

The Cornell

School of Hotel Administration

on Hospitality

Cutting Edge Thinking and Practice



Cornell University
School of Hotel Administration

Edited by Michael C. Sturman, Jack B. Corgel, and Rohit Verma

Dear Jose,

Thank you for your contribution
to my book chapter.

I miss Inkaterra and Peru.

Helen Chun

FOREWORD

When John Wiley & Sons, Inc., approached us with this project it immediately brought to mind the great works in this series, works that exemplify the core competencies of the world's best business programs. From *Wharton on Dynamic Competitive Strategy* to *Kellogg on Marketing*, the Wiley "on" series provides a unique platform designed to demonstrate how a collection of highly talented faculty develops a comprehensive and unique body of knowledge that is both academically advanced and business practical. Clearly, our "on" is hospitality. More specifically, the uniqueness that personifies our school, faculty, students, and alumni is hospitality leadership. Unlike traditional general management schools, the Cornell School of Hotel Administration grounds a first-class business education in the practice of a particular industry. We hire the best and brightest business academics, who apply theory to practice to generate new knowledge for the industry. As a result, we hold a singular position as the premier institution for educating future hospitality industry leaders.

Our focus on hospitality leadership underscores the evolution of the hospitality industry. When Dean Howard Bagnall Meek founded the Cornell program back in 1922, hospitality education focused on hotel and restaurant operations and what we would call today unit-level management. The prototype career path of the day was to become a bellboy who, over time, worked his way up to become a hotel or restaurant general manager, in what was, from a gender, cultural, and geographic standpoint, a relatively homogeneous industry. Yet Dean Meek understood how a mom-and-pop industry would both consolidate, through the creation of larger and larger businesses structures, and diversify over time, thus offering business management and business leadership opportunities for a diverse and global population of undergraduates, master students, and executives. Put simply, while yesterday's students could complete on 'knowing the hospitality business, tomorrow's leaders must master the business of hospitality and how to lead large, complex organizations. Today's hospitality students grow to become the entrepreneurs who change the world, the leaders who deliver operational excellence across global platforms, and the deal makers who shape the

industry. As tomorrow's leaders they will oversee a vast spectrum of the global economy, from hotel and restaurant companies to resorts and theme parks to cruise lines, gaming properties, and senior living facilities, and to the retailers and supply chains that serve them all.

Our uniqueness, and the resulting content of this work, is based not just on our hospitality context but on the knowledge that competing in a service business is fundamentally different from competing in a manufacturing economy. While the world is filled with outstanding general management programs, many of their models and frameworks remain holdovers from an economy dominated by manufactured goods, an economy in which business strategy drives company culture. With consumer durables or nondurables, for example, we continue to segment markets, develop innovative product offerings for those segments, and then form teams within our organization to execute on those strategies. In a core service business like hospitality, however, culture drives strategy. A service company's values, which is the core of its culture, directs how its leaders, managers and front-line service employees deliver their value proposition and satisfy customers. Be it the Four Seasons Hotels' "golden rule" or Ritz-Carlton's motto that "We are ladies and gentlemen serving ladies and gentlemen," the strength of a service company's culture dictates where and how well it competes. This collection of research, tools, perspectives, and their implications, exemplifies the peerless quality of our context, hospitality, and the principles for competing in a service business. The insights range from how to develop your service employees' careers to how to manage for operational excellence to how to own and manage your real estate and other physical assets.

This book has benefited tremendously from the input and talents of multiple individuals. On behalf of all of us at Cornell, a very special thank you goes to Richard Narramore, Senior Editor for John Wiley & Sons, Inc., who came to us with this great idea and supported us all along the way. So many talented authors contributed collectively to the richness of this volume, including our lecturers, professors, their colleagues, and our alumni industry leaders. Yet every project needs champions. In this case, the champions at Cornell were clearly the editors, Michael Sturman, Jack B. Corgel, and Rohit Verma, to whom I am deeply grateful. Through their dedication and hard work, *The Cornell School of Hotel Administration on Hospitality: Cutting Edge Thinking and Practice* is the most comprehensive work to date on how to compete in the hospitality industry and beyond.

Michael D. Johnson
Dean and E.M. Statler Professor
Cornell School of Hotel Administration

Inkaterra Machu Picchu Pueblo Hotel

Jose Koechlin

Founder and Chairman

Inkaterra

Inkaterra owns and operates boutique eco hotels in Peru. The first property opened in 1975 to lodge the scientists who came to study the rain forest around Machu Picchu. There are currently hotels in Machu Picchu Pueblo, Cusco (La Casona), and the Amazon jungle (Reserva Amazonica). Soon, Inkaterra Cabo Blanco (where Ernest Hemingway fished) will open the first marine conservation area in Peru. Also, three other projects are in the works, at Cusco City, Urubamba Valley, and Tambopata.

Reviving the spirit of a royal Inca retreat, Inkaterra's boutique Machu Picchu hotel invites visitors to find comfort in its stunning whitewashed cottages nestled into the terraced hills at the foot of Machu Picchu. Since the early 1970s, Inkaterra has worked as much to study and discover the history and nature of Peru as it has to expose it to the guests of the hotel. Inkaterra is dedicated to supporting ecological research for conservation and renowned for its natural resource management programs.

We pay special attention to entertain guests' various sensory experiences, ranging from placing a hot water bag on the bed for turndown service to serving organic iced tea grown on site at the hotel lobby. Toiletries are also produced in-house using sublime local natural essences and fragrances. Traditional Peruvian cuisine is served at the restaurant situated against a stunning backdrop of the rushing Vilcanota River. Guests can also enjoy peace and tranquility strolling the organic gardens and smelling fresh mint or green tea leaves. The hotel grounds include more than three miles of ecological paths. Inkaterra has also recorded 192 species of birds (18 hummingbird species); 111 species of butterflies, and numerous ferns, orchids, bromeliads, and medicinal plants. It also grows organic vegetables and has an organic tea plantation. Additionally, its orchid garden houses the world's largest collection of orchid species, including new species discovered on the hotel grounds.

Inkaterra has strived to employ the core principles of tourism not just to please guests, but also to provide them with an opportunity for personal learning and growth. To help guests achieve a sense of achievement, Inkaterra offers multiple daily excursions (both on- and off-property) with trained guides and resident biologists. For example, the complimentary

Twilight Walk tour is designed to encourage guests to connect with the environment on a spiritual level, by learning about the local culture and participating in rituals of paying respect to Mother Nature. Guests are also invited to Tea Garden tours to experience the traditional tea-making process and learn about its many indigenous plants and animals. Fully guided tours outside the property—hiking up the Machu Picchu citadel and archaeological sites—are also offered. Inkaterra has also actively produced educational materials such as CD recordings of indigenous bird songs and films about local culture, and we support the conservation of native communities and cultural preservation. This highly educational process defines Inkaterra's endeavor to cultivate ecotourism.

Focusing Your Guests on Their Experience

Let's look at four ways that you can induce your guests to be aware of their experience and to appreciate their stay in your hotel. These methods are to seize the moment (or stress the brevity of pleasures), evoke imagery, turn guests into observers of their own enjoyment, and label experiences using the narrowest possible categories (and have more categories).

Carpe Diem: Stress the “Fleetingness” One of the messages of Stephen Sondheim's musical *Into the Woods* is summarized in this line: “Opportunity is not a lengthy visitor.” To help your guests gain more pleasure from their experiences with your operation, you can stress that the experience won't last long—even if it's a multiple-day cruise. When people become aware of the transient nature of positive experiences, they tend to become more appreciative of the experiences and are motivated to enjoy themselves as much as they can.⁵ We already do this in reaction to life's major transitional experiences, such as marriage or graduation from college. Although such transitions can evoke both pleasure and sadness (bittersweet experiences), people seek the happiness in these situations by proactively extending the moment by participating in numerous related activities—senior week, for example, or bachelor parties. A vacation or a family trip to a theme park is a perfect context where you can accentuate how fleeting the experience truly is. An imminent return from overseas adventure travel is likely to evoke bittersweet feelings—happy to be back home, but sad that it's ending. Thus, the time remaining on the trip feels more precious to your guests, prompting them to engage in more activities (say, taking more photos, setting up farewell dinners). Realizing that their vacation will eventually end, your guests come to