THE MIGHTY MINIBAR

by Amitava Chatterjee

Historically, the in-room minibar has been plagued with problems. These problems have made hotels hesitant to install minibars. Many food and beverage managers have grumbled at seeing the minibar department consistently losing money while other departments made a profit. In general, hotels have written off 6 percent of their minibar sales to loss; with automation, this is down to 2 percent[1].

Challenges in management of minibars immediately come to mind—such as guest refusal to admit minibar consumption, or the effort to open every single guestroom to verify if the minibar needs to be restocked. Both issues clearly cost the hotel—one, in lost revenue, and the other in labor.

Technology has played a big role in alleviating some of the challenges we've faced in the past. It is difficult for a guest to refuse consumption if a time-stamped entry in the folio says otherwise. Also, with minibars that send alerts when they need restocking, a task that normally took nine people might now be handled instead by four.

Classification

There are three main categories of minibars—stand-alone, semi-automatic and automatic. A stand-alone minibar has no electronic interfaces and every single room needs to be physically inspected to check for consumption. It is very easy for a guest to say, "I didn't drink that Pepsi." A semi-automatic minibar alerts the central processor when they are opened—attendants only need to check those rooms. An automatic minibar, with all the bells and whistles, does more. It is interfaced with the hotel's PMS, and can send consumption charges and request restocking. An automatic minibar is a profit center designed to benefit the hotel and its guests.

Technology Employed

Today's smart minibar is wired. The hotel can control access—at check in, unlock it; at check out, lock it. In some cases the hotel disallows opening (perhaps in the case of a complimentary room).

The minibar automatically charges items consumed. Lift that bottle of vodka and a charge is posted to your folio. Feel like a midnight snack? As soon as the candy bar is removed, it's automatically rung up.

How does this work? The most common technology employs an infrared intelligent beam that knows when the guest has lifted something out of the minibar. A charge is automatically sent via an interface to the PMS, where it is posted to the guestroom folio. Another technology in use involves a pressure-sensitive pad—removing something from the minibar triggers a message, and a charge is posted to a guestroom folio.

Reporting

Advances in minibar technology enable a new generation of consumption and restock reports that show which hotel rooms need replenishment. Instead of physically entering every single room, a minibar attendant need only enter those rooms that are listed in the report—these messages can be sent to a wireless handheld device. This efficiency translates into reduced labor costs – in some cases reductions of up to 50 percent. In addition, these systems may be interfaced with an inventory management system and reduce inventory levels based on actual consumption. Once a par level is reached, an automatic order may be triggered. These reports can also be used to perform popularity analysis—this will allow the minibars to be stocked with fast-moving items.

Conclusion

The minibar has slowly evolved from a simple refrigerator to an intelligent technological marvel that is capable of automatically posting charges to guest folios, alerting staff when it needs replenishment. It has become a profit center for a hotel willing to make an investment in this technology, and the return on investment is evident in the reduction in labor and revenue loss.

What's next? I'm sure we will see further advances in minibar technology—how about MRM—*minibar revenue management?* Imagine it is 85 degrees outside… the price of that mineral water will go up… when it is cold, that body-warming Champagne Cognac VSOP Napoléon will be priced higher… when the late night HBO special starts, a packet of microwaveable popcorn will cost you 50 cents more.

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[1] *Yacey, Kitty Bean, (2000, November 21). 'Smart' minibars track hotel snack attacks. USA Today.*