

UNIT 3

Meal Plans and Basis of Charging

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3.0 Unit Overview and Description

Overview:

This unit will equip the student to differentiate between different types of meal plans offered by hotels as part of their room tariff package. The unit also enables him to know the different basis of charging and the concept of a tariff card.

Knowledge and Skill Outcomes:

- ❖ Different types of meal plans and their comparative analysis
- ❖ Different basis of charging room tariff
- ❖ Tariff card and its utility

Resource Material:

Hotel Front Office Operations & Management : Jatashankar R. Tiwari
Front Office Operations : Colin Dix, Chris Baird
Front Office Management : Sushil Kumar Bhatnagar
Front Office Management & Operations : Sudhir Andrews
Front Office Operations & Management : Rakesh Puri
Check-in Check-Out Managing Hotel Operations : Gary K. Vallen, Jerome J. Vallen
Principles of Hotel Front-Office Operations : Sue Baker, Jeremy Huyton, Pam Bradley

Learning Outcomes:

Unit 3: Meal Plans and Basis of Charging	Outcomes
3.1 Introduction	General Overview
3.2 Meal Plans	❖ You will be able to understand the concept of meal plans ❖ The unit will enable you to list different types of meal plans and to understand the features of each one of them
3.3 Comparing the Meal Plans	❖ You will be able to compare the different meal plans and their features.
3.4 Basis of Charging	❖ You will be able to list and understand the different basis of charging the room tariff to the hotel guests.
3.5 Tariff Card	❖ Sample tariff card will illustrate its usage and will equip you to plan the tariff card of a hotel

Assessment Plan: (For the Teachers)

Unit	Topic	Assessment Method	Time Plan	Remarks
3.1	Introduction	Exercise : Question & Answer		
3.2	Meal Plans	Exercise : Question & Answer		
3.3	Comparing the Meal Plans	Exercise : Question & Answer		
3.4	Basis of Charging	Exercise : Question & Answer		
3.5	Tariff Card	Exercise : Question & Answer		

3.1 Introduction

When you visit a hotel and ask for the room tariff, you may get a reply like it is Rs. 2000/-. What do you understand by this information?

Actually nothing!

This information is incomplete till the time you know about the meals that are included in Rs.2000/-, the duration for which Rs. 2000/- will be charged, the type of room provided in this amount, whether the amount is inclusive of taxes or exclusive of it.

The requisite information mentioned above is recorded in a document known as 'Hotel Tariff Card' which tells us about the type of rooms, tariff, meal plan, basis of charging and tax structure.

Review Question

Q. 1 What is Hotel Tariff Card ?

3.2 Meal Plans

The room tariff of a hotel may be based on the choice meal plans offered to guests. Depending on the needs of their target audience, hotels offer a variety of meal plans, they are:

(a) European Plan (E.P.):

This plan includes only the room rent and anything that is taken from restaurant or the room service is charged to the guest.

(b) Continental Plan (C.P.):

This plan includes continental breakfast along with the room rent. Anything extra that is taken is charged to the guest.

(c) Bermuda Plan (B.P.):

This plan includes American breakfast along with the room rent.

(d) Modified American Plan (M.A.P.):

This plan includes room rent along with breakfast and one of the major meals i.e. Lunch or Dinner. The guest has to specify his preference at the time of arrival. This plan is also known as half board plan or Demi Pension.

(e) American Plan (A.P.):

This plan contains room rent and all the major meals i.e. breakfast, lunch and dinner. It is also known as all inclusive plan and in French it is known as En Pension.

European Plan :

In this case only the lodging i.e. bed is offered. Thus the charges are made for lodging only. The client is free to take or not to take tea, breakfast, and meals in the hotel. He has a choice of eating at any other good restaurant. The guest is booked to pay for lodging only and is charged separately for all other things or services he enjoys or consumes. This system is generally followed by youth hostels or hotels which are situated in metropolitan cities. European plan hotels fix the prices of rooms separately so that guest may either have their meals in the hotel dining at its regular prices or go to the other restaurant. In India most of the hotels are being run on European Plan.

Continental Plan

In the case of continental plan bed and breakfast are included in the charges. Thus bed is offered along with breakfast and the client is, however, free to take his meal and tea as he likes. Thus the guest tariff includes lodging and breakfast and for other he is separately billed.

American Plan

Hotel where American plan is prevalent, board lodging is provided in the charge. The tariff fixed includes board and lodging. It is an all inclusive full board tariff. Accommodation and three meals daily are included in the price of the room. It includes bed, breakfast and two principal meals and evening tea. It does not include EMT nor coffee after lunch, or dinner. It is also known as 'En pension 'or full board plan.

This means that guest's day ends about 24 hours after his arrival that is; the guest arriving between lunch and dinner is entitled to retain his room until the next afternoon and to have dinner the first night and breakfast and lunch the following day for the fixed rate.

Modified American Plan

The tourists mostly prefer this plan, as it is comparatively flexible. It is offered in most of the good hotels and is normally by arrangement. It includes hotel accommodation, breakfast and either lunch or dinner in the price of the room. Thus, in this type of accommodation bed and breakfast and along with it one principal meal, lunch or dinner, at the discretion of the client is also included. It generally includes continental breakfast and either lunch or dinner in the room rates. It is also known as 'Demi-Pension'.

Review Question

Q. 1 Define the variety of Meal Plans a Hotel can offer.

3.3 Comparing the Meal Plans

Meal Plan	Other Name	Inclusions	Preferred by
European Plan	Room only Plan	Room only	Business Hotels, Transit Hotels, Motels
Continental Plan	Bed & Breakfast Plan	Room + Continental Breakfast	Business Hotels
Bermuda Plan	Bed & Breakfast Plan	Room + American Breakfast	Hotels with lot of sight seeing around such as historical/ heritage destinations
American Plan	Full Board / En Pension	Room + Continental Breakfast + Lunch + Dinner	Resorts
Modified American Plan	Half Board/ Demi-Pension	Room + Continental Breakfast + Lunch/ Dinner	Resorts

Uses of Meal Plans

Commercial hotels prefer E.P. because:

- 1) Since the commercial hotels are situated in urban areas, there are bound to be numerous restaurants in the vicinity. Hence the guest would prefer to keep his option open as far as meals are concerned. Moreover, the hotel may not have a particular cuisine, which the guest likes. Secondly, the business traveler does not want to get tied up to meal timings because of his day round business activities.
- 2) On the other hand the hotel being situated in an urban area would get a plenty of chance guests in

their restaurants. Thus their food and beverage income is not restricted to only hotel residents. They do offer meal inclusive plans but only to groups sent by Travelers Agents and company bookings for conventions, seminars etc.

Resort Hotels prefer MAP/AP because:

- 1) These may be situated in an isolated place with hardly any restaurants in the vicinity. Guests, therefore, would prefer to have meals in the hotels. For tourist wishing to go site seeing during the day, MAP would be more appropriate.
- 2) The hotel itself benefit from this plan since it relies only on resident guests for their food and beverage income. The continental Plan lies between the A.P. and E.P. thus, it may be offered by commercial hotels as well as resort hotels as an alternative to the E.P. and M.A.P.

Review Questions

Q. 1. Fill in the blanks:

- (a) Room Rent and Continental Breakfast are included in _____.
- (b) American Plan is also known as _____.
- (c) American Breakfast and Room Rent is included in _____.
- (d) _____ is also known as Demi-Pension.

Q. 2. State True or False:

- (a) Continental Plan includes Lunch and Breakfast.
- (b) Bermuda Plan is also known as European Plan.
- (c) Full Board Plan is American Plan.

Q. 3. Answer the following questions

- Q. 1. Illustrate the different types of meal plan with the help of a chart.
- Q. 2. What type of meal plan is preferred by Resorts and why?

3.4 Basis of Charging

There are different basis of charging room tariff which decide the duration for which a guest can stay in his room by paying one unit of the charge. Different basis of charging commonly followed are listed as below:

(I) Fixed Check Out Time Basis:

In this system a particular time of the day is fixed as check in/out time. It may be either 10.00 hrs or 12 noon. Mostly the hotels follow 1200 hours check in/out time. It is the most commonly followed basis of charging as it gives them a control of their check-in and check-out time and thereby enabling them to accept advance bookings for their rooms. This is advantage to our hotels as it earns more revenue for the hotel.

It has a major disadvantage of losing its goodwill as the customers are not satisfied with the billing. For example suppose a guest checks in at 10.00 hrs of 17th.

November and checks out at 1400 hrs of 18th November and the check-out time is 12 Noon, then

he will be charged for 3 days. Thus we see that even though he is staying for just one day and 4 hours but he is charged for 3 days.

(II) Twenty Four Hours Check out Time Basis:

In this system the guest is charged according to the time of arrival that means that one day is calculated from the time he arrives in hotel till the same time next day. This is advantageous to the guest but earns less revenue to the hotel, for example let us consider same example as given above through this system he will be charged only for 2 days. In twenty four hours check out time basis hotels find it difficult to take advance bookings as they don't know what time of the day their rooms will be available for the next guest.

(III) Night Basis:

In this system guest is charged according to the number of nights he spent in the hotel. This system is usually found in resort hotels. In order to calculate night basis charges the guest should have stayed for a minimum period of nights. For example suppose a guest checks in 10.00 hrs on 17th November and checks out at 14.00 hrs on 25th Nov. then he will be charged for 8 nights.

(IV) Day Rate Or Day Used Rate Basis:

It is another form evolved from night basis and room rent is charged for maximum 6 hours included in the stay which is never overnight.

Review Question

Q. 1 List and explain the different basis of charging room tariff in a Hotel.

3.5 Tariff Card

Room Tariff

Check out time 12 Noon

Type	Non A.C. Rs./day	A.C. Rs./day
Deluxe Room	1350	---
Deluxe Executive Room	1650	2600
Executive Room	---	2800
Super Executive Suite	---	3700
Prince of Wales Suite	---	5000
The Royale Suite	---	5500
Maharaja Suite	---	6000
Extra Person/Child Above 5 Year	300	400

Rates subject to revision without notice, Service charges and taxes extra as applicable.

TARIFF EFFECTIVE FROM 01-01-2011

Above rates on European plan. Check-out time: 12 Noon.

Review Questions

- Q. 1. Fill in the blanks:
- (a) The document in which meal plan and room rate is printed is known as _____ Card.
 - (b) Usually, the check-out time of the hotels is _____ noon.
 - (c) If a guest checks-in at 9 am and checks out at 6 pm the next day, he will be charged _____ three day tariff in a 12 noon check-out basis.
- Q. 2. Answer the following questions :
- Q. 1. List the different basis of charging. Explain 24 hrs basis in detail.
 - Q. 2. What is a tariff card?
 - Q. 3. Check-out time basis is the most commonly used system of charging in hotels Elaborate?

3.6 Let us Sum up

Room tariff is a complex issue which does not include just the charge for a room. It has a component of the meal plan which suggests the meals included in the charged tariff. Different meal plans include European, Continental, American, Modified American and Bermuda plan. Depending upon the meal plan breakfast and main meals may or may not be included in the room tariff.

Basis of charging refers to the duration for which a single unit tariff is charged. It may be 24 hrs, Night basis or a check-out time basis.

Details of meal plan and basis of charging along with types of rooms, facilities, tax structure, child policy are specified in a document known as tariff card.

3.7 Practical Activities

Activity I: Students to perform a role play interacting as a group of guests and front office personnel discussing the contents of different meal plans offered by the hotel and their applicability depending upon the specific requirement of each guest.

Activity II: Work sheet
Fill the following in given chart
 Room only Plan, Bed & Breakfast Plan, Room + American Breakfast, Room + Continental Breakfast+ Lunch+ Dinner, Resorts.

Meal Plan	Other Name	Inclusions	Preferred by
European Plan		Room only	Business hotel, Transit hotel, Motels
Continental Plan		Room + Continental Breakfast	Business Hotels

	Bermuda Plan	Bed & Breakfast Plan		Hotels with lot of sightseeing around such as historical /heritage destinations
	American Plan	Full Board / En Pension		Resorts
	Modified American Plan	Half Board/ Demi-Pension	Room + Continental Breakfast + Lunch/ Dinner	Resorts
Activity III:	Group discussion on relative merits and demerits of Check out time basis of charging and 24 hrs basis of charging.			
Activity IV:	A guest checked in at 09.00 hrs and checked out at 18.00 the next day. According to the 12 noon check-out time basis he is to be charged for three days. Enact a role play on the ensuing argument between the guest and the cashier and the explanation provided by the hotel to the guest on this system of charging.			
Activity V:	Students should visit nearby hotels and collect tariff cards from the reception. Each student should design a tariff card of Hotel ABC on the basis of his own creativity.			
Activity VI:	<p>Role play by two Students one as a Guest and other one as a Receptionist.</p> <ul style="list-style-type: none"> ❖ Receptionist: Sir, Welcome to Taj hotel. How can I assist you. ❖ Guest: Well I need room for 3-days. ❖ Receptionist: Sir, what kind of room you are looking for. May I know about your requirements and may I know your good name please. ❖ Guest: I am R.K. Ravi from Chennai. ❖ Guest: Well I am looking for a Family Room. ❖ Receptionist: Sir may I know how many persons are there in your family. ❖ Guest: Sure. We are four members. Myself, my wife and two kids. ❖ Receptionist: Sir can you please tell me the age of your children? ❖ Guest: Yes, of course, my daughter is 10 year old, and my son is 5 year old. ❖ Receptionist: May I know your purpose of visit please. ❖ Guest: Well I have come here for sight seeing. ❖ Receptionist: Mr. Ravi as you have said you need room for 3-days ,so the check out date would be on 16th December. ❖ Guest: Yes today is 13th December and I will check out on 16th morning at 10 am 			

- ❖ **Receptionist:** Sir I can offer you suite room which will have drawing room and living room separate and the price of the room is Rs 35,000 all inclusive of tax and food. Our check out time is 12 noon.
- ❖ **Guest:** Well I think it is very expensive for me.
- ❖ **Receptionist:** Not at all sir because the room cost and food all inclusive (all three meals) this is a package for your family we are offering you.
- ❖ **Guest:** Can you show me the tariff card.
- ❖ **Receptionist:** yes, sure sir.
Now the guest goes through the tariff card in which the details of meal plan and other facilities of hotel are mentioned. After going through the tariff card he is satisfied and informs the receptionist to book the suite room @35,000 all inclusive.
- ❖ **Receptionist:** Sir please fills up the registration card, and can I have your identity proof.
- ❖ **Guest:** Oh yes! Here is my Driving License
Receptionist checks all details of the filled registration card and mention the room no in G.R.C as 506 and informs the guest that he will be escorted by the bell boy along with his luggage.
- ❖ **Receptionist:** Have a pleasant stay with us.