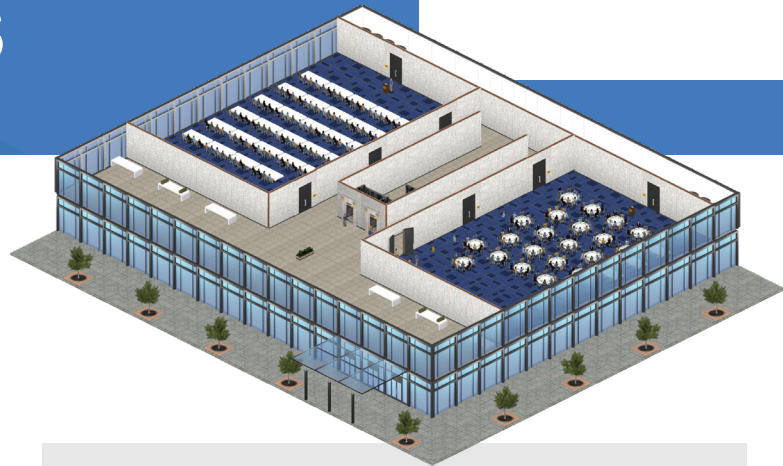


Case Briefing

Sales & Marketing - Group Sales



The Situation

The Cosmo is a four-star, 418 room, hotel that hosts mostly groups. Transient (individuals who stay for a short term) demand is moderate compared to group business and, therefore, group sales is very important to the success of the hotel. The owner has set an ambitious goal for group sales (rooms revenue, banquet revenue, and meeting room revenue).

Your Role

You have just been promoted to the position of Group Sales Manager. Your first instinct (which is correct) is to review the PACE Report, which displays the monthly booking production for this year and last year. No sales have been booked so far for this year, but you believe that the goal given you by the owner is achievable. However, it will take sales intelligence and planning to make it happen.

Learning Phase

Step-by-step instructions will guide you through the group sales process in a “practice” hotel. Your practice hotel has the same number of rooms as the Cosmo, 418 rooms. Since this is the Learning Phase, you will see sales opportunities from only three group prospects. You’ll learn how to identify which are likely to be the most profitable and try to book those. Finally, you’ll look at managing your scarce resources (rooms and space) over time to maximize profitability.

Challenge Phase

In this phase, you will have a number of potential clients seeking bids for your space at the Cosmo. You will need to evaluate them and bid intelligently to fill your rooms and banquet space with the most profitable clients. Your task is to meet the owner’s goal for new group sales bookings by the end of the month

At the option of your Professor, you may be able to retry the Challenge Phase multiple times. Only your best grade will count.

Groups in the Simulation

The simulator models the different types of groups that typically book stays at hotels. These could be corporate, government, social organizations and more. Each type of group has different needs for meetings, banquets, and rooms. They also may have very different price sensitivities. In the simulator, multiple groups may be seeking lodging/banquets at the same time, making it crucial for you to allocate your scarce space to the most lucrative opportunities.

Discussion Questions

When the PACE report indicates that room revenues are ahead of pace versus last year, what options can sales managers do to achieve the highest revenues for the remainder of the year?

Discuss different potential ways of reserving or selling space based on the likelihood of sales to clients who may be more or less profitable?

Make a case for selling as much room inventory as quickly as possible at the beginning of the year?

Make a case for reserving some inventory several months into the future.