January 24, 2017.
11. Ibid.
12. Ibid.
13. Ibid.
14. Ibid.
15. Ibid.
16. Ibid.