

CASE 11 The Crestwood Inn

Christy Kelley moved from Boston, Massachusetts, to take over as the general manager of The Crestwood Inn, located in Lexington, Kentucky. Before taking the job at The Crestwood, Christy had been the assistant general manager of a large chain hotel in downtown Boston. She had grown tired of the harsh winters and fast pace of the Northeast, and she felt it would be a welcome change to move to a warmer climate and a much more relaxed atmosphere. Christy had worked for the large chain for several years, starting in the management training program and working her way up eventually to assistant general manager, before taking her new position as general manager of the inn.

The Crestwood Inn is one of the oldest properties in the area, but it has been renovated periodically over the years. The inn is owned by a group of independent investors and has 116 rooms with basic amenities. There is no restaurant or pool, but there are some restaurants in the local area. The inn's room rate is at the low end for the market, which consists mainly of upscale properties. The Crestwood Inn's primary strategic advantages include its price and its location, which is convenient to local horse racing venues.

Upon starting her new position as general manager, Christy realized that there were major differences between working for a large chain and working at a small, independent motel. The large chain hotels had sophisticated computer systems for reservations, sales, catering, and revenue management. In addition, customer information was systematically gathered through surveys and comment cards. The surveys and comment cards provided managers with valuable information that could be used to make important decisions about hotels rates and services. Unfortunately, The Crestwood Inn had a very simple reservations system and no additional information except for some historical figures on past rates and occupancy. As Christy took over as general manager, the average room rate was \$100 and the occupancy rate was around 70 percent.

Christy understood the value of gathering customer information, and she personally developed a comment card to be placed in every room. Customers were asked to complete the comment card and leave it in the room for housekeeping to collect. The purpose of the comment card was to determine how guests staying at the motel felt about the property and its services. Christy wanted to make sure that all her guests were satisfied. At the end of the first year, she received a total of 169 completed comment cards.

(Hoffman 312)

Hoffman, K.. *Services Marketing, 5th Edition*. Cengage Learning UK, 2016-01-01. VitalBook file.

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After compiling the information contained on the comment cards, Christy looked at guest responses pertaining to their overall customer satisfaction:

Which of the following best describes your experience at The Crestwood Inn?

The motel exceeded my expectations. The motel met my expectations. The motel failed to meet my expectations.

18.7 percent 56.8 percent 24.5 percent

The percentages indicate the guests' responses to the question—nearly 75 percent of guests indicated that the inn met or exceeded their expectations. Christy was pleased that this year's results could serve as a benchmark for future years, but she was concerned that The Crestwood Inn failed to meet the expectations of approximately one-fourth of its guests. Next, Christy looked at the guests' ratings of the motel's facilities and services on a five-point scale (1 1/4 poor, 2 1/4 fair, 3 1/4 neutral, 4 1/4 good, and 5 1/4 excellent).

(Hoffman 313)

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HOTEL SERVICES	MEAN
Reservations	4.46
Front desk/check-in	4.52
Front desk/checkout	4.34
Front desk/guest service	4.50
GUEST ROOM	
Comfort	4.18
Bedroom lighting	3.90
Cleanliness	4.31
Furnishings	4.10
Adequacy of supplies	4.21
Heating/air-conditioning	3.89
Overall quality	4.15
Price/room rate	4.12

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Discussion Questions

1. Discuss the pros and cons of Christy's development of the comment card. 2. Describe the potential problems associated with involving the housekeeping staff in collecting the comment cards. 3. With regard to the three expectation questions that address the guests' experience:

(1) What information can Christy learn from these three questions; (2) what additional information would be helpful to improve the level of service provided by the hotel; and (3) how can this additional information be collected?

4. Christy also collected information about to the hotel's services and guest rooms. (1) What information can Christy learn from these questions; (2) what additional information would be helpful to improve the level of service provided by the hotel; and (3) how can this additional information be collected?

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