

Training hotels in Asia: an exploration of alternative models

Abstract

This paper documents the application of business approaches or models by six Asian universities and other hospitality education providers through their ownership and/or operation of training hotels. It contributes to knowledge by exploring how training hotels balance experiential student learning and teaching with business operations. The researchers collected web-based information about the operational practices of the six hotels and also examined guest reviews in recognition of the influence of social media on business success. Five assessment criteria were used to evaluate the respective operations. The paper contributes to practice by suggesting that prospective training hotels should carefully assess business and pedagogical concerns and consider guest reviews as a measure of market responsiveness.

Introduction

Hospitality industry leaders have long advocated the provision of effective training for current and future employees (Cannon & Gustafson, 2002; Frash et al., 2010). This should be supported by education and training venues that provide students with portable skills that contribute to workplaces and to lifelong learning. One rationale for the substantial training investments is to support the delivery of quality customer service (Frash et al., 2010; Smith & Lesure, 2007). Meanwhile, degree awarding institutions enhance graduate employability by combining theory-informed hospitality management programs and industry relevant skills (Ruhanen, 2005). It is timely to use training hotels as a medium for the scholarly exploration of commonalities between the “hands-on” dimension of higher education hospitality provision and business operations in contemporary settings.

When scholars consider the “knowledge” element of hospitality they refer extensively to industry practices (Morrison and O’Mahony, 2003). The applied orientation also resonates with hospitality students who are positively disposed to experiential learning approaches through practicums and/or internships (LeBruto & Murray, 1994). However, professional paths through hospitality education are less regulated and certified than in other fields and can lead to inconsistent pedagogies. Though many courses purport to

provide hospitality instruction in “laboratory” settings such as kitchens, bars, restaurants, hotel receptions and accommodation suites, instruction methods are often questionable (Cooper & Shepherd, 1997, Lashley, 2004). Tse (2014) identified a gap between hospitality curriculum and industry requirements and advocated a balance of theory and practice. Training hotels are one well-established medium to deliver hospitality education, though some commentators view their applied orientation as diminishing academic focus (LeBruto & Murray, 1994). It is timely to consider the extent to which experiential learning is being delivered in real business settings such as training hotels in regions where hospitality education provision is expanding.

There are various alternative approaches to operating training hotels. The Swiss Hotel Association established Ecole Hoteliere de Lausanne (EHL) in 1893 to deliver curriculum in the world’s first “hotel school”. The Swiss “model” of owning and operating a hotel property has enjoyed a long established global profile. Local and international students reside within or adjacent to the relevant educational establishment during their studies and participate in the accommodation operation. The North American model is epitomized by US-based universities which operate on-campus training hotels. Various alternative operational models connect the host universities, their hospitality programs and the “captive” hotels involving student learning and revenue generation. The 82 room Hilton University of Houston, Texas is a full-service on-campus Hilton hotel operated under management contract and forms part of the Conrad N. Hilton College of Hospitality. Cornell University's 153 room Statler Hotel is another prominent US-based example. It was completed in 1989 and is operated by the School of Hospitality.

Why study training hotels in Asia? Tourism growth is driving Asia’s hospitality sector and quality education is needed urgently to address the expanded need for human capital. Whilst Asian hospitality educators previously drew from European and US examples, the outputs of Asian hotel schools are growing. The so-called "Asian Wave" has been delivering higher service standards and bringing global prominence to Asia-based tourism and hospitality corporations (eg airlines and hotel groups) (Lam et al., 2015). Asian hospitality graduates from institutions within and beyond Asia are progressively displacing the previously ubiquitous European and North American expatriate hotel managers. Since Asian hospitality education will increasingly inform practice in other regions, it is timely to undertake a assess the delivery models that are emerging across the continent.

Noting the impossibility of accommodating the full diversity of Asia, the researchers

focus on three territorial settings - Hong Kong (three training hotels), Thailand (two) and Macau (one). To provide variety and depth of coverage, the researchers half of the six examples are from a single territory – namely Hong Kong, a special administrative region (SAR) of China. The researchers consider both University and non-University hospitality operations in order to capture the diversities of scale and operation at post-secondary level. Three of the six examples are Universities, two are government vocational and higher education institutions, and one is the educational delivery arm of a leading (Thailand-based) hotel group. All featured institutions are accredited to deliver hospitality courses at degree level.

Literature Review

Operational Models

How can training hotels provide “real world” settings where students acquire hospitality knowledge? One would anticipate operational models that deliver high quality guest services. The present research applies the concept of a business operational model encompassing educational objectives across six examples. Drawing upon the hospitality context, the approach considers how hotel owners (often the educational institution) ensure a professional operation. In the hospitality literature, the viable business model typically involves either an owner/operator arrangement, a management contract or franchising (Samson, 2018). The same author has observed that Hotel companies have been progressively migrating from an “asset heavy” model (owner operator) to “asset light” consumer brands (more aligned to management contracts). Hospitality scholars and practitioners have stressed the importance of relations between the owner and operator of the hotel property. The training hotel context can address whether the educational institution owns and operates the asset or relies on professional hotel management company.

There is a substantial literature on business models across various academic disciplines. In considering the constituent parts of an ideal approach, the resource-based view (Barney, 1991) suggests that firms should deploy their resources and capabilities for competitive advantage. The ‘business model’ function underpins companies in all sectors (Rauter et al., 2015), including hospitality. The use of the term has been widespread though inconsistent (Zott & Amit, 2013; DaSilva & Trkman, 2014). Business models can provide a framework for creating and capturing value (Afuah, 2014). They shape the structure of an enterprise and encompass a value proposition, enticing customer payments and generating profitability (Teece, 2010). A business

model assembles ‘interdependent activities performed by a firm and its partners and the mechanisms that link them together’ (Zott & Amit, 2013). Zott & Amit (2007, 2010 and 2013) view business models as extending beyond organizational boundaries because value is extended across ‘business ecosystems’ through stakeholder interactions. For the purposes of the present study, the authors consider the training hotel ecosystem as encompassing both the education and business domains.

Business models contribute to value creation (Teece, 2010; Porter & Kramer, 2011; Zott et al., 2011; Zott & Amit, 2013; Kesting & Gunzel-Jensen, 2015). Though not strictly a business model, hospitality scholars have used the term competencies model for the grooming of future leaders (Chung-Herrera, Enz & Lankau, 2003). This connects business value creation and education. Meanwhile the customer hospitality experience is being enhanced through information and communication technologies (ICTs) and social media (Souto, 2015). Business models also consider customer wants and feedback (Teece, 2010; Zott & Amit, 2013; Kesting & Gunzel-Jensen, 2015). Value creation occurs across entire business ecosystems and across industries (Zott et al., 2011; Zott & Amit, 2013). Kesting & Gunzel-Jensen (2015) noted that stakeholders from other industry sectors may contribute to revenue generation. The extended concept might be applied to the intersection between education and hotel operations. Porter and Kramer (2011) advocated ‘shared values’, where prevailing economic and social conditions shape the benefits flowing from particular business models. In the case of training hotels, achieved average room rates (AARs) amongst competing properties may influence the effectiveness of the model. The current authors examine training hotels because their operational models are likely to accommodate both skills acquisition and revenue generation.

Training or Captive Hotels

Though the merits of “on-the-job” training and education for current and future hotel employees may appear obvious, delivery is widely inconsistent (Kelly 1982; Hoffman 1983; Clarke 2002; Frash et al., 2010). Variable effectiveness has several consequences (Baldwin & Ford 1994; Holton et al., 2000; Frash et al., 2010). Poorly designed training materials can lead to inadequate service provision (Holton et al., 2000; Frash et al., 2010). Training hotels that support students to deliver high service standards offer a potential benchmark. The term training hotel has been adopted in the present study. Though LeBruto & Murray (1994) referred to “captive” hotels, researchers have progressively referred to “training hotels”. The latter term is preferred because of its stronger association with the development of human capital. It is however

acknowledged that the term is imperfect since it may downplay the roles for research, innovation and knowledge creation.

When assessing how education institutions can benefit from operating training hotels, researchers should consider educational stakeholders including students and faculty along with operational concerns. Leslie and Richardson (2000) documented discrepancies between student expectations and experiences in the cooperative-education components of UK tourism undergraduate programmes. An investigation of student experiences at T-Hotels with no direct connection to their college, concluded that unstructured internships can negatively influence graduate career choices. Such misalignments are not evident in the present study with its examples incorporating a working hotel within an educational environment.

It is a challenge to balance theory and practice within the hospitality curriculum. Airey and Tribe (2000) referred to the ‘tyranny of relevance’ when describing the overly pragmatic approach of some universities which diminishes student reflection and theorizing. Hospitality educators also need to embrace the changes that are accelerating within and beyond the hospitality sector (Tse, 2014). Lewis (1993) characterized most US hospitality curriculum reviews as prioritizing academic needs over industry concerns. Academics sometimes struggle to align education provision with student industry career aspirations. Providing students with opportunities to operate a viable operation or “real” business is one potential solution. King and Qiu (2017) outlined alternative “experiential learning” approaches, including internships in training hotels and the alignment of experience-based subject- and program-wide student learning outcomes. Though empirical evidence for a causal relationship between training and effective educational outcomes is limited, the fundamental need for experiential learning has been widely canvassed (LeBruto & Murray, 1994). Tse (2014) noted the widespread acceptance of industry-oriented practicums that are fully integrated within the curriculum as experiential learning.

Customer Feedback

Whilst business models typically focus on supply aspects, the involvement of students in service delivery suggests that the consumer perspective merits consideration. Holbrook and Hirschman (1982) theorized the experiential dimension of consumption (Gentile et al., 2007; Verhoef et al., 2009). The authors stated that dynamic customer purchasing has enhanced the importance of experiential aspects. The experiential construct may be applied to both companies and customers (Pine & Gilmore, 1999;

Schmitt, 1999). Various approaches to the consumer experience have relevance for contemporary training hotels. These include the delivery of quality customer experience (LaSalle & Britton, 2003; Shaw & Ivens, 2005), creating quality through outstanding service provision (Milligan & Smith, 2002), the co-creation of experiences with customers (Pralhad & Ramaswamy, 2004), and positive word of mouth communication after a rewarding experience (Smith & Wheeler, 2002).

Few previous investigations have focused on the delivery of superior hospitality customer experience. Gentile, Spiller and Noci (2007) characterized the experience as a “set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction”. Experiences are “personal” and customers are involved at many levels – “rational, emotional, sensorial, physical and spiritual”. Evaluations depend on comparisons between customer expectations and the stimuli arising from interactions with the company and its offerings, particularly during moments of contact (p. 397). The current authors endorse this approach (Gopalan & Narayan, 2010), noting that hospitality products combine the tangible (eg a restaurant meal) and the intangible (eg checking-in and checking-out) (Ekinci et al., 2003).

Gentile et al. (2007) proposed six components of the hospitality customer experience. Customers typically rely on soft measures to assess their experience (Pizam & Ellis, 1999). Satisfaction surveys are commonly used to determine customer attitudes and perceptions of overall quality and such criteria also shape customer ratings on social media. Gopalan and Narayan (2010) proposed some critical conversion levers for tourism destinations. Consistent with such approaches, the current study draws upon guest comments to evaluate the training hotel experience under the following six headings: sleep quality, room condition, service, cleanliness, location and value. The researchers used online reviews to determine customer acceptance of the business models applied by the six training hotels. They drew upon both publicly available information (eg hotel websites) and customer feedback (through TripAdvisor).

Research Method

The following research questions are proposed:

- What guiding philosophies that have been adopted by Asian training hotels?
- What operational models have been adopted by educational institutions that own and/or operate training hotels?

- How are education and business dimensions accommodated by the practices of Asian training hotels?
- How are Asian training hotels evaluated by their guests?

The researchers conducted a preliminary search of training hotel provision across Asia. A number of potential candidates were eliminated because of the insufficiency of information on the relevant websites. In the case of the six featured training hotels the websites were evaluated to determine the intentions of owners and/or managers. On-line reviews and ratings about the training hotels on the TripAdvisor platform were used to gather relevant word-of-mouth customer insights about service provision. The six properties were grouped under five headings to build a picture of the prevailing operational models: (1) basic information, (2) size and facilities, (3) student involvement, (4) target market and (5) guest comments. These considered both supply and demand along with operational and educational dimensions.

Findings

Basic Information

<Insert Tables 1 and 2>

Tables 1 and 2 summarize the six properties and their educational purposes and it is evident that the various set-ups and locations are distinct, despite some commonalities. Hotel ICON occupies a “convenient” downtown location in Kowloon, Hong Kong. The building that houses the hotel consists of three sections - the hotel, the teaching and learning facilities of the School of Hotel and Tourism Management (SHTM) and 30 apartments for staff at the Hong Kong Polytechnic University (PolyU). The aspirations of future hoteliers “come to life” at Hotel ICON, making the guest stay “memorable and pleasurable”. There are various nearby shopping malls, restaurants, hotels, and offices. Hotel ICON has a convenient location from the perspective of both leisure and business travelers.

As indicated by the relevant website, T-Hotel (2016) occupies a “quiet and attractive” site with a key mission of strengthening students’ “acquisition of classroom skills through an “Integrated Learning Experience”. Though not CBD-based, comprehensive and convenient transportation links connect the property to various city locations. The Hyatt Regency Hotel website (2016) presents a larger scale of property located in Shatin, a so-called “new town” which is located some distance from the Hong Kong CBD,

though readily accessible by metropolitan rapid transit (MTR). The property connects with The Chinese University of Hong Kong (CUHK) Faculty of Business Administration building. The hotel is managed by the US-based Hyatt Group which entails a commercial orientation because of the requirement to adhere to group-wide standard operating procedures (SOPs).

The Macau-based Pousada de Mong-Há hotel property occupies a hillside adjacent to a 19th Century Portuguese fortress. It is managed by the Institute of Tourism Studies (IFT), Macau's public provider of vocational hospitality education to degree level. According to the Institute Website (2016), the Pousada pays "unrivalled attention to detail and service". The setting of the training hotel differs substantially from its Hong Kong counterparts since Macau permits casinos and gaming and has a hospitality dominant economy. Despite the Pousada's relatively small scale, it provides multiple settings for student practice. It is located some distance from the Cotai strip, location of Macau's larger scale casino resorts. The Salaya Pavilion Hotel equips students with skills to "meet the requirements of the international hospitality industry" and is managed by Mahidol University International College. The property is adjacent to Salaya Railway Station, some distance from Bangkok's various business districts. Dusit Thani Bangkok which was founded in 1970 is located in the CBD, close to convention centers, shopping centers, night markets and the railway station.

The range of facilities across the six featured properties depend on support from their respective owners and espouse distinct visions. In considering how location impacts on the various operational models, Hotel ICON is convenient for both business and leisure travelers. T-Hotel, Hyatt Regency, Salaya Pavilion Hotel and Dusit Thani Bangkok are all accessible by MTR and located close to business and leisure centres. To capitalized on such locations, management must deploy various service and pricing strategies to attract customers. Pousada de Mong-Há's location in a quiet locality provides guests with an experience of the less familiar Macau. This example shows the important relationship between the property setting, overall destination appeal and commercial potential. The researchers concluded that more centrally located properties achieve higher average room rates and can attract local customers to food and beverage outlets. The more boutique style Pousada property allows students to cultivate skills through interactions with a smaller guest cohort.

Size & Facilities:

<Insert Table 3>

As evidenced in Table 3, Hotel ICON’s guestrooms offer a wide range of recreational and meeting amenities. The “up-scale” hotel has three restaurants, one of which was awarded three “forks-and-spoons” in the Hong Kong Macau Michelin Guide 2015. The hotel provides innovative guest services such as “free” Smartphone, “free” mini-bar and “Timeless lounge” for guests who checking-in early or checking out late. The smaller scale T-Hotel has 30 “well-appointed” guest rooms (including 3 corner suites) with in-room amenities. "Luxurious" meals are prepared by students in either the western or Chinese training restaurants and the recreational facilities include a spa and gymnasium.

The five-star 567 room Hyatt Regency is the largest of the three Hong Kong based properties and offers diverse facilities. The hotel website highlights the accessibility of nearby museums, galleries, parks, religious sites and shopping malls. By contrast, the Pousada de Mong- Há has only 20 rooms, each offering in-room amenities. There are two food outlets within IFT - the Educational Restaurant and the Pousada Restaurant. Service provision extends to a gymnasium, library, internet service, and shuttle bus. The 517 room Dusit Thani Bangkok is the largest of the training hotels outside Hong Kong. It has nine restaurants and bars and diverse business and leisure facilities. Like Hotel ICON it incorporates a branded spa facility. Salaya Pavilion Hotel has 43 rooms and suites offering in-room amenities. The educational connection is evident with guests having access to the Mahidol University Sport Complex. The hotel also features function rooms and venue spaces accommodating up to 250 guests.

Consistent with their larger scale five-star operation, Hyatt Regency and Dusit Thani Hotel provide more extensive facilities and a wider range of cuisines across their food and beverage outlets. T-hotel, Pousada de Mong-Há and Salaya Pavilion Hotel appear to cater for more basic guest needs. It is worth noting that whilsT-Hotel ICON’s facilities are less extensive than those of Hyatt Regency, they are innovative and guest focused. Hotel ICON is rated as “four star” by Forbes Guide and espouses a “boutique” style. The chain-based Dusit and Hyatt properties place greater emphasis on group-wide standard operating procedures (SOPs), thereby shaping the student experience.

Student Involvement

<Insert Table 4>

Though the researchers did not conduct student surveys or interviewing, student involvement in the hotel operations is presented in Table 4. Researchers have advocated a harmonious working relationship between interns and employees/associates to facilitate meaningful and effective internships (Tse, 2014). One aspect of Asian context that applies to all six properties, is archetypal East Asian characteristics. The cultural practices of Hong Kong and Macau residents draw upon Chinese Confucian philosophy. Thailand's Buddhist oriented ethos emphasizes the attribute of harmony. The cultural and religious contexts are an important setting for the respective training hotels. Future researchers could usefully explore the role of cultural dimensions in guiding the operation of Asia-based training hotels.

All PolyU hotel management undergraduates must undertake a Hotel ICON internship and around 100 students participate annually in internships of up to 48-weeks with feedback being overwhelmingly positive (Tse, 2014). Hotel ICON supplements the "real work" environment with a mentor scheme whereby interns are guided by experienced executives. All supervisors engage in student training and mentoring (Tse, 2014). The "professional manager as teacher" concept connects theory and practice. Students are granted considerable autonomy in their work while meeting educational objectives. The highest achieving students may undertake the Elite Management Program - a 48-week internship over two phases where participants acquire operational experience in all major hotel divisions during the first phase and managerial experience in the second. Hotel ICON evidently adopts a sophisticated and customized approach to internships.

T-Hotel is operated by trainees, who are supervised by "experienced professionals" (T-Hotel website, 2016). Students handle services ranging from room reservations, check-in/check-out, bell and concierge, in-room dining, housekeeping to spa therapy. Guest bookings are channeled through the trainee-operated reservations department. Hyatt Regency is commercially oriented, though learning is supplemented by specially designed training rooms and experience sharing from hotel management (Hyatt Regency website, 2016). Students can apply for job-shadowing and internships within the hotel. Pousada de Mong-Há provides students with optional course related training (Pousada de Mong-Há Hotel website, 2016). Salaya Pavilion Hotel offers students a "unique combination" of theory and practice under supervision from qualified trainers. Interns undertake 'hands on' work across front office, housekeeping, food and beverage and kitchen (Salaya Pavilion Hotel website, 2016). Under the ownership and operation of the leading Thai five-star hospitality group over the past 40 years, Dusit Thani Bangkok provides employment for students (Dusit Thani Bangkok website, 2016). It is

beyond the scope of the present investigation to measure the choice of a particular hospitality brand to operate the training hotel (e.g. Dusit Thani or Hyatt) and how this enhances or impedes development relative to other hotel groups. Nevertheless a management contract or owner/operator provide business model alternatives. The extent of involvement across all six properties evidences active contributions to the student learning experience.

Target markets

Hotel guests were the next research consideration. The properties use common marketing approaches, despite different locations, facilities and guest experiences. The extensive facilities of Hotel ICON, T-Hotel, Hyatt Regency and Dusit Thani cater to both leisure and business travelers. The Salaya Pavilion provision focuses more on business travellers (Salaya Pavilion Hotel website, 2016). Meanwhile the relaxed Portuguese-style atmosphere of Pousada de Mong-Há suits leisurely explorations of Macau (Pousada de Mong-Há website, 2016). The scope of the various properties evidently shapes target marketing which in turn shapes social media commentaries and the guest experience. The present investigation could not ascertain the extent to which the owners and/or operators drive the marketing, though the diversity of practice evidently exposes students to different customers –business or leisure, personalized or more branded.

Guest comments

<Insert Table 5>

Noting that guest commentaries increasingly influence popularity and the room rates which prevail in training hotels, Table 5 examines guest ratings and revenue generation. The on-line hotel marketplace is fueled by globally accessible traveler ratings which influence guest word-of-mouth communications and provide potentially insightful materials for researchers. Guest comments indicate the appeal of a property and provide an impetus towards market orientation and guest responsiveness. Whereas trainees and interns have always been subject to performance review, social media place the customer view at the centre of the operation.

The researchers collected all TripAdvisor guest posting from a single day (11th September, 2015). TripAdvisor was chosen because it has the highest usage and associated content amongst the various travel-related sites that support user-generated

content and is reliable (Chua & Banerjee, 2013). Of the 3,385 comments that were received about T-Hotel ICON, 2,862 guests provided an excellent rating. This was a much higher number than were received for the much larger Hyatt Regency and Dusit Thani properties. T-Hotel was also highly favored, albeit from a smaller response rate. The contrasting ratings for the two Bangkok properties are striking with the low response rate for Salaya Pavilion being noteworthy. Of the six properties, Hotel ICON and T-Hotel rated 5 in most categories with the average rating for Salaya being 3.5. All six were rated between 3.5 and 5 in all but a single category, indicative of positive customer responses.

The researchers proceeded to evaluate the guest qualitative assessments. Hotel ICON was the most highly rated with strong evaluations across all categories. One guest (Asa1967) stated that "Being a solo female traveler, I felt completely looked after and everyone from the front desk to the bars/restaurants or door men are very friendly and always helpful. Oh, and they serve the best T-Hotel breakfast. I really can't fault this hotel. I'd love to return." Positive evaluations of T-Hotel included the observation "We are hoteliers and were impressed by the dedicated work of the students and directors - some of those students are destined for glittering success. Breakfast was a constant delight (otherwise dined elsewhere with family). Excellent value. Thank you" (by Crianlarich). It should however be noted that fewer than 500 guests reported T-Hotel on TripAdvisor, attributable to the smaller scale operation. Of the three Hong Kong-based properties Hyatt Regency Hotel reported relatively lower though still largely positive evaluations.

Pousada de Mong-Há received full marks for cleanliness and value and no respondents gave "poor" or "terrible" assessments. Location (inconvenient) was the only 3.5 star category. One guest commented: "Great little hotel. Actually this is a small hotel with a training school for those interested in learning the hotel & restaurant industry. It is located on a hilltop in the residential area ... away from the casinos and tourist spots. ... The rooms are nicely decorated in Chinese theme, very clean and spacious. All staff are well trained. There is a training restaurant on site, with a set menu prepared by the students for a reasonable price" (by Manhk). Salaya Pavilion Hotel received relatively fewer positive guest comments. Value was rated at 3 stars and there were no "excellent" responses. One guest (Frank M) commented, "It has the basic things for you to sleep for the night but don't expect any extra touches. Staff try to be good and nice but are nervous and inexperienced for the most part ... no one to greet you but some students milling around."

Noting the capacity of the Dusit Thani brand to enhance traveler awareness, evaluations of the Bangkok property, generally positive comments included “Very good location, great room and facilities. Lovely breakfast, especially Japanese corner. Nice touch of Thai elegance around the room and hotel plus Thai hospitality and full service mind from every hotel associates I have encountered. I will definitely be back.”. Although over 90 respondents rated the property as “poor” or “terrible” and comments were received like “not good value for money.”, many more (1,009) opted for excellent. All categories in the relevant summary rating 4 stars or better – a creditable performance. The properties ranked highest to lowest by guests were: Hotel ICON, followed by Dusit Thani Hotel, then T-Hotel, Pousada de Mong-Há, Hyatt Regency Hotel and Salaya Pavilion Hotel. A prominence of students or even a student run operation did not appear to generate lower ratings. This supports the view that students contribute actively to contemporary Asian training hotels.

Since the researchers could not identify any publicly available online resources that present the various hotel financial statements, they sourced public reference to the commercial arm of PolyU as an insight into the Hotel ICON performance. The 2013/14 annual report indicated that commercial components, including Hotel ICON, contributed US\$185 million (HK\$1,439M) to University revenues with total operating expenditures of US\$163M. This generated an operational surplus of US\$22M. Hotel ICON business growth accounted for most of the 9% increase in total operating income. The 2014/15 operating income of University subsidiaries was US\$178M. Hotel ICON’s income was comparable with the previous year. Hotel ICON achieved stable returns though a challenging year for Hong Kong’s hotel industry (2014/15).

Discussion, conclusions and limitations

This paper has examined the characteristics of Asian training hotels drawing upon operational models and practices in three territorial settings and sourcing literature about business models, training hotels and the customer experience. The six hotels show distinct purposes, features and intended outcomes. Most pursue two goals, namely: (1) developing student practical skills in hotel settings to enhance graduate employability and (2) generating revenues, achieving high occupancies and positive guest evaluations. Figure 1 proposes a continuum that conveys their respective emphases on training and/or business.

<Insert Figure 1>

Hotels that are owned and managed by educational institutions should have more capacity to implement their learning and teaching purpose. Hotel ICON, Salaya Pavilion, and Dusit Thani emphasize educational objectives and the support of their operations for student training with learning and teaching being actively incorporated into service provision and reputation. The inclusion of Dusit Thani in this group shows that non-University private operators can also strike an effective balance. The five assessment criteria that have been proposed by the researchers suggest that Hotel ICON effectively balances its intended teaching outcomes and business success. It is characterized by innovative design, student mentoring, practitioner involvement in subject delivery, varied internships (eg Elite Management Program) and a research program (Tse, 2014). These address challenges for hospitality education that were highlighted in the literature review, namely negative student feedback during internships, the ‘tyranny of relevance’ and deficient innovation.

Some training hotels may emphasize profitability over educational objectives, thereby limiting the capacity of the operation to accommodate interns or emphasizing revenue generation at the potential expense of providing on-the-job learning opportunities. Undertaking an internship at the Hyatt Regency appear to be exceptional rather than commonplace for CUHK students, perhaps because of the prioritization of gross operating profit (GOP) by the management company. This is consistent with the commonplace requirement of international hotel brands. In this context a systematic training program cannot be offered in-house for all students, thereby prompting a large cohort to acquire hands-on experience at other Hong Kong hotels. There is an evident trade-off for the University between positive associations with an international brand (Hyatt) and reduced control over student learning outcomes.

The educational objectives of Salaya Pavilion Hotel are clearly articulated though with less effusive guest feedback. The modest scale of the Pousada de Mong-Há amongst Macau’s vast casinos and resorts means that many students must acquire their experience at other Macau properties. The boutique Portuguese-style Pousada concept is attractive for a small group of leisure travelers and provides some profile for the host institution though the impact on Macau’s substantial hotel room capacity is miniscule.

With 262 rooms Hotel ICON performs well in terms of guest responses and a clearly articulated business and educational mission. The information presented has suggested a strong financial contribution to the host University. The property has been effective in addressing three perennial issues for hospitality education: work experience, balancing theory and practice, and innovation. Other Asian training hotels may benefit

from emulating Hotel ICON's commitment to innovation, albeit noting the particular circumstances of an advantageous location in downtown Hong Kong and the large scale financial commitment and investment by the host University.

The more recent development of hotel schools in Asia should make them receptive to adopting contemporary technologies. Social media developments now demand that training hotels respond promptly to guest feedback and owners/operators should address this requirement. Consistent with the wider accommodation sector training hotels are increasingly dependent on receiving positive guest feedback to remain viable. Immediate customer feedback also allows hospitality students to acquire up-to-the-minute knowledge and insights. The remarkable Hotel ICON TripAdvisor performance is encouraging for training hotels seeking to balance revenue generation and comprehensive supervision and mentoring. The current findings about six diverse training hotels show that an appropriate business model can facilitate student participation.

Various challenges and opportunities confront tertiary institutions in Asia when contemplating the development of a “training hotel”. There is a recurring need to balance theory with practice and revenue generation with human capital. The present paper contributes to knowledge by exploring the approaches adopted by six heterogeneous training hotels. Five assessment criteria have been used to analyze and evaluate the various hotel owners and/or operator approaches. As a contribution to practice, it is suggested that prospective training hotel developers should carefully balance business and pedagogical concerns and consider prospective guest responses. The researchers view Hotel ICON as an approach worth considering for other Asian training hotels, particularly noting the hotel’s balancing of education and business. The Hotel ICON financial statements and positive guest feedback set a high standard for the next generation of training hotels in Asia and beyond.

What about the role of training hotels in global tourism? Sheldon et al. (2011) and Tse (2014) have advocated the adoption of foundational values by hospitality educators in response to global challenges. Future training hotel studies may focus on the experiential component within the hospitality curriculum. This might involve examining the number of subjects providing real-life situations where students acquire experience as future supervisors and managers. The present research could also be extended by conducting semi-structured interviews with hotel management, teaching staff and students.

As a research limitation it is noted that reliance on TripAdvisor responses cannot represent the total guest population. Secondly minimal information was available about the financial performance of the six properties and the Hotel ICON insights are only indicative. Future researchers may acquire deeper insights by conducting interviews with academics and hotel management. Finally, the limited application of the three geographic settings is noted. The conduct of a future Asia-wide study of training hotels is encouraged.

References

- Afuah, A. (2014). Business model-innovation: concepts. *Analysis, and Cases. Routledge. Retraído, 23.*
- Airey, D., & Tribe, J. (2000). Education for hospitality. *In search of hospitality: Theoretical perspectives and debates*, pp. 276-291.
- Baldwin, T. T., & Ford, J. K. (1994). *The training and development sourcebook, 180.*
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99-120.
- Cannon, D. F., & Gustafson, C. M. (2002). *Training and development for the hospitality industry*. Educational Institute, American Hotel & Lodging Association.
- Chua, A. Y., & Banerjee, S. (2013). Reliability of reviews on the internet: the case of TripAdvisor. *Proceedings of the World Congress on Engineering and Computer Science* (Vol. 1).
- Chung-Herrera, B, Enz, C & Lankau, M. J, (2003) Grooming future hospitality leaders: a competencies model. *Cornell Hotel & Restaurant Quarterly 44*(3), 17-25
- Clarke, N. (2002). Job/work environment factors influencing training transfer within a human service agency. *International Journal of Training and Development, 6*(3), 146-162.
- Cooper, C., & Shepherd, R. (1997). The relationship between tourism education and the tourism industry: implications for tourism education. *Tourism Recreation Research, 22*(1), 34-47.
- DaSilva, C. M., & Turkman, P. (2014). Business model: what it is and what it is not. *Long Range Planning, 47*(6), 379-389.
- Ekinci, Y., Prokopaki, P., & Cobanoglu, C. (2003). Service quality in Cretan accommodations: marketing strategies for the UK holiday market. *International Journal of Hospitality Management, 22*(1), 47
- Factsheet of Hong Kong HyatT-Hotel website. (2016). Retrieved from http://www.hongkong.shatin.hyatt.com/content/dam/PropertyWebsites/regency/shahr/Documents/en/SHAHR_FACTSHEET_20404.pdf
- Factsheets of T-Hotel (2016). Retrieved from

<http://www.thotel.edu.hk/uploadfiles/files/T%20Hotel%20Facts%20At%20a%20Glance%20-English.pdf>

Frash, R., Antun, J., Kline, S., & Almanza, B. (2010). Like it! Learn it! Use it? A field study of hotel training. *Cornell Hospitality Quarterly*, 51(3), 398-414. Cornell Hospitality Quarterly.

Gentile, C., Spiller, N., & Noci, G. (2007). How to sustain the customer experience: an overview of experience components that co-create value with the customer. *European Management Journal*, 25(5), 395-410.

Gopalan, R., & Narayan, B. (2010). Improving customer experience in tourism: A framework for stakeholder collaboration. *Socio-Economic Planning Sciences*, 44(2), 100-112.

Hoffman, F. O. (1983). Training technology's next frontier: on-the-job performance objectives. *Training*. September, pp.57-59

Holbrook, M. B., & Hirschman, E. C. (1982). The experiential aspects of consumption: Consumer fantasies, feelings, and fun. *Journal of Consumer Research*, 132-140.

Holton, E. F., Bates, R. A., & Ruona, W. E. (2000). Development of a generalized learning transfer system inventory. *Human Resource Development Quarterly*, 11(4), 333-360.

Introduction of Hotel ICON in Wikipedia (2016). Retrieved from <http://zh.wikipedia.org/wiki/%E5%94%AF%E6%B8%AF%E8%96%88>

Kelly, H. B. (1982). A primer on transfer of training. *Training & Development Journal*. 36(11), 102-106

Kesting, P., & Günzel-Jensen, F. (2015). SMEs and new ventures need business model sophistication. *Business Horizons*, 58(3), 285-293.

King, B.E.M. and Qiu, H (2017) Experiential tourism and hospitality learning: principles and practice. In Benckendorff, P and Zehrer, A (eds) *International Handbook of Teaching and Learning in Tourism*. Edward Elgar.

Lam, C, Ho, G, & Law, R, (2015) How can Asian hotel companies remain internationally competitive? *International Journal of Contemporary Hospitality Management*, 27(5), 827 - 852

- LaSalle, D., & Britton, T. (2003). *Priceless: Turning ordinary products into extraordinary experiences*. Harvard Business Press.
- Lashley, C. (2004). Escaping the tyranny of relevance: some reflections on hospitality management education. *Critical Issues in Tourism Education*, 59.
- LeBruto, S. M., & Murray, K. T. (1994). The educational value of "Captive Hotels". *The Cornell Hotel and Restaurant Administration Quarterly*, 35(4), 72-79.
- Leslie, D., & Richardson, A. (2000). Tourism and cooperative education in UK undergraduate courses: are the benefits being realized? *Tourism Management*, 21(5), 489-498.
- Lewis, R. C. (1993). Hospitality management education: here today, gone tomorrow? *Journal of Hospitality & Tourism Research*, 17(1), 273-283.
- Milligan, A. & Smith, S. (2002). *Uncommon practice: People who deliver a great brand experience*. Pearson Education.
- Morrison, A., & O'Mahony, G. B. (2003). The liberation of hospitality management education. *International Journal of Contemporary Hospitality Management*, 15(1), 38-44.
- Peters, R. S. (2015). *Ethics and Education*. Routledge.
- Pine, B. J., & Gilmore, J. H. (1999). *The experience economy*. Harvard Business Press.
- Pizam, A., & Ellis, T. (1999). Customer satisfaction and its measurement in hospitality enterprises. *International Journal of Contemporary Hospitality Management*, 11(7), 326-339.
- Porter, M. E., & Kramer, M. R. (2011). Creating shared value. *Harvard Business Review*, 89(1/2), 62-77.
- Prahalad, C. K., & Ramaswamy, V. (2004). Co-creation experiences: The next practice in value creation. *Journal of Interactive Marketing*, 18(3), 5-14.
- Rauter, R., Jonker, J., & Baumgartner, R. J. (2015). Going one's own way: drivers in developing business models for sustainability. *Journal of Cleaner Production*, 104(4), 1-11.

Press Release of Hong Kong's only training hotel fully operated by trainees. T-Hotel snaps 4 accolades from Travelers' Choice (2013). Retrieved from [http://www.thotel.edu.hk/uploadfiles/files/Press%20Release%20\(English\)%20-%20T%20Hotel%20Awarded%20by%20Trip%20Advisor_21.01.pdf](http://www.thotel.edu.hk/uploadfiles/files/Press%20Release%20(English)%20-%20T%20Hotel%20Awarded%20by%20Trip%20Advisor_21.01.pdf)

Press Release of T-Hotel - Hong Kong's first trainee operated hotel (2016). Retrieved from <http://www.thotel.edu.hk/uploadfiles/files/Special%20Summer%20Deal%20at%20%20Hotel-R2.pdf>

Reviews of Dusit Thani Bangkok on TripAdvisor website (2016). Retrieved from http://www.tripadvisor.com/Hotel_Review-g293916-d301331-Reviews-Dusit_Thani_Hotel-Bangkok.html

Reviews of Hyatt Regency Hong Kong on TripAdvisor website (2016). Retrieved from http://www.tripadvisor.com/Hotel_Review-g294217-d1407387-Reviews-Hyatt_Regency_Hong_Kong_Sha_Tin-Hong_Kong.html

Reviews of T-Hotel on TripAdvisor website (2016). Retrieved from http://www.tripadvisor.com/Hotel_Review-g294217-d1969654-Reviews-The_T_Hotel-Hong_Kong.html

Reviews of Hotel ICON on TripAdvisor website (2016). Retrieved from http://www.tripadvisor.com/Hotel_Review-g294217-d2031570-Reviews-Hotel_ICON-Hong_Kong.html

Reviews of Salaya Pavilion Hotel on TripAdvisor website (2016). Retrieved from http://www.tripadvisor.com/Hotel_Review-g303914-d1641935-Reviews-The_Salaya_Pavilion_Hotel_and_Training_Center_Nakhon_Pathom_Nakhon_Pathom_Province.html

Reviews of Pousada de Mong-Ha on TripAdvisor website (2016). Retrieved from http://www.tripadvisor.com/Hotel_Review-g664891-d543695-Reviews-Pousada_de_Mong_Ha-Macau.html

Ruhanen, L. (2006). Bridging the divide between theory and practice: experiential learning approaches for tourism and hospitality management education. *Journal of Teaching in Travel & Tourism*, 5(4), 33-51.

Samson, D. (2018) The future business model of hospitality brands *Hotel-Online*, Roswell, USA

Schmitt, B. (1999). Experiential marketing. *Journal of Marketing Management*, 15(1-3), 53-67.

Shaw, C., & Ivens, J. (2005). *Building great customer experiences*. Basingstoke: Palgrave Macmillan.

Sheldon, P. J., Fesenmaier, D. R., & Tribe, J. (2011). The tourism education futures initiative (TEFI): activating change in tourism education. *Journal of Teaching in Travel & Tourism*, 11(1), 2-23.

Smith, R. A., & Lesure, J. D. (2007). Barometer of hotel room revenue. A regular service of Smith Travel Research. *Cornell Hotel and Restaurant Administration Quarterly*, 48(4), 360-360.

Smith, S., & Wheeler, J. (2002). *Managing the customer experience: turning customers into advocates*. Pearson Education.

Teece, D. J. (2010). Business models, business strategy and innovation. *Long Range Planning*, 43(2), 172-194.

The Hong Kong Polytechnic University (2015) *Annual Report*. Hong Kong

Tse, T. (2014). What makes Hotel ICON a teaching hotel? *HBK Tourism & Hospitality*, 505-518.

Verhoef, P. C., Lemon, K. N., Parasuraman, A., Roggeveen, A., Tsiros, M., & Schlesinger, L. A. (2009). Customer experience creation: Determinants, dynamics and management strategies. *Journal of Retailing*, 85(1), 31-41.

Wall Street Journal. (2011). 'A Hands-on Hotel Internship', 25 May. Available: <http://blogs.wsj.com/scene/2011/05/25/a-hands-on-hotel-internship> (Accessed 21/10/2013).

Website of the Dusit-Hotels & Resort. (2016). Retrieved from <http://www.dusit.com/>

Website of the Dusit Thani Hotels and Resorts (2016). Retrieved from <http://www.dusit.com/dusitthani/bangkok/>

Website of Institute for Tourism Studies (2016). Retrieved from <http://www.ift.edu.mo/tw/pousada/home/index/240>

Website of Hotel ICON (2016). Retrieved from <http://www.hotel-icon.com/>

Website of Hong Kong Shatin Hyatt Regency Hotel (2016). Retrieved from <http://www.hongkong.shatin.hyatt.com/en/hotel/our-hotel.html>

Website of Salaya Pavilion Hotel (2016). Retrieved from <http://www.salayapavilion.com/websph/>

Website of T-Hotel (2016). Retrieved from <http://www.thotel.edu.hk/>

Zott, C., & Amit, R. (2007). Business model design and the performance of entrepreneurial firms. *Organization Science*, *18*(2), 181-199.

Zott, C., & Amit, R. (2010). Business model design: an activity system perspective. *Long Range Planning*, *43*(2), 216-226.

Zott, C., Amit, R., & Massa, L. (2011). The business model: recent developments and future research. *Journal of Management*, *37*(4), 1019-1042.

Zott, C., & Amit, R. (2013). The business model: A theoretically anchored robust construct for strategic analysis. *Strategic Organization*, *11*(4), 403-411.

Table 1 – Training hotel operational characteristics

	Hotel Icon	T-Hotel	Hyatt Regency	Pousada de Mong-Há	Salaya Pavilion Hotel	Dusit Thani Bangkok
Opened	2011	2010	2009	1995	1999	1970
Location	CBD, Hong Kong	Non-CBD, Hong Kong	Non-CBD, Hong Kong	Residential Area, Macau	CBD, Bangkok	Non-CBD, Bangkok
Mission & vision	Make your stay pleasurable. A “learning environment”	Integrated learning experience.	“Provide authentic Hospitality.” “Making a difference in people’s lives.”	“...students to excel in a place with character and human warmth.”	Excellent training center for Southeast Asia.	Exceeding customers’ expectations with each and every experience.
Managed by	Owned & managed by PolyU.	Operated by VTC.	Managed by Hyatt. Developed by New World Development	Managed by IFT.	Owned & managed by Mahidol University International College.	Owned & operated by Dusit Thani.

Table 2 –Institutional undergraduate and sub-degree course profiles

	SHTM, PolyU	CUHK - School of Hotel & Tourism	VTC - Hotel & Tourism Institute (HTI)	IFT	Mahidol University International College	Dusit Thani College
Location	Hong Kong	Hong Kong	Hong Kong	Macau	Thailand	Thailand
Established	1979	1988	1984	1995	1986	1993
Programs	Undergraduate: a. BSc (Hons) in Convention & Event Management b. BSc (Hons) in Tourism Management c. BSc (Hons) in Hotel Management d. Broad Discipline of Hotel & Tourism Management	Undergraduate a. BBA in Hotel & Tourism Management	Full-time a. Diploma in Hotel & Tourism b. Diploma in Culinary c. Certificate in Hotel & Tourism d. Certificate in Culinary e. Certificate in Maritime Part-time:	Undergraduate: a. BA in Culinary Arts Management b. BSc in Heritage Management c. BSc in Hotel Management d. BSc in Tourism Business Management e. BSc in Tourism Event Management f. BSc in Tourism	BA: a. Communication Design b. Animation Production c. Film Production d. Television Production e. Intercultural Studies & Languages f. Social Science BBA : g. Business	Undergraduate: BBA International Programs a. Hotel & Resort Management b. Culinary Arts & Restaurant Management BBA Thai Programs c. Hotel & Resort Management d. Culinary Arts & Kitchen Management

			<ul style="list-style-type: none"> f. Certificate in Hotel & Tourism Institute (HTI) g. Certificate Programs in Sommelier Studies 	<ul style="list-style-type: none"> Retail & Marketing Management 	<ul style="list-style-type: none"> Economics h. Finance i. International Business j. Marketing k. International Hospitality Management BSc: l. Applied Mathematics m. Biological Sciences n. Chemistry o. Computer Science p. Environmental Science q. Food Science and Technology r. Physics 	<ul style="list-style-type: none"> e. Tourism Management f. MICE & Events Management g. Hotel & Resort Management h. Culinary Arts & Kitchen Management
--	--	--	---	---	--	---

					B. Communication Arts s. Media & Communication	
Number of students	> 2,100	4,385	250,000	About 1,600	> 3,200	3,267
Hotel name	Hotel ICON	Hyatt Regency	T-Hotel	Pousada de Mong-Há	Salaya Pavilion Hotel	Dusit Thani Bangkok

Table 3 – Training hotel dimensions and facilities

Size & facilities	Hotel ICON	T-Hotel	Hyatt Regency	Pousada de Mong-Há	Salaya Pavilion	Dusit Thani
Rooms	262	30	567	20	43	517
F&B Outlets	2 restaurants, pool bar, room service	2 training restaurants, room service	5 restaurants & bars, room service	2 training restaurants	3 restaurants & bars	9 restaurants & bars, room service
Recreational facilities	Health club, fitness center, spa, swimming pool	Spa, Gym	Spa, Fitness center, sauna, steam rooms, swimming pool, whirlpool, children’s pool, tennis court	Gymnasium, library facilities	University sport complex	Spa, swimming pool, fitness centre, squash courts, driving range
Meetings & events	Ballroom, convention center, event & exhibition space	Business Centre.	Integrated meeting, event space, ballroom	Small personal conferences	5 function rooms	Business Centre
Other services	Free Smartphone, shuttle bus, free mini-bar	Shuttle bus	Bicycle rental, concierge, limousine, laundry, babysitting, currency exchange, medical service	Mail & postage Shuttle bus	-----	Valet parking, tour counter, limousine, car rental, laundry, babysitting, medical service

Table 4 –Student involvement

	Hotel Icon	T- Hotel	Hyatt Regency	Pousada de Mong- Há	Salaya Pavilion Hotel	Dusit Thani Bangkok
Learning & Training opportunity	High	High	Low	Low	Fairly high	Fairly high
Real-life Operation (%)	High	Fairly high	Low	Medium	Fairly high	Fairly high
All-inclusive internship Program	Yes	No	No	No	Yes	No
Elite Management Program	Yes	No	No	No	No	No

Table 5 - Guest commentaries

Guest Comments	Hotel ICON (3,385)	T- Hotel (380)	Hyatt Regency (935)	Pousada de Mong- Há (355)	Salaya Pavilion Hotel (9)	Dusit Thani Bangkok (1,896)
Excellent (person)	2,862	323	477	270	0	1,009
Good	446	47	376	76	3	606
Average	77	9	56	9	5	186
Poor	---	---	15	---	1	72
Terrible	---	1	11	---	---	23
Sleep Quality(*s)	5	5	4.5	4.5	3.5	4.5
Rooms Condition(*)	5	5	4.5	4.5	3.5	4
Service(*)	5	5	4.5	4.5	3.5	4.5
Cleanliness(*)	5	5	4.5	5	4	4.5
Location(*)	4.5	4	3.5	3.5	3.5	4.5
Value(*)	4.5	5	4.5	5	3	4

The guest comments tally each posting;

* - 1 represents lowest satisfaction & 5 the highest for each criterion.

Figure 1 Training hotel operational orientation

