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A PROMOTION PROGRAM FOR THE MURRAY HOTEL

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A PROMOTION PROGRAM FOR THE MURRAY HOTEL

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CHAPTER I

INTRODUCTION

Statement of the Problem

The owners of the Murray Hotel in Silver City, New Mexico are worried about the soundness of their investment. Currently, the volume of business at the hotel is extremely low. This is the chief cause of concern for the owners. They feel that the hotel should be the focal point of the community. It is the newest hotel in the town and the only one that serves food and liquor. It is well located, yet, it is definitely not considered the place to meet neighbors or entertain friends by the townspeople. The owners feel that the main reason for the poor business is mismanagement.

Physically, the hotel is in bad condition. Since the original structure was completed in 1938 there has been no definite program of maintenance to keep the fixtures and equipment in good condition. Much equipment has been allowed to deteriorate irreparably. Carpets have never been replaced even though they have become worn and threadbare in many places. Many items such as linen, folding chairs and tables have been lost to the operation due to negligent control measures. Many of the guest rooms have not been painted since the original structure was completed.

The contract between the owners of the building and the lessees provides that the lessees properly maintain the building and its equipment.

Service in the Murray Hotel is at best, inadequate. This is due to inefficient training of employees. The personnel of the hotel lack the ability to make guests feel that they are truly welcome. The bellmen, whose uniforms consist of khaki shirt and trousers, take a, "I'm doing you a favor," attitude towards guests. The room clerks often maintain an indifferent attitude while serving patrons. Waitresses in the dining room are often inaccurate and dining room service is invariably slow.

In the past the management of the hotel has not regarded public relations as a matter of serious consequence. The hotel's managers have never assumed an active role in civic affairs. The Chamber of Commerce is the center of business and trade activity for Silver City and Grant County. The hotel has never participated fully in the functions of this group of businessmen. This lack of interest in civic affairs is considered to be the main reason the townspeople do not support the hotel.

The owners of the Murray Hotel feel that the real reason for the apparent failure of their venture to date is more than poor economic conditions as the lessees of the operation would have them believe. The problem of this thesis then is to ascertain whether there is a potential

business for the Murray Hotel, find out where the potential customers are and how to sell the hotel to them. The essence of the problem is increasing the hotel's volume of business.

History of the Hotel

The owners first thought of erecting a hotel in Silver City in 1937. At that time there was a need for hotel facilities in the community. There were three second class hotels and one motel in business at that time. None of these operations served food or liquor. A suitable lot for a hotel site was already held by the prospective builders at that time. The builders, Mr. W. D. Murray and his son-in-law Mr. James S. Ryan, consulted bankers for financial backing, architects for cost figures, and hotel men for advice. With the advice and encouragement of these individuals Mr. Murray and Mr. Ryan decided to make their idea a reality. Construction commenced in 1938 and the hotel was opened for business in October, 1938.

Silver City is the County Seat of Grant County. The industries of the county are ranching, farming, and mining. Extracting minerals is the most important industry and the greatest source of income for the area. In 1938 about half of the county's population of 20,000 was employed by the mining companies.[1] An informal survey taken in 1938 indicated to the owners that there was a need for a hotel in the community and that one would receive support.

The Murray Hotel is a family operation. Mr. Murray and Mr. Ryan formed a corporation for the ownership of the hotel. Mr. Murray passed away in 1952. Currently, Mr. Ryan and the heirs of Mr. Murray make up the membership of the corporation.

Funds for the construction of the hotel were borrowed from the State National Bank of El Paso, Texas. The bank held a mortgage on the property and it was agreed that the loan was to be repaid within a ten year period. Actually the repayment was accomplished in a little over eight years.

The Murray Hotel has never been operated by the owners. The building was leased from 1938 to 1949 to an individual who hired managers to carry on the operation of the hotel. The operation is currently being leased by another individual. The lease presently in effect expires in May, 1959. The owners preferred this type of arrangement to operating the hotel themselves for numerous reasons. They had other business interests. They possessed no knowledge of the mechanics of hotel operation. The lease arrangement provided a guaranteed return on the investment with a minimum amount of effort or worry. The agreement called for a monthly payment of rent. As the monthly payments were received they were applied to repayment of the loan. Consequently the investment paid for itself in the eight year period.

The venture was a success during the first ten years of its life. The period, 1939-1949, was a time of prosperity in the community and generally, the country. This time of prosperity was caused by World War II. The industries of Grant County--ranching, farming, and mining, were operating at maximum output. The income of the community was high. Wartime air bases were constructed in nearby towns. There was a shortage of hotel facilities in Silver City during these years. Rooms were constantly in demand by servicemen, mining officials, ranchers, and travelers. The Murray with fifty rooms operated at an average occupancy of about 87 per cent. The following graph depicts the average yearly per cent of occupancy for 1938-1948.

During this period of prosperity individuals talked of constructing another hotel in the community as soon as materials became available. At that time it seemed likely that Silver City could have supported another fifty room hotel. The owners decided that they could best protect their investment by the construction of a fifty room addition to the hotel. Their original plans provided for an addition to the building if business warranted it. The construction of the additional fifty rooms was completed in September, 1949. The financial arrangements for the construction of the addition were similar to the arrangement which provided funds for the original structure.

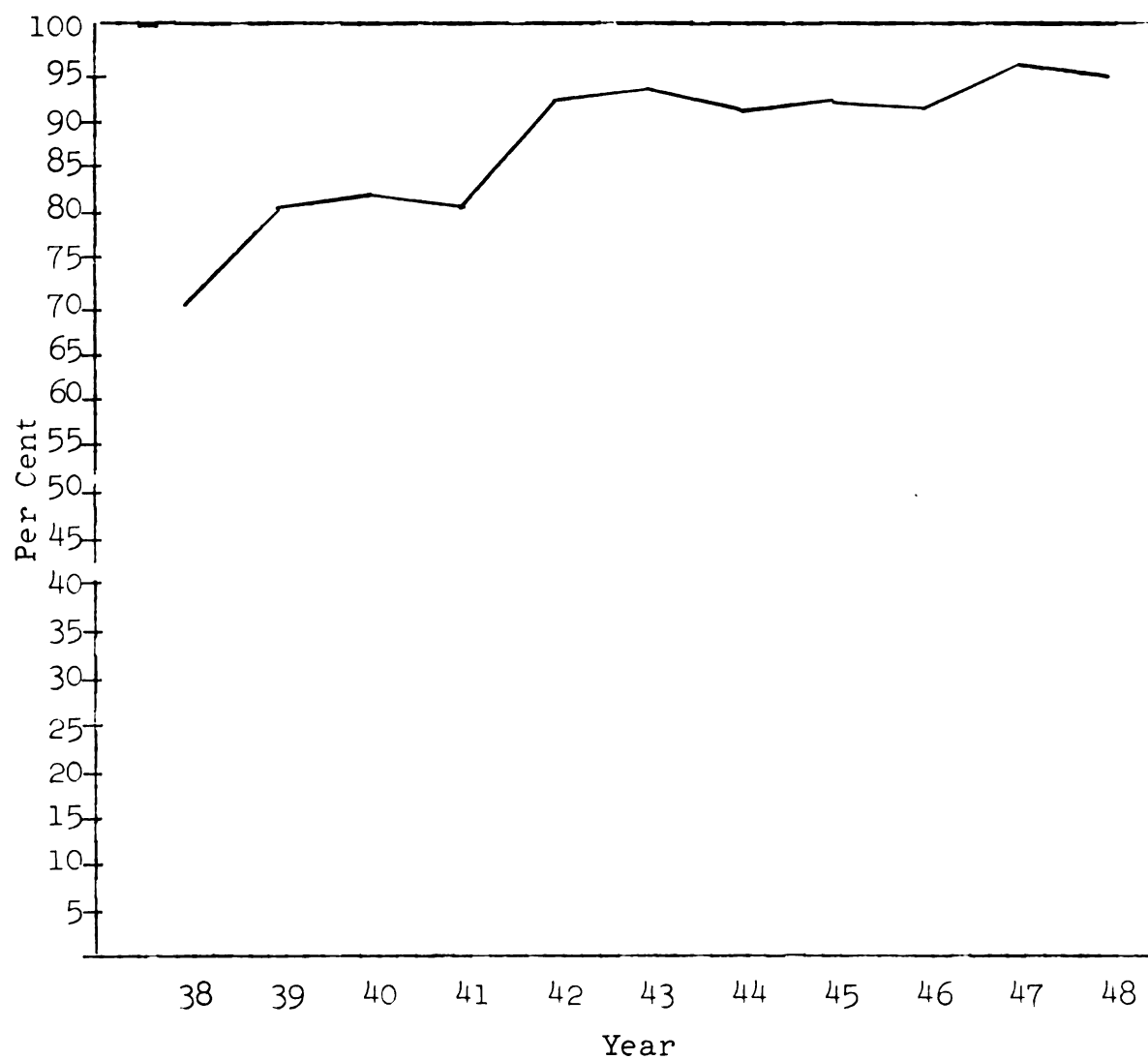


Fig. 1. Average Per Cent Occupancy of Murray Hotel with 50 Rooms--1938-1948

The year 1949 was an important one in the hotel's history. It marked the completion of the addition. The first ten year lease expired. A new lease was entered into with a different individual. The current lessee of the property is an experienced hotel man who has several similar operations. His experience with the Murray Hotel has been poor. It seems that the business volume of the hotel started to decline almost immediately after he entered into the contract. The hotel has not enjoyed a good volume of business at any time during the current lessee's tenure. The following graph depicts the average per cent of occupancy since 1949.

Much of the difficulty can be attributed to the economic situation in the county. In 1950 all but one of the major mines in the county were forced to cease operations entirely because of a drop in the price of the particular metals. As the mines are the greatest source of revenue in the area, this caused a depression in the county. A severe drought, curtailing farming and ranching operations, has assisted this depression.

It is the author's belief that part of the responsibility for poor business should be assumed by the operators of the hotel. The eight year period since 1949 has seen four different men operate the hotel. None of the individuals were aggressive promoters of their operation. When business did not come into the hotel nothing was done about it. The result has been the high turnover in managers.

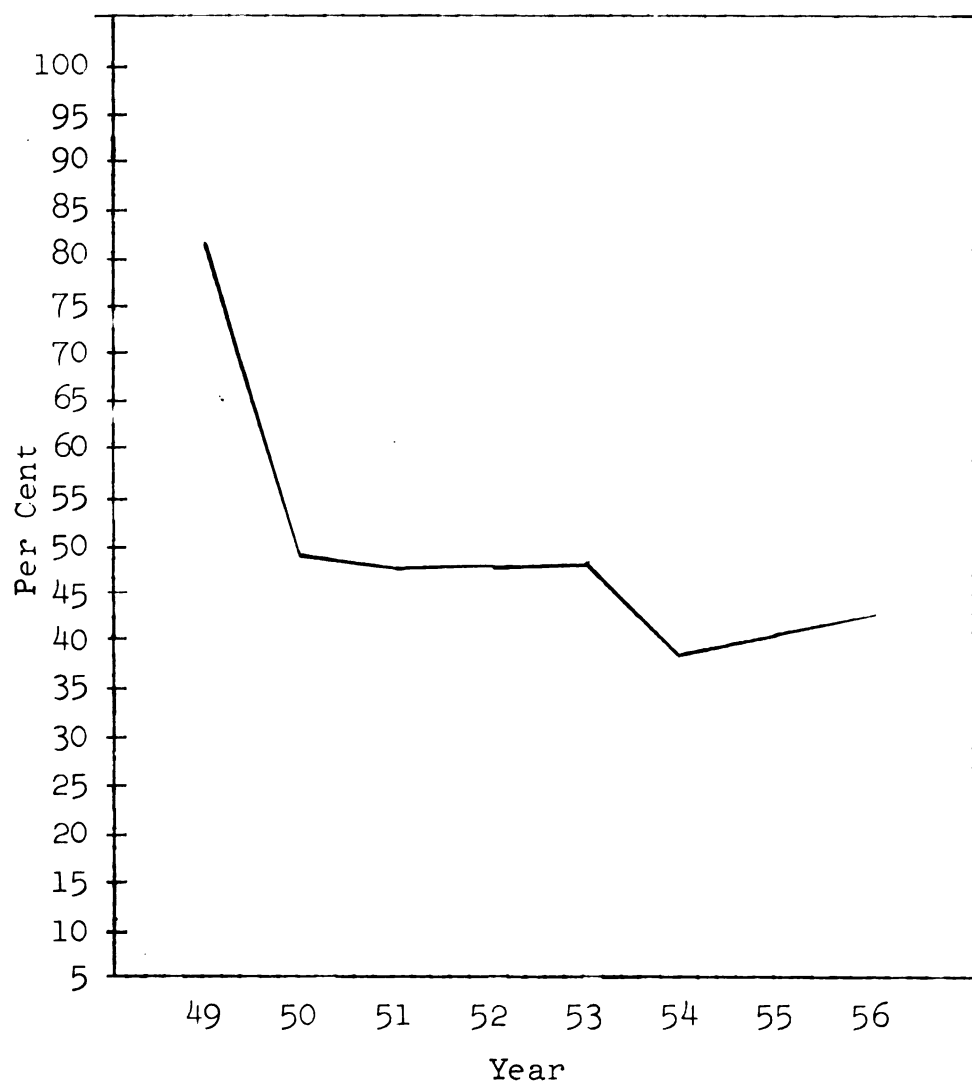


Fig. 2. Average Per Cent Occupancy of Murray Hotel with 100 Rooms--1949-1956

Description of the Physical Plant

The hotel is housed in a five story building. The construction is of reinforced concrete, hollow tile, and cinder block. The exterior of the building is plaster and stucco in a buff color. The structure is situated on a corner lot one block from the town's main intersection. The hotel faces Broadway Street, which is one of the two main thoroughfares of Silver City.

There are 100 guest rooms in the hotel. The average size of these rooms is about 170 square feet. There are approximately an equal number of twin and double bedrooms. Each room is equipped with phone and private bath. They are carpeted and contain substantial, modern furniture which is in fairly good condition considering its age and use. Each room contains the usual furniture found in a hotel room; bed, vanity, desk, easy chair, etc. There are eight two room suites. Four of these can be used with a connecting third bedroom that can also be used separately. The current room rates are as follows: \$3.50--single, \$4.50--single with double bed, \$6.00--double with double bed, \$7.50--twin bedroom, \$15.00--two room suite, \$21.00--three room suite. All rooms have combination tub and shower. Brochures of the hotel, containing pictures of the various rooms, are included on the following pages.

The seating capacity of the dining room and coffee shop is around 100. The dining room has seats for sixty persons

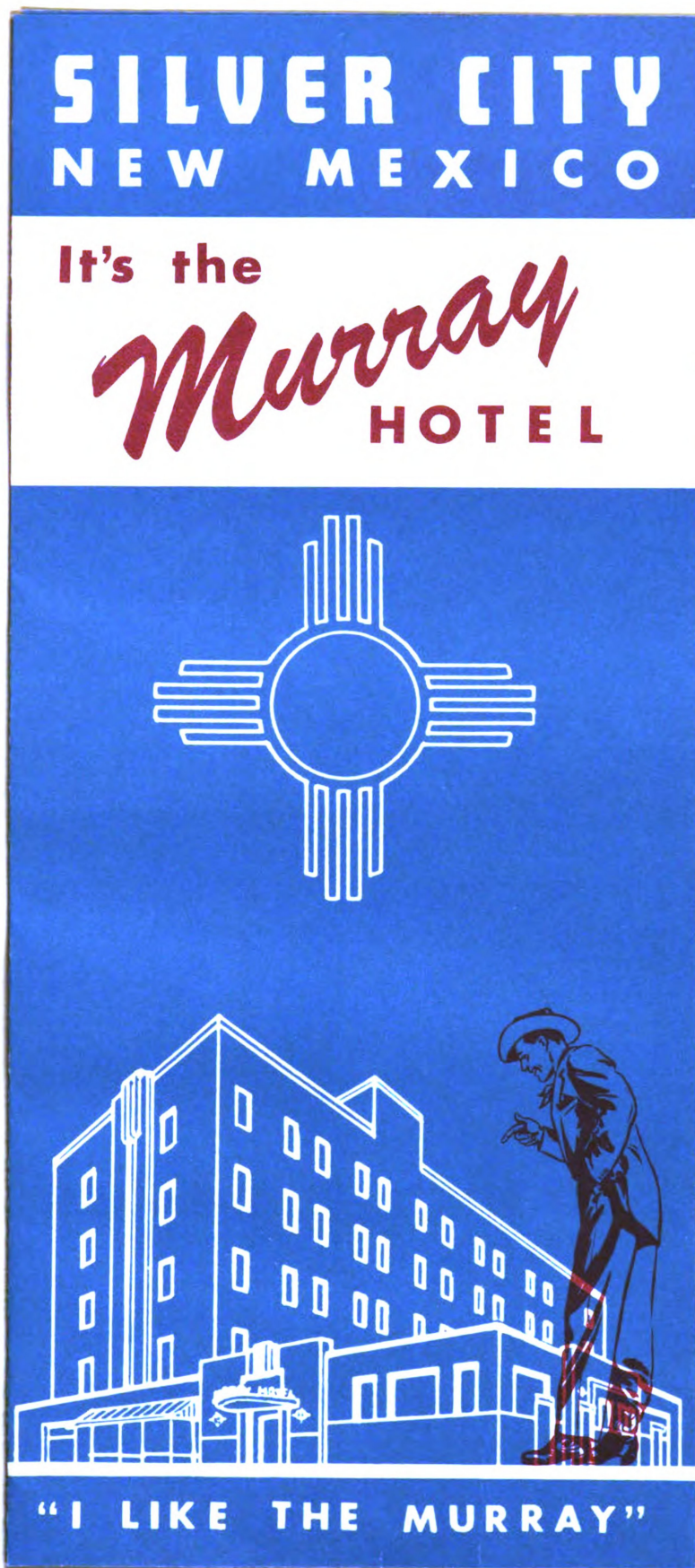
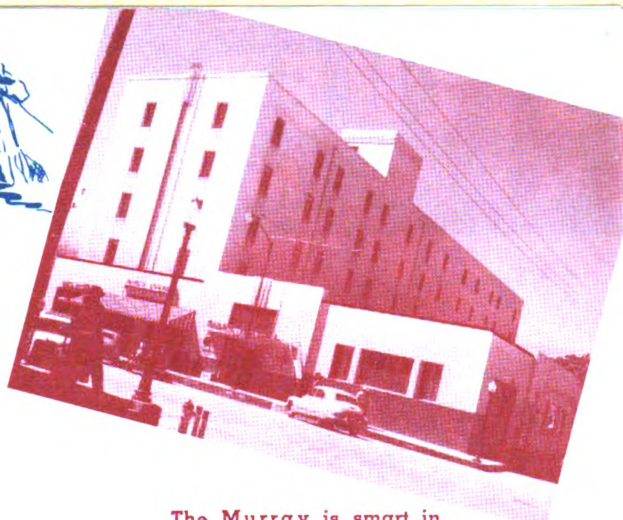


Fig.3. Pictures of the Murray Hotel

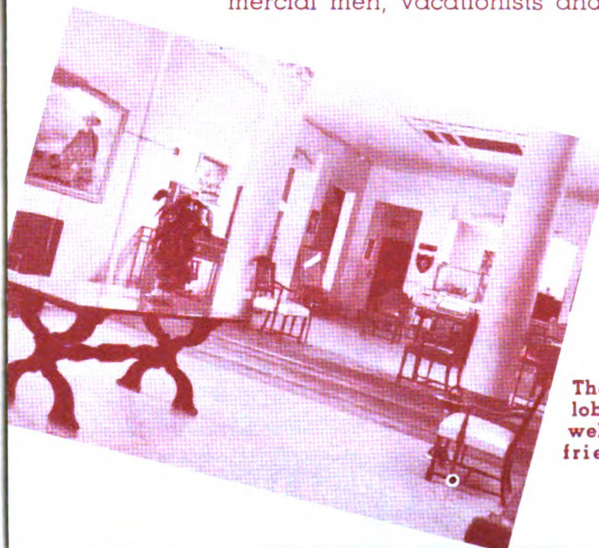


The Murray is smart in appearance and well-designed for comfort and convenience.



"I LIKE THE *Murray* HOTEL"

It's comfortable! It's modern! It's so hospitable! No matter how long your stay you'll find the attentive service, the delicious food and gracious atmosphere a happy conspiracy for your pleasure and comfort. The Murray's an attractive, yet leisurely informal hotel, where your needs are taken care of in the friendly Western way — quickly, cordially and to your complete satisfaction. It's the favorite stopping place of mining men, cattlemen, commercial men, vacationists and tourists.



The spacious lobby bids you welcome to this friendly hotel.

Fig. 4. Pictures of the Murray Hotel

and the coffee shop can serve forty. An iron railing separates the dining room from the coffee shop. Neither side of the room is carpeted. The only apparent difference in service between the two is that tablecloths and cloth napkins are used in the dining room and paper place mats and napkins are used in the coffee shop. There are ten tables for four in the dining room and three tables which will handle larger groups. There are five tables for four in the coffee shop and a counter that will seat twenty persons. There is an outside entrance to the coffee shop and the dining room is entered from the lobby. The cashier stand is located near the lobby entrance. It is actually a continuation of the front office. The front office was designed so that, theoretically, one person could be both room clerk and dining room cashier.

The cocktail lounge is located in the front corner of the building. There is one exterior entrance to the lounge and one from the dining room and one from the lobby. The bar will seat fifteen persons at stools and about forty persons can be seated at booths and tables. A western atmosphere is carried out in the room. Two large pictures illustrate ranching and mining scenes. The liquor storeroom is located in the basement directly below the lounge.

The dimensions of the hotel's lobby are approximately 50 feet by 20 feet. The lobby is set on two levels, the second being two steps higher than the first. The main

entrance of the hotel is at one end of the room and the front office is at the other end. A carpet runner, five feet in width, is laid from the door to the desk. The remainder of the floor is terrazzo and bare. The lobby is furnished with davenports, chairs, lamps, tables, desks, and a television set. Paintings of Will Rogers and other western personalities and landscapes adorn the walls. A small display window for one of the rental shops in the building is located on one of the lobby's side walls. There is an alcove off of the lobby close to the front desk which leads to the stairway, elevator, meeting rooms, and inside entrances to the shops.

The hotel has two banquet rooms. The smaller of the two, the Martha Room is entered from the lobby. It is used for small meetings, parties, and functions. Some of the various men's fraternal organizations have their weekly meetings in this room. The ballroom is considerably larger and is used for dances and large parties and banquets. Its dimensions are 40 feet by 90 feet. Because the ballroom's inside entrance is through the Martha Room it is very difficult to have functions in both rooms at the same time. Both rooms are equipped with service bars. The hardwood floors are exposed in these rooms. The kitchen is located between the dining room and the banquet rooms.

The rental shops, one with 25 front feet--the other with 12 feet, are located in the front of the building.

Both shops are 40 feet in length. They both have display windows in front. The large shop is occupied by a women's apparel store. A local attorney houses his law firm in the small shop.

Procedure to be Followed

The purpose of this thesis is to obtain knowledge that will enable the author to make a success of the Murray Hotel. The first step will be a market analysis of Silver City and the surrounding area. This will afford information of the potential business for a hotel in that community. The promotion of the various departments of the hotel through sales, public relations, advertising, and other media will then be discussed.

FOOTNOTES

- [1] New Mexico Labor Force Report, Employment Security
Commission of New Mexico, December, 1938, p. 24.

CHAPTER II

AN ANALYSIS OF THE MARKET AREA

Purpose of the Analysis

A business operation that is well planned in all respects has a better chance for success than one that lacks organization. Part of the planning of any business venture is a thorough knowledge of its prospective clientele.

It is important for a hotel business to have some knowledge of its market and the clientele comprized therein. With this knowledge advertising can be more efficiently directed. Knowledge of the prospective client's income, his environment, and his life will lend power to advertising and promotion.

An analysis of the market will facilitate management's decisions about the actual operation of the hotel. Should the dining room offer high cost service with plush atmosphere and entertainment? Should service be formal or informal? Should the hotel accept more permanent guests or should it continue to emphasize transient business? Solutions to these and other managerial problems are better reached if the manager is fortified with information about the client.

The potential of the hotel and its possibilities for success can be more easily ascertained with an analysis of the market area. Forecasts of business volume can be more reliably calculated. A breakdown of income in the area will indicate the purchasing power of the various classes of people in the area. It will also afford some knowledge of the area's standard of living. Other factors which a market analysis should include are a description of the industries in the area, population trends, geographic and climatic conditions, and a breakdown of the labor output in the community.

The following analysis contains a discussion of the market area of the Murry Hotel. It includes all of the aforementioned phases which should be included in a valid analysis.

Geographical Description of the Area

New Mexico, "The Land of Enchantment," as the state is referred to by its boosters is located in the southwestern part of the United States. It is the fourth largest of the states, having an area of 121,666 square miles.[1] The states bordering New Mexico are Colorado to the north, Oklahoma and Texas to the east, Texas and the Republic of Mexico to the south, and Arizona to the west. The climate of New Mexico is dry and arid. The average yearly rainfall is about fifteen inches.[2] The one major river in the

state is the Rio Grande which is born in the mountains of southern Colorado, progresses through the center of New Mexico and continues to form the border between Texas and Mexico.

Distinctive landmarks which are also tourist attractions for the state are the Carlsbad Caverns, White Sands National Park which is an immense area of pure white sand dunes, The Taos Navajo Indian Pueblo, and several Indian cliff dwellings. The state also has the questionable distinction of being the site of the first atomic bomb explosion which occurred near the town of Alamogordo in July, 1945.[3] The topography of New Mexico varies from one extreme to the other. Much of the area consists of dry arid plains. There are, however, forty different mountain ranges in the state.[4] The highest point in the state is 13,171 feet above sea level, the lowest point is 2,876 feet above sea level, and the mean elevation of the state is 5,700 feet above sea level.[5]

New Mexico is sparsely populated, ranking fourth from the bottom among all of the states in this classification.[6] The population of the state in 1950 was 681,187.[7] Trends in recent years indicate a rapid increase in the state's population, however. The city of Albuquerque grew more than any other city in the United States between 1940 and 1950. The city experienced a 102 per cent increase during these years.[8]

As shown on the map[Figure 5.] Silver City, location of the Murray Hotel, is located in the southwestern part of the state. Silver City is the county seat of Grant County. The community is the center of business activity for a large geographical area which is comprised of approximately 17,000 square miles. This area is heavily outlined on the map of the state in Figure 5. It consists of the land between the Rio Grande and the Arizona boundry and the Mexican border on the south to U. S. highway 66 on the north. Five counties and parts of two others are included. There are two towns of some market consequence south of Silver City in this area, but there are virtually no trade areas between Silver City and highway 66.

Silver City is situated in hilly terrain. The hills are the beginnings of several ranges of mountains which surround the community. The continental Divide is two and one-half miles northwest of Silver City and the Gila National Forest is five miles away at the closest entrance. The forest contains 2,458,505 acres of virgin timber.[9] Boosters' slogans of, "High Atop the Continental Divide," and "Gateway to the Gila National Forest," are thereby derived.

The location of Silver City is rather remote to large cities. The closest communities which would be classified as cities (over 100,000 people) are El Paso, Texas--150 miles southeast, Albuquerque, New Mexico--280 miles northeast, and Tuscon, Arizona--180 miles west.

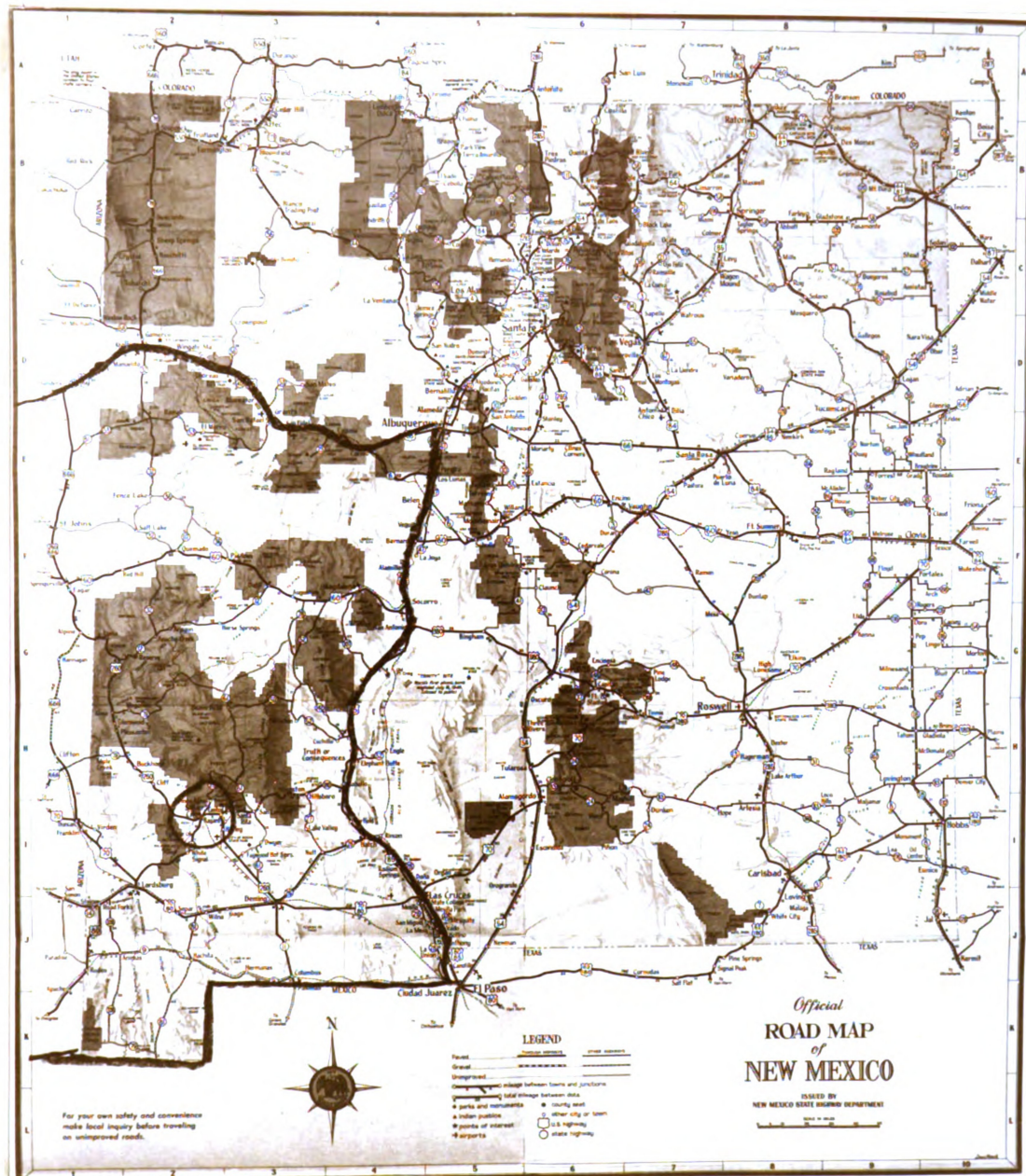


Fig. 5. Map of New Mexico with Market Area Outlined

Silver City is not situated on a major transcontinental highway. U. S. Highway 80 which runs from Dallas, Texas to Los Angeles, California, goes through New Mexico fifty miles south of the city. U. S. Highway 66, from Chicago to Los Angeles, goes through the state 200 miles north of Silver City. the highways routed through Silver City are U.S. 260 and U.S. 180. The former is a north-south route which meets U.S. 80 at Deming, fifty-two miles south of Silver City and U.S. 66 at Holbrook, Arizona, 200 miles north. U. S. Highway 180 is an east-west route which joins with U. S. 85, 140 miles east and U. S. 80, fifty miles west at the town of Lordsburg. These highways are indicated on the map in Figure 5. Their main advantage for outside travelers is the scenic country they transperse.

Industry in the Area

Mining is the most important industry in Grant County and the surrounding counties which make up the market area of the Murray Hotel. Silver City was founded under the name, San Vincente de la Cienga, in the 1860's.[10] The name was changed in the early 1870's due to the discovery of large silver deposits in the area.[11] The silver mines have long since closed. Currently the principal mineral extracted in the area is copper.

Santa Rita [see Figure 5.] is the site of the second largest open pit copper mine in the world.[12] The depth

of the pit is 1,000 feet and it covers an area one mile square.[13] The 1955 production from this mine was 66,188 tons of refined copper.[14] The average price for copper in 1955 was thirty-five cents a pound.[15] Consequently the value of the 1955 production was \$36,331,600.00. This operation is the Chino Mines Division of the Kennicott Copper Corporation. The copper refining process occurs at the company's mill in the town of Hurley about fifteen miles distant (Figure 5.). Hurley and Santa Rita are "company" towns, owned by the Kennicott Corporation.

Zinc and molybdenum are minerals of secondary importance extracted in the area. The 1955 production was 5,239 tons of zinc and 807 tons of molybdenum.[16] Other metals produced from southwestern New Mexico mines are lead, manganese, iron, gold, silver, dolomite, selenium, and fluorspar.[17] The five leading mining firms holding properties in the area are Kennicott, American Smelting and Refining Company, Phelps-Dodge Corporation, Peru Mining Company, and the United States Smelting and Refining Company.

Agriculture is the other productive industry of the area. The farming operations are all located along the two river valleys of Grant County. The community of Cliff, thirty miles northwest on the Gila River (see Figure 5.), is the center of the more extensive farming operations. Other farms are located along the Rio Mimbres, thirty miles southeast of Silver City (Figure 5.). The principal crops

of these farms are alfalfa and corn. In 1954 6,900 tons of alfalfa and 30,000 bushels of corn were produced.[18] The value of all of the crops produced in 1954 was \$145,000.[20]

Ranches are located throughout the area. In former years there were a few large operations that covered vast acreage. The Homestead Act of the 1800's and western migration changed this, however, and today many ranches are one or two man operations. Many of the ranchers in the area lease forest land from the government for pasturing their stock. The 1954 total value of Grant County livestock, including cattle and calves was \$2,164,500.00.[20]

Income in the Area

In 1955 the average per capita income in Grant County was \$1,474.00.[21] This figure, low as it is, presents a distorted picture, however. The population of Grant County in 1955 was 20,600.[22] All employed persons, including part time and unskilled workers were included in arriving at the above per capita income. Persons drawing unemployment compensation were considered. Several retired persons who are assumed to be fairly wealthy are not considered. The author believes that the above figure would be raised considerably if the wealth of retired persons were considered.

Mining operations contribute more income to Grant County than any other business or industry. As indicated in Table I, the mining companies pay 46 per cent of the

county's total wage and salary payments. It is interesting to note that agriculture, the county's second leading industry, is responsible for only 1.3 per cent of the total wage and salary income.

TABLE I
WAGE AND SALARY PAYMENTS BY SOURCE
GRANT COUNTY 1954*

Private Industry	Amount	Per Cent
Trade	\$2,536,000	12.6
Manufacturing	1,535,000	7.6
Utilities	853,000	4.2
Services	882,000	4.4
Construction	821,000	4.1
Finance	245,000	1.2
Agriculture	262,000	1.3
Mining	9,253,000	46.0
Other	85,000	.4
Government Payments	Amount	Per Cent
Federal	\$1,622,000	8.1
State	1,750,000	8.7
Local	280,000	1.4
Total	\$20,124,000	100.0

*Vincente F. Ximenes, Income by Counties in New Mexico (Albuquerque, N. M.: Bureau of Business Research, University of New Mexico, 1956), p. 24.

The federal, local, and state governments are the second largest producers of wage and salary income in the county. Together they produce 18.2 per cent of the total payments.

Wage and salary payments are, of course, the largest single producer of income in Grant County. This fact is

indicated in Table II which gives a breakdown of the estimated payments to individuals in 1954 and 1955. As indicated the total income for 1955 was slightly larger (5.2 per cent) than it was for 1954. The 1954 income for business houses was \$2,352,000. Table II shows that there was quite a large number of business operations to share these profits.

TABLE II
ESTIMATED INCOME PAYMENTS TO INDIVIDUALS
GRANT COUNTY 1954 AND 1955*
(in thousands)

Income	1954	1955
Wages and salaries	\$20,124	\$22,454
Proprietor income	3,415	3,685
Farm	985	unknown
Professional	288	unknown
Business	2,142	unknown
Property income	2,352	2,470
Transfer payments	2,059	2,004
Less: Contributions for Social Insurance	602	696
Total	\$27,348	\$29,917

*Vincent F. Eximenes, Income by Counties in New Mexico (Albuquerque, N. M.: Bureau of Business Research, University of New Mexico, 1956), p. 24.

There are two commercial banks in Grant County. The American National Bank in Silver City had resources amounting to approximately \$8,500,000 as of January 1, 1957.[23] The Grant County State Bank in Bayard had estimated resources of \$2,000,000 January 1, 1957.[24] Neither bank pays interest on savings accounts. The great majority of their

deposits are in the form of checking accounts. Postal savings at the Silver City post office total \$200,000.[25] The approximate total financial savings held in local institutions is \$11,000.000.

Business Activity in Area

In 1954 there were 116 retail business establishments in Grant County.[26] The total value of their combined gross sales was \$10,975,000.[27] The county's thirteen wholesale trade establishments had sales of \$3,772,000 in 1954.[28]

Most of the county's business activity is centered in Silver City. Santa Rita and Hurley are mining camp towns, owned by the Kennicott Copper Corporation. Business activity in these communities is curtailed by the parent company. One general merchandise store is operated by the company. Permits are issued by the company for the operation of one tavern, one drug store, one movie theatre, one garage, etc. in each of the two communities. The company owns the buildings which house these businesses and restrictions govern their operation. Bayard ranks second to Silver City in number of businesses. A bank is located there, also restaurants, drug stores, apparel stores, garages, filling stations, and other operations. Silver City contains all of the automobile agencies, all of the wholesale trade establishments, and a majority of the retail outlets.

Table III is a list of the business establishments operating in Grant County during the second quarter of 1955. The table gives a breakdown of the various manufacturing, trade, and service operations, the number of employees, and their average total and weekly earnings. The number of establishments operating during this period was larger than the 129 establishments operating in 1954.

Silver City is the home of New Mexico Western College. It is a fully accredited college which offers the bachelors and masters degree in teacher education and bachelors degree in the liberal arts. The institution is actually the state teachers college of New Mexico. The enrollment for the 1955-1956 school year was 592.[29]

The Fort Bayard Veterans Hospital is located in Grant County, nine miles east of Silver City. The purpose of this institution is the treatment of veterans with tubercular afflictions. The hospital has facilities for 222 patients.[30] The daily average number of patients treated in 1955 was 120.[31]

Competition of the Murray Hotel

As indicated in Table III, there were six lodging establishments in Grant County in 1955. There are now seven lodging enterprises in the county. One motel is located in the community of Bayard. Silver City is the site of three

TABLE III
GRANT COUNTY BUSINESS OPERATIONS
SECOND QUARTER 1955*

Operations	Units	Employees	Total Wages	Average Weekly Wage
<u>Business</u>				
Manufacturing	9	427	\$471,451.00	\$84.93
Transportation and Public Utilities	15	135	113,722.00	64.83
<u>Trade</u>				
Limited function	9	56	44,814.00	61.55
Wholesale	12	68	57,720.00	63.03
General Merchan- dise	15	126	68,917.00	42.07
Food	27	114	82,051.00	55.36
Automotive	12	77	73,096.00	73.02
Apparel	7	18	6,829.00	29.18
Other retail	27	114	82,405.00	55.60
Eating and drinking	39	131	45,383.00	26.64
Filling stations	15	43	22,094.00	39.52
Finance, insurance and real estate	16	71	50,188.00	54.37
Total Trade	163	747	\$483,309.00	\$49.77
<u>Service</u>				
Lodging	6	44	16,117.00	28.17
Personal	14	87	43,623.00	38.57
Other business	5	14	10,729.00	58.95
Auto repair	9	20	13,446.00	51.71
Misc. repair	4	3	1,885.00	48.33
Movies	4	64	21,590.00	25.94
Other amusements	3	9	3,594.00	30.26
Medical	9	62	47,176.00	53.36
Law offices	4	6	3,320.00	42.56
Not classified elsewhere	6	17	8,965.00	34.69
Total Service	62	328	\$169,165.00	\$39.67

*Fred C. Barron, "Grant County Business Operations,"
Monthly Bulletin Employment Security Commission of New Mexico,
December, 1955, p. 32.

motels and three hotels. Of these establishments the Murray Hotel is the only one that serves food and beverage.

The other hotels in Silver City are located in the business district of the town. Their clientele consists mainly of lower class travelers. They are used by truck-drivers and migrants. The motels are located along U. S. Highway 260 on the outskirts of the community. Two of these motels have about twenty units; the other one has five units. Currently, they are doing a fairly good business. Their clientele consists mainly of tourist travel.

Public Transportation Afforded Silver City

The town has the unique distinction of being the only stop on the Atchison, Topeka, and the Santa Fe Railway System where it is necessary for the trains to approach in reverse.[32] Silver City is located at the end of a spur feeder line. The trains switch and reverse at a point about five miles distant and back in to the station so that they will be in proper forward position to depart.. Silver City is afforded railway service by one daily train. This train carries freight only. Formerly, passenger service was available, but the Atchison, Topeka, and Santa Fe Railroad Company discontinued passenger service in March, 1955 due to lack of demand.[33] The Silver City train connects with a through line from El Paso, Texas, to Albuquerque at the small village of Rincon, New Mexico. As the train leaves Silver City at 6:00 P.M. and arrives at Rincon at 12:00

midnight, passengers found the trip rather difficult and tiring. The passenger service consisted of one combination baggage and passenger car on the end of a freight train.

Frontier Airlines services Silver City with one east bound and one west bound plane daily. Silver City is one of two stops on the airline's daily Phoenix-Albuquerque and return flights. Both planes connect with airlines that give nationwide service to the East and West. The Civil Aeronautics Administration authorized Frontier Airlines to commence operations in Silver City in December, 1951.[34] However, at that time service was authorized between El Paso, Texas and Phoenix through Silver City rather than Albuquerque and Phoenix. This arrangement was not very successful as there was little demand for flight service from El Paso to Silver City. El Paso, 160 miles away is an easy drive by automobile. Albuquerque, 300 miles away, is a much more difficult drive through mountainous terrain. There was demand for Albuquerque airline service as many mining officials and businessmen must make frequent trips to that city and the state capital at Santa Fe for conferences and conventions. Frontier Airlines applied to the Civil Aeronautics Administration in 1952 for authorization to change service from El Paso to Albuquerque. This authorization was granted and Albuquerque--Phoenix service commenced April 1, 1956.[35] The daily passenger load increased from 1.62 with El Paso--Phoenix service to 6.58 with Albuquerque--Phoenix service.[36]

These passenger figures include only those passengers who board the planes at Silver City.

The Parrish Bus Company operates three trips daily to and from El Paso. The bus line's facilities are used by people who travel to El Paso for business or pleasure or who wish to connect with other public transportation in that city. Prior to the time of airline passenger service in Silver City this bus line furnished the only real means of public transportation to the community. Railway service was practically unused.

Silver City has the reputation of being a difficult place to reach. The community is not situated on a major transcontinental highway or railroad. All public transportation to and from Silver City must be via feeder lines to and from the cities of El Paso, Tucson, Phoenix, and Albuquerque. It is a two day trip to Albuquerque by bus, due to distance and poor connections. Transcontinental bus line connections can be made in either Lordsburg or Deming, fifty miles from Silver City. If one wishes to travel by rail or air however, he must take the longer trip to any of the aforementioned cities.

Climate

The boosters of Silver City refer to their town as being "Air Conditioned by Nature." The average yearly temperature in Silver City is eighty-one degrees.[37] This

moderate temperature is made possible by the relatively high altitude of the community. The altitude of Silver City is 6,030 feet.[38] The people of the town enjoy full sunshine 83 per cent of the time.[39] Frontier Airlines report almost 100 per cent flying weather. Since service was started in 1951 only six flights have been cancelled because of weather conditions.[40]

Silver City is surrounded by mountains. The location of the community in this mountainous terrain, the high altitude, and the abundance of sunshine are all factors which contribute to the enviable climate. Cool mountain breezes actually temper the hot rays of the sun. The average yearly temperature in other communities in New Mexico which are not situated in mountainous terrain is considerably higher than Silver City's eighty-one degrees.

The average number of days yearly with a maximum temperature of ninety or more degrees in Silver City is twelve.[41] Other statistics which contribute to an understanding of Silver City's climate are average annual days with fog, one, 18 inches average annual precipitation, 15 miles per hour average wind velocity, 46 per cent average relative humidity.[42]

The dry climate of the Southwest is particularly well suited for those persons afflicted with tuberculosis, arthritis, and bronchial disorders.[43] Many of the inhabitants

came to the town originally to regain their health. Many of these health seekers have remained and become permanent citizens.

Population Trends in Area

Grant County experienced a slight decrease in population from 1950 to 1955.[44] The 1950 population was 21,649.[45] It dropped to 20,300 in 1955.[46] This was a decrease of 6.2 per cent. The best explanation of this population decline was the drop in the market price of the various metals produced from minerals extracted in Grant County. As mentioned before it was necessary for several of the mining companies to discontinue operations. This resulted in unemployment and a minor depression in the area. People moved away to seek employment elsewhere. The mining companies recommenced operations in 1955 as the prices of metals increased. Table IV shows the population and labor force in Grant County in 1950 and 1955.

The number of persons who moved away from Grant County during the five year period was 3,801. The increases in mining employment is explained by the reopening of some of the mines.

Conclusions

Economically Grant County and the surrounding area is very dependent on the mining industry. When the prices of lead, zinc, copper, and other Grant County minerals are up

TABLE IV

POPULATION AND LABOR FORCE GRANT COUNTY 1950 AND 1955*

Population and Labor Force	1950	1955
<u>Population</u>	21,649	20,300 (down 6.2%)
Under 14 years	7,104	6,700
14-19	2,195	2,050
20-39	6,480	6,050
40-64	4,884	4,600
65-over	996	900
14 yrs. over	14,545	13,600
<u>Labor Force</u>	7,270	7,160
Per cent over 14 years	50.0	52.6
Per cent of population	33.6	35.3
<u>Unemployment</u>		
Per cent of labor force	7.9	4.5
<u>Employment</u>	6,761	6,840 (up 1.2%)
Agriculture	698	430
Mining	1,335	2,750 (up 48.6%)
Construction	486	290
Manufacturing	1,040	450
Transportation and utilities	325	250
Trade	985	960
Finance, insurance and real estate	86	80
Business repair and personal services	616	470
Education	414	400
Professional	459	540
Public administration	209	210
Industry not reported	108	10
Covered employment	4,281	4,699 (up 9.8%)
Births 1950-1955		3,381
Deaths 1950-1955		929
Natural increase		2,452
Net migration		3,801

*Richard B. Goode, Labor Force and Employment in New Mexico Counties, 1950 and 1955 (Albuquerque: Bureau of Business Research, University of New Mexico, May, 1956), p. 6.

and the mines are operating the community is wealthy and prosperity is apparent. When the mines discontinue operations, however, a recession becomes very apparent. Silver City's businessmen have designated the 500 foot smelter stack at Kennicott's copper refining plant as a business barometer. For them, a glance at the stack is all that is necessary to ascertain business conditions. All is well while smoke comes forth. If there is no smoke they prepare for a recession. To borrow an expression, all of the economic eggs of Grant County are placed in one basket, the mining industry.

FOOTNOTES

- [1] Collier's Encyclopedia, Vol. 14, p. 550.
- [2] Ibid.
- [3] Ibid.
- [4] Ibid.
- [5] Ibid.
- [6] Ibid.
- [7] Ibid.
- [8] Fischer and Fischer, Urban Real Estate. (New York: Henry Holt and Company, 1954), p. 29.
- [9] The Counselor, Vol. 5, No. 11 (January, 1955), 8.
- [10] Ibid.
- [11] Ibid.
- [12] Kennicott Copper Corp., This Is Chino (Santa Rita, New Mexico: Kennicott Copper Corp., 1956), p. 2.
- [13] Ibid.
- [14] Your New Plant Should Be In New Mexico (Santa Fe, New Mexico: New Mexico Economic Development Commission, 1956), p. 10.
- [15] Mr. William Saffold, Public Information Director, Chino Mines Division, Kennicott Copper Corporation, December 30, 1956.
- [16] Your New Plant Should Be In New Mexico, op. cit., p. 11.
- [17] Ibid.
- [18] Ibid.
- [19] Ibid.
- [20] Ibid.
- [21] Ibid.

- [22] U.S., Bureau of the Census, County and City Data Book, 1952, p. 283.
- [23] Mr. Jack Wilson, Vice-president, American National Bank, Silver City, New Mexico, December 30, 1956.
- [24] Mr. Louis Vencill, Head Cashier, Grant County State Bank, Bayard, New Mexico, December 30, 1956.
- [25] Mr. Jack Wilson, Vice-president, American National Bank, Silver City, New Mexico, December 30, 1956.
- [26] Your New Plant Should Be In New Mexico, op. cit., p.14.
- [27] Ibid.
- [28] Ibid.
- [29] Mr. Donald Overturf, Registrar, New Mexico Western College, Silver City, New Mexico, December 30, 1956.
- [30] The Counselor, op. cit., p. 14.
- [31] Ibid.
- [32] Mr. Roy Creed, Agent, Atcheson, Topeka and Santa Fe Railroad Company, Silver City, New Mexico, December 30, 1956.
- [33] Ibid.
- [34] Mr. Harold Welsh, Secretary, Silver City-Grant County, Chamber of Commerce, Silver City, New Mexico, December 24, 1956.
- [35] Ibid.
- [36] Ibid.
- [37] Ibid.
- [38] U.S., Bureau of Census, County and City Data Book, op.cit.
- [39] Mr. Harold Welsh, op. cit.
- [40] Ticket Agent, Frontier Airlines, Silver City, New Mexico.
- [41] The Counselor, op. cit., p. 16.

- [42] The Counselor, op. cit.
- [43] Ibid.
- [44] Richard B. Goode, Labor Force and Employment in New Mexico Counties, 1950 and 1955 (Albuquerque, New Mexico: Bureau of Business Research, University of New Mexico, May 1956), p. 6.
- [45] Ibid.
- [46] Ibid.

CHAPTER III

PROMOTION OF THE MURRAY HOTEL

Acquiring A Favorable Reputation

Acceptance by the community. The small town hotel should be recognized as the center of activity by the citizens of the community.[1] The Murray is the only hotel in Silver City that serves food and beverages. Because of its location and facilities the hotel should be a natural place for formal and informal social and business gatherings. The hotel should be the natural place for a businessman to meet his friends over luncheon. It should be a natural site for a ladies tea or a formal dance.

Making the hotel the center of social and business activity in the community should be the first step in a sales promotion program.[2] Currently the Murray Hotel does not qualify as Silver City's center of activity. The author believes that before a sales program for the hotel will have reasonable success it will first be necessary for the hotel to acquire a favorable reputation. The following paragraph, written by Mr. Lucius Boomer tells something of the importance of a reputation to a hotel.

And, finally, in your advertising thinking and planning, do not overlook the great importance of prestige

and of emphasizing and building towards it. Some hotels have attained such unusual hotel personality and local significance that these factors become in themselves advertisements with a widespread appeal. For instance, there is the Davenport in Spokane, Washington, known all over the United States--there is The Waldorf-Astoria in New York, known all over the world. They illustrate hotel prestige. We frequently hear of the prestige of a business establishment, an organization, or even a government. Prestige is a great asset in any enterprise, only achieved after long and determined efforts by succeeding generations of managers. It means something more than and different from, mere good-will. It means the current value of past accomplishments. Note the definition of this word, prestige: 'Authority or importance based on past achievements and gained from the appearance of power and ability; the influence of reputation or of former character or success; ascendancy based on the recognition of accomplishment; as British prestige in Asia; social prestige.' [3]

The hotel's atmosphere should be friendly. According to Mr. Lloyd Stalcup, sales manager of the Detroit Statler Hotel, friendliness expressed by employees and atmosphere is one of the most important factors of hotel sales.[4] Mr. Joe Harper, manager of the Dallas, Texas, Statler Hotel, believes that friendliness does more for hotel promotion and sales than billboards, letters, gimmicks, or any other form of promotion.[5] The employees of the hotel should be trained to maintain a courteous and friendly attitude toward guests and visitors to the hotel. All personnel should be made to realize that the purpose of the hotel is the pleasure of its guests.

The hotel's food service facilities should be recognized as the community's best. A small town hotel must offer quality food if it is to achieve any measure of success.[6] The menu of the dining room and coffee shop should include enough variety of item and price to be acceptable to a reasonable range of customers. The author believes that the main reason for the failure of the Murray Hotel in recent years is its very poor business in the dining room, coffee shop, and banquet rooms. The facilities have not produced a net profit during any financial period since 1948 (excluding three periods when the facilities were sub-leased to other individuals). Other eating establishments in Grant County apparently enjoy a good volume of business. None of the other restaurants in the county have facilities or location to equal that of the Murray Hotel. Yet they do experience a larger business volume. It must be assumed that the reason for the hotel's lack of dining room patronage has been poor quality food and service. Steps must be taken to provide an acceptable product in the dining room (both food and service) before a sales promotion program can be expected to be successful.

The cocktail lounge of the Murray Hotel has always produced a net profit for the operation. It is the author's opinion however, that the facilities of the lounge have never been used properly to produce a maximum return. Management of the hotel has always been content to sit back and

wait for business to come into the lounge. Very little has been done to promote use of the lounge. Because it does have a very good location in downtown Silver City, the lounge has always enjoyed a fairly good business volume. The author feels that it has a greater potential, however. Alcoholic beverages have never been merchandised in the dining room of the hotel. As it is the custom of many people to drink some form of alcoholic beverage before, during, or after eating, "selling" drinks in the dining room should be a great source of revenue for the beverage department.[7]

The hotel's management should assume an active role in community activities. According to Mr. Lloyd Stalcup, sales manager of the Statler Hotel in Detroit, Michigan, the people of a community will go to great length to support the hotel if they feel that the hotel is sincerely supporting the community.[8] The townspeople will feel this way only if there is a genuine display of interest in the furthering of the community from the hotel.

The manager of the Murray Hotel should participate actively in the functions of the Silver City-Grant County Chamber of Commerce. The purpose of this group of businessmen is to promote business activity for the area.[9] In the past the managers of the hotel have taken a secondary interest in this organization. Active, cooperative

participation in the chamber of commerce will contribute much toward making a feeling of good will in the community toward the hotel. Membership in other groups and associations will also help win over the townspeople's confidence in the hotel. The interest displayed in these groups must be sincere. A show of interest, which is not genuine, would cause more harm than good.

Active support of fund drives such as the Community Chest and those administered by the Red Cross and other charitable organizations will make the citizens of the community feel that the hotel is a "community" project. Offering the hotel's facilities for meeting and making contributions to drives are ways of actively supporting these events.

Acceptance by travelers. According to a survey published by Institutions' Magazine, cleanliness and courteous service are the two most important factors which influence persons selecting an establishment for lodging and dining.[10] The results of this survey are graphically displayed on the following page. Twenty-four hundred persons in New York, Chicago, and Los Angeles were included in the survey. As indicated, 84 per cent of these people thought cleanliness an important factor in selecting a lodging establishment. If the hotel can serve quality food and offer cleanliness and courteous services at reasonable prices a favorable

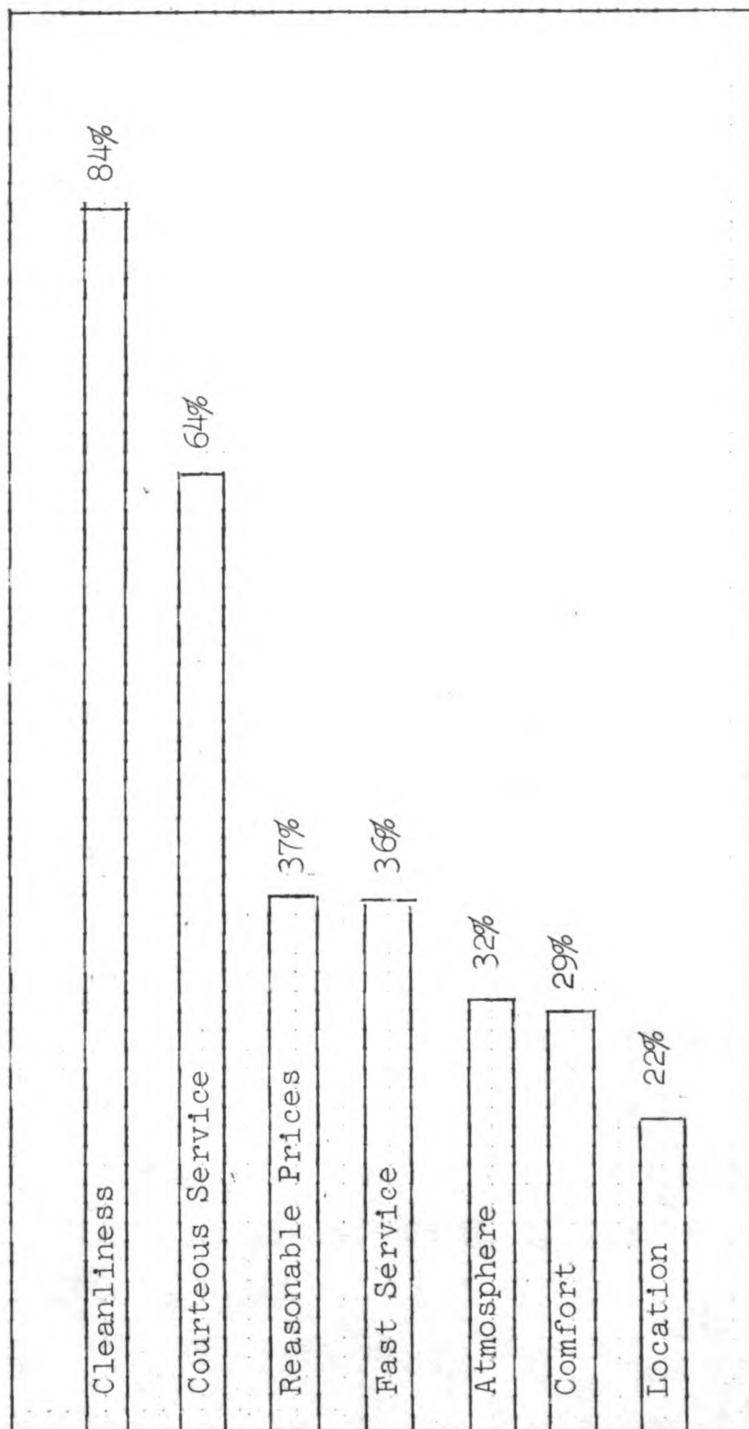


Fig. 6. Relative Factors of Importance Listed by Clients Selecting Lodging and Dining Accommodations

reputation should follow. A hotel's reputation for travelers and persons from whom inquiries are sought.[11] People can be expected to give recommendations for the hotel only if the hotel actually qualifies for them. Cleanliness, courteous service, and reasonable prices are the main qualifying factors for traveling persons.

An Analysis of the Prospective Client

The next step in a promotion program for the Murray Hotel should be an analysis of the prospective client. An investigation should be made to ascertain the nature and location of all of the hotel's prospective business.

Past transient business. Silver City is not situated on a major transcontinental highway. The highways that do lead to and from Silver City are feeder routes, leading from one major highway to another (see Fig. 5.). State Highway 180 is an unsurfaced road that goes through the Black Range Mountains east of Silver City. Since it was completed in 1935 the highway has experienced little travel, presumably because of the mountainous terrain and the rough surface condition of the highway. Prior to 1952, U. S. Highway 260 was surfaced from the town of Deming to a point thirty-two miles northwest of Silver City. From that point on to the Arizona state line the highway was unsurfaced. Because of the poor condition of the highways leading to the community, Silver City has experienced little business that could be

attributed to tourist trade in the past. A survey taken by the state highway department in 1955 indicated that 400 out of state automobiles went through Silver City on an August, Thursday in 1955.

Railroad passenger traffic to Silver City has been negligible over the years. The reasons for this were discussed in Chapter II of this paper. The number of persons coming to Silver City by airline travel has been rising steadily.[12] Since Frontier Airlines initiated service between Albuquerque and Phoenix the daily average number of passengers has been 6.58.[13] The majority of these passengers have departed from the Silver City airport rather than arrived at it. Many Silver Citizens use the local airline facilities to make connections with transcontinental airlines in Albuquerque and Phoenix. The graph on the following page furnishes Frontier Airlines Silver City passenger traffic information since April 1, 1956, when Phoenix-Albuquerque service commenced.

Much of the Murray Hotel's transient business in the past should be attributed to business travel. Traveling salesmen visit the town periodically to sell their wares. Cattle buyers and sellers use the hotel as a headquarters. Visiting mining officials use the hotel occasionally when they do not wish to use company guest house facilities in the mining camps.

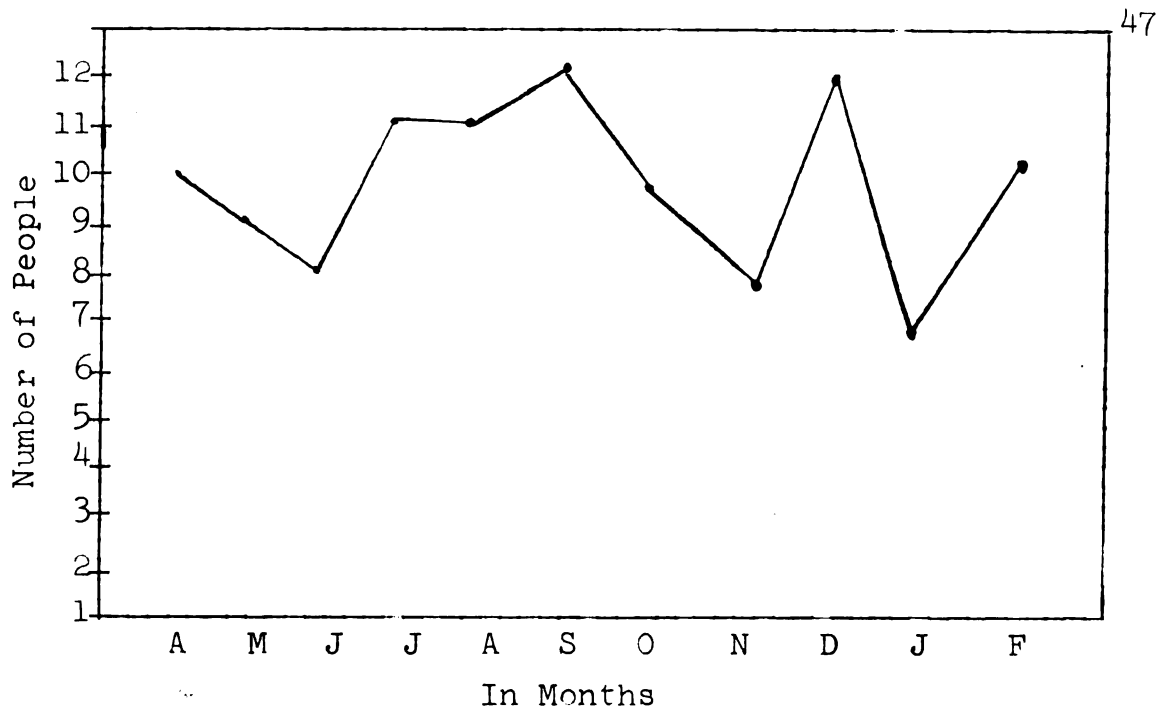


Fig. 7. Frontier Airlines Passenger Traffic to Silver City After April, 1956.

Future transient business. In 1953 the city fathers, through the Silver City-Grant County Chamber of Commerce, initiated a selling program to convince the New Mexico State Highway Department to completely finish the unsurfaced portion of U. S. Highway 260. This group of individuals has been successful. The New Mexico Highway Department recently announced that the remaining unsurfaced portion of U. S. Highway 260, completely rerouted and surfaced, will be completed in July, 1957.[14] According to chamber of commerce officials this project will bring a substantial increase in transient business to Silver City. The average number of cars going through the community every day during tourist season is expected to increase from 400 to 1,000.[15] It

is conceivable that many of the occupants of these automobiles will use the food and lodging facilities of Silver City.

There probably will be no future railroad passenger service in Silver City.[16] The officials of Frontier Airlines expect the amount of passenger traffic in and out of Silver City to maintain a steady increase.[17] Businessmen will continue making periodic trips to Albuquerque and Santa Fe. More and more persons are beginning to realize the comfort and convenience of air travel. The rate of passenger arrivals is not expected to increase at a rate equal to departures.[18] Many people that leave Silver City by air return by some other means of transportation.

Local business. There are about 5,000 potential clients of the Murray Hotel in Grant County. As indicated in Table III, there are numerous eating and drinking establishments in the county. The author is of the opinion that the Murray Hotel has better facilities to serve people good food in pleasant surroundings than any of the other restaurants. The apparent business volume of these restaurants indicates that there is some demand for food service in Silver City. The dining room and coffee shop of the hotel should be able to operate at a substantial business volume.

Grant County is a location of alcoholic beverage drinkers. In 1950 the county had the distinction of having

the highest alcoholic consumption per capita of any county in the United States.[19] The common laborers who work in the county's various mining operations contribute much to this high figure of alcoholic consumption. Because of social class distinction and their lower income level these people should not be considered as potential customers of the cocktail lounge. Drinking alcoholic beverages is accepted by the majority of the inhabitants of the community. There is a good local potential business volume for the Murray Hotel cocktail lounge.

The various fraternal, social, and business organizations of Silver City and Grant County have periodic meetings, parties, dances, and other social functions. This is another market through which hotel business should expand. The Martha Room and the ball room (Fig. 3.) are both excellent facilities for dances, parties, etc.

Promoting the Hotel

Active promotion and advertising of the hotel should begin only after the hotel has been made one of quality.[20] Assuming that the hotel has met this qualification the author is now ready to begin a discussion of the actual promotion and sale of the hotel product.

According to Mr. Lucius Boomer the well organized promotion program for a hotel would begin with some well thought out answers to the following questions.[21]

1. What are we selling?
 - a. Transient
 - b. Residential
 - c. Restaurant
 - d. Entertainment
 - e. Convention
2. Whom are we selling?
 - a. Income groups
 - b. Men
 - c. Women
 - d. Business
 - e. Pleasure
 - f. Local
 - g. Tourist
 - h. National
 - i. Foreign
3. Where are we selling?
 - a. Local
 - b. Own metropolitan area
 - c. Other metropolitan area
4. How are we selling?
 - a. Prestige appeal
 - b. Rate appeal
 - c. Building appeal
 - d. Equipment appeal
 - e. Service appeal
 - f. Entertainment appeal

In planning a promotion program for the Murray Hotel the following answers to these questions should be kept in mind. Planning the program in this manner enables one to better understand the idiosyncracies of the particular operation and its clientele.

1. The operation is a transient hotel which has a dining room, cocktail lounge, and facilities for convention business. Ordinarily, no entertainment is provided.
2. The Murray Hotel will sell its product to income groups ranging from lower middle to upper level. The clientele will include all of the groups mentioned in question 2 above.

3. The local prospective clientele is comprised of people in Silver City and Grant County. A high ratio of the transient guests will come from neighboring cities in New Mexico, Arizona, and Texas. Some of the clientele will be people from all over the United States.
4. The selling points of the Murray Hotel are prestige appeal, building appeal, equipment appeal, and service appeal. It is the newest and most fully equipped operation in the community. The hotel offers complete service.

Sell the hotel to tourists. As stated before, Silver City will probably experience a sharp increase in tourist trade when U. S. Highway 260 is completely resurfaced. The chamber of commerce plans an extensive community promotion campaign.[22] The organization plans to appeal to highway travelers on U. S. Highways 70 and 80 (see Fig. 5.) to use 260 as an alternate, shorter, and more scenic route. They plan this promotion on a "park to park" theme as Silver City lies about midway between the Carlsbad Caverns and the Grand Canyon National Parks. The hotel particularly, should cooperate fully with the chamber of commerce in this campaign.

It is very important to select the advertising media that would be best suited for the particular operation.[23] One media of advertising may be well suited for a particular hotel in one city and completely unsuited for another operation in a different locale. Eighty to ninety per cent of all tourists travel by auto.[24] A great majority of the tourists coming to Silver City will be traveling by

automobile. Some of these tourists will be coming from all parts of the country. The author believes that the highway sign and billboard will be the most suitable advertising media to attract tourist business.

Road signs do not necessarily have to be large and elaborate. These qualifications in themselves do not make the signs effective.[25] Placement and clever working are the qualifications that are most important to the effectiveness of highway signs.[26] The message on the sign should convey some idea of the hotel's worth to the traveler. These messages should stress items where the hotel is superior or equal to competing hotels and motels in Silver City. It is very effective to point out the merits of the hotel being sold over the hotel's competition (without mentioning the competition by name).[27] Items that the road signs should mention are free parking lot, room phones, dining room, cocktail lounge, television, and location. It would be impractical for each sign to mention all of these items. Each sign could carry a different message, stressing one or two of the hotel's selling points.

The road signs must be well placed to be effective. The author believes that billboard type road signs would be effectively placed at each highway approach to Silver City. As there are two highways which go through the community it would be necessary to place four of these signs. The billboards would contain a reproduction of the Murray Hotel,

a brief, clever message inviting the traveler to stay at the hotel, the address, and brief instruction about how to reach the hotel.

Smaller road signs could be placed along U. S. Highway 260 and State Highway 180 at intermittent points. These signs should be smaller. Their purpose would be to keep the advantages of the Murray Hotel in the traveler's mind. Each one of these signs should carry a short message extolling one of the benefits of the Murray Hotel. One of the signs could read: "Free Parking Downtown at the Murray." They could all be worded in a similar manner. One of these signs should be placed every ten miles between Silver City and the communities of Deming, Lordsburg, Glenwood, and Hillsboro (see Fig. 5.). Larger billboard type signs should be placed close to the junctions of State Highway 180 and U.S. Highway 85 east of Silver City and 180 and U.S. 70 west of Silver City. Billboards should also be placed at the junction of U.S. Highway 260 and U.S. 70,80 southeast of Silver City. The purpose of these signs would be to initiate the idea of staying at the Murray Hotel in the traveler's mind. The smaller signs will tell of the various benefits of staying at the hotel. The sight of the final large billboard sign at the approach to the town would do much to convince the tourists and other travelers to drive all the way into Silver City, past the motels, to stay at the Murray Hotel. As the streets of Silver City are laid

out in a somewhat irregular, complex manner, a few directions signs will be used in appropriate places.

Although their primary purpose will be to bring tourist business to the hotel, road signs will be of secondary value to the hotel. Their presence will keep local people aware of the hotel and its merits. Traveling people who have stayed at the hotel before will be reminded to return. The signs will help the hotel maintain its prestige as the community's best.

Membership in automobile and travel associations will be another effective way of attracting tourists into the hotel. Tourists stress cleanliness when they are selecting a hotel. Membership in travel associations such as the American Automobile Association necessitates meeting certain qualifications for cleanliness, sanitation, etc. Membership indicates to the guest that the hotel does meet these qualifications. Recommendations such as AAA and Duncan Hines are very important to travelers, many of whom will not even consider an establishment without them.

The Hotel Red Book is a publication that is consulted by many persons when they are selecting lodging accommodations. The Murray Hotel is currently listed in this publication. The listing should be maintained in the future.

Advertising in national periodical publications would not be a sound investment for the Murray Hotel. Advertising space in these publications is very costly. The number of

persons that such advertising would influence to stay at the hotel would be very small compared to the number of people who would see the advertisements. This type of advertising is more appropriate for a resort operation where the clientele is more restricted to a particular income level or geographical area.[28]

The Statler Hotels have experienced some success in placing small box type advertisements in newspapers in cities in which the hotels are located.[29] These advertisements contain single short statements of the merits of the hotel. Advertisements of this nature placed in the newspapers in the following list would be of value in attracting tourists and other traveling people to the Murray Hotel. People from all of these communities travel through Silver City of necessity or could be induced to travel to Silver City for pleasure. The Albuquerque Journal and The El Paso Times would be particularly effective as they are circulated throughout New Mexico and Southeastern Arizona. The circulation figures in the following list are estimated by the author.

<u>Publication</u>	<u>Location</u>	<u>Circulation</u>
<u>The Albuquerque Journal</u>	Albuquerque, N.M.	200,000
<u>The El Paso Times</u>	El Paso, Texas	300,000
<u>The Deming Graphic</u>	Deming, N. M.	5,000
<u>The Lordsburg Sun</u>	Lordsburg, N. M.	2,500
<u>The Truth or Consequences Gazette</u>	Truth or Consequences, N. M.	4,000

<u>Publication</u>	<u>Location</u>	<u>Circulation</u>
<u>The Copper Era</u>	Clifton, Arizona	7,000
<u>The Daily Press</u>	Silver City, N.M.	7,500
<u>The Enterprise</u> (weekly)	Silver City, N.M.	7,500

Direct mail is an advertising media that can be quite effective in hotel promotion.[30] The Hotel Chalfonte-Haddon Hall in Atlantic City, New Jersey, maintains a mailing list which includes 200,000 names.[31] The management of the hotel attributes \$500,000 in gross sales and 10,000 new customers to their direct mail program since they started it in 1947.[32] Mr. Ralph Lorenze of the Mayflower Hotel in Plymouth Michigan attributes much of his promotion success to his direct mail advertising.[33] The important factors in this media of advertising are proper maintenance of the mailing list and writing "readable" letters.[34] There are numerous ways to accumulate a mailing list. Perhaps the most obvious way would be a permanent file of registrations. Personal letters should be sent out periodically, inviting people back to the hotel with a warm, friendly message. Letters could also be sent out on known birthdays, anniversaries, etc. of clients of the hotel.

Very often traveling people ask local gas station attendants, and other persons to recommend a lodging establishment.[35] It is important to have all persons who might have contact with tourists, and be asked for recommendations,

recruited to the cause of the Murray Hotel. It would be a great source of revenue to the hotel if these people recommend the Murray Hotel every time an inquiry is made. The Van Orman Hotel uses a monetary incentive plan to induce gas station attendants to recommend properly to travelers.[36] Recommendation cards are passed out to all attendants in the area. When a person asks for a recommendation he is given a card and directions for driving to the hotel. The guest gives the card to the room clerk when he registers. When one attendant accumulates a certain number of cards he is given a cash reward. According to Mr. Van Orman this plan has been very successful.[37] A similar plan should be workable with the Murray Hotel. Most travelers approach Silver City by automobile. There is a large number of gas stations in the county (see Table III).

Sell the hotel to business travelers. According to numerous traveling salesmen interviewed by the author at the Hilton Hotel in El Paso, Texas, the best way for a hotel to attract traveling businessmen to the hotel is the maintenance of cleanliness, courtesy, and good food.

The advertising media that would be used to attract tourists would also serve to attract traveling businessmen. The use of direct correspondence, however, could be especially beneficial to attract this type of traveler. A friendly letter written to the various salesmen known to

travel in the area advising them of the conveniences of the Murray Hotel--location, phones, sample rooms, food, free parking lot--should attract many of these men into the hotel.

Sell the hotel to group or convention business. Group business is a source of great revenue to hotels all over the country. In 1951 conventions accounted for one billion dollars in gross sales.[38] The great majority of conventions have a relatively small attendance.[39] Fifty-five per cent of all conventions attract 300 people or less; twenty-two per cent attract 100 people or fewer.[40] These facts indicate that the Murray Hotel is reasonably entitled to some convention business.

Attracting groups and conventions to a community entails a dual selling job. The community and the hotel must be sold. The community can best be sold through close co-operation with the chamber of commerce and other businessmen in the town. Other businessmen may not be convinced that convention business will benefit the entire community. The graph on the following page illustrates the breakdown of the convention dollar as it was spent in the city of New York in 1936. Hotels were certainly not the only business enterprises that benefited from these conventions. This breakdown should convince local businessmen of this fact.

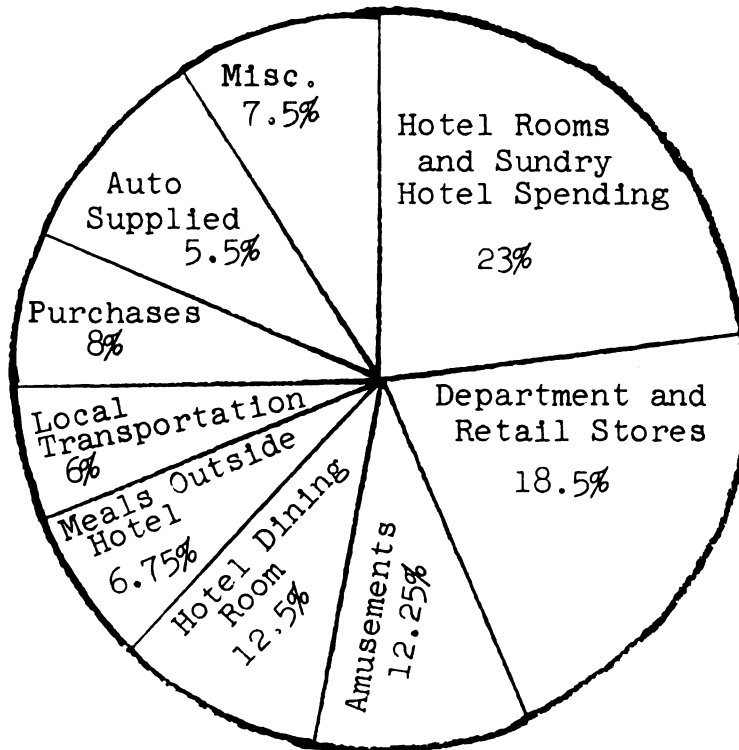


Fig. 8. Breakdown of the Convention Dollar as Spent in New York City in 1936*

Close association with groups and organizations is necessary to sell to groups and conventions.[41] It is advisable to have personal contact with or belong to as many associations as possible. One should keep posted on happenings and future events in these organizations in so far as possible. Groups plan their meetings and conventions as much as eighteen months in advance of the actual meeting.[42] It is necessary then to use much foresight in selecting groups that should be solicited.

*Lucius Boomer, Hotel Management (New York: Harper Brothers, 1938), p. 201.

When the hotel and other businesses in the town agree on a particular group to solicit, a concentrated effort should be made to attract that group to the community and the hotel. Correspondence with influential members of the organization telling of the benefits of Silver City and the hotel will do much to achieve this end. This correspondence could include brochures with pictures of points of interest, etc. Silver City delegates to conventions should sell the town as a site for the group's next meeting.

Too many hotels do not make the most of group business once it is sold.[43] Group business is a source of great future revenue to the hotel through return business. Proper follow-up of the convention sale should be followed. It is very important not to make promises to groups which the hotel cannot fulfill.[44] Unkept promises are a source of considerable ill will.

In many hotels employees are cool toward groups and conventions because these people are quite demanding and the tips are very often poor.[45] All employees in the hotel should be well trained to maintain courtesy and friendly service to these groups. Explanation of the possible return business and spreading of good will should help convince employees of the need for good service.

Sell the hotel locally. Selling the hotel locally is a problem that is confined mainly to selling the food

service and beverage facilities of the operation. If the townspeople are pleased with these phases of the hotel they will recommend it to out of town people. The attractions of the hotel for local persons are the dining room, coffee shop, cocktail lounge, and the banquet rooms.

According to Mr. Ralph Lorenze the problem of making a success of a small hotel dining room is threefold: (1) good food, (2) pleasant surroundings, and (3) effective promotion.[46] Assuming that the Murray Hotel satisfactorily fulfills the first two classifications the problem becomes one of promotion.

The quality and type of service offered in the dining room and lounge should be patterned to the desires of the community. The menu should be rather simple with some variation from day to day. The menu prices should be as moderate as possible to allow a fair return. The atmosphere of the dining room and cocktail lounge should be simple and functional; just formal enough to maintain the hotel's community prestige.

Advertisements in the Silver City newspapers listing menus on certain holidays could persuade some people to dine at the hotel. The newspapers are circulated throughout the county. Cleverly worded advertisements should be effective. Spot radio advertisements on radio station KSIL telling of the dining room specialties on certain days, menu items, and features of the dining room would be

effective advertising. KSIL is the only radio station that can be heard with little interference in the county.

Direct mail advertising can be very effective when used locally.[47] There are many facets of this media of advertising. People may be sent congratulatory messages on birthdays, anniversaries, etc. asking them to come into the hotel for a free meal. One restaurant checks the state automobile license bureau and sends these letters to new car purchasers.[48]

Murray's restaurant in Minneapolis, Minnesota uses an interesting promotion scheme to advertise their specialty, steak dinners. They invite a prominent citizen and his wife from a neighboring town to the restaurant for a steak dinner. The guests are photographed at dinner and their comments about the food are solicited. If the guests agree and the comments are favorable, the picture and copy is run in an advertisement in a Minneapolis newspaper.[49] According to the owners of this restaurant the plan has been very successful.[50] Most of the people asked enjoyed having their picture in the paper. The testimonial type of advertising has been quite effective.[51] The author believes that a similar plan advertising the Murray Hotel dining room would be effective. If certain prominent citizens would be agreeable their testimony should be valuable.

The ball room has never been used for hotel sponsored dances, parties, or similar functions. Silver City is a town of many social functions. The author believes that a periodic dinner dance in the ball room would receive strong support from the people in the community. There is no other establishment in the community that functions as a supper club. Dinner should be served at individual tables in the dining room and live music and some form of entertainment should be provided.

FOOTNOTES

- [1] Harold Van Orman, Hotel Sales Management Association Sales Manual (New York: Hotel Sales Management Association, 1952), p. 21.
- [2] Ibid.
- [3] Lucius Boomer, Hotel Management (New York: Harper and Brothers, 1938), p. 188.
- [4] Conference at Michigan State University, Spring, 1956.
- [5] Joe Harper, "A Hotel Manager Speaks," Hotel Monthly, July, 1956, p. 22.
- [6] Ralph Lorenz, "Don't Wink In the Dark," Southern Hotel Journal, May, 1955, p. 25.
- [7] Wine Advisory Board, San Francisco, California, Pamphlet, 1955, p. 6.
- [8] Lloyd Stalcup, Sales Manager, Detroit Statler Hotel, Conference at Michigan State University, Spring, 1956.
- [9] Bylaws, Silver City-Grant County Chamber of Commerce, Silver City, New Mexico.
- [10] "Patrons Vote for Courteous Service and Cleanliness," Institutions Magazine, February, 1955, p. 126.
- [11] Van Orman, op. cit., p. 23.
- [12] Ticket Agent, Frontier Airlines, Silver City, New Mexico, March, 1957.
- [13] Ibid.
- [14] Harold Welsh, Secretary, Silver City-Grant County Chamber of Commerce, Silver City, New Mexico, December 29, 1956.
- [15] Ibid.
- [16] Atcheson, Topeka, and Santa Fe Railroad Company, Silver City, New Mexico.
- [17] Ticket Agent, Frontier Airlines, Silver City, New Mexico, March, 1957.

- [18] Ticket Agent, Frontier Airlines, Silver City, New Mexico, March, 1957.
- [19] Jock Sanford, Schenley's Distilleries Sales Representative, Albuquerque, New Mexico.
- [20] Donald Greenaway, Manual for Resort Operators (Pullman, Washington: State College of Washington Press, 1950), p. 134.
- [21] Boomer, op. cit., pp. 184-185.
- [22] Welsh, op. cit.
- [23] Boomer, op. cit., p. 186.
- [24] Greenaway, op. cit., p. 137.
- [25] Van Orman, op. cit., p. 24.
- [26] "List Criteria for Attractive Outdoor Signs," Institutions Magazine, April, 1955, p. 77.
- [27] Stalcup, op. cit.
- [28] Greenaway, op. cit., p. 148.
- [29] James Rice, "Ideas You Can Use In Local Advertising Media," Hotel Management, May, 1955, p. 81.
- [30] "Building Sales With Direct Mail," Hotel Management, November, 1955, p. 76.
- [31] Ibid.
- [32] Ibid.
- [33] Lorenz, op. cit., p. 26.
- [34] Ibid.
- [35] Van Orman, op. cit., p. 27.
- [36] Ibid.
- [37] Ibid.
- [38] Rewel W. Elton, "Onions and Orchids for Hotel Keepers," Sales Management, pt. 2, July, 1952, p. 45.
- [39] Boomer, op. cit., p. 201.

- [40] Boomer, op. cit., p. 201.
- [41] Stalcup, op. cit.
- [42] Boomer, op. cit., p. 212.
- [43] Elton, op. cit., p. 45.
- [44] Stalcup, op. cit.
- [45] Elton, op. cit., p. 45.
- [46] Lorenz, op. cit., p. 26.
- [47] Ibid.
- [48] Leonard Hicks, "What's New In Hotel Sales," Hotel Monthly, January, 1954, p. 22.
- [49] "Editors, Noted Citizens Aid Steak Knife Ads,"
Editor and Publisher, August 28, 1954, p. 16.
- [50] Ibid.
- [51] Ibid.

CHAPTER IV

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Economically, the area is dependent on the mining industry. Forty-six per cent of Grant County's total wage and salary income is derived from the various mining operations in the area (see Table I). The great majority of the wealth in the area is derived from its mineral deposits. The other industrial and business activity is not sufficient to sustain a healthy economy when the mining companies are not operating. Recent happenings in Grant County give strong evidence to support this fact. The market price of several nonferrous metals, which are mined in the community, dropped considerably in 1953. The price became so low that it became impossible for the companies to operate at a profit. Operations were suspended in all of the operations except one. Approximately two-thirds of the income derived from ~~the~~ mining industry was lost to the area. This development ~~was~~ felt rather severely in Silver City and the surrounding communities. Many persons, not being able to find employment, moved away from the area. Sales in business establishments, particularly automobile agencies and appliance

stores dropped considerably. The Murray Hotel also suffered in this area depression. The average occupancy dropped from 45.3 per cent in 1953 to 34.2 per cent in 1954 (see Fig. 2).

Silver City is not an outstanding location for a hotel. The local economy's dependence on the operation of the mining industry is not a sound condition for any business enterprise. The mining industry, even when operating at full capacity, is not the type of industry that would afford a large amount of business to an establishment whose purpose and primary function is service--a hotel. The mining industry does not afford the hotel with much clientele.

New Mexico Western College does not provide the hotel with a great source of revenue. The school is relatively small. Many of the students are from neighboring New Mexico communities. Relatives and friends visiting them usually do not stay over night. Although the school does afford some business for the dining room, cocktail lounge, and banquet rooms it cannot be considered as a major source of income for the hotel.

Silver City has never experienced much business from travelers. As discussed in Chapter II, the commercial travel facilities in the community are rather limited. The Atcheson, Topeka and Santa Fe Railway Company has discontinued passenger service. Frontier Airlines and The Parrish

Bus Line bring very few over night travelers to Silver City. Because it is not located on a through highway Silver City does not receive a large amount of long distance automobile traffic. The feeder routes that do lead to the community have always been rated as second and third class highways. The past economy of Silver City has been influenced very little by a traveler market. The town has not been well suited for the location of a 100 room hotel.

The hotel's future success is closely related to the amount of future traffic on U.S. Highway 260. In July, 1957 this highway will be completely resurfaced. The Silver City Grant County Chamber of Commerce and the New Mexico State Highway Department expect the amount of traffic on the highway to increase rapidly after this time. If this expectation becomes a reality a new market for the hotel will be opened. The hotel, if operated properly should experience a substantial increase in occupancy and revenue. If travel along the highway does not increase the hotel probably will not achieve a decided increase in occupancy level.

Through efficient operation and skillful promotion the hotel should be able to participate more fully in current transient market in Silver City. This market is limited. Unless there is some increase in travel on U. S. Highway 260 the author does not believe that the Murray Hotel will operate at an average yearly occupancy of over sixty per cent.

There is a local potential business for the hotel. The area does afford the hotel with a potential clientele. Table IV indicates that the population of Grant County is 20,600. There are 5,000 families in the county. The great majority of these families earn a living wage. Provided with motivation by a promotion campaign as described in Chapter III many of these persons would use the dining and drinking facilities of the hotel.

Recommendations

Define the objectives. A manager's success is greatly assisted if he has in mind fixed objectives and goals to be achieved.[1] Objectives can be divided into two classes; primary and secondary. The primary objective of the manager of the Murray Hotel should, of course, be the successful operation of the business. This is a rather broad statement. Normally, the connotation is the derivation of a financial profit from operation. Successful operation of the business means more than this, however. Complete satisfaction of the guests and contributing a worthwhile service to the community are other factors to be considered as part of the primary objective of the Murray Hotel.

Secondary objectives are the actions which must be accomplished in order to bring about the fulfillment of the primary goal. Some of the secondary objectives of the Murray Hotel should be: improvement of the hotel's food

service facilities, improvement of employee service to guests, raising the standard of maintenance, improvement of the hotel's cocktail lounge, and better trained personnel.

Setting objectives as an approach to the problems of managing the Murray Hotel enables one to be a better judge of the progress of the operation and relationships within the organization. The ultimate goal of the hotel provides a real purpose of management. Set goals provide a means for the manager to quickly ascertain just where the hotel stands along the road to success.

The following outline is a grouping of the primary and secondary goals of the Murray Hotel. Some of the objectives are over lapping. Improvement of food service facilities is important not only to increasing local business, but also to transient business. Increasing sales in an important aspect of every objective of the hotel.

I. Successful operation of the hotel

A. Realize a profit .

1. Minimum cost
 - a. material
 - b. labor
2. Increase sales
3. Increase revenue

B. Make the hotel the meeting place of the community

1. Serve the best quality food in the community
2. Actively participate in community organizations and functions
3. Take a sincere interest in the future of the community

- C. Make the hotel attractive to transient business
 - 1. Serve the best quality food in the community
 - 2. Offer the best hotel service at competing prices in the community
 - 3. Make the advantages of staying at the Murray Hotel known to the traveling public

Set up structure of organization. A manager, in order to function properly, should have a thorough knowledge of the organization for which he is responsible. The manager should either approve or set up the organization beneath him. Lines of authority and responsibility should be clearly known and understood by the manager and his subordinates. A smaller hotel may have a relatively loose and simple organization whereas a large hotel must have a more complex organization of the line and staff type.[2] Larger hotels are departmentalized and the work is of necessity very specialized. Services rendered to guests must be performed with certain time limitations. The guest's bill must contain all charges when he checks out. Rooms must be made up by certain hours. The valet department must be able to process clothing in a relatively short time. The hotel business, by its nature, is very exacting. For this reason the organization structure of hotels, particularly large operations should be very centralized.

According to Mr. Lucius Boomer, a loose flexible type of organization is appropriate for a small hotel of less than 250 rooms.[3] The author is of the opinion that a

loose organization is not only appropriate but desirable in a 100 room operation such as the Murray Hotel. Decentralized organizations have proven to be more efficient and effective in many cases than the strict line and staff, authoritarian type of organization.[4] The employee, in the flexible organization, is furnished with more incentive and challenge to perform at maximum effectiveness. Much of "passing the buck" so prevalent in authoritarian organizations is eliminated.[5] Small hotels are particularly well suited to a flexible organization because they are limited as to number of employees they can afford to keep on the payroll. A 100 room hotel could not afford, nor would it be practical to keep, one employee behind the front desk for every job performed behind the front desk of a 1,000 room hotel. In the small hotel the room clerk may also perform the duties of cashier, mail clerk, telephone operator, and sometimes cigar stand attendant. This comparison between the front office departments of a 100 room hotel and a 1,000 room hotel will be typical in other departments of the hotel. The organization structure of a small operation cannot be as centralized as the structure in a large hotel.

A flexible, decentralized organization provides for using employees in more than one department of the hotel. When necessary employees can be moved from one department to another. This type of organization would eliminate the

use of the specialist employee; the one who is very proficient at one task but is unable to perform the duties required of another job. The following page contains a drawing of the author's proposed structure of organization for the Murray Hotel.

As indicated in the organization chart the manager himself will be directly responsible for the purchasing and promotion of the hotel. This arrangement is desirable because of the small size of the hotel. A 100 room hotel would not be able to absorb the cost of paying a full time purchasing agent. The manager should perform this function because of the large amount of expenditure involved in purchasing, because he could trust no one better than himself, and he would have the time to fulfill the duties of purchasing agent.

The major part of a hotel manager's job is being a front man: being sociable to guests, making contacts for possible future business, and attending business and social gatherings in and out of the community.[6] This statement is especially true of a small hotel in a small community. In a small town the hotel manager should become acquainted with all of the local potential customers of the hotel.[7] Purchasing and promotion would be the only direct responsibilities of the manager. He will of course be responsible for the entire operation but subordinates will perform most of the other tasks necessary in the operation of the hotel.

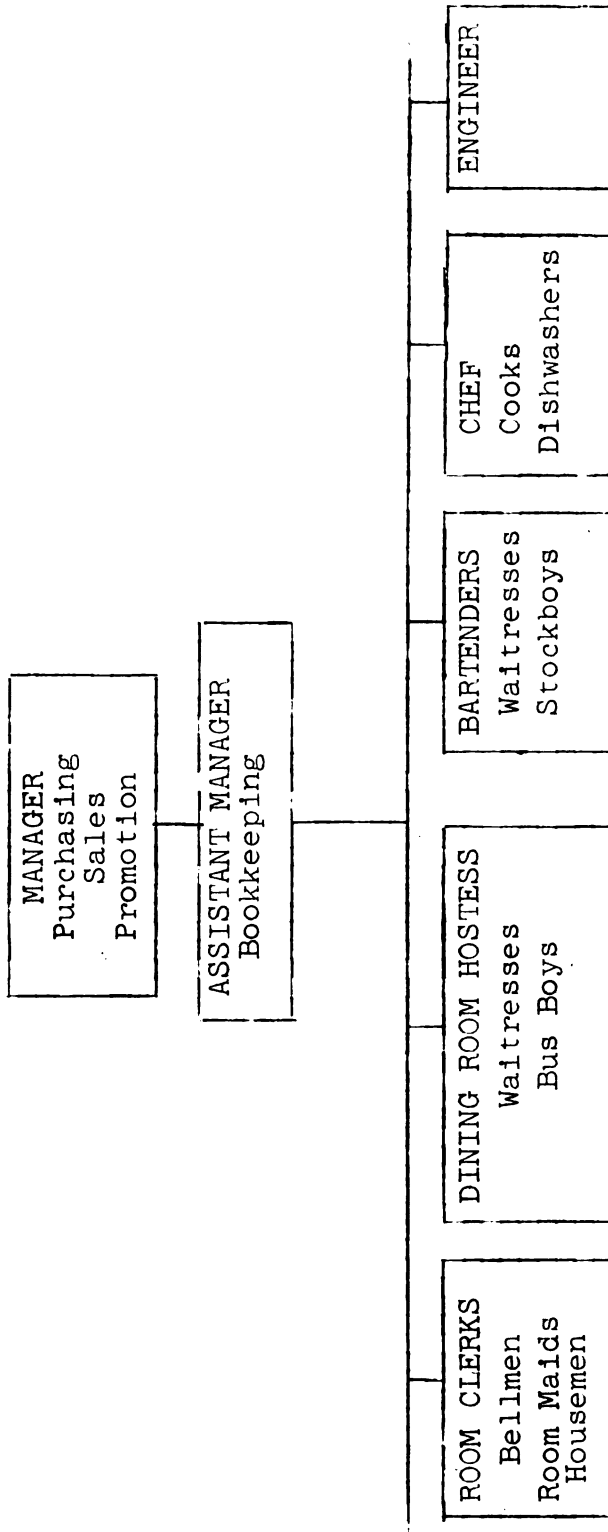


Fig. 9. Murray Hotel Chart of Organization

The assistant manager will act as auditor of the hotel. He will be responsible for completing the periodical financial statements. There will be a bookkeeper to maintain the daily record of transactions. The night room clerk will perform the night audit. All records will be kept in accordance with the Uniform System of Accounts which was initially advocated by the New York State Hotel Association in 1926.[8] The assistant manager will also act as a supervisor for the front office and the food and beverage departments.

The hotel's engineer will be responsible directly to manager. It will be his primary duty to keep the mechanical equipment of the hotel functioning and in proper maintenance. He will make minor repairs, wherever possible, to all equipment, furnishings, and fixtures in the hotel. Repainting and redecoration will be duties of the engineer. A good engineer for a small hotel should be a jack of all trades. It will be a difficult position to fill but a well qualified person will be worth the cost involved as the fees charged by professionals for repairs are very high.

A hostess will work under the supervision of the assistant manager and be in charge of the dining room and coffee shop. She will supervise waitresses and busboys. The chef will be in charge of the kitchen. He and the assistant manager will write the menus subject to approval by the manager. A relatively standard four or five entry

menu will be used. The head bartender on duty will be in charge of the cocktail lounge. He will be responsible to the assistant manager.

The manager and assistant manager will be responsible for the food and beverage storerooms. Issues will be made only during certain hours of the day. Proper control measures for the storerooms as outlined in Profitable Food and Beverage Operation will be maintained to insure minimum loss of food and beverage inventories.[9]

Set up an operation budget.

In actual practice, a carefully prepared budget is really a plan of operation or another form of management rather than an accounting routine as some still assume. Perhaps nothing better for perfecting foresight and a sound appreciation of the various factors involved in the operation of hotels can be suggested than budgeting, for it is the most effective means of coordinating the many activities of the hotel household.[10]

The importance of proper budgeting and control of expenses in hotels cannot be overemphasized. The use of a sound budget enables one to position himself more clearly and thoroughly on the relativity of expenses and revenue. The above statement of Mr. Lucius Boomer indicates the importance of a good budgeting system.

In setting up the budget it will be necessary for the assistant manager as auditor, the manager, and each department head to have consultations to discuss the expense involved in operating each department of the hotel. The

Uniform System of Accounts which has become almost universal as an accounting tool in the hotel industry has provided hotel management with valuable information in the form of standard operating ratios and percentages which are very helpful in budgeting expenses.[11] This information should be studied by the manager of the hotel and his subordinates and used as comparative figures when setting up the budget for the hotel. The results of these managerial discussions should be the amounts of money deemed necessary to satisfactorily operate each department of the hotel. A typical budget structure for hotels follows:[12]

Budgets in Group I--Income-operated department, rooms, food and beverages, telephone, valet, laundry, etc.

Budgets in Group II--Unapportioned operating expenses, general and administrative, advertising and business promotion, heat, light, and power, repairs and maintenance.

Expenditures

Income-operated departments--more or less fixed; control by management directly.

Advertising and business promotion--variable according to volume of business and management policy; control through percentages.

Heat, light, and power--variable according to season and to some extent volume of business; control through pre-established standards and management policy.

Capital, bond interest, sinking-fund, etc.

Expenses

Unapportioned Operating Expenses--repairs and maintenance--variable according to management policy.

Considerable time and effort must be expended before accurate budget figures can be developed. Sound budget figures come often after trial and error.[13] Comparisons should be made at the close of each budget period between budgeted expenses and actual expenses. Adjustments should be made where necessary for the next budget period. Because of the extremely variable nature of the hotel business, short budget periods are desirable.[14] They are more easily adjustable to operating requirements.

Set up a personnel system. A personnel management program would be of great assistance in the operation of the Murray Hotel. Due to the high wages paid by the mining industry there is a very competitive labor market in Grant County. A personnel system would help the management find and select the person best qualified for each particular job. The budget of the hotel would not provide for the service of a full time personnel manager. Handling personnel, interviewing, hiring, discipline, problems, and follow up will be the duties of the manager and the assistant manager.

Job descriptions should be drawn up for each position in the hotel. A certain pay rate should be assigned to each job. This procedure will enable the manager and the assistant manager to quickly ascertain the requirements of each job. It will further their accuracy in selecting the right man for the right job.

There should be a training program for new employees. Very few persons reporting for new assignments know fully the duties of the position for which they are reporting.[15] The best way to train employees is on the job that they will be assuming.[16] Their immediate supervisor is usually the person best suited for the task.[17] The training period should last as long as the supervisor deems necessary. The new employee should be trained in all of the positions that he will probably be asked to fill. A busboy should be made familiar with the various positions in the kitchen, so that he may be moved from one position to another if necessary. The importance of cleanliness and courteous service should be emphasized with employees, during and after the training period. Pleasing the guest should be an objective of each employee. Cleanliness and courteous service are very important factors to hotel guests (see Fig. 6). The salesmanship concept should be stressed with all employees. Each employee is a potential salesman of the hotel as he comes in contact with the guest and performs his duty.

Labor turnover should be minimized as much as possible because of the excessive cost of procuring and training new employees. Pay rates should be competitive with those of other firms in the community insofar as possible. As mentioned before it would be difficult for the hotel to compete with the high wages paid by the mining industry in the

county. The hotel should be able to compete with the other business establishments in the area, however. There are people in the area who do not wish to work in the mining operations, mainly because of the danger involved. All employees should be treated objectively and fairly. There should be well known and understood procedures for advancement within the organization. Employees should feel that they have the opportunity to better themselves. Mr. William F. Werner believes that employees should know how to exploit the opportunity to get ahead.[18] Following is Mr. Werner's fifteen point check list for those who wish to advance.[19]

1. Accept instructions attentively and courteously.
2. Be neat and orderly about your work.
3. Never neglect the daily bath.
4. Do not make a habit of remining away from work.
5. Watch how another person does the same work you are doing.
6. Notice the work of those above you in rank.
7. Be punctual in reporting for duty.
8. Don't linger at duty position after work period.
9. Never call a guest by his first name.
10. Don't gripe.
11. Use correct speech and grammer.
12. Don't trust to memory.
13. Don't gossip.
14. Don't smoke while on duty, or in front of guests.
15. Don't drink before or during duty.

This list, or one similar to it, should be kept before employees as a guide to advancement.

Improvement of the food service department. It is of paramount importance that the hotel be considered the best place in the community for food and beverage consumption. It is essential that a small town hotel be considered the most popular eating establishment in the community.[20] None of the other lodging establishments in Silver City serve food and beverage. If the Murray Hotel could become popular by serving quality food at reasonable prices it would do much as an advertisement for drawing travelers and local people into the hotel. One of the keys to success in the food service department is the employment of good personnel, particularly in the kitchen. The position of chef is, of course, the most important in the department. The person who fills this position can make or break the food department operation. This person is responsible for the production of the quality product which is so important. Experienced chefs are paid well for their services. It would be worth the cost involved to obtain a satisfactory individual to fill this position.

Waitresses and bus boys should be well versed in the technique of the performance of their jobs. The importance of cleanliness should be stressed with the dining room employees. Good grooming, cleanliness, and courtesy should be stressed during the employee's training period and

throughout his period of service. There should be constant reminders to all employees of the importance of these items. One way of constantly reminding employees would be the use of signs. Schuler's Restaurant in Marshall, Michigan, has a sign hanging in a prominent position in the kitchen which reads, "A tip is a reward for courteous service, not something you are entitled to."

The menu in the dining room and coffee shop should be patterned according to the desires of the patrons. Records should be kept of the relative popularity of the various items used on the menu and the unpopular items should be discarded. The luncheon menu should include items within the price range of \$1.00 to \$2.00. The majority of the luncheon guests will be business people whose main desire will be a substantial meal at a moderate price. The evening meal price range should be \$1.50 to \$3.00. These prices would make the dining room and coffee shop competitive pricewise with other eating establishments in the community.

FOOTNOTES

- [1] George R. Terry, Principles of Management (Homewood, Illinois: Richard D. Irwin, Inc., 1956), p. 150.
- [2] Lucius Boomer, Hotel Management (New York: Harper and Brothers Publishers, 1938), p. 5.
- [3] Ibid.
- [4] Peter Drucker, The Practice of Management (New York: Harper and Brothers, 1954), p. 280.
- [5] Ibid.
- [6] Joe Harper, "A Hotel Manager Speaks," Hotel Monthly, July, 1956, p. 22.
- [7] Ralph Lorenz, interview, February, 1956.
- [8] Boomer, op. cit., p. 77.
- [9] Joseph Brodner, et al, Profitable Food and Beverage Operation (New York: Ahrens, 1955), p. 112.
- [10] Boomer, op. cit., p. 77.
- [11] Ibid.
- [12] Ibid.
- [13] Ibid.
- [14] Ibid.
- [15] Travis Elliot, "How to Keep Your Workers Happy," Institutions Magazine, April, 1954, p. 48.
- [16] "Cites Ways of Training New Employees," Institutions Magazine, March, 1954, p. 60.
- [17] Ibid.
- [18] William F. Werner, "Fifteen Ways to Get Ahead," Midwest Hotel Reporter, May 15, 1954, p. 29.
- [19] Ibid.
- [20] Lorenz, op. cit.

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