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CASE SIUUY

Was Adding Exhibit Space Worth It?

John is the owner of XYZ Resorts and Hotel, which has three all-inclusive properties located throughout Jamaica. All three resorts have hotels on the island's north coast on Montego Bay, Negril, and Ochos Rios. Being that his resorts and hotels are in the most beautiful and luxurious parts of Jamaica, John is pretty much guaranteed high-travel volumes almost year-round. Even with those factors helping John, he is now suffering from low sales due to the economy and other local resorts offering exhibit space that he does not have. John is now perplexed with the decision of

whether to add exhibit space to his resorts and hotels, and how to boost sales.

After extensive thought and research, John finally made the decision to add exhibit space to his resorts and hotels. The Ochos Rios property is one in which John put the most significant investments, creating almost 10,000 square meters of convention space, banquet facilities, and an exhibition center accommodating up to 2,500 people for receptions or 1,200 for banquets. John didn't stop there, the Ochos Rios property also included two separate ballrooms

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and several additional meeting rooms, designed with breakout sessions and smaller gatherings in mind. The other two resorts received renovations that included new black rattan furniture in all guest rooms, bedspreads, and flat-screen televisions. To be sure that money was saved, John, being a builder by trade, oversaw all construction work and renovations.

To ensure that the new exhibit, convention, and banquet spaces would be sold, John hired Robin to be the new group sales manager of the North American region. As new sales manager Robin wanted to work with agents to secure the best rates as possible for groups. She steered groups that wanted shorter stays to the resort 15 minutes from the airport, and those groups who wanted longer stays to the resort furthest from the airport and closer to attractions. To increase sales of the new found space, Karen implemented more packages for ceremonies and agents, and introduced nightly entertainment, full service spas, and specialty fine dining restaurants.

Needless to say, sales increased and the exhibit, banquet, and convention space generated more business for the XYZ Resort and Hotels. Robin feels that, because the company had fallen off on groups and off the radar for a while, it was very smart for the owner, John, to have poured a lot of money into the hotels to get back into the market.

- Do you feel that it was a good decision for John to pour money into the hotels and hiring a new sales manager?
- 2. What would you have done differently?

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