



The Effect of Yield Management on Food & Beverage Department Profitability in Five-Star Hotels in Greater Cairo: A qualitative approach

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ABSTRACT

This study aims to identify the concept of yield management in the food and beverage department in the hotels and explore the obstacles that may face Food and beverage yield management implementing in five-star hotels in greater Cairo and its effect on the profitability of the department. A qualitative approach was adopted in this research based on structured interviews, the employed sampling type in this study is non-probability and purposive. Many definitions were explored by the expertise and many obstacles may face the implementing yield management practices in F & B department in five-star hotels in greater Cairo has been discovered and showed a great influence on the profitability of the department, many recommendations were advised at the end of the research. Future research, more research is required to investigate the practices of food and beverage yield management and to find out the more obstacles facing implementing yield management.

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1. Introduction

Since the appearance of the term yield management in 1998 by Cheryle Kimes many obstacles faced the implementation of the concept in the hotel context due to the lack of awareness of many managers and employees of the department about the concept, so the researcher tries to find out these obstacles and trying to offer solutions through qualitative approach research. Many hotels use yield management techniques in the food and beverage department to maximize profitability in the department specially and in the hotel in general, the Egyptian hotels could benefit from high tourist flow, even though some obstacles could reduce these opportunities, these obstacles are mainly linked to some hotels characteristics such as product intangibility, perishability, risks of loss

because of lack of guest during the low season or nature crisis such as out-break of COVID-19. Yield management could solve hotel problems by allowing maximization of revenue through selling the right product to the right customer at the right price at the right time. The significance of yield management in the hotel industry tries to maximize the average check in the restaurant and the revenue in the food and beverage department Nevertheless, a massive number of authors agree that the purpose of YM is maximization the revenue of restaurants through the manipulation of F&B prices and managing the duration in the restaurants (Kaihatu & Oktavio, 2020). Yield Management (YM) is commonly practiced in the hotel industry to help hotels to decide on food and beverage rates and

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perceived as a Managerial tool for room revenue and food and beverage maximization (El Gayar et al., 2008).

So, the research gap was noticed that there had been a scarcity study about the relationship between food and beverage yield management obstacles and profitability in the hotels' sector. Despite the importance of recent yield management implemented in the food & beverage department in the hotels, the researcher observed a low level of yield management implementation in food and beverage in the hotels' sector.

2. Literature review

2.1. Yield management background

For more than twenty years, quite a lot of features of Restaurants yield management have been discussed in the literature, it was unknown until the 1980s when YM started to be used in hotels and other sectors of the hospitality industry. Hwang & Lorenzen (2008) investigated deeply to decide which customers to accept in restaurants having walk-in customers; their focus was not, however, on segmenting the customers by party size. many of the Restaurant Yield Management Literature has intensive approaches on capacity management issues, such as determining the optimal table mix for restaurant (Kimes and Thompson, 2004) or on Demand- or customer-focused Restaurant Yield Management -related research includes that of (Fang et al., 2020) who examined how menu pricing can affect item demand. Kimes and Robson (2004) stated that customers' spending and meal duration is affected by the features of the tables to which they are assigned; also have focused on specific components of RYM such as table mix (Kimes and Thompson, 2005), and waitlist management policies (McGuire and Kimes, 2006). McGuire and Kimes (2006), who examined how four approaches for managing restaurant waitlists are viewed by customers; reservations policies (Robson and Kimes 2011), who studied customer reactions to characteristics of restaurant tables. (Noone et al, 2013). Customers' perceptions of RYM practices have also been examined.

Several researchers have proposed YM implementation models. The first model was developed by Selmi & Dornier (2010) after interviewing several managers, they concluded that none of the hotels were implementing a complete YM system because those managers found the process to be too complex in terms of the range and

depth of information that experts must manipulate. Interviewed managers indicated that they were tracking declines and rejection, most of them segmented the market carefully and some were using price-value relationships.

2.2. Food and beverage Profitability

Food & beverage in the hotels' sector provides the most potent tool for improving profitability, the available profitability measures related to the relationship between outputs and inputs. Generally, profitability could be defined as the earning of the hotel that is generated from revenue after subtracting all related expenses incurred during a certain period. It is the most important distinguishing factor that refers to management success, client satisfaction, the attraction of corporate investors (Zaki, Jones, Morsy, & Abdelmabood, 2013). It has been argued that profitability is one of the main pillars for any hotel to survive in the long run. Even though profitability is a prime goal for all business leaders, it is suggested that insufficient attention has been paid to exploring drivers of profitability, (Alarussi & Alhaderi, 2018). Profitability is considered a multidimensional concept in many financial measures such as return on equity, return of assets, occupancy rate, and gross operating profit per available room or per available seat in the restaurant (Zaki & Quora 2019).

2.3. Food and beverage yield management obstacles

Nevertheless, none of them indicated that they had developed a yield culture or were going through all stages of implementation of a YM system, they suggested that the introduction of new technology and the use of more sophisticated techniques have led to major problems (1) a focus on the detail and minutiae of YM without a full understanding of the concept and (2) the placement of great stress on information technology and software, and a failure of knowing the importance of the human element of YM system (Emerksiz et al., 2006).

It is well recognized that different customer segments want different types of products, thus many hotels face difficulty in implementing yield management because they fail to amend their products according to the needs of the client (Lieberman, 2011).

Whelan-Ryan (1998) examined poor communication between the various operation departments, a lack of understanding of YM's

principals, or resistance to implementing these techniques. He concluded that could lead to a substantial opportunity cost. A YM system will not be a benefit to a hotel if individual employees do not effectively manage the recommendations that the tool provides.

In addition, this increased emphasis on the human elements during YM implementation is featured strongly in more recent literature that in turn directly relates to the development of the yield culture Selmi, N., & Dornier, R. (2011) conclude that management lacks effort in developing a yield culture but also state that because YM as complex and because it depends significantly on information technology involving people is difficult. However, Sinclair & Sinclair (2009) claim staff and guests are rarely consulted during YMI s initiatives often fail due to a lack of commitment, which is crucial for the development.

3. Methodology

A qualitative approach was adopted in this research based on a structured interview to collect the required data from Food and Beverage managers, Revenue managers, who work in the Egyptian Five Star hotels which is the case study.

These interviews were addressed to 34 hotels of the Five-star Category in Greater Cairo this is the whole population of the study with the total number of respondents (30) distributed to 15 food and beverage managers and 15 revenue managers who accept to answer the interview.

Form of Structured interview was then presented to the supervisory committee and a number of academic professors specialized in the subject of the study to find out the correct language, the precision of the terms, the suitable order of the statements used, and the range to which they were answered. This was followed by designing the final interview questions as it was consists of four themes, the first theme includes one question regarding the F&B yield management concept, the second theme includes two questions related to the F&B yield management concept, and the third theme includes one question concerning the yield management practices and the methods of measurement in food and beverage department in the hotels' sector and the fourth theme include three questions regarding the effect of implementing F&B yield management on the department profitability.

3.1 The interview designs

Interview questions were prepared and pre-tested during the pilot study in order to identify and correct any problems in wording. After making the necessary corrections, (2) themes of interview questions were used for the study. The study interview questions were one page in length and covered all aspects of the above-mentioned questions for a listing of the issues that were covered.

The interview questions were designed to highlight the following:

- Identifying Food and Beverage YM Concept, definitions.
- Identifying the effect of implementing food and beverage yield management on the department profitability.
- Identifying the obstacles face the implementing yield management in the F&B department.

3.2 Interview procedures and conducting

Many interviews were facilitated by using the most known social media web pages (E-mail, WhatsApp, Telegram, Instagram, Twitter, Facebook, Skype and, zoom application), while face to face interviews with food and beverage managers and revenue managers were achieved using Zoom application in addition to the above-mentioned methods for an online interview in both English and Arabic to validate the most common research issues. As there were some differences among participants with regard to their preferred method for conducting the interviews. Hence, the influences of using different manners for interviews in the same study were considered as accredited by some researchers (Saunders et al., 2009).

Accordingly, the interview with the respondents took place using one of the above-mentioned methods depending on the participant's preference. Four of the interviewees were conducted using WhatsApp. In addition, fourteen of the interviews were conducted using Face book interviews, twelve of the interviewees were conducted using zoom application and four of the interviewees were conducted using WhatsApp, each interview began with a brief introduction to the nature and aims of the investigation before inviting participants to consider the opening question: all the interviewees were recorded from simultaneous notes in Arabic and English. Arabic transcriptions were then translated to English. Most of the respondents were

firstly contacted by telephone to ensure their participation.

The reason for conducting online discussions and telephone dialogues was that Egypt like all the countries around the world under the siege of Covid-19 that is why it was too difficult to conduct such discussions face to face in the hotels as a preventive measure.

Moreover, the main purpose of conducting the interview was to explore, better understand, and obtain more information about F&B yield management awareness, obstacles, and its impact on food and beverage department profitability. Themes began to develop from the case study, the interviews with hotel F&B managers and revenue managers were adapted to include these findings and get feedback.

Summary of the interviewees' and interviews' codes and timeline

Hotel case	Interviewee's position	Interviewee's Code	Interview Mode	Date of the Interview
C1	Food & beverage manager	F1	Zoom application	15 th March 2020
	Revenue manager	R1		
C 2	Food & beverage manager	F2	Zoom application	25 th March 2020
	Revenue manager	R2		
C 3	Food & beverage manager	F3	Zoom application	4 th April 2020
	Revenue manager	R3		
C 4	Food & beverage manager	F4	Zoom application	12 th April 2020
	Revenue manager	R4		
C 5	Food & beverage manager	F5	Zoom application	20 th April 2020
	Revenue manager	R5		
C 6	Food & beverage manager	F6	Facebook	3 rd May 2020
	Revenue manager	R6		
C 7	Food & beverage manager	F7	WhatsApp	16 th May 2020
	Revenue manager	R7		
C 8	Food & beverage manager	F8	Facebook	22 nd May 2020
	Revenue manager	R8		
C 9	Food & beverage manager	F9	Facebook	30 th May 2020
	Revenue manager	R9		
C10	Food & beverage manager	F10	Facebook	2 nd June 2020
	Revenue manager	R10		
C11	Food & beverage manager	F11	WhatsApp	8 th June 2020
	Revenue manager	R11		
C 12	Food & beverage manager	F12	WhatsApp	15 th June 2020
	Revenue manager	R12		
C 13	Food & beverage manager	F13	Facebook	28 th June 2020
	Revenue manager	R13		
C14	Food & beverage manager	F14	Facebook	10 th July 2020
	Revenue manager	R14		
C 15	Food & beverage manager	F15	Facebook	15 th July 2020
	Revenue manager	R15		

3.3. Study Population and Sample

The range of this study is restricted to five-star hotels in greater Cairo. According to the statistics of The Egyptian Hotel Guide, 37th edition (2018-2019) the number of five-star hotels in Greater Cairo is (34) hotels. As a result, the purposive sample was adapted to the study population. In order to achieve the objectives of the study, the researcher forms through the web site, Facebook,

zoom application WhatsApp, to Food and Beverage managers, Revenue managers in the above-mentioned hotels. As they are the Main concerned level to food and beverage revenue.

3.4. Qualitative data analysis

Thematic analysis is a long and complex process for the analysis of qualitative data. Then this research provides details in-depth surrounding how

this process was carried out and how themes were classified.

Initially, data resulting from transcriptions and simultaneous notes was unorganized and complicated. Potentially, any information that could be relevant to the research question was carried out and the notes taken during these discussions were long and detailed. Following each conversation, before writing the notes up formally, the researcher re-read the notes and highlighted any information that he thought could be relevant in terms of the F&B YM concept, Identifying the obstacles facing the implementing yield management in the F&B department and the impact of implementing YM on the profitability of the food and beverage department. As more and more conversations were conducted patterns occurred within the data and it was possible to define codes to which data could be assigned. A formal record of the data and resulting codes were kept after each conversation. However, the researcher also took specific points from the notes taken and wrote them onto post-it notes which over time formed a map of ideas. This was an informal way for the researcher to visualize the data and to begin to make sense of it through the development of themes. At the same time, data was being identified from interviews and literature and relevant parts of the data were identified and coded in the same way.

For analyzing qualitative data at this study, the thematic, summative from case study interviews of this research. The insights gained from interviews were recorded and analyzed which led to themes identification.

The following Two themes that were identified, presented, and discussed within this research were:

- Theme (1) Food and Beverage YM Concept, Question (No1).
- Theme (2) the effect of implementing food and beverage yield management obstacles on the profitability of the department, Question (No 2).

This chapter of the study presents background data on the hotel cases of Greater Cairo five-star hotels. Since the aim of the research was important for the researcher to gain a good understanding of the hotel case study. This study was adopted deductive approaches. The research aims to obtain a wide perspective view of the food and beverage revenue management concept from experts' point of view. The hotel sample is a critical case, which contains

fifteen hotels of (34) the study population around Greater Cairo. offers an overview of these hotel cases. Fifteen revenue managers (codes: R1 to R15) were selected from each hotel. Fifteen food and beverage managers (codes: F1 to F15) were selected one from each hotel asked to participate.

F&B yield management concept

This theme addresses, the first interview objective which is evaluating the degree of hotel food and beverage managers' and revenue managers' awareness about the food and beverage yield management concept. The respondents were asked if they know food and beverage yield management? (If yes), could you define it?

All interviewees answered yes for the first part of the question it means all of them were fully aware of the F&B Yield Management concept (F1-F15, R1-R15). The researcher is totally disagreed with these answers, as per my experience in the hotels' field I don't believe that the employees even some F&B managers aware of F&B yield management. For the second part of the question's answers was as follow:

Since many studies highlighted several definitions of food and beverage yield management have been put forward, but to date, no agreement exists on its meaning because the main concept is vague and each author sees the F&B yield management concept according to his viewpoint (Kimes, 2017). Hotel food and beverage managers and revenue managers defined food and beverage YM as identical with such concepts as maximizing revenue, increasing productivity and defined F&B YM as follow:

First definition: Based on performance measures

According to the expert, the food and beverage manager (F10) defined the food and beverage yield management of its outlets form a balance between making the most revenue possible and. providing the supreme value and meal experience for their clientele. With two major levers, price and duration, the food & beverage \department focus on maximizing revenue per available seat hour.

This is completely matching with two of the interviewee's definitions (F11, R11) with very mild wording changes, but the main meaning. This point of view was also agreed with by Thompson (2010).

The Second definition based on quality measure

It was discovered in different interviews; that many hotel F&B Managers and RM see quality as a major norm in Food and beverage YM concept: yielding revenue is Simply optimizing profitability without harming the Standard or the quality.

According to (R7) definition totally agreed with the experts (R2, F8, R11, F1, R12, F10) with a slight wording change, but the main meaning is related to the food and beverage quality, taking into consideration the importance of quality in terms of customer consuming decisions and increasing revenue. On the other side, this definition completely matches with other studies (Fuentes, 2016), (Wansink and Love, 2014)

The Third definition based on consumer behavior

It was observed in many interviews conducted with hotel F&B managers and RM that customer behavior is a major element in Food and beverage YM concept:

According to (R6) Food & Beverage Yield Management as it is a variable pricing strategy, based on anticipating and influencing client behavior in order to increase revenue by making sure of selling the right seat to the right client at the right price, for the right duration.

This definition agreed with four food and beverage managers and one revenue manager from the hotels' case study (F3, F5, F12, F14, R9) with a slight wording change, but the main meaning is related to customer behavior and its effect on his buying decision and maximizing revenue and profit. This definition was also accorded with (Noone et al.) 2013, Kimes (2004), (Ivanov, et al.) 2014).

The Fourth definition based on managing demand and supply

According to (R11) the Yield management in food & beverage outlets forms a balance between making the most revenue possible and providing the greatest value and meal experience for their customers. With two major levers price and duration, f & b points of sales concentrated on gaining the greater revenue per-available-seat-hour and can monitor the flow of revenue throughout the food and beverage department Barriers to the flow,

This definition stated by (R11) was agreed with three food and beverage managers (F8, F10, and F11) agreed with study of Andrés-Martínez et al., (2014),

The fifth definition based on controlling cost

According to (F13) defined that food & beverage Yield Management is the bread and butter for any food and beverage operation through it we are able to monitor and manage our cost and profitability. This includes the menu engineering process starting from the Kitchen planning, raw food cost, Recipes management, Preparation cost, and Pricing strategy. Managing this process efficiently can guarantee us a worthwhile profit margin, and this also includes but is not limited to competition check practice and forecast accuracy.

F&B cost and Profit margin are the main key indication drivers of the food and beverage department and driving towards a healthy result are one of our main objectives.

This definition was introduced by the interviewee (F13) is agreed with the experts (R1, R11, R13, R15, F2, F9, F13, F15). Also, this definition was also agreed with that of Lovric et al., (2013). (Lieberman, 2011). (Kimes, 2004). Talon-Ballesteros et al., (2014).

The sixth definition based on pricing strategy

According to (F12) stated that Yield management is a variable pricing strategy based on anticipating and influencing consumer behavior. The goal is to maximize revenue from a fixed, time-limited resource such as airline seats, hotel room reservations, or advertising inventory. Yield management is when a company prices its products or services to make the highest revenue by offering the right price at the best time. It's a common tactic used in the hospitality industry.

This definition is agreed with the experts (F1, F4, F5, F8, F9, F10, F11, F12, F13, F14, R1, R2, R3, R6, R8, R9, R10, R11, R12, R13, R15), also agreed with (Cross et al., 2011).

From the previous definitions, the researcher discovered the most comprehensive definition is defined by the food and beverage manager in case (C8).

F8 defined *the food and beverage yield management that is to Maximize Revenue per available seat per hour "REVPASH" by selling the Right product. To the Right Customer at the Right Time for the Right price consider demand and supply to avoid bottlenecks challenges at the same time provide great value, meal experience, profit, and reasonable cost.*

F&B department profitability and the main obstacles. This theme consists of one question and

addresses the second interview objective which is the relationship between YM and F&B department profitability and the main obstacles face by the implementation of YM in food and beverage in the hotels

The interviewees were asked, are your employees having the ability to work with food and beverage YM systems? If yes, to what extent does cooperation improve their profitability? If not, could you investigate these obstacles with property management to get a solution?

The majority of the interviewees replied by (yes) employees and department heads are fully aware of YM, for the first part of the question *F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12, F13, F14, R1, R2, R3, R4, R6, R7, R8, R9, R10, R11, R12, R13, R14, R15* and this is not agreed with the literature of Cetin, Demirciftci, and Bilgihan (2016) as he stated that the main obstacles to implementing the yield management in the hotels' sector is the lack of awareness of the employees about the yield management. Also, F15 has another opinion he stated that unfortunately no. But we need to emphasize the training on it and inculcate those notions to them as the employees in the F&B department need a lot to be able to deal with yield management system in the department. And proposed that the solution starts with good training of the staff, a good understanding of their job and thus we can improve profitability. Increasing the sales, reducing the costs.

Concerning the second part of the question if yes, to what extent does cooperation improve their profitability?

The answers of 12 experts are as follows: According to F1 pointed that they use the system to evaluate and analyze data to set targets. Such as using date history to plan for future promotion, creating competitive revenue goals, and tracking it through the system.

Another view confirmed by the respondent F3 that the targets are shared with the team and their input is sought for the strategy so that they have the feel of ownership, the results are reviewed and shared, the shortfalls if any are investigated, and if a needed strategy is reviewed or if rotation is required it carried out.

As well, the interviewee, F4 find out that F&B yield management is a very effective tool to control buffet consumptions and create profits. Furthermore, the respondent, F5 found that YM needs:

- Appropriate training is to be conducted on board [regularly], Daily update of Rev generated per outlet vs Target vs Budget vs LY performance
- Monthly performance P&L per Outlet, Customer Service satisfaction
- Market Rating and rank within the competition, Market Intelligence knowledge, Price intelligence knowledge

All above will help to change the way of work and mindset to control expenses and increase sales specially Items with high profitability leads to achieving/exceeding Hotel targets, this view is agreed with the literature of (Thompson, 2010). In addition, respondent F7 investigated that they have most of the operations time. Studying, evaluating, analyzing, and understanding figures, are creating a feeling of joy inside them and lead to improving their hunger to reach the highest profitability possible.

On the other hand, interviewee F8 asserted that one of the main obstacles to effective implementation of food and beverage yield management is the fight that restaurant managers have in developing internal procedures of managing meal duration. should not think only of reducing average meal length. Relatively often the factor interfering with F&B yield management is the changeability in meal duration, some of the ways in which managers can affect meal duration include changing reservation policies, redesigning menus, accelerating service procedures, and making them more efficient. Managers can also train employees to respond to clients' superficial wishes regarding the length of the meal. While some clienteles may wish to stay over coffee.

Whilst the respondent F9 stated that as management we have to develop and teach our employees to have the ability to work with F&B YMS in order to gain and win the hotel target/budget and this is will be through the following: first, a restaurant revenue report is a financial statement that recapitulates the revenue, and expenses incurred during a specific period. A P&L statement serves two key purposes for restaurant operators:

- (1) To comprehend net profit or loss,
- (2) How to Analyze a Profit and Loss Statement based on the data you provided, the model will calculate main data and financial facts about your business.

Whereas respondent F10 discovered that every single team member is involved in the YM in a direct or indirect way. Managing expenses and

costs is a bottom-up approach through managing the wastage, controlling the stock levels, and upselling. This view is agreed with the literature of (Specklin et al., 2015). Although the interviewee F11 investigated that firstly hotels should provide proper training and proper YM system to the team members. With frequent follow up from the management and deep analysis you can see the benefits out of this system. However, respondent F12 pointed out that they have most of the operations time, evaluating, analyzing, and understanding figures in order to know where we stand from the market and trying to improve the performance, the traffic, making upselling to achieve our target.

While the interview F13 said that Sure, it will reflect at the profit, as any cents saved in the yield will reflect at the profit, at the contribution margin. Another view of the respondent F14 found that the employees can work with the F&B YM system after getting the right training and the right management guidance and practices by involving them in YM by asking them for new ideas for increasing revenue, study client's behavior, and get involved with him to make him attached to the place, offer the results to the employees to encourage them to use YM techniques which leads to their success.

While respondent R1 indicated that they have most of the operations time. Studying, evaluating, analyzing, and understanding figures, are creating a feeling of joy inside them and lead to improving their hunger to reach the highest profitability possible. Although R3 discovered that all the outlets' manager has access to the Restaurant management Revenue system and on the monthly basis after the closing of the month they do the presentation with all the great achievement and also with the areas that we need to improve either quality of product, review the items that are not sold or the prices in order to increase the profit margin. In other words, the interviewee R4 carried out that through proper yield & revenue management training. Normal employees are not really having the ability to work with the food and beverage YM system, as they are stuck to a fixed pricing list, however, we are trying to solve this problem by applying happy hours and a daily plate of the chief that might include variables items that can be priced on the spot. Moreover, F5 stated that F&B Rev Management is a culture that we need to expose and engage All Outlet Manager to, given

quality training that lighten the importance of % contribution and other metrics that Impact F&B Revenue, Engaging Digital and Marketing team to identify opportunities, and increase Restaurant visibility and diners' lovers' traffic in house and outsiders. In light of the above, respondent R5 demonstrated that lack of suitable communication/distribution channels -Dependence on contract business with fixed prices- Insufficient internal information Cost of computer YM Systems as the main obstacle can face implementing the yield management concept. Also, it is important to define the importance of YM in the food and beverage department especially for the top management, kitchen as well as supervisor level to optimize the food and beverage portability.

The same meaning by the respondent, R6 illustrated that yield management and revenue management are two of the most useful tools available to managers, allowing them to maximize the amount of money they make from guests. Additionally, respondent R7 explored that according to everyone's scope of work: management takes the biggest share and middle management breakdown and assigns by a task to every team member.

R8 highlighted the main obstacle of implementing the practice of YM is the customer's culture. the majority of the customers feel unhappy with the unfairness of the prices offered to them. According to Talon-Ballesterio et al. (2014), YM is not an application or system but a management culture that has its implementation costs. This process can be developed gradually depending on the resources available. Therefore, in the first stages, a consolidated YM culture is more important than large investments in new tools and systems. they're doing in each event and the daily practice is building for the new ideas to share with management is saying cost increases revenue and saving me as well.

Apparently, respondent R9 emphasized that the employees should know how to work with yield Management to learn how to sell and upsell and to book the tables in the restaurant with priority, Training in YM is most important for the food and beverage employees.

Referring to, the expert R10 explained (The ultimate goal of the cooperative is to improve member returns. in other words, how well the purchase or production cost of goods is controlled)

staff awareness & responsibility spirits for YM system success, Appropriate off-the-shelf computer YM systems not readily available -Rigid seasonality of demand (Aznar, et al, 2015).

Another contribution through R11 who explained empowering employees to participate with different initiatives in the yield management process has been always my main goal. The team is participating in collecting data related to competition performance, market price.

Also, I agree, as the system gives you the needed information for deciding and optimizing the hotel profitability, this reply is agreed with (Borchgrevink & Anchill, 2003).

Moreover, interviewee R12 explained that they have most of the operations time. Studying, evaluating, analyzing, and understanding figures, are creating a feeling of joy inside them and lead to improving their hunger to reach the highest profitability possible.

Moreover, R13 indicated that our employees working with YM as its one of our objectives to provide our customers high-quality food and avoid any complaints also increasing our revenue from the food and beverage department. This is agreed with respondent R14.

The most of respondents agreed that the majority of obstacles can be solved by more investment in food and beverage YM, the greater profitability will be. F1 appropriately commented that:

- It is a good tool to measure the restaurant performance and the right time to create promotions.
- Investing in such a system will improve the capability of our F&B leaders.
- Investing in such a system will increase the restaurant revenue and profit.

This opinion is totally agreed with the literature of (Tse and Poon 2017).

As well agreed with (Shaw, 2013) as he defined *A poor yield management system may result in lower revenues due to sophisticated customers anticipating price adjustments and then canceling previous reservations* also this view is agreed with F2, F3, F4, F5, F6, F7, F8, F9, F11, F12, F13, F14, F15, R1, R2, R3, R4, R5, R6, R7, R8, R9, R10, R11, R12, R13, R14, R15.

4. Conclusions and recommendations

Restaurants have the potential to incorporate revenue management practices in their operations but cannot simply apply the same revenue

management strategies as those used by airlines, the unique business characteristics of restaurants such as a relatively fixed service capacity due to variable meal durations and elastic physical constraints require restaurants to develop more sophisticated revenue management,

The research discovered that yield management obstacle as follow:

- Insufficient management skills and awareness of YM.
- Lack of awareness of the food and beverage employees about the yield management
- The employees are not really having the ability to work with the food and beverage YM system, as they are stick to a fixed pricing list.
- Lack of communication between the employees and the guest to inform them about the concept of YM.
- Many hotels face difficulty in implementing yield management because they fail to satisfy the needs of the client
- Poor communication between the various operation departments,
- The customer's culture is very mild about the concept as the majority of the customers feel unhappy with the unfairness of the prices offer to them during peak periods.
- The introduction of new technology and the use of more sophisticated techniques have led to major problems to implement the concept
- Management has low effort in developing a yield management culture because YM as complex and because it depends significantly on information technology
- Resistance to formalize information and/or information technology.
- Insufficient infrastructure to support diversification and market segmentation-Insufficient sharing of information.
- Appropriate off-the-shelf computer YM systems not readily available -Rigid seasonality of demand.
- Lack of suitable communication/distribution channels -Dependence on contract business with fixed prices- Insufficient internal information Cost of computer YM Systems

Recommendations to Food and Beverage managers

- F&B manager and his team should communicate to clients the benefits of YM practices to create a positive reputation and word of mouth.
- Do not hesitate to apply a price to perceived value and sell the right product to the right customer at the right time for the right price.
- Time management, table optimization, and restaurant capacity management by adjusting table layout and using table management software to optimize floor plans to maximize the output.
- Booking management Cancelled /no show covers a percentage of reserved covers and overbooking management.
- Conducting a strategic game between availability and price tables of dining experiences,
- KPIs should be used for raising new metrics like RevPASH and RevPAS (revenue per square foot) and to find APC (average per cover).
- To measure revenue per available seat per hour (RevPASH) by decreasing the amount of time each party spends at their table and increasing the spend and decreasing the time that a table stayed empty after a party leave, to obtain revenue per available square meter (RevPASM) and to calculate time per table turn.

Recommendations to Revenue Managers

- Accurate demand forecasting and mapping as it is crucial for setting the right goals and having a precise and realistic expectation for the season.
- Track hotel revenue to create a budget and use accounting processes to determine the hotel's revenue and make suggestions for increasing revenue of F&B department through changes in pricing, utilizing specific strategies such as packaging, incentives, an advertisement for promoting the outlets and efforts in generating more business.

Recommendations to hotel management

- The higher management should set a high budget for Revenue Management training programs for the Food & Beverage Manager and the departments' employees to update

performance and elevate revenue at the F&B department for the hotels under study.

- The hotel higher management should polarize distinguished human competencies at the food & beverage department and hire the best revenue manager no matter is the salary or the position features.
- Developing the hardware, techniques, and electronic programs for stock control systems at the food and beverage department to decrease the loss of food or beverage which reflects positively on the cost and increases profit at the department.

Recommendations to Sales Managers

- The sales manager should develop a suitable and ambitious marketing plan and find the strengths of competitors and the weaknesses of the hotel by making an analysis (SOWT) to be a strong competitor and a stubborn peer to competitors, as the challenges have become tough in the hotels market
- Create a demand calendar, this allows to anticipate the activities, organize the schedules as well as the inventory accordingly.
- Proper distribution channels management to choose the suitable and targeted client segment.

Directions for further research.

In the light of the findings, there are further research opportunities that could be developed from this study as follows:

- More researches are required on the current practices of food and beverage yield management to identify the main obstacles that can affect the implementation of YM.
- While this study evaluated the effect of food and beverage yield management obstacles on the department profitability there is a need for effective research on needed training to familiarize the managers and the employees with the food and beverage yield management concept. This area could not be achieved effectively without much support from the top management to implement a strong training program.

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