

CASE
07

The Accra Beach Hotel: Block Booking of Capacity during a Peak Period

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Cherita Howard, sales manager for the Accra Beach Hotel, a 175-room hotel on the Caribbean island of Barbados, was debating what to do about a request from the West Indies Cricket Board. The Board wanted to book a large block of rooms more than six months ahead during several of the hotel's busiest times, and was asking for a discount. In return, it promised to promote the Accra Beach in all its advertising materials and television broadcasts as the host hotel for the upcoming West Indies Cricket Series, an important international sporting event.

THE HOTEL

The Accra Beach Hotel and Resort had a prime beachfront location on the south coast of Barbados, just a short distance from the airport and the capital city of Bridgetown. Located on 3½ acres of tropical landscape and fronting one of the best beaches on Barbados, the hotel featured rooms offering panoramic views of the ocean, pool, or island.

The centerpiece of its lush gardens was the large swimming pool, which had a shallow bank for lounging as well as a swim-up bar. In addition, there was a squash court and a fully equipped gym. Golf was also available only 15 minutes away at the Barbados Golf Club, with which the hotel was affiliated.

The Accra Beach had two restaurants and two bars, as well as extensive banquet and conference facilities. It offered state-of-the-art conference facilities to local, regional, and international corporate clientele, and had hosted a number of large summits in recent years. Three conference rooms, which could be configured in a number of ways, served as the setting for large corporate meetings, training seminars, product displays, dinners, and wedding receptions. A business center provided guests with Internet access, faxing capabilities, and photocopying services.



Exhibit 1 Beach view of the Accra Beach Hotel

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Note: Certain data have been disguised. Unless otherwise indicated, all currencies are in US dollars.

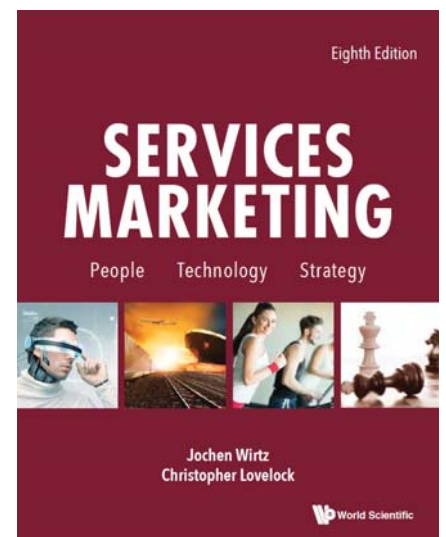
Study Questions

1. What factors lead to variations in demand for rooms at a hotel such as the Accra Beach?
2. Identify the various market segments currently served by the hotel. What are the pros and cons of seeking to serve customers from several segments?
3. What are the key considerations facing the hotel as it reviews the booking requests from the West Indies Cricket Board¹?
4. What action should Cherita Howard take and why?

This file contains sample pages only. The complete case is available in:

Jochen Wirtz and Christopher Lovelock (2016), *Services Marketing: People, Technology, Strategy*, 8th edition, World Scientific.

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¹ For simplification of calculations, assume that each room will hold only one occupant. i.e., 50 rooms equate to 50 cricket players.