



**CAREER CLUSTER**  
Hospitality and Tourism

**CAREER PATHWAY**  
Lodging

**INSTRUCTIONAL AREA**  
Pricing

## **HOTEL AND LODGING MANAGEMENT SERIES EVENT**

### **PARTICIPANT INSTRUCTIONS**

- The event will be presented to you through your reading of the 21<sup>st</sup> Century Skills, Performance Indicators and Event Situation. You will have up to 10 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will have up to 10 minutes to make your presentation to the judge (you may have more than one judge.)
- You will be evaluated on how well you meet the performance indicators of this event.
- Turn in all of your notes and event materials when you have completed the event.

### **21<sup>st</sup> CENTURY SKILLS**

- Critical Thinking – Reason effectively and use systems thinking.
- Problem Solving – Make judgments and decisions, and solve problems.
- Communication – Communicate clearly.
- Creativity and Innovation – Show evidence of creativity.

### **PERFORMANCE INDICATORS**

1. Explain the nature and scope of the pricing function.
2. Explain the concept of price in the hospitality and tourism industry.
3. Describe factors affecting the prices of hospitality and tourism products.
4. Explain how guests make reservations online.
5. Contrast advanced deposits with prepaid reservations.

## EVENT SITUATION

You are to assume the role of director of revenue management at INN AT THE CANYON, a full-service hotel located near a national park. The general manager of the property (judge) would like you to establish a pricing strategy to maximize booking next season.

INN AT THE CANYON is adjacent to one of the most popular national parks. The new facility has only been open for three years and continuously has 100% or close to 100% occupancy during peak season and 75% or higher occupancy during non-peak season. Guests love the location and the rustic charm of the property. There are only 100 guest rooms, all with two queen sized beds, so dates sell out quickly.

Currently, a guest room during non-peak months, September through May, is priced at \$129 Sunday through Thursday and \$149 Friday and Saturday. During peak season, prices increase to \$229 Sunday through Thursday and \$249 Friday and Saturday. INN AT THE CANYON offers reservations through the property's website, via telephone and on several online travel agencies.

A popular hotel price comparison website released a report documenting trends in online hotel price searches. It was found that hotel properties near national parks have a substantial increase in searches from January 1<sup>st</sup> to April 1<sup>st</sup> for hotel stays from June 1<sup>st</sup> to November 1<sup>st</sup>. This information has been helpful, as it demonstrates that the national park's peak season does not match what the hotel considered peak season. The information also demonstrates that guests are booking way earlier for stays at national park hotels than for other destinations.

Using the information from the report, the general manager (judge) wants you to establish a pricing strategy for the upcoming season. The general manager (judge) wants you to determine:

- How much to raise non-peak season room rates?
- How much to raise peak season room rates?
- Which months should be included in peak season?
- When should new prices go into effect?
- Should the property offer pricing incentives for prepaid reservations?

You will present your pricing strategy to the general manager (judge) in a role-play to take place in the general manager's (judge's) office. The general manager (judge) will begin the role-play by greeting you and asking to hear your ideas. After you have presented your strategy and have answered the general manager's (judge's) questions, the general manager (judge) will conclude the role-play by thanking you for your work.

## JUDGE'S INSTRUCTIONS

### DIRECTIONS, PROCEDURES AND JUDGE'S ROLE

In preparation for this event, you should review the following information with your event manager and other judges:

1. Procedures
2. 21<sup>st</sup> Century Skills and Performance Indicators
3. Event Situation
4. Judge Role-play Characterization  
Participants may conduct a slightly different type of meeting and/or discussion with you each time; however, it is important that the information you provide and the questions you ask be uniform for every participant.
5. Judge's Evaluation Instructions
6. Judge's Evaluation Form  
Please use a critical and consistent eye in rating each participant.

### JUDGE ROLE-PLAY CHARACTERIZATION

You are to assume the role of general manager of INN AT THE CANYON, a full-service hotel located near a national park. You would like the director of revenue management (participant) to establish a pricing strategy to maximize booking next season.

INN AT THE CANYON is adjacent to one of the most popular national parks. The new facility has only been open for three years and continuously has 100% or close to 100% occupancy during peak season and 75% or higher occupancy during non-peak season. Guests love the location and the rustic charm of the property. There are only 100 guest rooms, all with two queen sized beds, so dates sell out quickly.

Currently, a guest room during non-peak months, September through May, is priced at \$129 Sunday through Thursday and \$149 Friday and Saturday. During peak season, prices increase to \$229 Sunday through Thursday and \$249 Friday and Saturday. INN AT THE CANYON offers reservations through the property's website, via telephone and on several online travel agencies.

A popular hotel price comparison website released a report documenting trends in online hotel price searches. It was found that hotel properties near national parks have a substantial increase in searches from January 1<sup>st</sup> to April 1<sup>st</sup> for hotel stays from June 1<sup>st</sup> to November 1<sup>st</sup>. This information has been helpful, as it demonstrates that the national park's peak season does not

match what the hotel considered peak season. The information also demonstrates that guests are booking way earlier for stays at national park hotels than for other destinations.

Using the information from the report, you want the director of revenue management (participant) to establish a pricing strategy for the upcoming season. You want the director of revenue management (participant) to determine:

- How much to raise non-peak season room rates?
- How much to raise peak season room rates?
- Which months should be included in peak season?
- When should new prices go into effect?
- Should the property offer pricing incentives for prepaid reservations?

The director of revenue management (participant) will present the pricing strategy to you in a role-play to take place in your office. You will begin the role-play by greeting the participant and asking to hear about his/her ideas.

During the course of the role-play you are to ask the following questions of each participant:

1. Why do hotel prices fluctuate?
2. If the new prices still lead to 100% occupancy, should we adjust the strategy again next year?
3. If we receive a last-minute cancellation, do we offer the vacant room at a discounted price or at the set room rate?

Once the director of revenue management (participant) has presented the strategy and has answered your questions, you will conclude the role-play by thanking the director of revenue management (participant) for the work.

You are not to make any comments after the event is over except to thank the participant.

## JUDGE'S EVALUATION INSTRUCTIONS

### Evaluation Form Information

The participants are to be evaluated on their ability to perform the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although you may see other performance indicators being demonstrated by the participants, those listed in the Performance Indicators section are the critical ones you are measuring for this particular event.

### Evaluation Form Interpretation

The evaluation levels listed below and the evaluation rating procedures should be discussed thoroughly with your event chairperson and the other judges to ensure complete and common understanding for judging consistency.

| <b>Level of Evaluation</b> | <b>Interpretation Level</b>   |
|----------------------------|---|
| Exceeds Expectations       | Participant demonstrated the performance indicator in an extremely professional manner; greatly exceeds business standards; would rank in the top 10% of business personnel performing this performance indicator.  |
| Meets Expectations         | Participant demonstrated the performance indicator in an acceptable and effective manner; meets at least minimal business standards; there would be no need for additional formalized training at this time; would rank in the 70-89 <sup>th</sup> percentile of business personnel performing this performance indicator.                    |
| Below Expectations         | Participant demonstrated the performance indicator with limited effectiveness; performance generally fell below minimal business standards; additional training would be required to improve knowledge, attitude and/or skills; would rank in the 50-69 <sup>th</sup> percentile of business personnel performing this performance indicator. |
| Little/No Value            | Participant demonstrated the performance indicator with little or no effectiveness; a great deal of formal training would be needed immediately; perhaps this person should seek other employment; would rank in the 0-49 <sup>th</sup> percentile of business personnel performing this performance indicator.                               |



**HOTEL AND LODGING MARKETING SERIES,  
2018**

Participant: \_\_\_\_\_

I.D. Number: \_\_\_\_\_

**JUDGE'S EVALUATION FORM  
SAMPLE**

**INSTRUCTIONAL AREA  
Pricing**

Did the participant:

|                                       |  | Little/No Value | Below Expectations | Meets Expectations | Exceeds Expectations | Judged Score |
|---------------------------------------|--|-----------------|--------------------|--------------------|----------------------|--------------|
| <b>PERFORMANCE INDICATORS</b>         |  |                 |                    |                    |                      |              |
| 1.                                    | Explain the nature and scope of the pricing function?                      | 0-1-2-3-4       | 5-6-7-8            | 9-10-11            | 12-13-14             |              |
| 2.                                    | Explain the concept of price in the hospitality and tourism industry?      | 0-1-2-3-4       | 5-6-7-8            | 9-10-11            | 12-13-14             |              |
| 3.                                    | Describe factors affecting the prices of hospitality and tourism products? | 0-1-2-3-4       | 5-6-7-8            | 9-10-11            | 12-13-14             |              |
| 4.                                    | Explain how guests make reservations online?                               | 0-1-2-3-4       | 5-6-7-8            | 9-10-11            | 12-13-14             |              |
| 5.                                    | Contrast advanced deposits with prepaid reservations?                      | 0-1-2-3-4       | 5-6-7-8            | 9-10-11            | 12-13-14             |              |
| <b>21<sup>st</sup> CENTURY SKILLS</b> |  |                 |                    |                    |                      |              |
| 6.                                    | Reason effectively and use systems thinking?                               | 0-1             | 2-3                | 4                  | 5-6                  |              |
| 7.                                    | Make judgments and decisions, and solve problems?                          | 0-1             | 2-3                | 4                  | 5-6                  |              |
| 8.                                    | Communicate clearly?   | 0-1             | 2-3                | 4                  | 5-6                  |              |
| 9.                                    | Show evidence of creativity?   | 0-1             | 2-3                | 4                  | 5-6                  |              |
| 10.                                   | Overall impression and responses to the judge's questions                  | 0-1             | 2-3                | 4                  | 5-6                  |              |
| <b>TOTAL SCORE</b>                    |  |                 |                    |                    |                      |              |