

OPRYLAND STUDY

The following study is the actual draft of a case study performed by Michael R. Evans, former Associate Professor of Hotel, Restaurant, and Institutional Management of VA Polytechnic Institute and State University.

Edited by Diane Relf, taken from the Symposium: the Role of Horticulture in Human Well-being and Social Development. Timber Press, Portland, OR 1992. The article entitled "People and Plants: **A Case Study** in the Hotel Industry"

The Opryland Hotel: A Case Study of Plants & People

The best example of plants as a differentiating product design element and a possible determinant product attribute in the hotel industry may be the Opryland Hotel in Nashville, TN. This hotel is considered one of the most financially successful meeting and convention hotels in the country. The hotel opened in 1977 with 600 guest rooms, expanded to 1,068 in 1983, and expanded again to 1,879 guest rooms in 1988. The hotel also has one of the largest square footage of meeting space in the country. The total investment in the hotel is approximately \$145 million. As the 12th largest hotel in the country, the Opryland Hotel has received numerous honors. It has earned the Golden Key Award from Meeting and Conventions magazine and has been named one of the 10 best hotels in the country by the readers of Corporate Meetings and Incentives magazine. It holds both the Mobil four-star award and the AAA four-diamond award. The strength of Opryland Hotel's product is indicated by the fact that the hotel enjoys occupancy rates over 85 percent each year, well above the current national average of 68 percent (Trends, 1989).

The hotel also has one of the largest investments in indoor and outdoor gardens in the U.S. There are currently 25 acres of outdoor space and 12 acres of indoor space with approximately 18,000 indoor plants (and 600 species) valued at well over \$1 million. The annual horticulture budget to maintain this living investment is approximately \$1.2 million. A staff of approximately 52 tends to the plants year round.

The hotel has two massive six-story semi-tropical indoor gardens). The 2-acre conservatory was completed in 1983 and the 1.5 acre Cascades was completed in 1988. Both gardens have numerous footpaths or walkways that allow guests to meander through fountains, waterfalls, and many varieties. of foliage. It is also estimated that over 500,000 hotel guests tour the gardens each year. Some 705 guest rooms, many with balconies, overlook the gardens in an open-seating, cafe-style restaurants that gives

the impression of an old European village. These facilities were designed after studying several of the large conservatories in Canada and Europe.

The Conservatory is meant to recall the lush solitude of a Victorian garden and features a 72 foot-tall sculptured fountain called the Crystal Gazebo. There are many places to sit quietly and think. The Cascades is a water-oriented space that features a 12,500 square foot lake and a 40-foot tall rock mountain with three waterfalls and lush gardens. It has a fantasy-like atmosphere with a "Dancing Waters" fountain that is accented by laser beams and colored lighting in the evenings.

There are several examples of how the hotels "greatscapes" have had a positive impact on the financial success of the hotel. For example the unusually high annual room occupancy rate of 85 percent, numerous awards, and the continued expansion of the complex are just a few. One other positive impact of the hotel is the fact that rooms overlooking the gardens are always the first to be reserved by repeat guests. These rooms generally command a premium price of at least \$30 over rooms that do not offer garden views. (1990 Average Daily Rate of \$149 per room versus \$179 per room for view of garden). This translates into an additional \$7 million additional room revenue each year to the hotel. Even though it is very difficult to estimate a precise cost/benefit figure, it would seem that the plant investment and maintenance costs are covered by the additional room revenue generated by the gardens.

Summary

The Opryland Hotel is one of the best examples of "plantscaping" in the hospitality industry. The large investment in plants, flowers, and landscaping has made the Opryland Hotel a unique product in the convention hotel market. Plants, as a differentiating design element, have created a positive image with many of its national competitors. In this case, plants are a major factor for people selecting the Opryland Hotel.

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