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**Title**

Hotel and Retail Management: Challenges in the Customer Service Communities

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HOTEL AND RETAIL MANAGEMENT:
CHALLENGES IN THE CUSTOMER SERVICE COMMUNITIES

By

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**Abstract**

This paper compares Hotel and Retail Management and analyzes all of the different elements that make it crucial for a business to succeed in these industries. The purpose for this research project was to see the types of challenges that they both have to deal with and try to overcome. After discovering all of the various aspects that come into play for Hotel and Retail Management, it was clear to see that one tends to be more difficult to manage then the other. This paper can be advantageous to others because it gives an insight as to what to expect when entering these fields.

In order to get started on this project, online research played a big role in finding information and data for both hotel and retail industries. This included several different works, including books and articles, to aid in providing strong information and details about both types of businesses. All of these literary works and examples helped to pull this paper together to focus on how Retail Management can be more perplexing and challenging than Hotel Management.

**Acknowledgements**

I would like to take a moment and dedicate this Honors Capstone Project to my parents for always believing in me, teaching me to stay positive, and to not give up when times get tough. This is also for my grandfather for instilling in my siblings and me that education is the strongest trait that you can have. Thank you to Professor Raj Singh for taking time out of his busy schedule to help me compose this research paper over the last couple years. Thank you to Latoya Ambrose and University Honors for guiding me and helping me to discover my passion. Lastly, thank you to my roommate for motivating me to finish and for making us coffee on our all-nighters. Thank you for your support.

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**Introduction**

This project is a competitive analysis on Hotel and Retail Management. Working in these two fields can be challenging at times, and I hope to show all of the different aspects that the leadership has to consider when operating a Hotel or a Retail store. The purpose of this paper was to conduct research on a topic that would be beneficial to aspiring business leaders that are considering management or who simply want to know what to expect in this field of work.

**Problem Statement**

This paper addresses the different everyday lives of both Hotel and Retail Managers. These two industries are similar yet different enough to call for their own unique management system. The different factors that affect how efficient both management systems are will be discussed along with the following questions.

**Research Questions**

1. What are Hotel and Retail Management, the managers' responsibilities, and what factors must they consider when attracting customers?

2. How does one perfect a management system, and what is the importance of Closed-Loop Management System, Technology, Innovating, Social Media, Customer Service, Porter's 5 Forces, and PESTEL and how do they all relate back to the management system?

3. What are some cases that represent a strong need for a good management strategy? Based on these cases, is there one specific management type that is more challenging than the other?

**Methodology**

To compose this paper, I used several different articles, academic journals, books, Academic Search Complete, Business Source Complete, and Google Scholar to gather research and background information. I could form a solid position on the discussion between Hotel and Retail Management with the help of all of the different literatures. In addition to this research, previous business management classes have been beneficial in providing additional information and support. Furthermore, this paper uses the information and details from the various literary works and expands on to answer the last question of which management type seems to have more challenges.

**Results and Findings**

*1. What are Hotel and Retail Management, the managers' responsibilities, and what factors should they consider when attracting customers?*

Hotel Management is defined as

> The specialty of overseeing the day-to-day operations of a hotel…hotel managers work in a very dynamic and fast-paced service industry and may perform a number of different tasks depending on the establishment. Large or full-service hotels often require hotel managers to oversee a large staff in various departments including housekeeping, maintenance, sales and marketing, safety, front-office, and food service… They may also be responsible for developing and implementing procedures for sales and marketing strategies. They may hire and train staff, inspect guest rooms and ensure public areas and grounds are clean and meet safe standards (Beyond.com).

Hotel Managers oversee guest and staff satisfaction, work ethics employee benefits, dining and catering, and any events that may be hosted in the establishment. There is more to this job than checking in guests and taking care of reservations. Managers should take in information such as the changing demographics and competition as well as the economy and any challenges one may face.

The fourth edition of *Hotel Management and Operations*, edited by Denney G. Rutherford and Michael J. O'Fallon, describes all the different systems that a manager should expect when creating a hotel and how there are several different factors that affect whether or not the business will be a success. Hotel Management means knowing the demographics of the population (Rutherford, 2007, p. 1) since it will help managers and owners see what type of peoples' needs they need to cater to, and if it is a vacation resort, they can plan their activities and layout accordingly. Like some retail businesses, this specific type reaches out to people in different countries. Therefore it is an important aspect of managing a hotel because it needs to have a welcoming, happy environment; a friendly, approachable staff, and various amenities open for everyone to use.

For the demographic factors, managers should take into consideration their surroundings and the population they hope to attract. For the population, it would be advantageous to know the average size of a family, income levels, and whether customers are there on a business-related trip or for a vacation. This could help to set room and visit pricings and the overall hotel's budget. This leads into the events, which managers can hire event planners to help create entertaining yet professional activities for guests. These events could be anything from a job fair or work convention to a guest-related one like a wedding. Whether they are to help those on vacation to relax or providing conference rooms or small focusing and meditating groups, it is good for the company to be able to cater to all their guests' needs. People might be coming from diverse places and would be expecting a luxurious and positive experience.

Focusing more on events, this is a significant component that helps to represent the staff of a hotel. In their paper on Hotel Conversion Services, the authors pull a quote

from Ellen Muraskin '[C]onvention Service mangers are increasingly becoming power wielders and not just facilitators' (Shaw, 1991, p. 138). This means that this specific part of Hotel Management is gaining more recognition and responsibilities. The event planners and hotel staff members should be able to quickly redecorate rooms to keep different activities on time. They should strategize this in a way that accommodates all of the guests and gives them minimal standing time outside of the doors while staging the room. Events and these meeting rooms play a strong role on how customers feel about their overall hotel experience. If managers can transition from one event to another in a timely manner and complete with the food and decorations, then guests are more likely to have a positive and memorable encounter.

In addition to the events, dining and catering are a deciding factor for customers too. As stated before, people may be visiting from different parts of the world, or they may simply like trying new dishes, so it is beneficial to have various foods offered either daily or weekly. In regard to events: preparing an abundant amount of food, setting them up in the different and changing meeting rooms, and designing a menu that appeals to everyone, could result with positive feedback about the specific hotel when talking to peers or writing a review.

Competition in the Hotel Industry includes having luxurious and high-end amenities such as: a pool and Jacuzzi, game room, gym, a bar, and sometimes a nightclub, to assist in keeping the guests entertained. This would then result in repeat customers and increased brand reputation. There are other features that contribute to being a stronger competitor and they are: having a nice location of the hotel, a welcoming environment and approachable staff, reliable Internet connections, and an efficient

management system. First, dealing with a demographic element again, location is an important part of planning hotel operations because it needs to be in an area that will accommodate most guests while attracting new ones. Customers tend to be more drawn to places that have nice views of the beach if it is near the coast, or if it close to the heart of the city, they want to be near the restaurants and where there is an abundant amount of activities to do. Second, a welcoming environment and approachable staff help to build a better connection and reputation with the customers. Customer service is a crucial part of what makes a good experience for consumers and will be expanded on later. Internet connection is another influencer as to how well a person's stay goes. Today, people need to have quick, reliable, and safe access to the Internet to check their emails, complete work assignments, or to just surf the web. Having a strong Wi-Fi connection set up will not necessarily gain a reaction from customers, but it would prevent any negative feedback that could come if guests were not satisfied with their connection.

Some additional factors that managers need to keep an eye on are hotel security, natural disasters, cleanliness, and operating costs. When guests come to stay at a hotel, they need to feel welcome and safeguarded. This is a top concern for managers because they need to be able to guarantee room security for customers; otherwise, there could be a decrease in the number of guests. These vacationers should not need to worry that their belongings will be stolen and feel assured that their luggage and themselves will be protected in the hotel. Elaborating more on hotels and the individual bedrooms and bathrooms, they should be cleaned daily. If people come to stay at a hotel and find that the lobby has dirty floors or that the bedrooms have not been fully cleaned with neatly made beds, then they will walk away with a negative experience. To prevent this,

managers should verify that they have custodial personnel to check all the rooms throughout the day. Natural disasters are another necessity for managers to be educated on. They need to know how to prepare for tsunamis, hurricanes, earthquakes, or any other storm that may occur in their location. Lastly, operating costs are important for managers to confirm that their budget planning is made to create revenue and increase productivity levels. This could also include working with financial experts and accountants to set salaries for employees and look at labor costs, product costs for furniture, and marketing costs, electricity costs, just to name a few.

> According to the Business Dictionary website, Retail Management is
>
> A process of promoting greater sales and customer satisfaction by gaining a better understanding of the consumers of goods and services produced by a company. A typical retail management strategy for a manufacturing business might research the retail process that distributes the finished products created by the business to consumers to determine and satisfy what buyers want and require (BusinessDictionary.com).

Retail Managers should take care of several different factors that all contribute to how satisfied customers are with their encounter with the company. Their responsibilities include making sure that all operations are running efficiently and effectively.  This means that from before the customer walks into the store or logs onto its website to the moment after he or she purchases an item, the manager and the company are working diligently to meet consumers' demands. The way that managers can try to maximize productivity is to have a balance between tasks so that each has time dedicated to it. They can increase sales by doing so as well as from having motivated employees and being on track with deadlines. The managers should be equipped to deal with setbacks and any

other obstacles that the company may encounter when completing a task or dealing with clients (Monster.com).

Retail Management can be divided into small and large markets that have their own sets of advantages and disadvantages. In "Marketing Strategies: Small Retailers against Big Retailers," Andrei Toma addresses the competition between the two and what tools each one uses to thrive in the economy. This paper talks about the effects of large and small retailers in Romania and West Europe, but these concepts are consistent with those of the United States. He begins by agreeing with a quote from Jay Conrad Levinson: 'Being big does not necessarily mean to be good' (Toma, 2014, p. 90). He goes on to compare the different types of retail starting with large retailers, which consist of hypermarkets, supermarkets, and department stores.

These bigger retail stores tend to succeed with their lower prices and sales as well as with their diverse, good quality products. Having a variety of different products for customers to choose from is beneficial since it does not persuade them to pick a standardized good. They can also build up a good company image and brand reputation by all the promotions and advertising, which attracts more customers to shop with them. On the other side, the disadvantages are there might be some untrained employees that do not thoroughly know all the protocols and product information. This could potentially lead to dealing with rude employees and re-strategizing the training systems.

The benefits of being a small retailer give you "proximity to customers and establish a close relationship with buyers" (Toma, 2014, p. 90) Consumers like shopping here because they have a welcoming and familiar environment. However, the weaknesses include having higher prices and less diversity than large retailers and a smaller staff to

help customers (Toma, 2014, p. 91). Consumers like having a few options to choose from so they can pick the one that best suits their needs, while not having a ton of choices so that they do not feel overwhelmed. Having a smaller staff available to help customers can be challenging too for when the store gets rushes of consumers asking for help.

The author proceeds to talk about the different marketing strategies that each uses. Large retailers use promos and having a customer-friendly image, as mentioned before, and merchandising with several different kinds of products instead of one traditional one. Small retailers use their close location to buyers, satisfactory customer service, and great products to maintain loyal customers. Loyalty was defined as "convenient, quick, comfort shopping, proximity, and traditional," but it can be obtained by both large and small retailers with the right products, meeting consumers' demands, and great customer service, which will be expanded on later (Toma, 2014, p. 93).

2. *How does one perfect a management system, and what is the importance of Closed-Loop Management System, Technology, Innovating, Social Media, Customer Service, Porter's 5 Forces, and PESTEL and how do they all relate back to the management system?*

    a. *Management Systems*

As stated on Monster.com, it is best for the managers and the overall productivity level for them to lead and advise their employees instead of just *managing* them. The term managing refers to just overseeing the workflow and making sure that employees are doing what they are supposed to. Interacting with employees would help to establish a sense of loyalty and relationship between everyone. Communicating with the staff employees to discover what type of management system works best for them would lead

to a friendly and welcoming environment. This will then eventually help to satisfy all or majority of customers by having all workers put their best foot forward and help the company satisfy the customers. A good management system is also defined as "the integrated set of processes and tools that a company uses to develop its strategy, translate it into operational actions, and monitor and improve the effectiveness of both" (Kaplan, 2008). The authors of "Mastering the Management System" explain how "breakdowns in a company's management system and not management's lack of ability or effort are what cause a company's underperformance (Kaplan, 2008). This will be expanded on in the next few pages and will reestablish the importance of communicating strategies with one another.

Having a good mission statement, a strong vision for the company, and moral values help to create a management system that sets stretch goals with different timelines. This assists the managers to focus in on what their purpose is, what they want to come from their company, and how they will act on this. An example of a stretch goal for Cigna Property and Casualty is to be a "top-quartile specialist within 5 years" (Kaplan, 2008). If managers can prepare great strategies but cannot implement them properly, they will have a difficult time trying to follow through on their vision. A senior strategic planner at Fortune 20 company once said "You can have the best processes in the world, but if your governance processes don't provide the direction and course correction required to achieve your goals, success is a matter of luck" (Kaplan, 2008).

b. *Motivation for Employees*

Managers can motivate employees by having good work perks like job security and health benefits, reward systems and strong training programs for those who need help

with certain procedures or need a refresher. A major determinant as to how employees feel about his or her job and the management systems depends on how the reward systems are set up. Reward systems and employee benefits are significant to a company's success because happy and satisfied employees lead to pleased customers which will then lead to a prosperous and efficient business. Workers should not feel overworked and undercompensated; otherwise, they will be inclined to find employment elsewhere. For the employee training programs and other learning techniques, the top leadership should ensure that they are productive. These courses should be constructed in a way that is time efficient and is able to educate everyone on how to handle different situations in a generous manner.

Interacting with everyone in the company allows the managers and employees to be on the same page and be content with the management system. A strong management system is essential to both Hotel and Retail Management. For example, Wal-Mart had faced "a class action lawsuit by female employees who claim Wal-Mart discriminated against them because of their gender" (nbcnews.com, 2005). If a company is known for not being mindful and considerate towards their employees, this would prevent workers from applying to them and could harm its relationship with the public. In addition to this lawsuit, Wal-Mart went through a tough period where there was "a problem with slow checkout service and its stores look uninspiring" (nbcnews.com, 2005). This demonstrates how employees will stop caring and putting in an effort to make the store look nice for customers if they are unhappy themselves. Relating back to the overall management systems, they should include employees' satisfaction along with the customers'.

*c. Meetings*

Managers are accountable for setting meetings and creating agendas that work for their company whether it is weekly or monthly. The article used earlier, "Mastering the Management System," talks about how meetings must be strategically planned. Using a corporation under a pseudonym as an example, the authors show its "meetings' agenda called for a discussion of operational issues in morning and strategic issues in afternoon" (Kaplan, 2008). Between the long hours on looking at sales and campaigns, there is not sufficient time left for strategies that will better the business. There has to be a timeline to show when the staff has time to talk about all matters.

This article addresses the Gresham's Law in regard to management meetings. This is defined as having discussions about bad operations that inevitably drive out discussions about good strategy implementation. With this method, there is not enough time to examine on how to modify their strategy. The management needs to be able to run their meetings efficiently so they leave time for their employees to interact and work with each other to counteract the bad operations. This could help to generate creative strategies for increased prosperity of the business.

*d. Closed-Loop Management System*

Additionally, the authors expand more on the stages of a closed-loop management system; the first one is where the managers and executives "should reexamine the company's fundamental business assumptions and its competitive environment" (Kaplan, 2008). Then, they should ask what the company's mission and vision, which will help them in setting a strategy. Stage two is when the strategy is communicated to the all employees and staff members. The managers also "identify…portfolio of strategic

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initiatives intended to help achieve the strategy's objectives (Kaplan, 2008). Stage three begins with "setting priorities for process improvement projects, followed by preparing a detailed sales plan, a resource capacity plan, and operating and capital budgets," and stage four "reviews the performance of operating department…address problems…review balanced scorecard performance indicators to assess progress and identify barriers" (Kaplan, 2008). The last stage is where the strategies are reexamined and adapted to better suit the system.

| Stage 1 | Develop the Strategy | <ul><li>"Which *customers* or *markets* will we target?"</li><li>"What is the *value proposition* that distinguishes us?"</li><li>"What *key processes* give us competitive advantage?"</li><li>"What are the *human capital* capabilities required to excel at these key processes?"</li><li>"What are the *technology enablers* of the strategy?"</li><li>"What are the *organizational enablers* required for the strategy?"</li></ul> |
|---|---|---|
| Stage 2 | Translate the Strategy | <ul><li>Strategic Themes</li><li>Finding Resources that will aid in reaching company goals</li></ul> |
| Stage 3 | Plan Operations | <ul><li>Process Improvements</li><li>Sales Plan/Resource Capacity Plan/Operating and Capital Budgets</li></ul> |
| Stage 4 | Monitor and Learn | <ul><li>Operational review meetings</li><li>Strategy Review meetings</li><li>Agendas</li></ul> |
| Stage 5 | Test and Adapt the Strategy | <ul><li>Cost and Profitability Reports</li><li>Statistical Analyses</li><li>Emergent Strategies</li></ul> |

Figure 4: Closed-Loop Management System

[Information in Figure 4 was taken from "Mastering the Management System" (Kaplan, 2008)]

## e. *Technology and Electronic Commerce*

When it comes to the amenities, the authors claim that technology is a significant factor to both the hotel and consumer. Both Hotel and Retail Managers should maintain their websites and have a good electronic commerce strategy set. Technology consists of the website and Internet connection (as stated earlier) for both the hotel staff and the guests. It is a nice advantage to have cable set up too. With more entertainment brings more customer satisfaction.

Technology and having a company website allows customers to connect with the staff members and seek help from the customer support system. Being a part of the customer service, this assists in linking people to whomever they wish to talk to, whether it is a manager or another employee. Electronic Commerce is a buying and selling process of goods and services between a customer and a company. This can let the public see what product, prices, and experiences they can expect from the company. For both the Hotel and Retail Industries, the managers can hire a web designer to make their sites easy to access and use too.

## f. *Importance of Social Media and Innovation*

Today we are in a more electronically advanced era where electronic commerce and social media is becoming more prominent. Therefore, it is beneficial for businesses to create profiles to help build brand recognition as well as seeing first-hand the fluctuating customer demands. Managers can stay up-to-date on new trends, which can help them to create products that the public desires. There are several different social media sites such as Facebook, Twitter, Instagram, and so on, and a company should decide if they will be using one uniform profile for all the different sites or different

profiles for each. This strategy could help the company to create profiles that better fit the themes of the various Medias.

Innovation is a strong element when it comes to satisfying the public's demands. They prefer having continuous updates in their technology because it helps them to complete their different tasks in an easier and faster way. Improvements in technology allow companies and consumers to keep moving forward in this high-tech society. Having new modifications and gadgets that aid people in their every-day life is more advantageous to consumers instead of having a device with the same features and no updates.

### g. *Customer Service*

As stated earlier on, this is an important attribute to a business's success because it allows a company to use the feedback they receive to modify and improve upon their business strategy and customer service. Figure 1, which is depicted on the right, helps to visualize some of the parts that make up good customer service. Focusing on Hotel and Retail Management, customer service means helping the customer with any questions and needs they may have. It additionally keeps track of whether the consumers



Figure 1: Customer Service

are happy with their purchases, the product itself, and the overall service they received. Correlating back to the technology and electronic commerce portion of this paper,

customer service is a good method to continuously update how a company can keep its customers satisfied, whether it is with the products or the experience the business provides. For Hotel Management, this is checking customers' reservations and guaranteeing them a nice room and stay. It includes having a cleaning staff, a concierge, and employees to assist them if need be. The hotel's amenities such as the pool, bar/lounge area, and restaurant are all included in a guest's stay and should live up to their expectations. For Retail Management, it includes various types of companies like fashion, electronics, home furniture and everyday groceries, etc. For the customers, it is important for them to know that they can have any issue, big or small, resolved as quickly as possible by the management. They should be able to reach who they need to by email or by phone.
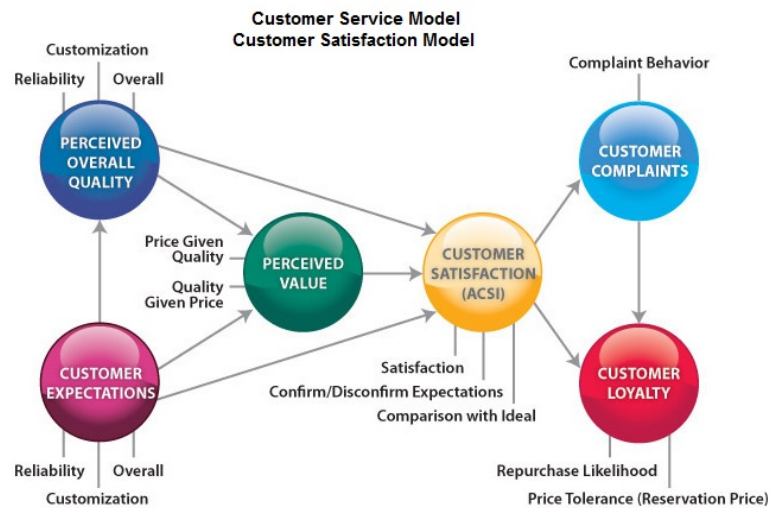


Figure 2: Customer Satisfaction Model

Why customer service is so important is because it leaves an impact on the customers. Figure 2, the Customer Satisfaction Model, appearing on the previous page helps to illustrate this. If they have a positive experience or an unhappy negative one, they will remember it and might also tell their peers about it. Having a positive review

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will be great for business and show promising customers how much the management and employees care and how they are here to help. However, if there is a bad customer review, it can discourage potential consumers from becoming involved with the company. It shows that the company either does not have good products or service or that it simply does not spend enough time to see how to truly satisfy customers' needs (Naylor, 2014). Living up to customers' expectations will help prevent and reduce any complaints they have and will aid in establishing a strong relationship with them.

In addition to showing the public how the company's work reflects the employees' work ethic, customer service can be used to "help differentiate a company from its competitors" (Suttle, 2010). If one retail store or a specific hotel is known for having greater customer service and reviews, people would be persuaded to visit them instead of the ones that do not, which helps give them a competitive advantage. Along with gaining new customers from having good reviews, the customers would visit again, establishing a relationship with the company. This also helps save money since attracting customers is when a company has to spend money on advertising expenses (Suttle, 2010). Another factor that Rick Suttle brings up in his article "Why is Customer Service Important to an Organization?" is that if consumers are not satisfied with their service or product they bought, then they can sue since they are "protected by the Federal Trade Commission" (Suttle, 2010). Therefore, it is imperative that both Hotel and Retail Companies do their best to keep their customers happy and satisfied and to also listen to their complaints and try to resolve them.

*h.* *Porter's Five Forces*

Porter's Five Forces (see figure 3) is used as a framework for businesses to see what risks a company can take and what their strengths are in a given situation. The bargaining power of suppliers is the number of suppliers and their cost of charging. "The fewer the supplier choices you have, and the more you need suppliers' help, the more powerful your suppliers are" (Porter's Five Forces: Assessing the Balance of Power in a Business Situation"). The bargaining power of buyers depends on the number of buyers and how much they are willing to pay for a product. They will switch businesses based on their own demands. The competitive rivalry shows how many competitors there are in this specific field and how good their products are. The threat of substitution show how many other products there are that can be interchangeable for yours, and the threat of new entrants, describes if there are barriers to entry and competitive rivalry.



**Threat of New Entry**
– Time and cost of entry
– Specialist knowledge
– Economies of scale
– Cost advantages
– Technology protection
– Barriers to entry

**Threat of New Entry**

**Competitive Rivalry**
– Number of competitors
– Quality differences
– Other differences
– Switching costs
– Customer loyalty

**Supplier Power**

**Competitive Rivalry**

**Buyer Power**

**Supplier Power**
– Number of suppliers
– Size of suppliers
– Uniqueness of service
– Your ability to substitute
– Cost of changing

**Threat of Substitution**
– Substitute performance
– Cost of change

**Threat of Substitution**

**Buyer Power**
– Number of customers
– Size of each order
– Differences between competitors
– Price sensitivity
– Ability to substitute
– Cost of changing

**Figure 3: Porter's Five Forces**

*i.* **PESTEL**

Like Porter's Five Forces, PESTEL is an important and beneficial strategy for managers to pay attention to. This acronym stands for political, economic, social, technological, environmental, and legal factors. These elements help managers to keep an eye on how the economy and the market is doing; as well as, giving them an opportunity to discover what the new changes are in demand. As mentioned earlier, technology and knowing the demographic of your location benefits your company by staying up-to-date with the new trends and technological advances for specific products.

*Significance of Surroundings*

Focusing on Hotel Management first, being knowledgeable about the location and the developments around it are important because it all contributes to how well the hotel will do. If for example, a hotel was built around a ton of mundane buildings or not in the cosmopolitan, well-to-do area, then it can dissuade customers from staying there. When going on vacation or other trips, some people do like to get a room with a view. They also like to be near shopping centers and restaurants. When laying out the foundation for a hotel, it would be helpful for the manager and hotel owner to work together to see where would be the most advantageous location.

Moving onto Retail Management, location is important too because it is essential to be near the target audience. Knowing the demographic of the people in the neighboring areas is advantageous since it helps the company to see how to appeal to their interests and needs. Knowing the surroundings for retail allows managers to see if they have any strong competitors nearby and if so, how they can establish a strategy for attracting more customers.

3. ***What are some cases that represent a strong need for a good management strategy? Based on these cases, is there one specific management type that is more challenging than the other?***

    a. ***Economy and Trends***

In addition to creating an atmosphere that is satisfying to all consumers and working with airlines to create affordable and pleasant travel experiences for flyers, Hotel Managers need to keep a watchful eye on the economy. Business has not always been great for the hotel industry. An example that the authors of *Hotel Management and Operations* include is the attack in New York on September 11, 2001. After this attack, travel had dramatically decreased.

In the early 2000s,

> Unemployment was at an all-time low; the Dow Jones Industrial Average was between 10,000 and 11,000; hotel occupancies had stabilized nationally in excess of 70 percent; and the federal government was running a surplus for the first time in the memory of most…terrorist attacks in New York and Washington, D.C., in 2001 changed the face of all business and travel, immediately and probably for the foreseeable future as well (Rutherford, 2007, p. 3).

Afterwards, business travel was down far enough that the "high-tech stock market bubble burst" (Rutherford, 2007, p. 3), meaning that investors falsely thought there would be an increase in demand so they raised prices but ended up having to sell them in a panic to reduce losses (Beattie). There were also "major airlines in bankruptcy; hotels struggling to achieve profitable occupancies…the country is at war in a number of locations; security has made travel more difficult" (Rutherford, 2007, p. 3). This resulted in more people staying home, because they were too anxious and irritated for flying and traveling. The authors write "finding ways to operate profitably in such an environment is

the job of the next generation of hotel operators" (Rutherford, 2007, p.3). While this is a rare event, it is best for managers to be prepared for any and every situation that may happen to the economy.

Before this, there was "employment growth was stagnant; corporate profits were low; the expansion of the gross national product (GNP) was only a marginal percentage above previous years; and travel in most segments was down due to corporate restructuring, downsizing, or reorganizing…vast layoffs" (Rutherford, 2007, p. 3) in the year 1993. Fortunately for the Hotel Industry, the economy improved and hotels were able to raise profits.

For Hotel Industries in the early 2000s, there was decrease in travel, people were laid off because of reduced income and profit, and there was reduced travel. In the Hotel Industry, there are many competitors for all of the hotels. For example, the Hyatt has to compete with Hilton, Omni, and others. Competition can be intense since all companies want to gain more business to build up its ratings and brand recognition. According to the 2005 edition of Trends in the Hotel Industry, "the typical U.S. hotel achieved an 11.4 percent increase in profits in 2004 over 2003…this improved profitability follows a three-year industry recession that saw unit-level hotel profits decline 36.2 percent during the period 2001 through 2003." However, it was not until 2006 and 2007, where profit margins from the late 90s were matched. Some factors that played a role in this fluctuating market were the increased energy costs in 2003 and higher oil prices in 2005, and this worried hotel owners and managers about their profit rates ("U.S Hotels Break Three-Year Losing Streak; Unit-Level Profits Rise 11.4 Percent in 2004"). Fortunately, managers could eventually attract customers and maintain their business by focusing on

their, and the airlines, prices and discounts, fighting off competitors, and having a customer-centric revenue management that revolved around what customers' demands and values. Profits could rise because people became more comfortable with traveling, there were loyal and repeat customers, and a strategic system had correlated with how much people were willing to pay ("Revenue Management's Renaissance: A Rebirth of the Art and Science of Profitable Revenue Generation").

Two main retail companies, Target and Wal-Mart, rival with supply-chain problems. Target has expanded its products to include "consumable goods such as meat, fresh produce and dairy products, which in turn have brought customers back to their stores more frequently than in the past" and Wal-Mart "has struggled to tackle the problem of running out of stock…despite having one of the largest and most sophisticated supply chain networks in the business" (Bose, 2015). Over the past few years, Target has also had difficulty with its identity by trying to add trendier and diverse merchandise. This means that Target must keep up with clothing stores such as H&M since it is not the only one with affordable clothing and a "cheap chic strategy". Moving onto another dilemma that happens to include Wal-Mart having lower prices ("Target's Struggle to Redefine itself"). Wal-Mart still is known for having the lowest prices. Another problem Target faced was a loss of $1 billion from trying to expand their chain to Canada but ended up failing (Zillman, 2014).

There is another element to Retail Management, which is electronic commerce. While Target and Wal-Mart try to run their websites efficiently, Amazon is the leader in the online market. This company has created a strong online presence and has "continually refined and improved its delivery options – neither Wal-Mart nor Target has

quite come up with an answer to the online leader" (Kline, 2016). With their Prime membership and faster shipping, Amazon could get ahead in the competition, with Wal-Mart coming up second.

However Wal-Mart has had its fair share of ups and downs. In addition to the claim of discriminating against the female workers that was mentioned earlier, Wal-Mart has had trouble in other areas: "it has also defended itself in highly-publicized lawsuits…said it would pay a fine to settle federal charges that underage workers operated dangerous machinery, and it also agreed to pay $11 million to settle charges that its cleaning contractors hired illegal immigrants" ("Wal-Mart Struggles with Deeper Problems"). Through it all, this company is still a strong Fortune 500 company with loyal customers that keep coming back for the everyday low prices.

**Conclusion**

After discovering the intensive processes and factors that Hotel and Retail Management should incorporate into their businesses, it would seem Retail Management is the more challenging one to operate. While Hotel Managers must keep track of customer satisfaction, how the economy is affecting travel, and the overall success for their business, Retail Managers have all of these elements in addition to some more. They must make sure supply is meeting their customers' demands, that the employees are satisfied with their overall job and benefits, and the store's competition advantage. Even though the Hotel Industry has had challenges with the economy, Retail is a more volatile field where one day your company is at the top and the next it has been surpassed by a competitor.

**Recommendations**

Based off the information presented in this paper, there are two recommendations I would give for future managers:

1. Having the ability to create new strategies to improve a business is great but will not be as successful without knowing how to implement it. Taking leadership courses or working with an experienced manager in your field will help you to gain more knowledge about the different aspects that are affected by a new system and how to approach them. Being aware of ever-changing environments will help to stay one step ahead of the competition. Communication and continuous research are some of the factors that will definitely help.

2. For those who are like me and do not know which field to concentrate in, do some research. Choose which one connects to you on a personal level and an intellectual one. Hotel Management was the field for me because it had a sounder structure to it and less risks, as it caters to almost all walks of life without going through a lot of changes; whereas, Retail Management is a more daily and ever-changing environment due to enormous competition and cutthroat challenges. Knowing all the different elements and systems that go into a specific industry will better prepare you for the various obstacles thrown your way.

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