

Strategies for the Hospitality Industry, 3e (Nyheim)
Chapter 1 Introduction and Competitive Advantage

1) Laura Habina, the interview subject for this chapter, works for the Intercontinental New York Barclay, in the position of:

- A) COO
- B) CEO
- C) Director of Revenue Management
- D) CFO

Answer: C

2) The general manager of a hospitality location has to be familiar with which of the following IT issues?

- A) Balanced scorecard
- B) Microsoft Office
- C) Operational systems
- D) All of the above

Answer: D

3) The Director of Sales and Marketing of a hospitality location has to be familiar with which of the following IT issues?

- A) Sales force automation
- B) Lead generation and tracking databases
- C) Sales and catering system
- D) All of the above

Answer: D

4) The Food and Beverage Director of a hospitality location has to be familiar with which of the following IT issues?

- A) Point-of-sale technology
- B) Restaurant reservations
- C) Microsoft Office
- D) All of the above

Answer: D

5) SWOT stands for:

- A) Strengths, Weaknesses, Openness and Timeliness
- B) Strengths, Weaknesses, Opportunities and Threats
- C) Strengths, Weaknesses, Opportunities and Technology
- D) Strengths, Weaknesses, Openness and Technology

Answer: B

6) CAPITA stands for:

- A) Competitive Advantage Provided by an Information Technology Application
- B) Comprehensive Advantage Provided by an Internal Technology Application
- C) Competitive Advantage Produced by an Internal Technology Associate
- D) Competitive Advertising Provided by an Internal Technology Application

Answer: A

7) People who can cross multiple disciplines or areas of knowledge are called:

- A) Border crossers
- B) Boundary spanners
- C) Discipline crossers
- D) Value chains

Answer: B

8) IT stands for:

- A) Incentive Teaching
- B) Internet Technician
- C) Improving Technology
- D) Information Technology

Answer: D

9) All of the following are reasons that the IT wave in the hospitality industry will continue except:

- A) The IT firms are beginning to purchase the hospitality firms
- B) The pace of change and technological advances continue to grow at alarming rates
- C) The technological demands of guests continue to rise
- D) Labor issues continue to plague the industry

Answer: A

10) CRM stands for

- A) Capital Revenue Manager
- B) Customer Review Management
- C) Customer Relationship Management
- D) Community Relationship Management

Answer: C

11) The term for all of the primary and support activities of the firm required to produce products and services that generate revenues and drive profits is:

- A) Boundary Spanner
- B) Value Chain
- C) IT
- D) Ambidextrous Leader

Answer: B

12) All of the following are real-life examples of Hospitality firms using IT to get a competitive advantage, except:

- A) American Airlines' SABRE
- B) McDonald's Happy Meal
- C) FedEx's Powership
- D) Walmart's supply chain management technology

Answer: B

13) Which of the following is not an IT related career?

- A) Database management
- B) Electronic marketing
- C) Search engine optimization
- D) Boundary Spanner

Answer: D

14) The two prevailing approaches to assessing competitive advantage are:

- A) Outcome Approach and Technology Approach
- B) Outcome Approach and Trait Approach
- C) Outside Approach and Trait Approach
- D) Outcome Approach and Time-sensitive Approach

Answer: B

15) The company position that represents the ultimate business-IT liaison is:

- A) CIO
- B) CEO
- C) CTO
- D) Boundary Spanner

Answer: A

16) The ultimate technical position is that of:

- A) CIO
- B) CEO
- C) CTO
- D) Boundary Spanner

Answer: C

17) Because the hospitality business is service oriented, the _____ must take center stage in all that we do.

- A) Technology
- B) Customer or guest
- C) Bottom line
- D) CEO

Answer: B

18) The Director of Finance of a hospitality location has to be familiar with which of the following IT issues?

- A) Spreadsheets
- B) Data analysis
- C) Project management software
- D) All of the above

Answer: D

19) The Revenue Manager of a hospitality location has to be familiar with which of the following IT issues?

- A) Reservation System
- B) Sales and Catering Systems
- C) Business intelligence
- D) All of the above

Answer: D

20) The Director of Security of a hospitality location has to be familiar with which of the following IT issues?

- A) Surveillance systems
- B) Fire Alarm systems
- C) Biometrics
- D) All of the above

Answer: D

21) The interview subject of this chapter is John Michelet, CEO of Intercontinental Hotels.

Answer: FALSE

22) By default, everyone in today's organizations must be responsible for IT and act like a CIO.

Answer: TRUE

23) A PMS stands for a Property Management System.

Answer: TRUE

24) A CRS stands for a Control Resource System.

Answer: FALSE

25) A PBX stands for a Private Branch Exchange.

Answer: TRUE

26) According to the text, you cannot make business decisions without using IT and factoring in IT considerations.

Answer: TRUE

27) The text defines "Human Bandwidth" as people's ability to grasp IT and understand how to effectively use it and apply it in business.

Answer: TRUE

28) The text claims that career paths for most people resemble straight lines.

Answer: FALSE

29) The text recommends that IT must be viewed holistically with the business in mind.

Answer: TRUE

30) Hospitality executives must use technology to differentiate and create competitive advantage.

Answer: TRUE

31) Competitive advantage results from doing things faster, better, and cheaper from everyone else, but also from doing things the same as the competition for consistency.

Answer: FALSE

32) Competitive advantage derives collectively from assets such as its people and their skills, financial assets, IT portfolio, corporate culture, and competitive methods.

Answer: TRUE

33) GDS stands for Global Dynamic Sales.

Answer: FALSE

34) REVPAR and REVPOR are basically the same thing.

Answer: FALSE

35) Marriott's automated reservation system is named MARSHA.

Answer: TRUE

36) According to the text, GDS must be flexible to adapt to changing market needs at a moment's notice.

Answer: TRUE

37) One form of competitive advantage comes as a result of proprietary technologies or patents.

Answer: TRUE

38) One test of a desirable technological change is if it shifts costs or uniqueness drivers in favor of a firm.

Answer: TRUE

39) One test of a desirable technological change is if it is very inexpensive to install.

Answer: FALSE

40) The text recommends shifting the focus onto the IT tools themselves rather than on how IT is used.

Answer: FALSE

41) The interview subject of this chapter is the Director of Revenue for _____.

Answer: Intercontinental New York

42) The position of CIO stands for _____.

Answer: Chief Information Officer

43) The person responsible for all guest functions in a hotel including front desk, reservations, bell staff and others is the Director of _____.

Answer: Rooms Operations

44) All of the primary and support activities of the firm required to produce products and services that generate revenue and drive profits is the definition of the firm's _____.

Answer: Value Chain

45) People who can cross multiple disciplines or areas of knowledge are called _____.

Answer: Boundary Spanners

46) The "T" in SWOT stands for _____.

Answer: Threats

47) The American Airlines reservations system is called _____.

Answer: SABRE

48) Southwest Airlines' application to push special promotions to customers is called _____.

Answer: Ding!

49) Things that lock in or bind a consumer to a product or company are called _____.

Answer: Switching Costs

50) The approach to assessing competitive advantage that places great emphasis on competitive efficiency, business value, and management productivity is called a(n) _____ Approach.

Answer: Outcome

51) The approach to assessing competitive advantage that identifies specific attributes of an IT application that contributes to a competitive advantage is called a(n) _____ Approach.

Answer: Trait

52) A construct to assess the competitive advantage derived from a single IT application is called _____.

Answer: CAPITA

53) One of the five dimensions used by CAPITA to assess competitive advantage derived from an IT application is _____.

Answer: (Any of the following:) Efficiency, Functionality, Threat, Pre-emptiveness, or Synergy

54) Among the most significant sources of competitive advantage derived from a GDS is Economies of _____.

Answer: Scale

55) In order to receive certain low rates, many guests are required to meet certain conditions and comply with certain rules or restrictions called _____.

Answer: Fences

Match the following hospitality positions with their brief description of duties.

- A) Responsible for all guest functions in a hotel including Front Desk and reservations
- B) Responsible for all aspects of staffing and team building
- C) Oversees the security operations for the organization
- D) Responsible for the accounting and financial aspects of the operation
- E) Responsible for overseeing the entire operation
- F) Oversees, maintains and secures the various computer systems
- G) Oversees the facility, maintenance and equipment
- H) Responsible for setting rates, restrictions and selling strategies

56) General Manager (GM)

57) Director of Finance (Controller)

58) Director of Rooms Operations

59) Revenue Manager

60) Director of Human Resources

61) Director of Security

62) Director of Engineering

63) IT Manager

Answers: 56) E 57) D 58) A 59) H 60) B 61) C 62) G 63) F

64) How can a hospitality executive determine how to maximize value for the firm if he or she is faced with resource constraints and must decide between two IT possibilities?

Answer: Many are quick to say that they don't need to become proficient in a particular area because they can hire someone else to handle those responsibilities or because they can outsource those functions. Generally speaking, this type of thinking is short-sighted, and when it comes to IT, it can be outright dangerous—especially considering the stakes involved. IT tends to rank among the top expense categories of most firms. It also tends to be one of the most pervasive and enabling—or confining—resources in the firm. Therefore, every manager or executive must strive to understand how to use IT, see its strategic potential, and recognize its limitations so as not to be bamboozled by it, led astray, or be constrained by the limitations of the firm's IT infrastructure. While hiring experts or outsourcing may be a viable approach and help reduce the amount of expertise you must have in this area, it does not completely absolve you from having proficiency and a solid understanding of what technology can and cannot do and what questions to ask. Like anything, understanding and using IT requires investment (of both time and money), commitment, and diligence. Your knowledge in this area will reduce your dependence on others and improve your ability to ask the right questions so you can properly lead your firm.

65) What are some reasons that IT will continue to be an indispensable component of the hospitality industry?

Answer: The IT wave will likely continue for the foreseeable future for several reasons. First, the pace of change and the expected number of technological advances continue to grow at alarming rates. Second, the technological demands of guests continue to rise. This is especially true of the Millennial Generation (Gen Y) and Generation Z, which have practically been reared on technology. Third, the competitive environment is growing in intensity with increased investment in and emphasis on IT. Fourth, labor issues continue to plague the industry. Both the cost of labor and the scarcity of people willing and able to fill industry positions require greater focus on technology as a viable alternative to run the business and service guests.

66) With the rise of the internet, what are some reasons for so many "dot.com" firms failing?

Answer: One of the reasons so many internet firms failed in the Dot.Com era is because many internet entrepreneurs underestimated the ease and speed in which their concepts could be copied. Thus, their concepts became undifferentiated and indistinguishable among their competitors, and competition grew at a much faster rate than what was anticipated. A small customer base at the time (recall that internet access was not as prevalent and that the number of users was a much smaller percentage of the overall population as it is today) was diluted. Customers spent their time shopping for the best price, causing everyone's profitability to fall. Therefore, barriers should be erected whenever possible, and sources of competitive advantage should be embedded in the organization and should comprise the firm's unique factors (or what is known as idiosyncratic resources). This will create tacit competitive advantage. Finally, firms should protect their competitive advantage and discourage employees from talking with outsiders regarding the sources of competitive advantage. Doing these things will make it harder for others to copy and will allow firms to prolong their advantages.