

# Analysis of Kellogg Hotels Across Three

## Campuses

Katie Wilson, Collins College of Hospitality Management

Mentor: Dr. Don St. Hilaire

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### Abstract

The W.K. Kellogg Foundation has donated money and land to help open a few hotel and conference centers located on college campuses. Kellogg, founder of the Kellogg Foundation, wanted his money to be used in any way that “promotes the health, happiness and well-being of children.” The hotel and conference centers that the Kellogg Foundation has graciously helped fund are all located on college campuses to fulfill Kellogg’s wish of helping others. This study focuses on three of those properties including Kellogg West Conference Center and Hotel located on the Cal Poly Pomona campus, Kellogg Hotel and Conference Center located on the Michigan State University campus, and Kellogg Conference Hotel located on the Gallaudet University campus. These properties are operated differently and offer unique experiences for the hospitality and business students. This study compares the operations of these three hotels to gain a better understanding of how hotels vary based on funding, location, clientele, and other factors. Different management strategies and decisions contribute to successes and failures of a hotel property. To gather information regarding the three hotels, a senior manager from each property filled out a survey answering various questions about the operation. For confidentiality, the survey results will be connected to Hotel A, B, or C.

### Research Findings

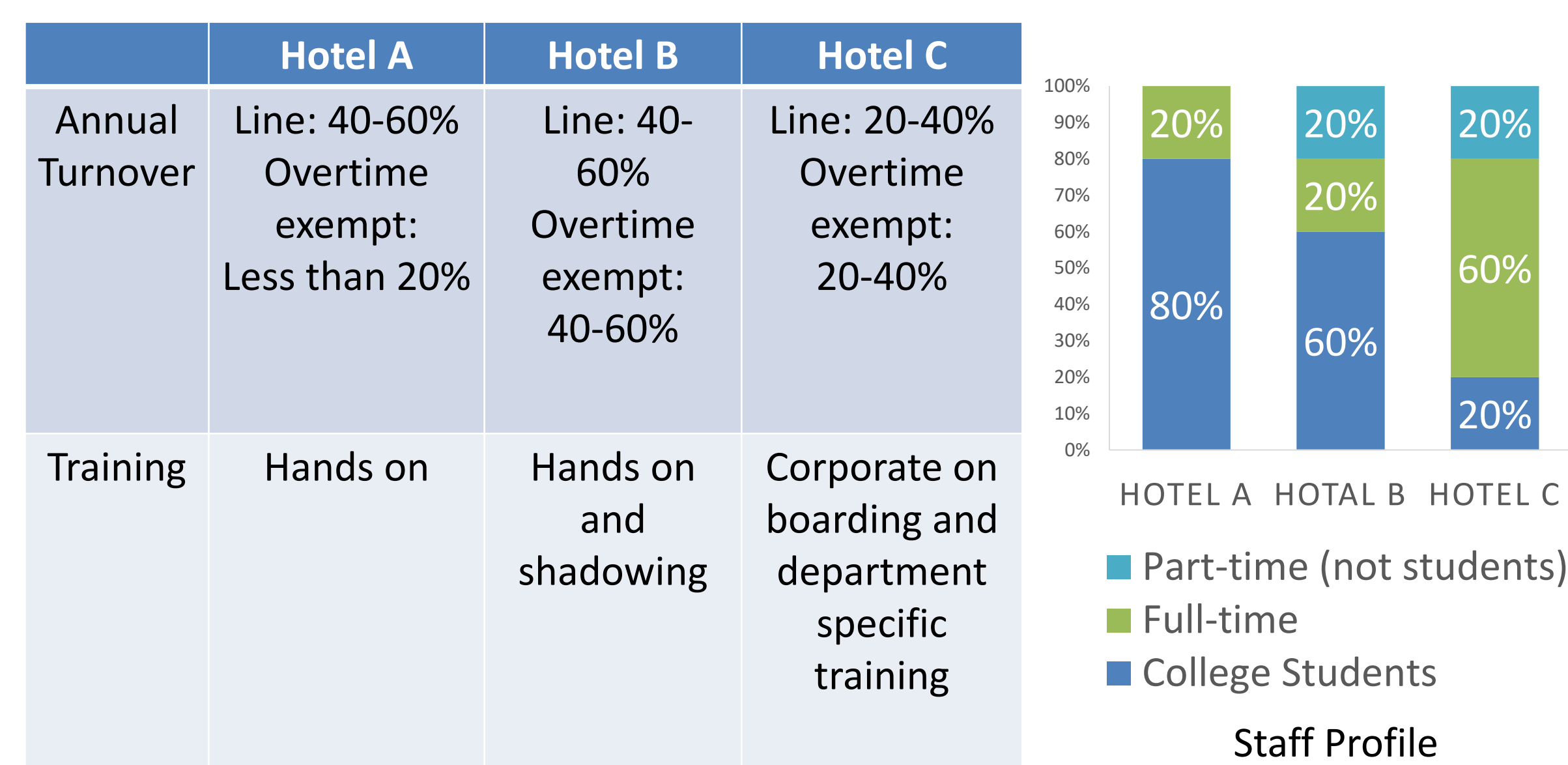
#### Business Profile

	Hotel A	Hotel B	Hotel C
Types of events	Weddings Conferences Campus Events Celebrations Corporate events	Weddings Conferences Campus Events Celebrations	Conferences Campus Events
Types of guests	Business traveler Leisure traveler Groups	Business traveler Groups	Business traveler Leisure traveler Groups

#### Operational Information

	Hotel A	Hotel B	Hotel C
Impact of COVID	Shut down for more than 1 year	Shut down for 6 months to 1 year	Shut down for more than 1 year
Hotel management	A foundation	An on-campus organization	A management company
Sustainable Programs	Waste reduction Responsible sourcing	Waste reduction Energy efficiency Water conservation Responsible sourcing	Waste reduction Energy efficiency Water conservation Responsible sourcing
Connection with University	Auxiliary organization created to support students	University helped fund and manages the hotel	University owns the hotel

#### Labor



#### Financial Information

	Hotel A	Hotel B	Hotel C
Financial Goals	Profit	Breakeven	Profit
Revenue	Under \$1 million	\$1-5 million	Over \$5 million
Last Renovation	Less than 1 year ago	5-10 years ago	Over 10 years ago
Renovation’s impact on revenue	No significant impact	No significant impact	Increased revenue by more than 5%

#### Technology

	Hotel A	Hotel B	Hotel C
Software	Lodgical Solutions EMS Caterfax	Opera Hospitality Opera Sales and Catering	Opera Delphi/ Sales Force Guestware
Last software update	1-5 years ago	Less than 1 year ago	1-5 years ago

#### Competition and Strategic Implications

	Hotel A	Hotel B	Hotel C
Differentiation Point	On-campus jobs Scholarships Unique function space	Full service Large event space On-site restaurant 700 bottle wine selection	Prioritize meetings High quality food
Changes for the next 5 years	Upgrades in interior and infrastructure New employees and management styles	More accommodating to university and less to public	Renovation and creating a unique space

### Conclusion

Based on the survey results, each hotel targets a different clientele and operates a little differently. Hotel A and Hotel B accommodate a variety of events and guests but bring in a lower annual revenue. Hotel C focuses on conferences and campus events and brings in the highest revenue with profit as the goal. Hotel A is the smallest hotel with Hotel C following closely behind. Hotel B is the largest hotel out of the three. All three hotels are managed through different methods including a foundation, on-campus organization, and a management company. These management methods contribute to the different ratios of workers in the labor force. Hotel A employs the most students with Hotel B not far behind. However, Hotel C hires significantly less student workers. This may be a result of a gap in hotel and university relations, a lack of interest from the students, or a choice from the management company. The management company seems to focus more on revenue generation. Turnover is similar among all three hotels and is lower than industry average. The hotels all have a turnover of around 40-60% per year for line employees and lower for overtime exempt employees while the industry average ranges from 78%-88% per year. This significant difference may be related to the hotels being located on college campuses making the workforce more consistent. Hotel A and B offer hands on training while Hotel C relies on more corporate training with additional department training. Hotel A uses a smaller, lesser-known system for reservations while Hotel B and C use Opera which is popular within the industry. Hotel A focuses on providing jobs for students and working with the campus. Hotel B and C are focused more on meetings, events, and food and beverage. Hotel A and C are looking to renovate in the future while Hotel B is looking to focus more on the university and less on public business. All three hotels are an asset to their respective campuses and provide a learning experience for students. Each hotel caters to a different clientele and uses different management strategies to meet the needs of the guests. They are utilizing the funds from the Kellogg Foundation to benefit the community and “promote health, happiness and well-being”.

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