Modern Hotel Operations Management

Michael N. Chibili (Ed.)

1st Edition

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Foreword

Hotel operations are chiefly concerned with providing accommodation, food and drink services. This requires managers to have a good understanding of room, restaurant and kitchen operations. In some hotels, these core services are augmented with leisure and fitness facilities, or with conference and banqueting services that attract additional guests and revenue. In some cases, the customer experience requires employees having a direct interface with customers. These 'front-of-house' operations involve services produced in the presence of customers. Reception, restaurant, bar, and concierge services are all examples of settings where hotel employees and their activities are on display. Staff performance has an immediate impact on customer experience, and can thereby influence levels of customer satisfaction and dissatisfaction. In other cases, services are produced 'back-of-house'; customers rarely see the production processes involved taking place. Kitchen services and laundry are the most obvious examples: customers do not usually see the food being cooked, or items being laundered. Housekeeping and room cleaning represent something of an 'in-between world' as guests are not typically present when the room attendant services the room. The hotel room is 'front-of-house' because it is where guests 'consume' the accommodation service, but it does have a 'back-of-house' dimension since the guest is not present when the room is being serviced for next night's sleep. These various services and settings found in hotel exploitation mean that a hotel manager's work is complex and requires a familiarity with a range of operational skills.

While the aspects of 'front-of-house' and 'back-of-house' feature in most hotels, the service levels and intensity of customer contact varies across hotel service types and brands. The size and complexity of the food, drinks and accommodations offered to guests range from simple and quite limited, e.g. budget brands, to more complex and elaborate, e.g. luxury hotels. Budget brands have been a growing phenomenon in recent decades. Their key focus has been providing dependable accommodation including *en-suite* facilities, but with limited additional services. Self check-in is a feature of some groups, while vending machines or food services limited to a simple buffet style breakfast are common in other establishments of this nature. These simpler services require low staffing levels and, in some cases, routine unskilled labour. Luxury hotels typically offer a more personalised service, à la carte restaurants, cocktail bars and accommodation with dedicated butlers and servants, all requiring the employment of highly skilled and trained personnel. Therefore, a manager's particular tasks will be a function of the hotel's service level and brand offered to clients. Essentially, however, a hotel manager's role is concerned with the same arrays of issues: managing the delivery of food, beverage and accommodation services; ensuring service quality standards match guest expectations; managing the employees who

produce these services; and cost minimisation, income generation, and profit maximisation.

These operational dimensions of the hotel manager's role, however, are just one branch of the managerial skill set needed. First and foremost, a hotel is a business; it needs to operate within commercial boundaries, minimise costs, increase revenue and maximise profits. That being said, there are some unusual features of the hotel business in that its services are perishable and intangible. Additionally, they cannot easily be stockpiled during off-peak hours, to be used when demand increases. Hotels have to be managed in such a way as to ensure maximum revenue every day. Demand patterns are often difficult to predict and are influenced by forces beyond a manager's control; yet any room not sold on a specific day is an opportunity lost forever. The parallel with passenger planes is clear, and like managers of airline organisations, hotel managers are concerned with levels of occupancy and revenue management. The ideal position, where every room is sold at the official room rate, is rarely achieved; a hotel manager is typically concerned with maximising revenue on any one day. Price discounting and forward selling to accommodation agents are two techniques used, but there is no magic formula. Hence, hotel managers are making judgments day by day to maximise the average revenue per room. Edited by Michael N. Chibili, the chapters are authored or co-authored as shown in this foreword.

The Hospitality Industry – Past, Present and Future – Michael N. Chibili provides an oversight of the hotel sector's history and traditions. This chapter shows that providing accommodation from a home base is a by-product of travel. As people began trading goods across increasing distances, there was a need for accommodation at regular points along the journey; these origins have shaped much of the industry's features still used today. Hotel locations are often at a point of destination or along travel routes. The chapter discusses these origins with current trends and developments in hotel provision.

Rating Systems and the Structure of the Hospitality Industry – Michael N. Chibili explores the issue of hotel rating systems. Hotel ratings, or rankings, provide potential visitors with an idea of what a hotel offers in terms of facilities or services. This is particularly valuable for travellers who are planning trips to unfamiliar destinations. Rating systems help meet customer security needs as they help guests develop an understanding of what to expect. That being said, there are a number of different systems across the globe and definitions of what constitutes a particular star ranking are not universally agreed upon.

Hotel Management – Viewed from Above – Michael N. Chibili discusses typical hotel structures where the general manager is supported by a team running the immediate operational departments, such as food and beverage or rooms departments. In larger hotels, there is likely to be a number of other supporting departments; human resource management, accounting, revenue management, reservations, and the like. Larger hotels may contain several tiers between frontline service staff and the general manager. This in turn creates problems for communication and necessitates the creation of a culture dedicated to the aims and objectives of the hotel.

The Rooms Department – Saskia Penninga and Michael N. Chibili explore the specific operational issues associated with providing guests with accommodation. The precise nature of service standards covering both tangible and intangible aspects of the accommodation experiences enjoyed by guests differ between hotel types and brands, though there are some similarities. Servicing of rooms every day, preparing for new guests, re-servicing rooms for existing guests; are all common features regardless of hotel ranking or pricing. In addition, cleaning public spaces is typically the responsibility of this department.

The Food and Beverage Department – Shane de Bruyn and Michael N. Chibili highlight the importance of food beverage operations within a hotel manager's remit. Providing food and beverages in hotels can be an important source of revenue and can also reinforce the hospitable nature of a brand. It is, however, a difficult service to control because of skill sets needed and potential wastage created by food that remains unsold. Some budget hotel chains have met this challenge by removing, or at least minimising, the food services offered to guests. In other cases, menus have been structured around a simple, one-step process, ensuring that training needn't be advanced beyond simple skills.

Hospitality Human Resource Management – Dr. Bill Rowson discusses the processes whereby employees are recruited, trained, appraised and rewarded for their efforts. The involvement of employees in delivering hotel services is not always treated with the significance required. Apart from during immediate interactions of frontline employees with customers, suitably trained staff members have the potential to create a genuine competitive advantage through an expression of hospitability, making sure guests feel genuinely welcome.

Marketing for the Hospitality Industry – Dr. Bill Rowson explores marketing within the delivery of hospitality services. Central to marketing is a clear understanding of the customer profiles of guests a hotel wishes to attract. Apart from the demographic profiles of the guests, there needs to be a clear understanding of the reasons guests use the hotel. On the basis of this information, hotels can send messages targeting those most likely to be interested in both the message and the service on offer. Accommodation pricing and promotional offers are key to ensuring hotels have the maximum attainable average revenue per room.

Financial Control and the Accounting Department – Michael N. Chibili highlights the key importance of cost control and revenue generation in assisting the general manager to generate profits. Additionally, the processes whereby guest bills are produced and processed are important factors. Given the issues discussed earlier, the Finance department assists in providing appropriate information needed by the manager to make pricing and occupancy decisions. Low prices may ensure higher occupancy levels, but there may be a point where a few empty rooms help maintain higher level room rates for those that are sold.

Facility Engineering and Maintenance – Michael N. Chibili explores the processes that are key in ensuring guests have facilities that operate in the way they expect. The failure of these tangible aspects of the guest experience

can be a major source of dissatisfaction. In some instances, broken or malfunctioning facilities cause dissatisfaction, but a level of building and accommodation décor also helps create a general impression of the quality of the hotel. The refurbishment of rooms needs to be carefully planned, because this will require rooms being taken out of use, thereby making them unavailable for sale to guests.

Managing Safety and Security Issues – Michael N. Chibili emphasises that safety and security are at the core of guest concerns. Their decision to choose to stay in a known brand hotel is frequently an expression of a desire to be secure when away from their home base. On the other hand, hotels are by their nature points of social engagement where individuals meet with others. A hotel represents both a place of comfort and of neutrality. Managing these tensions is a key issue; an overly secure system of access may create an impression of inhospitality, but an open access policy may cause a risk of potential abuse by terrorists or others bent on doing harm to guests.

Managing Hospitality Services – Professor Conrad Lashley highlights the factors that present all service providers with dilemmas that have to be managed. The intangible nature of the service experienced, the heterogeneity of the service encountered, and the emotional dimensions of the service encountered mean that techniques of mass production employed in manufacturing are not available to hotel managers. Guest themselves are frequently driven by contradictory needs – selecting brands in order to know and recognise the service offering, but also wanting to be treated as individuals. The emergence of hotel brands has produced benefits by enabling focus on identified needs, but also presents hotel organisations with the problem of having to deliver to brand standards across all units and across geographic and cultural boundaries.

Conceiving Hospitality Processes – Michael N. Chibili explores the process through which hotels deliver the accommodation, dining and drinking experiences to guests. In some budget brands, the service encountered has been reduced to a minimum, and even in more up-market hotels there is widespread use of self-service buffets and self-check-in/out. In other cases, menus have been designed around dishes that require one-step cooking; this ensures the skills required can be learnt quickly, thereby making the use of more numerous, low-skilled, and cheaper labour forces feasible.

Designing Hospitality Processes – Michael N. Chibili explores customer touch points between the hotel facilities and staff, which contribute to guest and supplier experiences. These touch points can be designed to enhance greater sensitivity to the needs of the guest or supplier. A thorough examination of each touch point can help enable more effective relationships between the parties concerned.

Delivering Hospitality Services – Professor Conrad Lashley discusses the key importance of customer satisfaction in delivering repeat business, building repute and generating new customers. At heart, this requires hotels to deliver what they say they will. Frontline employees are at the centre of the processes that ensure customer satisfaction. Making sure employees are aware of the brand standards and are trained with skills appropriate to meet

them is important. In these circumstances, labour retention is crucial; a stable workforce is more likely to develop personal bonds with guests.

Managing Change in the Hospitality Industry – Latifa Benhadda and Michael N. Chibili demonstrate that managing change is crucial in a dynamic trading situation. The need to review operational practices, services on offer, and guest expectations in this ever-changing environment is vital if a hotel is to maintain a competitive position. At the same time, change can be seen as threatening, difficult, something to be resisted. A hotel manager has to create an atmosphere and culture that encourage change and innovation. They must embrace an innovative climate of excitement about change, recognising that frontline employees are the most aware of these changes and developments.

Managing Quality in the Hospitality Industry – Michael N. Chibili highlights that managing quality ensures that customers obtain the service experience they expect. Central to this is the need to establish a clear definition of service standards being offered and presented to guests. As such, service quality management requires an approach that monitors the services delivered to guests, identifying and correcting points of service breakdown when they occur.

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Acknowledgements

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Effective learning

These blue words mark important topics of the theory.

Questions and assignments for reflection offers challenging questions to debate with fellow student in or outside the class room.

Articles from web and newspapers provide a view of real application within the hospitality industry of the concepts.

A summary supports self study by presenting an overview over important topics of the chapter.

The website provides additional materials for both students and lecturers. The online self-test is a study tool with feedback and study tips to help you test your knowledge and prepare for assignments.

1

The Hospitality Industry – Past, Present and Future

M. N. Chibili

1.1 Introduction

The history of the hospitality industry is closely linked to that of civilisation. It is a history that has evolved as major civilisations appeared and developed. Facilities offering hospitality to travellers and guests have existed across centuries; they have evolved in their offerings by constantly adapting to the wishes of their most important stakeholders. This chapter introduces the hospitality industry from the perspective of its evolution over time and covers its origins as far back as ancient times through its transformations during centuries of pre- and post-industrial revolution, eventually ending with a look at what the future holds for the industry.

1.2 History of the Hospitality Industry

The hospitality industry, which belongs to the larger business group called the travel and tourism industry, is found within the services sector. The hospitality industry, which, according to the United Nation's World Tourism Organisation, will be the world's largest industry by 2020, generally includes the service organisations that cater to people's needs for food, drinks, and accommodations, as well as recreation, travel and entertainment. To be able to better understand the complex world of the hospitality industry, it is necessary to trace its origins, which began in the early days of human civilisation, and to see how it has evolved to the present day.

Services sector

1.2.1 The Origins of the Hospitality Industry

There is evidence of the existence of the hospitality industry dating back far into ancient times. Such evidence can be traced back to around 4000 BC, and owes much to the Sumerians with their invention of writing (cuneiform), money, and the wheel. All these inventions permitted people to be able to move from place to place for pleasure, and be able to pay for any services

Inventions

United Kingdom, London: The Russell Hotel

received. Prior to these inventions, nomadic peoples travelled as a way of life, seeking out any conveniences from place to place. In those days, people travelled either on foot or on animals and as such could not cover great distances in a day. Upon nightfall, they would seek convenient places that could provide them with such basic necessities as water, food, fuel, and shelter. When they travelled in groups for safety purposes, these groups were called caravans. Figure 1.1 is an illustration of a combined caravan of horses and camels.

Convenient places

FIGURE 1.1 A caravan of horses and camels approaches Aleppo from the Mediterranean coast in the late seventeenth century, from Cornelis Le Bruyn, Voyage to the Levant (1702)

The distance that could be covered in a day depended on the mode of transport travellers were using. At points where they had to stop, lodging facilities tended to appear. These would have been known by different names in various parts of the world. Some examples include *ryokan* in Japan, *dharamshala* in India, *pousadas* in Portugal, *hospitia* in Italy, *hôtel* in France, inn in Europe as a whole, and *relay houses* in China.

Code of Hammurabi

Further evidence of the existence of the hospitality industry can be derived from the Code of Hammurabi, which was established around 1780 BC. As shown in the translation in the fragment in Figure 1.2, the code also included rules for tavern-keepers and inn-keepers on various issues.

Hammurabi was the ruler of Babylon from 1792 BC to 1750 BC. The Code of Hammurabi (which meant 'The Code henceforward') was discovered by modern archaeologists in 1901. This nearly complete example of the Code is carved into a black diorite stele in the shape of a huge index finger 2.25 metres tall. The Code is inscribed in the Akkadian language using cuneiform

FIGURE 1.2 Translated fragment from the Code of Hammurabi (Source: www.constitution.org)

108	If a tavern-keeper (feminine) does not accept corn according to gross weight in payment of drink, but takes money, and the price of the drink is less than that of the corn, she shall be convicted and thrown into the water.
109	If conspirators meet in the house of a tavern-keeper, and these conspirators are not captured and delivered to the court, the tavern-keeper shall be put to death.
110	If a 'sister of a god' open a tavern, or enter a tavern to drink, then shall this woman be burned to death.
111	If an inn-keeper furnish sixty ka of isakani-drink to ... she shall receive fifty ka of corn at the harvest.

Black diorite stele with the Code of Hammurabi

script carved into the diorite stele. It is currently on display in the Louvre Museum in Paris, France.

1.2.2   Evolution of the Hospitality Industry through Time

As indicated in the previous section, the history of the hospitality industry is closely linked to the civilisations of the past. This section draws its inspiration from Levy-Bonvin's (2013) article entitled Hotels: A brief history, as published in www.hospitalitynet.org. The Greeks developed thermal baths in villages designed for rest and recuperation, while the Romans developed an extensive network of roads throughout their empire. This extensive network of roads created the need for lodging facilities for travellers, which later culminated in the construction of mansions that catered to the needs of those travelling on imperial duty. The Romans also constructed thermal baths across their empire, which span across most of Europe and the Middle East.

Civilisations

Before the Industrial Revolution
Prior to the Industrial Revolution (which covered the period from 1750 to 1850), important hospitality industry-related events included the following:
- The construction of extensive networks of roads and lodging facilities by the Romans. They built some 10,000 inns stocked with food and beverages 25 miles apart, to aid their officials as they travelled across the Roman Empire.
- The appearance of caravanserais as resting places for caravans along the various routes of the Silk Road between Europe and Asia. An example of a caravanserai is that of Qalat el-Mudiq in Syria, shown in Figure 1.3.

Silk Road

FIGURE 1.3 The caravanserai in Qalat el-Mudiq, Syria

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- Monasteries and abbeys became establishments that offered resting places for travellers on a regular basis.
- Relay houses were set up in China and Mongolia for travellers and couriers.
- *Ryokans* appeared during the Nara period (c. 700 AD) in Japan; some of them have survived to date, such as the *Nisiyama Onsen Keinkan* in Yamanashi, which was built around 705 AD, and has been owned and operated by more than 52 different owners, or the *Hoshi Ryokan* in Ishikawa, which was built around 718 AD, and has been owned and operated by the same family for 46 generations.
- In Europe, many inns appeared. These were relatively small and simple operations, basically fulfilling the housing needs of travellers by providing them with a spare room at a price. Some of these inns have remained famous to date, such as:
  – The Angel Inn in Grantham, Lincolnshire, United Kingdom, which was opened in 1203 and is regarded as the oldest surviving English inn. It was built as a hostel for the Brotherhood of the Knights Templar, and is today called the Best Western Angel and Royal Hotel.
  – The *Auberge Cour Saint George* in Ghent, Belgium, which was opened in 1228, and is now called the Hotel Best Western Cour St. Georges.
  – The *Auberge Des Trois Rois* in Basel, which was opened in 1681 as lodging for the gentry, and is now called the Grand Hotel Les Trois Rois.

Laws
- Both in France and in England, laws were established which required hotels to keep a register of their visitors. Thermal spas were also constructed in both Karlovy Vary (Carlsbad) and Marienbad in what is now the Czech Republic.
- During the 1500s, the first travellers' guide books were published in France. Signs began to be used to identify those establishments that had something special to offer travellers.
- During the 1600s, stagecoaches that used a regular timetable began operating in England. This greatly changed the way people travelled, and also influenced the need to house them at their journey's end. The roads became safer and new junction points were created, which eventually led to the founding of new towns.
- By the mid-1600s, clubs and lodges had become widespread across Europe and America.

From the Industrial Revolution till 1899

The period of the Industrial Revolution had a very significant influence on the history of the hospitality industry. This period was characterised by rapid changes in economic and technological development. The manufacturing and transport sectors saw very significant developments, and their effect on the hospitality industry was a proliferation of the construction of hotels everywhere in Europe and America. These hotels were needed to cater to the needs of the rising establishment of managerial and middle classes taking care of new companies, as well as a growing demand for both leisure and business travel. These classes had the necessary wealth to be able to move conveniently from place to place. Some developments of note in the hospitality industry during this period were:

Significant developments

Luxurious amenities
- The appearance of a new style of hotel that provided luxurious amenities in very opulent surroundings similar to the royal palaces. These hotels were constructed to accommodate a very mobile aristocracy, as well as wealthy industrialists.

- The appearance of the Grand Tour, which was originally about privileged young Englishmen who spent their gap years on an extended tour of Continental Europe. Possibly, the best known of these youngsters was James Boswell, who kept an elaborate journal of his travels and experiences. The first major guidebook for the Grand Tour was published in 1749 by Thomas Nugent. Though the Grand Tour was primarily associated with British nobility and wealthy established gentry, similar trips were made by wealthy young men from Northern European countries. From the second half of the 18th century onward, some American and other overseas youths joined in; participants began to include more members of the middle classes now that rail and steamship travel made the journey less cumbersome. Figure 1.4 is a map of Europe showing the Mozart family's Grand Tour of Europe.

Grand Tour

FIGURE 1.4 The Mozart family's Grand Tour of Europe

There was a slow decline in the number of highway inns for stage coaches due to the expansion of rail networks and a boom in holiday resorts offering either health benefits (by mineral spas) or cooler temperatures (by mountains and oceans).

Some hotels of note that appeared during this period include:
- The City Hotel opened in New York City in 1794. It is said that this was the first building in America specifically built for the purpose of being a hotel. With its 73 rooms, it was considered to be a very large property in a city with approximately 30,000 inhabitants. The City Hotel also provided meeting rooms and eventually became the social heart of the city. It was the largest hotel in New York until 1813, and stayed operational till 1849.
- Giuseppe Dal Niel rented the second floor of the Palazzo Dandolo in Venice, Italy and turned it into a hotel in 1822. Within two years, thanks to

City Hotel

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Hotel Danieli

Innovative features

Tremont House

his commercial success, he was able to purchase the whole palace and spent a lot of money on a radical but accurate restoration of the palace, now called the Hotel Danieli.

- The Tremont House (also called Tremont Hotel) was built in Boston, USA in 1829, and was designed by Isaiah Rogers. It was a four-story, granite-faced, neoclassical building with 170 rooms, and had many innovative features for the hospitality industry, such as indoor plumbing, in-room water pitchers, shared indoor toilets and baths, a reception area, guestrooms with locks, free soap and bellboys. It set the standards for luxury and became a model for many hotels that were built during that period. It was also the first hotel to serve French cuisine in the USA. A painting by William James Bennett (1787 – 1844) of the Tremont House, which stayed in operation till around 1895, is shown in Figure 1.5.

FIGURE 1.5 Painting of the Tremont House by W. J. Bennett (1787–1844)

Holt's Hotel

Park Hotel

Hotel des Anglais

- The Holt's Hotel was built in New York in 1833 and had a hundred-foot dining room with twenty-foot tall ceiling, twenty-five parlours, and one hundred and sixty-five rooms. The proprietor, Stephen Holt, introduced a steam-powered lift, which was a wonderful idea but was too expensive. The Holt's Hotel was declared bankrupt in 1835.
- The Astor House was built by John Jacob Astor and transformed into the Park Hotel by designer Isaiah Rogers (of Tremont House fame) in 1836. It had 309 rooms in 6 stories, featuring new gas lighting and bathing/toilet facilities on each floor. It became unable to compete with other new hotels by the 1870s, and was eventually transformed and redeveloped into office blocks.
- The Hotel des Anglais was opened in the early 1840s in Cairo, Egypt; it was renamed Shepheard's Hotel after its owner Samuel Shepheard in

1860. It was the leading hotel in Cairo and was one of the most celebrated hotels in that part of the world from the middle of the 19th century to 1952, when it was destroyed in a fire during the riots leading to the July 23 Revolution in Egypt.

- The Great Eastern Hotel (originally the Auckland Hotel) was built in Calcutta (currently called Kolkata), India in 1841. Founded by David Wilson, it was extremely elite, and was considered India's first 5-star hotel. Over time its fame and performance dwindled until it became insolvent in 1975. It was reopened after extensive renovations under the name The Lalit Great Eastern Hotel in 2012, and is currently privately owned.

  Great Eastern Hotel

- The Grand Hôtel du Louvre, in Paris, France was built in 1855. Originally located in the building which is now known as the *Louvre des Antiquaires*, the Grand Hôtel du Louvre was the first luxury hotel in France and had 700 guestrooms. It was renowned for its French and international cuisine and was the first hotel to achieve recognition equal to its luxurious counterparts in New York and Switzerland. In 1887, the Hotel du Louvre was relocated to where it stands to this day.

  Grand Hôtel du Louvre

- The Fifth Avenue Hotel was a luxury hotel in New York City that was built in 1859. It developed a reputation as New York's most elegant hotel. It had five stories over a commercial ground floor and had the first passenger lift to be installed in a hotel in the United States. It also employed four hundred servants to serve the guests. It even had private bathrooms, which was considered extravagant in those days. It stayed in operation till it was demolished after closing at midnight on April 4th 1908.

  Fifth Avenue Hotel

- The Grand Hôtel, Paris, was originally built as part of the urban transformation of Paris at Napoleon's request in 1862. It was meant to help assure the world that Paris was ready to host the Universal Exposition of 1867. The hotel remains a French national historic landmark, having preserved every aspect of its original opulence. The hotel is made up of 470 luxurious rooms, all designed in 19th century French style. The hotel houses the famous *Café de la Paix*, which has one of the most illustrious terraces in all of Paris. It currently belongs to the Intercontinental Hotels Group.

  Grand Hôtel

- The Hôtel de Paris in Monte Carlo was quite an ambitious project for its time. As detailed in the specifications requested by François Blanc, who presided over the destiny of the Société des Bains de Mer, requirements were for 'a hotel which outstrips anything that has been built so far, even the Hôtel du Louvre or the Grand Hôtel in Paris. I want people to describe the Hôtel de Monaco as a real marvel, thus making it a powerful means of publicity'. The hotel was inaugurated in 1864, and has since undergone more than 6 expansions. It currently has 182 rooms, 74 suites and junior suites, 1 presidential suite, and 3 famous restaurants: the Louis XV, the Grill, and the Côté Jardin. It is part of the 'Leading Hotels of the World'.

  Hôtel de Paris

- The Hotel Victoria-Jungfrau in Interlaken, Switzerland. In 1856, 22-year old hotel pioneer Eduard Ruchti purchased the Pension Victoria, and in 1864 commissioned local architects Friedrich Studer and Horace Edouard Davinet to completely redesign the property. The new Hotel Victoria was opened for business in 1865, and in 1895 Ruchti acquired the adjacent Hotel Jungfrau (which had been built by Davinet in 1864). In 1899, the two buildings were linked and became the Victoria-Jungfrau. It offered standards of quality and comfort unparalleled at the time, including such innovative features as a telephone system, a hydraulic suspension lift

  Hotel Victoria-Jungfrau

and electric lighting in all rooms. The hotel contains 212 luxury guest rooms, 105 of which are suites and junior suites, and is part of the 'Leading Hotels of the World'.

Mena House

- The Mena House in Cairo was initially a hunting lodge. It was built for the Egyptian King Isma'il Pasha in 1869, and was eventually sold to Frederick and Jessie Head as a private residence. It was expanded and sold to Ethel and Hugh Locke-King in 1885; they refurbished the building into the hotel that was opened as The Mena House in 1886. In 1890, the hotel opened Egypt's first swimming pool. In 1971, the hotel was purchased by Rai Bahadur Mohan Singh Oberoi. The Camp David Peace Agreement was a result of meetings at the Mena House in December 1977.

Palmer House

- The Palmer House in Chicago, USA has gone through four transformations. The original Palmer House, which had 225 rooms, was opened in September of 1870, while a second Palmer House was under construction nearby. Both buildings were destroyed by the Chicago Fire of 1871, however. The owner, Potter Palmer, quickly rebuilt, resulting in a 7-story, $13 million hotel, that was opened in 1875 and was presented as the nation's only fireproof hotel. It stood in that form until 1925, when it was replaced with the $20 million, 25-story multi-towered hotel that stands to date. The hotel has been part of the Hilton Hotel chain since 1945, and its lobby is considered one of the most magnificent in the world.

Hotel Minerva

- The Hotel Minerva in Baden Baden, Germany, began life in 1834 under the name *Stephanienbad*, and in 1872, a master tailor called Anton Brenner purchased the hotel and the adjoining land for his daughter and her husband. However, after the death of his son-in-law in 1875, Anton Brenner assumed the running of the hotel. In 1882, his son Camille took over, and helped enhance the hotel's status as a world-class grand hotel. Camille Brenner laid the groundwork for the modern Brenner's Park-Hotel & Spa, and his spirit is still felt throughout the hotel today. It is part of the Oetker Collection and is one of the 'Leading Hotels of the World'.

Hotel Imperial

- The Hotel Imperial is located in Vienna, Austria. It was designed by architect Arnold Zenetti, and built under the direction of Heinrich Adam in 1863. It was converted into a hotel in 1873. It is arguably Vienna's most exclusive five-star hotel. A speciality of the hotel is the Imperial Tart supposedly based on a secret recipe that is said to have been created when Emperor Franz Joseph opened the Hotel in 1873. The Imperial was acquired by the Compagnia Italiana Grandi Alberghi (CIGA) in 1985. In 1994, the Starwood Hotels and Resorts took over CIGA and transformed it into a branch of its high-end brand 'The Luxury Collection', to which the Hotel Imperial now belongs.

Hotel Grande Bretagne

- The Hotel Grande Bretagne in Athens, Greece traces its roots back to 1842, when Antonis Dimitrios acquired a plot of land opposite the Palace of King Otto, and built an impressive 90-room mansion that was the first incarnation of the current hotel. This mansion was bought by the hotelier Savvas Kentros together with Efstathios Lampsas in 1874, and was transformed into the Hotel Grande Bretagne, which was considered one of the most luxurious hotels in south-eastern Europe. The hotel is now part of 'The Luxury Collection' hotel chain, managed by Starwood Hotels & Resorts, containing 321 rooms and a 400 m^2 Royal Suite on the fifth floor. The Hotel Grande Bretagne is pictured in Figure 1.6.

FIGURE 1.6 The Hotel Grande Bretagne

- The Palace Hotel in San Francisco, California, USA was built by William Chapman Ralston and William Sharon in 1875, and was arguably the largest, most luxurious and costly hotel in the world. It was officially opened on 2 October, 1875, containing 755 guest rooms. It had hydraulic suspension lifts, and each guest room had an electronic call button that allowed guests to ring for anything they needed. The original hotel was destroyed by the fire that followed the 1906 San Francisco Earthquake. It was rebuilt and has undergone multiple renovations over the years. It now has 553 rooms and suites and is part of 'The Luxury Collection' hotel chain, managed by Starwood Hotels & Resorts.

  Palace Hotel

- The Grand Hotel Europe, Saint Petersburg, Russia, opened its doors to the public on 28 January, 1875, replacing an earlier inn. It was designed by Italian architect Carlo Rossi who used an impressive Neo-Baroque façade to join together neighbouring properties dating back to the 1820s to create one magnificent building for the Evropeyskaya Hotel Company. Its marble-and-gilt interiors, sweeping staircases and elegant furniture have attracted crowds of well-to-do visitors over the centuries. In the 1910s, the hotel was remodelled in the Art Nouveau style thanks to designs by Swedish-Russian architects Fyodor Lidval and Leon Benois. The latest major renovation was done between 1989 and 1991 and it currently has a total of 291 rooms and suites. The Grand Hotel Europe is affiliated with the 'Leading Hotels of the World'.

  Grand Hotel Europe

- The Sagamore, Lake George, New York, USA, is located on the shores of Lake George, and was built in 1883 as a country retreat for the wealthy. It provided luxurious and spacious accommodations that attracted a select, international clientele. It has twice been destroyed by fire and reconstructed (1893 and 1914), but eventually fell into disrepair before closing its doors in 1981. In 1983, Norman Wolgin purchased and restored the hotel to its former stateliness with 137 elegant guestrooms and 54 suites under the banner of the Preferred Hotels and Resorts Group.

  Sagamore

- The Grand Hotel, Mackinac Lake, Michigan, USA, began in 1886 when the Mackinac Island Hotel Company was formed with designs to create an appropriate accommodation to cater to the influx of people to the is-

  Grand Hotel

land following its popularity as a summer getaway. They acquired land and started the construction of the Grand Hotel which was officially opened in 1887. It featured the longest front porch in the world at more than 201 meters, and is a US National Historic Landmark. With multiple renovations over the years, it currently offers 385 guest rooms, no two of which are alike.

Hotel del Coronado

- The Hotel del Coronado, San Diego, California, USA, was built in 1888, and may be one of America's most beautiful beach resorts. It has been a US National Historic Landmark since 1977. The Coronado Beach Company hired architect J. W. Reid to design the hotel in which his masterpiece, the Crown Room, has a wooden ceiling which was installed with only pegs and glue. It had the world's first oil furnace and had electric lighting installed under the final inspection of Thomas Edison. It originally contained many amenities such as an Olympic-sized salt water pool, tennis courts, a yacht club, a Japanese tea garden, an ostrich farm, billiards, and bowling alleys. It currently has 679 guestrooms and suites in various categories and is owned by the Blackstone Group LP, Strategic Hotels & Resorts Inc., and KSL Resorts.

Savoy Hotel

- The Savoy Hotel, London, UK was built by famous impresario Richard D'Oyly Carte and opened on 6 August, 1889. It was designed by architect T. E. Collcutt. One of London's most iconic hotels, it is the epitome of class, sophistication, and glamor till this day. It was the first luxury hotel in Britain with electric lighting, electric lifts, *en-suite* bathrooms, and pressurised hot and cold running water. Its first famous manager was the

César Ritz

Swiss, César Ritz, who was hired in 1890 and who came along with the French Auguste Escoffier as chef; the *maître d'hôtel* was Louis Echenard.

Auguste Escoffier

They established an unprecedented standard of quality in hotel service, entertainment and elegant dining, which attracted royalty and other wealthy guests and diners. Following extensive renovation and reopening in 2010, the hotel currently has 62 suites and 206 guestrooms and is managed by the Fairmont Hotels and Resorts. The main entrance to the Savoy is shown in Figure 1.7.

Brown Palace Hotel & Spa

- The Brown Palace Hotel & Spa, Denver, USA was opened on 12 August, 1892. It was begun by and named after its owner by H. C. Brown, and was designed by architect Frank E. Edbrooke in the Italian Renaissance style. It had an atrium lobby, with balconies rising eight floors above ground, and was considered the second fire-proof building in America. It had 400 guest rooms (compared to only 241 today). Many changes have taken place over the years, but one thing remains the same – it is one of Denver's most elegant hotels, and has been open every day since its inauguration in 1892. It is privately owned and managed.

Waldorf Astoria

- The Waldorf Astoria New York, USA, started as two separate hotels belonging to two cousins: one of 13 stories, owned by William Waldorf Astor, known as the Waldorf Hotel, and opened in 1893; the other of 17 stories, owned by John Jacob Astor IV, known as the Astoria Hotel, and opened in 1897. The latter was designed so that it could be connected to the Waldorf. The architect was H. J. Hardenbergh and both hotels were placed under the management of George Boldt. The combined Waldorf-Astoria became the largest hotel in the world at the time and became significant for transforming the contemporary hotel from a facility for travellers into a social centre as well as a prestigious destination for visitors and a part of popular culture. The Waldorf Astoria was the first hotel to offer room service. The original buildings were demolished and

FIGURE 1.7 Main entrance to the Savoy Hotel

the current structure was rebuilt on another New York site in 1931. The present building at 301 Park Avenue in Manhattan is a 47-story, Art Deco landmark, designed by architects Schultze and Weaver, and was able to maintain the original name due to the fact that its former manager L. M. Boomer had been able to obtain exclusive rights to the name and transfer it to the new hotel. The hotel was bought by Conrad Hilton in 1949 and is a member of Hilton's Luxury and Lifestyle Brands along with Waldorf Astoria Hotels & Resorts and Conrad Hotels & Resorts. The Waldorf Astoria New York and The Waldorf Towers offer a total of 1,416 guest rooms, including 303 suites, all featuring original Art Deco motifs. Each room is decorated individually. The hotel has its own railway platform as part of the Grand Central Terminal in New York.

- The Hôtel Ritz in Paris, France, is a grand palace hotel in the heart of Paris. After César Ritz and Auguste Escoffier were dismissed from the Savoy London in 1897, Ritz purchased and transformed the former Hôtel de Lazun building, creating a 210-room hotel designed by architect Charles Mewès. The hotel was opened on 1 June, 1898 and it was reportedly the first hotel in Europe to have an *en-suite* bathroom, with telephones and electricity in each room. It quickly established a reputation for luxury. Today, the hotel is ranked highly among the most prestigious and luxurious hotels in the world, and is a member of the 'Leading Hotels of the World'. One of its restaurants, L'Espadon, is world-renowned and attracts

Hôtel Ritz

L'Espadon

aspiring chefs from all over the world who come to study at the Ritz Escoffier School of French Gastronomy. The best suite of the hotel is called the Imperial and it has been listed by the French government as a national monument in its own right.

The 20th Century

The birth of the 20th century ushered in a new phase in the development of the hospitality industry. This phase can be identified as that of the creation of the present day global hotel businesses, the introduction of franchising and management contracts, the growth in mass tourism, the introduction of social and welfare systems, the growth in salary levels, and the increase in average life span. All of these had an important impact on the hospitality industry. Unlike the previous section, in which the iconic hotels of the previous era have been highlighted, this section establishes some important facts, concepts and events within the context of their related decades.

The 1900s came with the expansion of steam heating, gas burners, electric bells, baths and water closets on all floors, and games rooms in most hotels. In-room telephones started appearing in some hotels. This decade was particularly significant because it brought with it what is considered to be the precursor to the modern business hotel. Ellsworth M. Statler (1863 – 1928), who had made a fortune in the restaurant business, opened his first

Statler House

hotel in Buffalo, New York, USA, in 1908; it was called Statler House and had 450 rooms. Its main target was the economic middle class. Unlike most hotels of the period, Statler's hotels, which numbered 6 at the time of

Innovations

his death in 1928, had many innovations for the time: fire doors, electric light switches by the door inside each room, private bathrooms, personal telephones, keyholes above the door knobs, hot and cold water in each room, full-length mirrors, free morning newspapers, and later, built-in radios in every room. Statler's genius in providing luxury-like amenities to middle and working class people helped his hotel chain become popular with everyday Americans. His formula was later adopted by the other hotel pioneers, such as Hilton. This decade also saw the creation of the magnificent *Taj*

Ritz
Plaza

Mahal Hotel in Bombay, India; the *Hôtel du Palais*, Biarritz, France; the Ritz in London, UK; the Plaza in New York, USA; the *Beau Rivage Palace* in Lausanne Switzerland; and the new look *Hôtel de Crillon* in Paris, France.

The 1910s were disturbed by the First World War, but overall witnessed an expansion of modern amenities within all hotels instead of only in the luxury ones. It ushered in the increased use of electricity for cooking purposes within hotels as well. This decade witnessed the arrival of such hotels as

Ritz
Conrad Hilton
Mobley

the Ritz in Madrid, Spain; the *Négresco* in Nice, France; and the *Plaza Athenée* in Paris, France. The decade ended with the arrival of Conrad Hilton in the hospitality industry, when he purchased his first hotel, the Mobley, in 1919 in Cisco, Texas, USA.

The immediate post-war years of the 1920s brought some rapid expansion to the hospitality industry, which ended with a bang after the 1929 Crash that led to the Great Depression of the 1930s. This decade was also char-

Prohibition

acterised by the introduction of the Prohibition in the United States, which was a national ban on the manufacture, transportation, and sale of alcohol between 1920 and 1933. Hospitality innovations included the expansion of in-room radios in hotels, and the creation of the first roadside motels, as

well as airport hotels. Of note during this decade is that J. W. Marriott began business as a restaurateur in Washington D.C., USA, in 1927. The decade also introduced the construction of hotels in mountain ski-resorts thanks to the introduction of funiculars (inclined plane or cliff railways) that permitted tourists to be transported up and down steep slopes. Some hotels of note that started during this decade include La Mamounia in Marrakech, Morocco; the Hotel Ambos Mundos in Havana, Cuba; the Gleneagles Hotel near Auchterarder, Perth and Kinross, Scotland; the Gran Hotel Bolívar in Lima, Peru; the Westin Book Cadillac Detroit, Michigan USA; the Grand Hotel Niagara, in Niagara Falls, Niagara County, New York, USA; the Hotel President in Kansas City, Missouri, USA; Grosvenor House Hotel, London UK; and the Hotel Alfonso XIII in Seville, Spain.

The 1930s was highly affected by the Great Depression, which had a very negative impact on the hospitality industry. There was very little liquidity around, one result being that more than 80% of US-based hotels went into receivership, in which they were held by receivers who had custodial responsibility for the hotels' tangible and intangible assets. The Great Depression had devastating effects around the globe: incomes, revenues, profits and prices all dropped. International trade fell by more than 40%, and unemployment in some areas was at more than 35%. There was little construction activity in most countries and this situation lasted for the most part till the Second World War. Overall guest occupancy levels in hotels hit their historical low at around a mere 50%. This decade also had some good news for the hospitality industry. In 1935, American businessman Howard Dearing Johnson, in association with Reginald Sprague, created the first modern restaurant franchise by letting an operator use the name, food, supplies, and logo of his business, in exchange for a fee. It was also the decade of the invention of air-conditioning, as well as the construction of such hotels as the Imperial in New Delhi, India; the *Belvédère du Rayon Vert* in Cerbère, France; the Treetops Hotel in Aberdare National Park, Kenya; the Sheraton Hotel in Springfield, USA; as well as the reconstruction of the new Waldorf-Astoria already mentioned in the previous section. The Statler Hotel in Detroit, Michigan, USA, was the first to install air-conditioning in all its public spaces in 1934, and in 1937 Marriott started with the first in-flight food service to airlines.

The 1940s were not years of great constructional development within the hospitality industry, since they were highly affected by the ravages caused by the Second World War; yet they saw some innovations that have lasted to date. The decade was marked by the expansion of the installation of air-conditioning in hotels, the building of hotel swimming pools, the arrival of television sets in rooms, and the use of guest credit cards. The decade also saw the beginning of the use of an automated booking system that was first installed by American Airlines in 1946, and eventually adopted by other businesses, with the Sheraton Hotels becoming the first in the industry to adopt it. In the previous year, Sheraton had also become the first ever US hotel company to be listed on the New York Stock Exchange. The birth of the modern day hotel chains started when the InterContinental was founded as a hotel brand by Pan American World Airways (Pan Am) in 1946, for the purpose of improving tourism and increasing accommodation capacities in Latin America. It purchased its first hotel in Belém, Brazil. Conrad Hilton followed by receiving a contract in 1948 in which his company became responsible for the management of the first large hotel in Puerto Rico. Some ho-

J. W. Marriott
Ski-resorts
Gleneagles Hotel
Gran Hotel Bolívar

Westin Book Cadillac Detroit

Grand Hotel Niagara

Hotel President
Grosvenor House Hotel

Hotel Alfonso XIII
Great Depression

Restaurant franchise

Treetops Hotel
Sheraton Hotel
Waldorf-Astoria

Statler Hotel

Second World War

Credit cards

1

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1

tels to have seen the light during these times include the Flamingo Hotel & Casino in the Las Vegas Strip, Nevada, USA; the Ledra Palace Hotel Nicosia, Cyprus; and the Tidewater Inn in Easton, Maryland, USA.

The 1950s came along with a new boom in construction for the hospitality industry, with new types of resorts such as the 'club village', as well as an increase in the use of cars as a means of transport. Arguably the first all-inclusive resort, the *Club Méditerranée* was created by Gérard Blitz in 1950; its first club village was opened on the Spanish island of Mallorca. The Club Med invented a new way to bring people together in a unique vacation style: the all-inclusive holiday in resorts in the world's most beautiful venues, where every guest or '*Grand Membres'* (GM) could unwind through contact with nature, sports and others, surrounded by friendly staff or '*Gentils Organisateurs'* (GO). Figure 1.8 is a photo of the entrance to the Club Med La Medina in Marrakech, Morocco.

FIGURE 1.8 Entrance to the Club Med La Medina in Marrakech, Morocco

The expansion of automobile travel led to the explosion of the 'motor hotel' (motel) concept, especially across the USA. Motels often provided free parking facilities, were inexpensive, and targeted people travelling between two destinations on a low budget. A pioneer in this domain was Charles Kemmons Wilson, the founder of the Holiday Inn chain of hotels, who came up with the idea after a family road trip to Washington, D.C., during which he was disappointed by the lack of quality and consistency provided by roadside motels of that era. He advocated for properties that were standardised, safe, clean, easily accessible, and family-friendly. The first Holiday Inn motel was opened in Memphis, Tennessee, USA, in 1952. It was franchised in 1957 as Holiday Inn of America, and within twenty years it had become the largest hotel chain in the USA. Other firsts of note that happened during the decade included the installation of television sets in all guestrooms by the

Hilton hotel chain in 1951; the creation of the first lodging franchise by Howard Dearing Johnson in 1954; the purchase of the Statler Hotel Company by Conrad Hilton in 1957; the opening of the Twin Bridges Marriott Motor Hotel in Arlington, Virginia, USA, by J. W. Marriott in 1957; the purchasing of the Hyatt House Hotel, Los Angeles, California, USA, by Jay Pritzker in 1957; and the introduction of the 'Reservatron', an automated electronic reservation system, by Sheraton in 1958. This made Sheraton the first hotel chain to centralise and automate its reservations function.

The 1960s can easily be characterised as the beginning of the expansion of the hotel chains, as well as the expansion of referral associations. This decade was marked by developments in modes of transportation, especially air travel, which had a tremendous positive effect on the expansion of tourism as a whole and the inclusion of new destinations. New resorts flourished around the Mediterranean region from Spain to Turkey; several hotels were opened specifically for the northern European summer guests in need of relaxation and sunshine. This expansion supported the internationalisation of transactions in the hotel industry and boosted the expansion of franchise agreements as well as various types of hotel management contracts. As hotel chains began dominating the worldwide hotel industry scene based on their stronger brand awareness and marketing power, small independent hotel operators began finding it more and more difficult to fill their rooms. These smaller operators thus began banding together in referral groups in which the individual properties became associated with certain chains such as the Leading Hotels of the World or Best Western. They normally refer guests to each other's properties, and may share the same logo, use the same central reservation system, or share similar advertising slogans, for which they pay service fees. The major expansion in the industry was driven primarily by US-based companies such as Marriott, InterContinental, Hilton, and Holiday Inns.

Referral associations

Hotel chains

The decade also witnessed the introduction of market segmentation and product differentiation within the hotel industry. Market segmentation led to the creation of homogenous customer categories, whereas product differentiation was principally carried out within three dimensions: concept, location and target group. Some hotels that started life during this decade include the Amsterdam Hilton Hotel, Amsterdam, the Netherlands; the *Estudiotel* Alicante in Alicante, Spain; the Hilton Portland & Executive Tower in Portland, Oregon, USA; the Parsian Esteghlal Hotel in Tehran, Iran; the Hilton on Park Lane, London, UK; and lastly the Sheraton New York Hotel and Towers in New York City, New York, USA. The decade also saw the introduction of the first refrigerated mini-bars in hotel rooms, an innovation by German company Siegas; not all previous mini-bars were refrigerated. It was also the period that saw the creation of rooms accessible to wheelchair-users by Travelodge in the USA, the beginning of desegregation in US hotels, the introduction of ice and vending machines, business lounges, and 24-hour room service begun by Westin.

Market segmentation

Refrigerated mini-bars

Desegregation

The 1970s continued the trends that had begun in the 1960s, introduced the notion of the construction of hotels especially meant for the business class, and was both positively and negatively affected by the energy crises. The decade ushered in a new era for the construction of hotels specifically destined for business class visitors; these hotels featured spectacular designs and architecture. A good example of such a hotel is the Hyatt Regency Hotel in Atlanta, Georgia, USA, whose hotel, convention, and tradeshow fa-

Business class

1

cilities offer luxurious accommodations and cordial hospitality. This movement towards business hotels was supported by the willingness of airline corporations extending their efforts in the domain of hotel expansions, as well as the sudden prosperity of Middle Eastern countries which attracted business class visitors from the entire world warranting major hotel developments in the region.

China

The decade was also influenced by China opening up to foreign tourists; this paved the way for spectacular developments in this domain to occur in the years following this opening up. During this period, hotels started offering a broader variety of services that had hitherto not existed, such as point

POS

of sales (POS) systems, keyless locks, free in-room movies, name-brand guest amenities, and in-room colour television becoming the standard. Hotel rooms became bigger and there was an upgrade in the quality of food of-

Middle Eastern countries

fered to the guests. The sudden prosperity of Middle Eastern countries was enhanced by two events that happened during the period – the 1973 oil crisis, and the 1979 energy crisis. Due to these events, worldwide energy prices soared and the hospitality industry reacted by introducing measures that

Green movement

were precursors to the current green movement in the industry, such as asking guests to reduce electricity consumption or cutting off heating to unoccupied guestrooms.

Some of the hotels that began life during this decade include the Capital Hotel in London, UK; the Coast Edmonton House, in Edmonton, Canada; the Disney's Polynesian and Contemporary Resorts in Lake Buena Vista, Florida, USA; the Carlton Tower Hotel, Dubai; the Sheraton Dubai Creek Hotel & Towers, Dubai; the Empire Landmark Hotel in Vancouver, British Columbia, Canada; the Hilton San Francisco Union Square in San Francisco, California, USA; the Koreana Hotel in Taepyeongno, Jung-gu, Seoul, South Korea; the Peppermill Resort-Spa-Casino in Reno, Nevada, USA; the Shangri-La Hotel in Orchard Road, Singapore; the Atlantis Casino Resort Spa in Reno, Nevada, USA; the Izmailovo Hotel in Moscow, Russia; the Hilton London Metropole in London, UK; the Eldorado Hotel Casino in Reno, Nevada, USA; the Grand at Yuanshan, Zhongshan District, Taipei, Republic of China (Taiwan); Harrah's Las Vegas, Nevada, USA; the Hilton Springfield in Springfield, Illinois, USA; and the Mariston Hotel in Johannesburg, South Africa. Figure 1.9 is a pic-

Shangri-La hotel

ture of the Tower wing lobby of the Shangri-La hotel in Singapore.

The 1980s came along with another rapid hotel industry expansion phase

Niche marketing

fuelled by increased niche marketing, advances in technology, deregulation, and full product segmentation. During this period, hotels expanded their surveys of potential guest markets and were able to build networks and systems around the needs of recognised segments. This was made possible with the great advances in technology that occurred during this decade. Examples of such advances included the possibility to make reservations and checkout using credit cards; the invention of the optical electronic key card; and the development of the first chain-wide property reservations systems. The 1980s brought in structural reform programmes in many countries in Europe, as well as in the Americas and Oceania. These programmes

Competitiveness

all had the aim to raise the level of competitiveness in these economies in the hopes of resulting in higher productivity, increased efficiency and lower

Deregulation

prices. This deregulation, which resulted in fewer and simpler regulations, mainly affected economic sectors such as energy, finance, agriculture, com-

FIGURE 1.9 The Tower wing lobby of the Shangri-La hotel in Singapore

munications, and transportation. The overall influence on the hospitality industry was that it helped boost their operating efficiency. For example, hotel telephone departments became transformed from exclusively being cost centres into being profit centres.

Operating efficiency

This decade ushered in a complete segmentation within the hospitality industry, with brands that ranged from budget hotels to boutique hotels to mega-hotels. Figure 1.10 is a picture of the Belle Époque Bar at the Pudi Boutique Hotel (that belongs to the Accor chain) in Shanghai, China.

Pudi Boutique Hotel

Choice Hotels was at the forefront of this concept of market segmentation, which involved dividing customers/guests into various subsets based on their common needs or desires. Each of these subsets was expected to respond differently to the marketing mix of the organisation. This decade also witnessed the Far East opening up to the West, with countries such as Japan, China, South Korea, and Thailand welcoming private tourists and business groups in particular. Some hotels that were constructed, renewed or opened during this decade include the Harrah's Reno in Reno, Nevada, USA; the Sokos Hotel Ilves in Tampere, Finland; the Jules' Undersea Lodge in Key Largo, Florida, USA; the Koryo Hotel in Pyongyang, North Korea; the Peabody in Orlando, Florida, USA; and the Çıragan Palace Kempinski Istanbul, Turkey.

Far East

For the hospitality industry, the 1990s can be considered the decade of the environment programmes revolution in terms of sustainability, greater advances in related technology, and an explosive increase in real estate investment trusts (REITs). Other defining features would be total quality management, prestige projects, and a recession. The environmental programmes at the forefront of hotel sustainability aimed at reducing a hotel's ecological footprint. These programmes were not only aimed at improving their environmental performances but their image as well. Consequently, hotels of all siz-

Sustainability

1

FIGURE 1.10 The Belle Époque Bar at the Pudi Boutique Hotel in Shanghai, China

es, classes, and locations joined the 'green revolution' in the hopes of ensuring their long term sustainability, as well as gaining the loyalty of the increasingly environmentally-conscious customers.

Examples of advances in related technology can be seen in the adoption of the internet by hotel chains, with Hyatt creating one of the first internet sites, TravelWeb.com's creation of the first online hotel catalogue, the introduction of guests' real-time access to central reservations systems, and interactive visitor guides and weather reports. Additionally, the first hotel room management systems were launched on a European level, and these were linked to the popular property management systems. The reservation systems became more efficient and opened up a new avenue for hotels to enhance their customer loyalty: the database, which contained all data related to a guest permitted hotels to make much more informed and individualised decisions in order to be better able to serve their guests. A real estate investment trust (REIT) is a real estate company that qualifies for some predefined tax benefits if it follows certain rules. Firstly, its main business should be the ownership and management of income-producing properties; secondly, it should distribute almost all of its taxable income as dividends. This new property ownership structure was made possible thanks to new tax laws; initially limited to the USA, these later expanded to other regions such as in Europe and Australia. In the USA, this led to the creation of many hotel REITs, for example; this resulted in multiple mergers and acquisitions. It helped in increasing the sector's combined market capitalisation to more than $9 billion at the end of the decade.

The decade also witnessed the adoption of total quality management (TQM) principles and techniques within the hospitality industry. Adopted and adapted from the manufacturing world, TQM was embraced by service industries, in particular by the hospitality industry. Some benefits of the adoption of TQM techniques within the hospitality industry include enhanced operational and financial performances, improved employee morale, increased customer

Real-time access

REIT

TQM

satisfaction, and greater competitive advantage. The decade, despite the fact that it saw some spectacular hotel projects such as the construction of the Jumeirah Beach Hotel and the Burj Al Arab in Dubai shown in Figure 1.11, was negatively affected by the recession caused by reductions in travel budgets by big multinational companies and the negative effects of the Gulf War on travelling in general. Some hotels that were constructed, renewed or opened during this last decade included the Aquarius Casino Resort in Laughlin, Nevada, USA; the Excalibur Hotel and Casino in Paradise, Nevada, USA; the Hyatt Regency Albuquerque in Albuquerque, New Mexico, USA; the Hyatt Regency Birmingham in Birmingham, UK; the Panda Hotel in Tsuen Wan, New Territories, Hong Kong; the Lanesborough Hotel in London, UK; the Rio All Suite Hotel and Casino in Paradise, Nevada, USA; the Trump Taj Mahal in Atlantic City, New Jersey, USA; the Atlantis Casino Resort Spa in Reno, Nevada, USA; the Hotel Adlon in Berlin, Germany; the Bellagio in Paradise, Nevada, USA; the Mandalay Bay Resort and Casino in Paradise, Nevada, USA; and lastly the Hilton Hanoi Opera Hotel in Hanoi, Vietnam.

Spectacular hotel projects

Recession

FIGURE 1.11 The Burj Al Arab in Dubai

The 21st Century

As the 19th century was characterised by the industrial revolution and the 20th century by the transport revolution, so the 21st century will be known as that of the technological revolution. This technological revolution, especially in the domain of IT, is having and will continue to have a great impact on what the hospitality industry will be, and how it will evolve in decades to come. The trend of spectacular projects initiated in the previous decade has continued since the turn of the century, with new types of developments rising to the

Technological revolution

1

Blurring of the borders

foreground, such as the Hilton Corporation's 'dualtel' concept. In this concept, two of their brands, with separate general managers, are placed under one roof, and thereby help to provide mutually beneficial support to each other, for example in accounting, housekeeping and maintenance. Today's guests have an insatiable appetite for new and excitingly designed hotels in which there is a blurring of the borders between lodging, lifestyle and living. At the same time these guests request the discretion, style and grandeur that epitomised the hospitality industry of the 19th century.

21st century lifestyle

Social networks

New concepts of luxury are now central to the 21st century lifestyle. There is now a greater interest in eco–resorts, spas, wellness hotels and retreats, and hotels have now become trendsetters as well as providing solutions to some of the negative aspects of modern day living. The IT revolution increased the exposure of the industry in which potential customers and guests began making more use of the web for sharing information. Potential customers make more of their decisions based on other peoples' reviews and blogs, transforming social networks such as Twitter and Facebook as well as review sites like TripAdvisor into powerful tools not to be ignored by the industry. Figure 1.12 clearly illustrates the influence of the use of social networks and review sites.

11 September 2001

BRIC

For example, guests now demand wireless internet access as standard even in budget hotels. Yet the IT revolution also opened massive avenues for the industry in the area of online sales and distribution. While the online travel agencies attract the highest numbers of visitors to their sites, hotels also carry out promotional campaigns on their own sites, offering lower-price guarantees and various loyalty programmes. Just two years into the new century, the industry was shaken to its core by the attacks on the USA on 11 September 2001. This event had a profound impact on sales, as business travel to the USA fell by more than 21% during the decade, for example. Leisure travel was also negatively affected due to the stricter rules imposed by the authorities. Other terrorist attacks around the world equally exerted negative influence on business/tourist travel. Examples include the 2002 attacks in Mombasa, Kenya, the bombings of two Bali nightclubs in 2002, and the 2008 attacks on two hotels in Mumbai, India. This period also witnessed the sustained growth of some emerging global economies, commonly referred to as the BRIC (Brazil, Russia, India, and China), where annual growth rates consistently hovered around 10%. This had a positive effect on the industry as more and more individuals moved into upper income levels and as such had potentially higher discretionary incomes. China hosted in 2008 the Beijing Olympics, the run-up to which had resulted in the construction of at least 50 brand new 5-star hotels in the Beijing area alone.

Financial crisis

This period is also that of a serious financial crisis that originated in the US housing market in 2008. Initially, it spread throughout the financial systems of the US and Western Europe before expanding to other regions of the world. It negatively affected the hospitality industry due to the reduction of investment funding as well as reduced spending on both corporate and individual levels. The effect of the global crisis can be visualised using the average daily room rate, which was around 14% lower in 2009 than in 2008 globally, for example (based on the 'Hotel Price Index' at Hotels.com). Policies aimed at tackling the crisis on principally three fronts were enacted in various countries. These three fronts were: regulating financial markets;

FIGURE 1.12 Using social networks and review sites

USING **SOCIAL NETWORKS** TO INFLUENCE
TRAVEL AND **HOSPITALITY BOOKINGS**

Social networks and user reviews can have a profound impact on the booking decisions of website visitors looking for anything from leisure or business trips to dinner reservations.

DRIVE WEBSITE TRAFFIC FROM SOCIAL NETWORKS

The average customer mentions specific brands more than 90 times per week when talking with friends, family, and coworkers. Many of these conversations now take place on social networks, which have become a major source of website traffic for many companies.

1 Facebook FAN = 20 Additional Website Visits

75%+ Travellers who turn to social networks to find some type of shopping-related deal.

30% Travellers who consider information from their social networks to be useful during travel planning.

USE RATINGS AND REVIEWS TO ACHIEVE HIGHER BOOKING RATES

70% of Americans say they read reviews before taking the next step toward conversion.

61% refer to traveller-submitted user reviews.

52% read reviews from travel professionals.

32% post reviews of places they've visited after travelling for business.

DID YOU KNOW?
About **1 BILLION** restaurant reviews are influenced by online marketing.

A half-star rating increase is equivalent to a **19%** reduction in available reservations.

BECOME PART OF THE CONVERSATION

Is the conversation just about you, or does it also involve you? Make sure you're prepared to monitor and respond to discussions — both good and bad — about your brand at any time.

LEADING BUSINESS OBJECTIVES FOR USING SOCIAL NETWORKS

Better customer engagement **78%**
Revenue generation **51%**
Better customer experience **47%**

4 WAYS TO INCREASE CONVERSIONS FROM SOCIAL NETWORKS

BOOK YOUR TRIP TO Disney NOW

1. AVOID THE "BAIT AND SWITCH."
Keep the overall message and feel of what visitors experienced before arriving on your website consistent throughout the entire online visit.

2. MAINTAIN MESSAGE CONSISTENCY
Enhance the online travel booking process by reaffirming the offer that enticed the user to visit your website.

3. OPTIMIZE THE USER EXPERIENCE
Make sure your website has a clear path to conversion. Visitors should know how to get from one step of the checkout process to the next and shouldn't be distracted by too many upsell opportunities before they checkout.

4. GET INVOLVED IN THE CONVERSATION
Participate wherever and whenever you can. Put someone in charge of monitoring social networks, and be proactive by joining every conversation.

For more tips, download "The Top 10 Testing, Targeting and Optimization Best Practices: Travel and Tourism Edition"
MONETATE.COM/TRAVELEBOOK

fighting tax evasion; and creating a global standard for ethical behaviour. These policies have had a positive effect on the global economies and, by extension, on the hospitality industry. Current forecasts are optimistic, with many international chains launching expansion programmes into key emerging markets, especially with the establishment of upper-midscale to luxury hotels. Text 1.1, an article by Patrick Ford from Hotel and Motel Management, dated 1 February 2012, illustrates this optimistic outlook.

TEXT 1.1

Global pipeline snapshot: U.S., Asia-Pacific lead

Global pipeline snapshot: U.S., Asia-Pacific lead
1 Feb, 2012 by Patrick Ford, Hotel and Motel Management

Globally, there are a total of 7,078 hotel projects/1,277,339 rooms in the construction pipeline as of the end of Q3 2011. Seventy-seven percent of the world's total pipeline projects and 76 percent of rooms are in the Top 10 countries. With 1,385 projects and 396,804 rooms at the end of Q3, China's total pipeline has surpassed that of the United States by 48,874 rooms. China's economy weathered global recessionary trends with minimal impact. As such, the pipeline rebounded quickly from modest declines and now exceeds the previous Q2 2008 peak, with totals up 12 percent by projects and 22 percent by rooms.

UNITED STATES
The United States' construction pipeline has a total of 2,851 projects and 347,930 rooms. The lack of available financing and continued economic uncertainty remain major obstacles to construction pipeline growth. At 1,609 projects and 201,576 rooms, 56 percent of U.S. pipeline projects and 58 percent of rooms are in the early planning stage. This is largely due to the fact that new project announcements are entering the pipeline at this stage and not being fast-tracked, as developers wait for the overall economy to recover more substantially and financing to become more available.

Top 10 countries: Total construction pipeline Q3 2011

Country	Projects	Rooms
China	1,386	396,804
United States	2,851	347,930
India	375	70,668
Brazil	208	32,406
United Kingdom	207	27,144
Saudi Arabia	78	24,933
Dubai	67	20,805
Russia	84	17,725
Canada	141	17,461
Abu Dhabi	58	17,205
All other countries	1,624	304,258
Total global pipeline	7,078	1,277,339

Source: Lodging Econometrics Q3 2011

INDIA
India's total pipeline is at 375 projects and 70,668 rooms. New hotel openings in India have accelerated and should reach a new high in 2012, which will likely draw down pipeline totals.

BRAZIL
Brazil, with a total of 208 projects and 32,406 rooms, now has the world's fourth-largest pipeline. Franchise companies and developers are eager to get a foothold in the

country, especially since it will be hosting the 2014 World Cup and the 2016 Olympic Games. A high 51 percent of pipeline rooms are currently under construction, which will lead to rising new hotel openings through 2013 and beyond.

UNITED KINGDOM
At 207 projects and 27,144 rooms, the United Kingdom's total pipeline is the fifth largest for a country. Twenty-eight percent of the UK's total projects and 32 percent of rooms are in London, which is in the midst of preparing for the 2014 Olympic Games.

ASIA PACIFIC
Lodging Econometrics projects a total of 513 new hotels and 147,974 rooms to open in this region. We also adjusted forecasts for 2011 and 2012 upward due to the continued escalation in the number of pipeline projects currently under construction.

854 hotels and 135,644 rooms are now expected come online in 2011, then 646 hotels comprising 148,216 rooms in 2012.

A lion's share of the region's new openings belong to China, which will have the largest number of hotels entering current supply of any country in the world over the next three years. LE's forecast expects a total of 707 new hotels and 111,118 rooms in 2011, 467 hotels and 114,466 rooms in 2012, then 345 hotels and 113,705 rooms in 2013. While the number of rooms coming online is holding essentially flat, the number of hotels is trending down significantly. This is due to the number of larger-scale projects slated to exit the pipeline, with the average new hotel size doubling from 157 rooms in 2011 to 330 rooms in 2013.

(Source: ftp.hotelmanagement.net/pipeline/
global-pipeline-snapshot-us-asia-pacific-lead)

Considering the large number of hotels involved, only a selection of hotels (or mixed developments that contained hotels) constructed, renewed or opened during these early decades of the 21st century are listed here:

- The 41 Hotel in London, UK
- The AC Hotel Barcelona Forum in Barcelona, Spain
- The Altira Macau in Macau, China
- The Angsana Hotel & Suites in Dubai, UAE
- The Atlantis, the Palm in Dubai, UAE
- The Burj Khalifa in Dubai, UAE
- The Centara Grand Hotel in Bangkok, Thailand
- The Charles Hotel in Munich, Germany
- The Copperhill Mountain Lodge in Åre, Sweden
- The Dubai Marriott Harbour Hotel & Suites in Dubai, UAE
- The Dusit Dubai in Dubai, UAE
- The Encore Las Vegas in Paradise, Nevada, USA
- The Executive Towers in Dubai, UAE
- The Four Points by Sheraton in Dubai, UAE
- The Four Seasons Hotel and Tower in Miami, Florida, USA
- The Four Seasons Hotel Hong Kong in Hong Kong, China
- The Four Seasons Resort in Bora Bora, French Polynesia
- The Gran Hotel Bali in Benidorm, Spain
- The Guangzhou International Finance Centre, China
- The Hanging Village of Huaxi in Jiangyin, China
- The Hilton Diagonal Mar Barcelona Hotel in Barcelona, Spain
- The Hilton San Diego Bayfront in San Diego, California, USA
- The Hotel Barcelona Princess in Barcelona, Spain
- The Hotel Catalonia Plaza Europa in Barcelona, Spain
- The Hotel Porta Fira in Barcelona, Spain
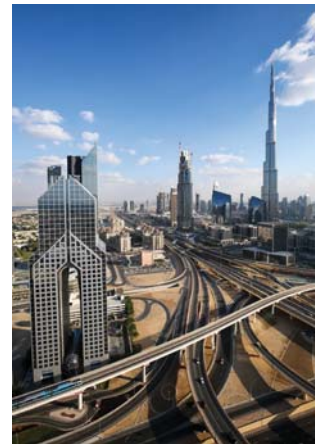
Overview over Dubai

The W Barcelona in Barcelona, Spain

- The Howard Johnson Hotel in Bucharest, Romania
- The InterContinental in San Francisco, California USA
- The InterContinental Warsaw, in Warsaw, Poland
- The International Ocean Shipping Building in Shanghai, China
- The Jin Jiang Oriental Hotel in Shanghai, China
- The Jumeirah Emirates Hotel Tower in Dubai, UAE
- The JW Marriott Absheron Baku Hotel in Baku, Azerbaijan
- The Khalid Al Attar Tower 2 in Dubai, UAE
- The Kingkey 100 in Shenzhen, China
- The Lanko-Grand Hyatt Hotel in Chongqing, China
- The Le Royal Hôtel d'Amman in Amman, Jordan
- The Mardan Palace Hotel in Antalya, Turkey
- The ME Barcelona in Barcelona, Spain
- The MGM Macau in Macau, China
- The Nanning Marriott in Nanning, Guangxi, China
- The Palazzo in Paradise, Nevada, USA
- The Planet Hollywood Las Vegas in Paradise, Nevada, USA
- The Pullman Shanghai Skyway Hotel in Shanghai, China
- The Revel in Atlantic City, New Jersey, USA
- The Rose Tower in Dubai, UAE
- The Shangri-La Hotel in Dubai, UAE
- The Sheraton Phoenix Downtown in Phoenix, Arizona, USA
- The St. Regis Bali Resort in Bali, Indonesia
- The Tamani Hotel Marina in Dubai, UAE
- The THEHotel at Mandalay Bay in Paradise, Nevada, USA
- The Tokyo Disneyland Hotel in Tokyo, Japan
- The Trump Hotel Las Vegas in Paradise, Nevada, USA
- The Venetian Macao in Macau, China
- The W Austin Hotel & Residences in Austin, Texas, USA
- The W Barcelona in Barcelona, Spain
- The W Boston Hotel and Residences in Boston, Massachusetts, USA

The Four Seasons Hotel Hong Kong in Hong Kong, China

- The W Hong Kong in Hong Kong, China
- The Water Club in Atlantic City, New Jersey, USA
- The Wynn Las Vegas in Paradise, Nevada, USA
- The Yas Viceroy Abu Dhabi Hotel in Abu Dhabi, UAE
- The Zifeng Tower in Nanjing, China

1.2.3 Outlook for the Hospitality Industry

The previous sections described the evolution of the hospitality industry from ancient times to the current decades. Historically, the industry has been growing continuously in line with the overall growth in world economies, but more specifically with the rapid expansion of global tourism. According to projections by the World Tourism Organisation shown in Text 1.2, as noted in their Tourism 2020 Vision, travel and tourism will become the world's largest industry in the twenty-first century.

Rapid expansion

TEXT 1.2

World Tourism Organisation's Tourism 2020 Vision

Tourism 2020 Vision
Tourism 2020 Vision is the World Tourism Organisation's long-term forecast and assessment of the development of tourism up to the first 20 years of the new millennium. An essential outcome of the Tourism 2020 Vision are quantitative forecasts covering a 25 years period, with 1995 as the base year and forecasts for 2010 and 2020.

Although the evolution of tourism in the last few years has been irregular, UNWTO maintains its long-term forecast for the moment. The underlying structural trends of the forecast are believed not to have significantly changed. Experience shows that in the short term, periods of faster growth (1995, 1996, 2000) alternate with periods of slow growth (2001 to 2003). While the pace of growth till 2000 actually exceeded the Tourism 2020 Vision forecast, it is generally expected that the current slowdown will be compensated in the medium to long term.
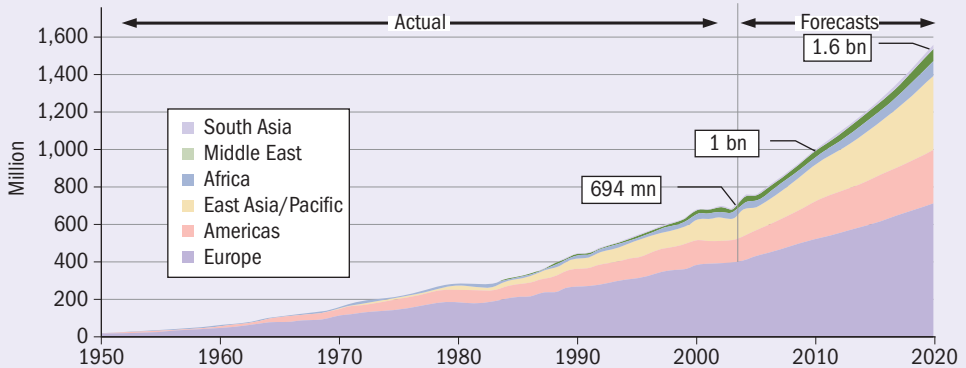
UNWTO's Tourism 2020 Vision forecasts that international arrivals are expected to reach nearly 1.6 billion by the year 2020. Of these worldwide arrivals in 2020, 1.2 billion will be intraregional and 378 million will be long-haul travellers.

The total tourist arrivals by region shows that by 2020 the top three receiving regions will be Europe (717 million tourists), East Asia and the Pacific (397 million) and the Americas (282 million), followed by Africa, the Middle East and South Asia.

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East Asia and the Pacific, Asia, the Middle East and Africa are forecasted to record growth at rates of over 5% year, compared to the world average of 4.1%. The more mature regions Europe and Americas are anticipated to show lower than average growth rates. Europe will maintain the highest share of world arrivals, although there will be a decline from 60 per cent in 1995 to 46 per cent in 2020.

	Base Year	Forecasts		Market share (%)		Average annual growth rate (%)
	1995	2010	2020	1995	2020	1995-2020
		(Million)				
World	565	1006	1561	100	100	4.1
Africa	20	47	77	3.6	5.0	5.5
Americas	110	190	282	19.3	18.1	3.8
East Asia and the Pacific	81	195	397	14.4	25.4	6.5
Europe	336	527	717	59.8	45.9	3.1
Middle East	14	36	69	2.2	4.4	6.7
South Asia	4	11	19	0.7	1.2	6.2

Long-haul travel worldwide will grow faster, at 5.4 per cent per year over the period 1995-2020, than intraregional travel, at 3.8 per cent. Consequently the ratio between intraregional and long-haul travel will shift from around 82:18 in 1995 to close to 76:24 in 2020.

(Source: www.unwto.org)

This expansion in travel is expected to continue in the future and as such one can extrapolate its implications for the hospitality industry. Predicting the future is nearly impossible; but one can look around at the current trends and hypothesise what the future might be expected to look like, at least. This future may be guided by certain trends, and professionals in the industry should have some mastery of the skills, tendencies, and actions needed to operate within it. Some projections for the future that will impact the hospitality industry include:

Implications

- A shift towards ecotourism, sustainability and green hospitality;
- Advanced encryption technology will enhance the security of on-line transactions;
- Advertising will move away from printed media to the Internet;
- Apart from in the emerging markets, there will be fewer and fewer new hotels, but there will be increased existing hotel property transformation and refurbishment;
- Crime and terrorism will render some traditional tourist destinations unsalable;
- Customer share and customer profitability analysis will overtake market share and product profitability analysis as measures of marketing effectiveness;
- Data warehousing and data mining will open up unimaginable vistas for marketing departments;
- Energy and water consumption will be monitored and charged at room levels;
- Erosion of the distinction between business and leisure hotel;
- Increased sharing of technological services to enhance cost efficiency;
- Increasing reliance on social networking as a marketing technique;
- Redesigning hotels to cater to the needs of the elderly;
- The concentration of hotel real estate assets, particularly within the hands of private equity funds;
- The eventual disappearance of business centres within hotels due to the integration of advanced telecommunication devices within larger hotel rooms;
- The eventual elimination of human contact in budget operations due to credit card check-in and check-out, self-cleaning bathrooms, and food and beverage vending machines;
- The expansion of capsule-cocoon hotels within airport terminals;
- The expansion of e-hospitality with total solutions related to the distribution, service and support of the hospitality product;
- The expansion of franchising across the globe as hotel companies try to strategically reposition themselves from 'hotel businesses' into 'the business of hotels';
- The Internet will become the dominant distribution channel and handheld devices will play a great role in leading to the elimination of the intermediaries;
- The introduction of Antarctica as an ecotourism tourism destination;
- The introduction of space as a destination for the very wealthy;
- The primacy of management companies in the control of the global inventory of branded hotel rooms;

1

- There will be more advanced revenue management systems with applications in new environments such as in restaurants and in sports stadia;
- Transformation of cruise ships into large mobile resorts;
- Usage of more sophisticated audience targeting advertising technology as well as direct text-messaging.

Summary

► The hospitality industry belongs to the larger business group called the travel and tourism industry and generally includes the service organisations that cater to people's needs in terms of food, drinks, and accommodation, as well as recreation, travel and entertainment.

► The hospitality industry has existed since ancient times, and is founded on such inventions as writing, money, and the wheel, which allowed people to move from place to place for pleasure and enabled them to pay for services received. This is in contrast to nomadic peoples who travelled as a way of life, who could only experience convenience if they found it.

► The hospitality industry has greatly evolved over time and every epoch has affected the industry in a peculiar way from pre-industrial revolution days to modern times.

► During the pre-industrial revolution era, while the Greeks developed thermal baths in villages designed for rest and recuperation, the Romans developed extensive networks of roads, and thermal baths throughout their empire. Caravanserais, monasteries and abbeys, relay houses and many inns appeared. Laws requiring hotels to keep a register of the visitors were established. The first travellers' guide books were written. Stagecoaches services based on regular schedules began operating. Clubs and lodges became widespread.

► The period from the Industrial Revolution to 1899 was characterised by a proliferation in the construction of hotels everywhere in Europe and America. These hotels were needed to cater to the needs of the rising establishment of managerial and middle classes taking care of new companies, as well as a growing demand for both leisure and business travel. This led to the appearance of a new style of hotel that provided luxurious amenities. While this period saw the birth of the Grand Tour, it also signalled the slow decline of the highway inns.

► The 20th century, characterised as that of the transport revolution, can be identified as the starting point for present day global hotel businesses, the introduction of franchising and management contracts, the growth of mass tourism, the introduction of social and welfare systems, a growth in salary levels, and an increase in average life spans – all of which have greatly affected the hospitality industry.

► The 21st century is characterised as that of the technological revolution, which is having and will continue to have a great impact on what the hospitality industry is, and how it will evolve in decades to come.

► Over time, the hospitality industry has continuously grown in line with the overall growth in world economies, but more specifically with the rapid expansion of global tourism. This expansion in travel is expected to continue in the future, and may be influenced by certain tendencies.

Questions and assignments for reflection

1   As lodging facilities appeared around the world, they were invariably known by different names. Using the text in this chapter, identify the various names that have been used over time to designate lodging facilities all over the world.

2   What were the main causes that triggered the creation of the hospitality industry?

3   In what major ways did the industrial revolution affect the expansion of the hospitality industry?

4   How did the transport revolution affect developments within the hospitality industry?

5   Without resorting to fortune telling, what directions do you think the hospitality industry is heading into?