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3 April 2008

Comparable Worth - What Would You Pay For The Experience | By John R. Hendrie

We all know E-Bay. Many of us have attended those Charity galas with silent and loud auctions. We in Hospitality are always asked to contribute to educational, fraternal, civic and special interest events - a room night here, a fine dinner there, a basket of goodies, a trip on the Morning Dew vessel, a condo exchange, a day of skiing - you name it. We try to establish a value for these goods and services, helpful to the organization and our deductible Charity budget.



Let's turn the Hospitality paradigm upside down and consider our business where the Consumers decide what to pay. Incredible, you say. With a nod to the Green Movement and entrepreneurial idealism, we should consider what some innovative restaurants around the world are doing (courtesy of *Budget Travel*).

One such establishment, **One World Café** in Salt Lake City, Utah summarized their approach on their Web Site. "The concept began when owner Denise Cerreta in mid 2003 had an epiphany to serve organic food, let people choose their own portions and let them price those portions themselves. By encouraging people to savor the meal, Ms. Cerreta is attempting to help people see the value of food as more than a mere consumable but rather, as a glue and a catalyst for healthy people, relationships and communities. Customers are able to seat themselves in a relaxed atmosphere that is conducive to conversation; opposite to the usual public dining experience of isolation. Because our customers choose their own prices, their portions tend to be more mindful and reflect that they will actually want to eat, with the result being little or no food waste." At the **Der Wiener Deewan** in Vienna, Austria, cash donations are accepted at the take-out counter. "I wasn't sure the concept would even work," says co-owner Natalie Deewan. "But after the first few weeks, our customers were so enthusiastic that they were paying *more* than their fair share." At the **Lentil as Anything** chain in Melbourne, Australia, you drop money into a box by the kitchen. "When it comes down to it, we just want to promote the very underutilized concept of trust," says owner, Shanaka Fernando.

This approach to commerce is not new, but we have certainly traveled quite a ways since early prehistoric transactions. I am hungry, and that Mastodon Knee Cap looks mighty tasty. How about I trade *you* this T Rex tooth for that haunch? Or, it is raining mightily; I am wet, tired and cold. That sure is a nice looking cave dwelling. Might I share your fire? Tomorrow I shall sweep the hovel in *exchange* for your hospitality. Lastly, my daughter's dowry is four cows and two magic rocks (Keeping up with the Joneses - *tradition*). She is a bit of an eyesore, so I shall *elevate* the marital lucre and throw in her comely handmaiden.

It was very easy in those prehistoric times. There was a sense of currency (what was valued), active commerce - trade, bartering, even debt, an understanding of what was comparable for the deal to get done, and a sense of fairness at the table. Currency was not monetized; we could trade with livestock, our labor, an exchange of products we made, animal skins, crops, etc. The giver and the receiver needed to weigh the transaction - whatever was

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rendered had to have worth for both parties. The Marketplace often influenced the value, based upon supply and demand. Oranges were a wonderful commodity, but the product had a short growing season and had to travel many miles to market. Hence, the value was increased.

In reference to the restaurants mentioned earlier, some would be aghast with their idealism. To think, leaving a decision up to the public to pay what they thought the Experience was worth. This borders on heresy. Those same grumblers would note that the public needs to be directed, be dictated to and dramatically deflected. Of course, Free Will equals Free Choice equals Free Meals, they opine.

Not so fast. These restaurants have returned to the days of simpler yore, where the marketplace may have had some integrity before the Marketing Executives and slick Advertisers told us what they thought we really needed. The ingredients in their menu items are very basic; we are not talking caviar, truffles or Veal Oscar. The preparation is simple, as is the service. You are told upfront exactly what to expect. So, you dine, and during the meal and after you are no doubt asked about the dining Experience. Then comes the denouement. We debate; "Honey, what was this really worth?"

We hope these restaurants offer some guidelines, for we still have confusion over what to leave as a gratuity. However, using the concept of a gratuity, which stands for an acceptable, reasonable level of service, hopefully the Proprietors have established a similar code or standard and a recommended payment to reduce the Consumer's angst in assigning worth.

Bringing this argument back home, how would you as a Hospitality provider explain your worth? Would you dare to EVER let your Guests, Visitors or Patrons determine what they would pay for their accommodations, their dining, their recreation or store purchases? Probably not, but what a good Proposition to think about. A splendid starting point to ponder!

We have spent a great deal of time and money on establishing our Brand. We have crafted and positioned the most desirable messages about what the Consumer can expect. Upon their arrival, we deliver the goods and services to the best of our ability. And, maybe, we get a Comment Card. But, the fare is paid.

The Restaurants' Business Model is daunting for many. It depends upon the nature of their customer, a sense of fairness, trust and honesty, and the innate ability to determine value. However, as you watch our societies change and transform, we already have had examples for years of adaptability and actually a return to the sense of community. Cooperatives within towns and even industries have flourished. Some areas in states (Vermont comes to mind) have created their own trade currencies. This is not a rural phenomenon run by ancient Hippies. Even our Chambers of Commerce encourage shopping our members.

More and more in a mechanized age, we are returning to the simpler virtues, reestablishing the communal good over the corporate excess. Hospitality is a community, too.

We look at our competition in the marketplace. What makes us different or more valuable than the facility down the road? Currently, price point does play into our traffic picture, but eliminate that and asking our Consumer to pay us what they thought the Experience was worth would certainly even the playing field and abruptly bring our operation into sharp, distinctive focus.

The return of the 99 cent Burger. Free munchies during Happy Hour. Two for ones. We all love a deal. I applaud these restaurants for their efforts and sensible message to the marketplace. When you start to see Christmas advertised in September, something is amiss, commercially. What's your worth?

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