

## SECTION 1.3 OVERVIEW OF THE LODGING INDUSTRY

Have you ever been a tourist? Most likely you have. If you've ever visited a museum, flown on an airplane, or stayed overnight in a hotel or motel, you've experienced the travel and tourism industry firsthand. People travel for many reasons, including vacations, business, and visits with friends and family. When traveling, people need a variety of services including foodservice and lodging. This section provides an introduction to travel and lodging operations and careers.

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### Study Questions

After studying Section 1.3, you should be able to answer the following questions:

- Why do people travel?
- What are the differences between leisure and business travel?
- What national organizations rate commercial lodging and foodservice establishments?
- What factors are listed in rating judgments?
- What are the characteristics of lodging operations?
- What are the activities associated with front-desk operations?

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### *Why People Travel*

People travel for a variety of reasons. Some might be attending out-of-town conventions, while others are visiting relatives or traveling abroad to experience a foreign culture. Business travelers might go to a specific place for the purposes of sales, negotiations, training, or other types of business related to their jobs.

Leisure travelers go to a place for relaxation, entertainment, education, adventure and sport, and social and family events. Figure 1.26 illustrates the percentages of why people travel and the modes of transportation used.

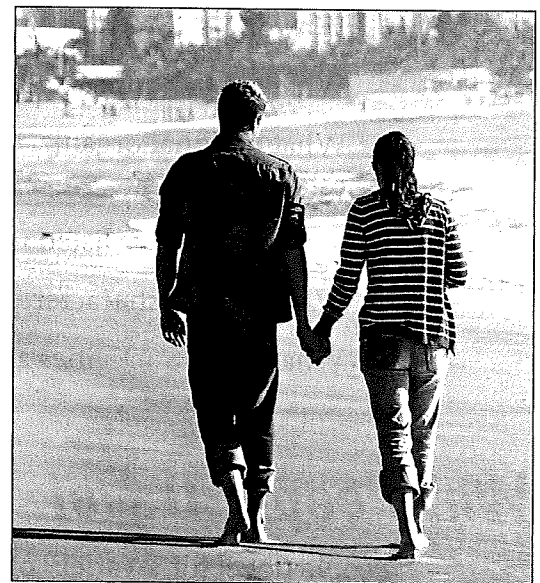
All guests seek clean, comfortable, safe, and secure accommodations. They want knowledgeable, helpful staff who are familiar with the facilities and the local area. However, business and leisure travelers also require and expect different things when they travel.

Leisure travelers often want to “get away from it all.” They’re on vacation, eager to do fun things like shopping, fine dining, sightseeing, attending sports events, or simply finding the time to relax. Leisure travelers want a location that’s convenient to the things they want to enjoy—for example, near a beach or the theatre district of a city. Some leisure travelers also want family services, such as babysitting services, children’s menus, high chairs, and play areas. Spa services, fine-dining opportunities, and social activities such as nightclubs and casinos are typically attractive to leisure travelers without children. Many hospitality operations cater to specific leisure travelers by offering services or activities designed especially for them. Some facilities, for example, sponsor programs for children; others provide guests with social activities or on-site recreational or health facilities. Figure 1.27 shows leisure travelers on the beach.

Business travelers want the same convenience, directed to the business district or convention center they plan to visit. They represent the majority of guests for most lodging establishments.

<b>Total Domestic U.S. Person-trips, 2004</b>	1,163.9 Million
<b>Purpose of Trip</b>	
Leisure Travel *	81%
Business/Convention **	12%
Combined Business and Pleasure	7%
<b>Modes of Transportation Used</b>	
Auto, Truck, RV	73%
Airplane	16%
Bus/Motorcoach	2%
Train/Ship/Other	4%
Rental Car (Primary Mode)	3%
<b>Top Activities for Domestic Travelers</b>	
Shopping	First
Attend a social/family event	Second
Outdoor Activities	Third
<p>A person-trip is one person traveling 50 miles (one way) or more away from home and/or overnight. A trip is one or more persons from the same household traveling together.</p> <p>*Travel for visiting friends/relatives, outdoor recreation, entertainment/sightseeing, or other pleasure/personal reasons.</p> <p>**Travel for business - either general reasons (e.g., consulting, service) or to attend a convention/conference/seminar.</p>	
<p>Source: Travel Industry Association of America; Travelscope ©</p>	

**Figure 1.26:** Percentages of why people travel and the modes of transportations used.



**Figure 1.27:** Leisure travel is for fun and gives people a chance to be free from work or duty.

Recognizing and catering to their needs is essential to the success of many properties. Typical business travelers spend most of their time working. In addition to well-lit work spaces and telephones, they often need computer workstations, Internet access, copiers, and fax machines as well as meeting and banquet facilities. Many business travelers expect 24-hour room service and valet parking, and place a high priority on comfortable beds and amenities such as mini bars and large bathrooms. Consistency is an important factor. Business travelers want efficient and consistent service, fast, affordable food, and opportunities to socialize over a drink or a meal. See Figure 1.28.

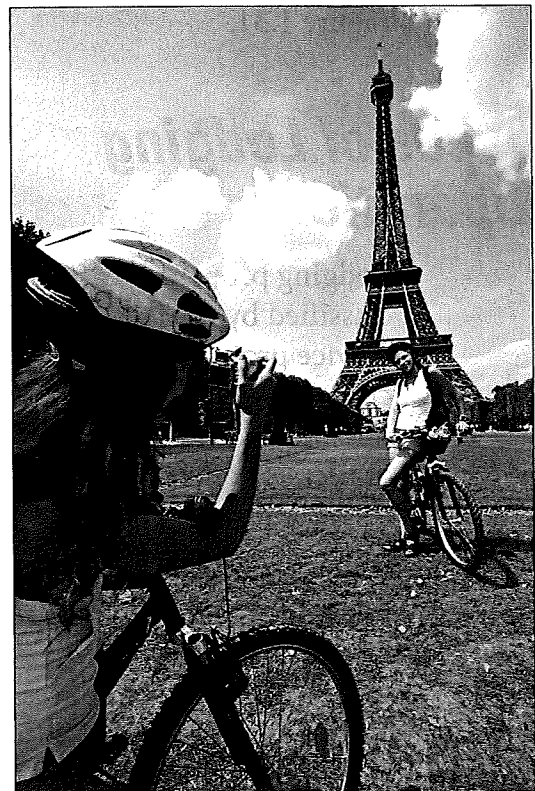


**Figure 1.28:** Business travelers spend most of their time working.

To meet the needs of both leisure and business travelers, marketers classify tourism according to the type of travel experience that people desire.

## Cultural and Historic Tourism

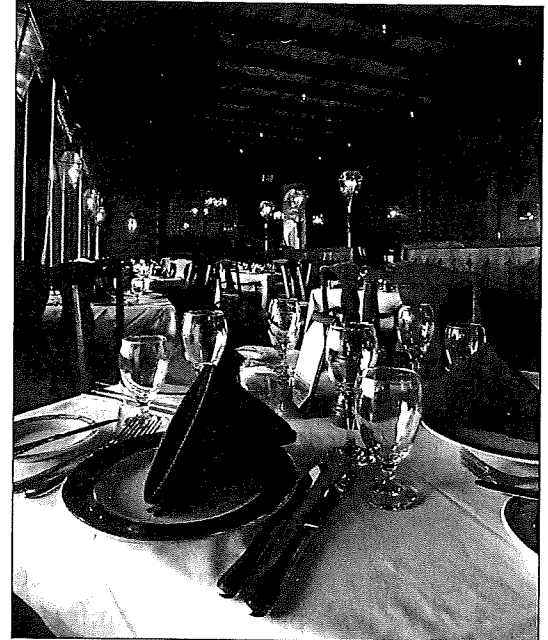
In addition to visiting places of historical interest and importance, cultural travelers visit other lands to observe, learn about, and live among people whose cultures are different from their own. Cultural and historic tours are often organized for groups of travelers, although many people plan their own trips. Examples include visiting Paris to learn how the French live; going to Washington, D.C., to see famous monuments; traveling to Williamsburg, Virginia, to walk along colonial streets; and traveling to Beijing to meet Chinese people and see the Great Wall. Figure 1.29 shows tourists visiting the Eiffel Tower.



**Figure 1.29:** Tourism increases the wealth and job opportunities in an area.

## Environmental Tourism

Some travelers visit places in order to enjoy their natural beauty. These tourists often enjoy photography, hiking, biking, mountain climbing, camping, and canoeing. Examples of environmental destinations include the Grand Canyon and Niagara Falls. Figure 1.30 shows a Grand Canyon restaurant's dining area.



**Figure 1.30:** The Grand Canyon offers a wide range of dining options.

## Recreational Tourism

Travelers on recreational vacations usually look for places where they can swim, lie in the sun, ski, play golf or tennis, see shows, or gamble. Examples include Vail, Colorado; Las Vegas, Nevada; and Ft. Lauderdale, Florida. See Figure 1.31.



**Figure 1.31:** Vail is a popular recreational skiing place.

## Types of Lodging Operations

Lodging properties can be classified by the level of service provided, the rates charged, the amenities offered, or any combination of these or other factors.

An **amenity** (a-MEN-i-tee) is a service or product provided to guests for their convenience, either with or without an additional fee.

Lodging amenities range from restaurants, lounges, and parking garages to newsstands, boutiques, hair stylists, dry cleaners, and florists. Amenities add value to guests' experiences by satisfying their needs in a convenient manner. By putting these facilities within easy reach of their guests, lodging operators can increase customer satisfaction.

**Luxury properties** are hotels that offer top-of-the-line comfort and elegance. While often defined as part of the full-service sector, luxury hotels take service and amenities to new heights of excellence. The rooms are spacious and well-decorated and may feature luxurious extras, like bathrobes. Other amenities found at luxury properties include



**Figure 1.32:** Luxury hotel rooms are spacious and offer guests many amenities.

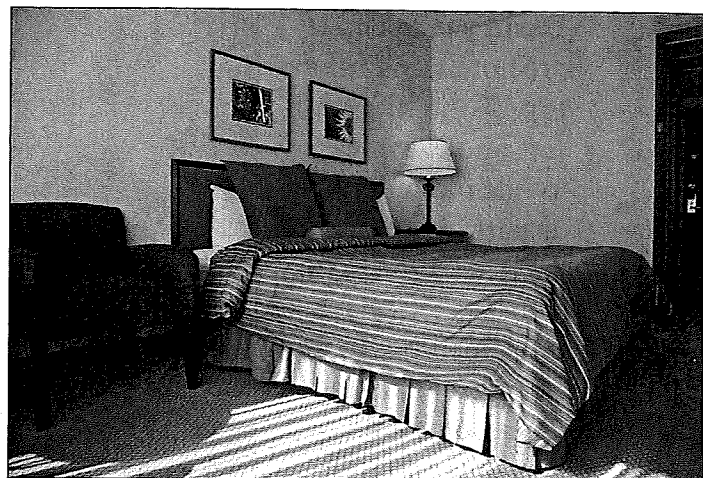
gift shops, boutiques, and a variety of restaurants and lounges. These establishments are often aimed at wealthy travelers and corporate executives. The Ritz-Carlton and the Four Seasons are examples of luxury hotels. See Figure 1.32.

**Full-service properties** cater to travelers in search of a wide range of conveniences. They offer larger rooms and well-trained staff, and feature amenities such as swimming pools, room service, fitness centers, or services for business travelers. They commonly also have meeting and banquet rooms available for client use. A variety of foodservice options may be present, including quick, casual, and fine dining. The Hyatt and Westin are examples of full-service properties.

**Mid-priced facilities** fall somewhere between the full-service and economy sectors. They are designed for travelers who want comfortable, moderately priced accommodations. Also known as tourist-class properties, these facilities provide on-premises food and beverage service and simple decor. The Holiday Inn and the Radisson are examples of mid-priced hotels.

**Economy lodging** offers clean, low-priced accommodations primarily to traveling salespeople, senior citizens, and families with modest incomes. To maintain low rates, these properties employ small staffs and provide limited amenities. Guest rooms usually have one or two double beds, as well as a bathroom with clean towels and soap. In return for doing without the extras offered at full-service or luxury properties, guests enjoy sanitary, fully furnished accommodations at budget prices. Motel 6 and Travelodge are examples of economy lodging. Figure 1.33 on the following page is an example of a economy lodging room.

**All-suite properties** offer apartment-style facilities at midmarket prices. They have larger spaces that include a sitting area, often with dining space, and small kitchen or bar area in addition to a bedroom and bath. While all-suite establishments appeal to different people for different reasons, all guests enjoy the at-home atmosphere and the extra space that these properties provide for both work and relaxation. The roominess is often a draw for traveling families, since parents and children can spread out as if they are staying in an apartment instead of a hotel room. Marriott Suites and Comfort Suites are examples of all-suite properties.

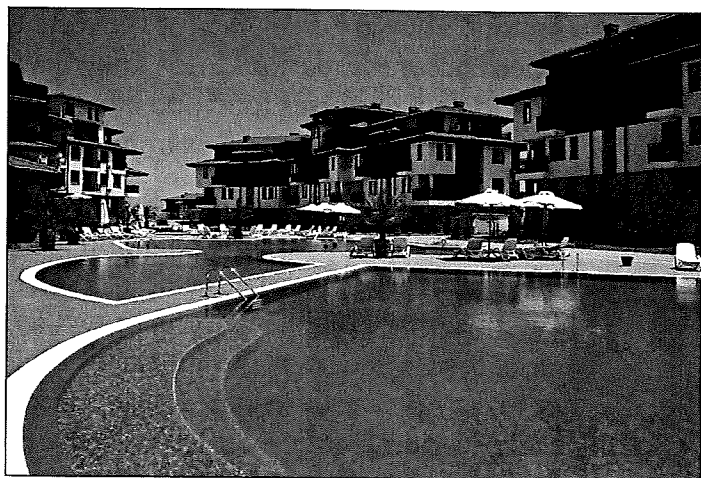


**Figure 1.33:** Economy lodging rooms are modestly priced with limited amenities.

**Resorts** feature extensive facilities for vacationers who are looking for recreational activities and entertainment. Appealing to specific types of guests, some resorts provide programs for singles only, families with children, couples only, or senior citizens. Other establishments focus on a particular area of interest, such as golf, tennis, scuba diving, or health. They are often specific to a destination (such as skiing or beaches) with amenities to match such as ski rentals and lifts or scuba diving and boating excursions. Often located in beautiful vacation areas, resorts usually have distinct tourism seasons. While resorts cater primarily to vacationers, many rely on conventions to keep vacancy rates low year-round.

Resorts, however, enjoy only a small part of the business travel market. Club Med and Disney World Resorts are examples of resorts. Figure 1.34 is an example of a resort.

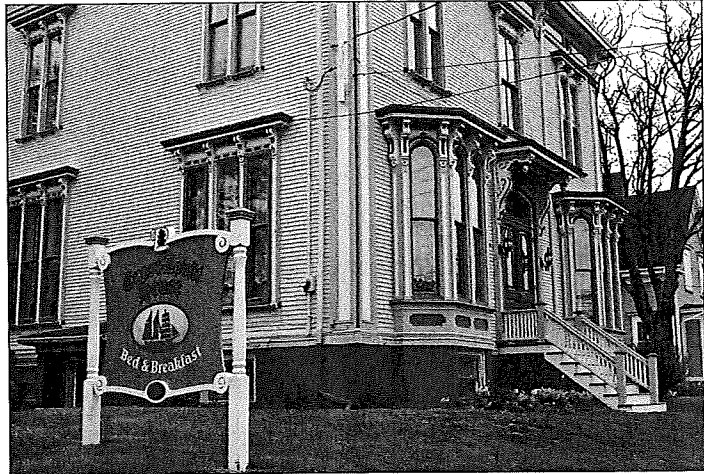
**Bed and breakfasts** cater to guests looking for quaint, quiet accommodations with simple amenities. Bed and breakfasts are usually privately owned homes converted to have several



**Figure 1.34:** Resorts provide vacationers with recreation and relaxation.



guest rooms. Often guests may share bathrooms with other guests staying at the bed and breakfast. At bed and breakfasts, guests are served breakfast during a specified time in a small dining room. The operations usually do not serve lunch or dinner, but may offer special hours for tea or cocktails in the afternoon. Bed and breakfasts are different from other lodging properties because the owner usually lives on the property and manages its day-to-day operations. Figure 1.35 shows a bed and breakfast.



**Figure 1.35:** Bed and breakfasts are small establishments that offer overnight accommodations and breakfast.

### [ what's new ]

#### The Greening of the Lodging Industry

As consumers across the United States and elsewhere become increasingly drawn to “green” (that is, environmentally sound) business practices and everyday behaviors, hotels, motels, and resorts are joining the trend. A number of green activities are emerging within the lodging industry in response both to customer demand and economic pressures. Many behaviors, such as lowering thermostats and reducing water overuse, are excellent ways of saving money.

Hotels and motels can take a number of steps to become “greener.” Installing low-flow showerheads and toilets can help eliminate water waste. Defrosting frozen items in advance rather than thawing them under running water is another step. Facility-wide recycling programs can cut down on the overall waste stream, which can lower garbage costs. Using tried-and-true cleaning materials, such as baking soda, is both cheaper and less toxic than using more common cleaning chemicals. Creating personalized Web sites for each event to be held at a property, rather than accumulating stacks of paper that will soon be unnecessary, not only conserves resources but can also make a hotel or motel stand out from its competitors. Even landscaping can have a big effect on the amount of energy and water required to keep a property looking and running its best.

Customer response to such innovations has generally been positive, and management interest in “going green” continues to increase. Overall, it is safe to say that upward trends in green practices throughout this important industry—according to the American Hotel and Lodging Association, total lodging industry revenue for 2007 reached \$139.4 billion—will likely continue for years to come.

[fast fact]

### Did You Know...?

The percent of domestic U.S. overnight household trips in 2004:

- Hotel/motel/bed and breakfast (54 percent)
- Private homes (40 percent)
- RV/tent (5 percent)
- Condo/timeshare (4 percent)
- Other (7 percent)

Source: Travel Industry Association of America; Travelscope.

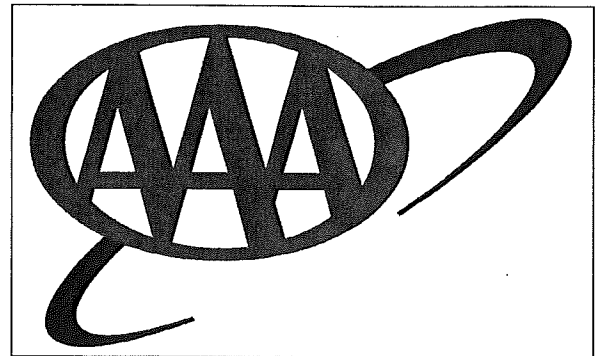
## Ratings Organizations

To distinguish one lodging property from another, several organizations rate the quality of lodging establishments. The **American Automobile Association's AAA TourBook®** is the most widely recognized rating service in the United States. Figure 1.36 shows the AAA logo. Distributed to members of the AAA, the guide uses a diamond system in judging overall quality:

1. Functional accommodations that comply with minimum standards; meet basic needs of comfort, privacy, cleanliness, and safety
2. Noticeable enhancements in terms of decor and/or quality of furnishings
3. Marked upgrade in services and comfort, with additional amenities and/or facilities
4. Excellent properties offering a high level of service and a wide variety of amenities and upscale facilities
5. Exceptional establishments providing the highest level of luxury and service

The AAA looks at many factors when judging properties:

- Management and staff
- Housekeeping
- Maintenance
- Room decor and furnishings
- Bathrooms
- Guest services and facilities
- Soundproofing



**Figure 1.36:** AAA uses a diamond system in judging overall quality.



- Security
- Parking
- Exterior appearance

The *Mobil Travel Guides* are another major American rating resource. The *Mobil Travel Guides* rate thousands of properties with a five-star system:

1. Good, better than average
2. Very good
3. Excellent
4. Outstanding—worth a special trip
5. One of the best in the country

The *Mobil Travel Guides* rate a facility by looking at the quality of the building and its furnishings inside, maintenance, housekeeping, and overall service. The top rating is very difficult to achieve, with fewer than 100 properties across the United States receiving five stars each year.

## ***Lodging Careers***

Careers in the lodging industry are typically divided into those with customer contact and those that support the running of the operation.

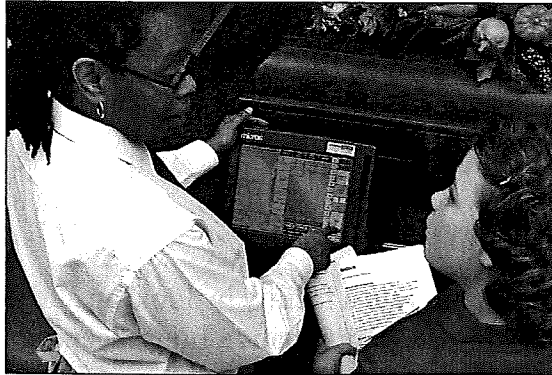
Customer contact positions include front office, food and beverage, or concierge. The front office is the heart of all lodging properties. It has four main responsibilities:

1. Check-in
2. Reservations
3. Information
4. Checkout

Behind-the-scenes positions may include housekeeping, accounting and financial, security, or engineering and facility management.

### Property Management Systems

You have probably heard the phrase POS system, in which "POS" means "point of sale" or "point of service." POS refers to the place where some sort of transaction occurs. Although POS could be a retail shop or restaurant, a POS system generally indicates a computer terminal or linked group of terminals. These terminals process a customer's purchase: anything from a roll of paper towels to a three-course meal. Figure 1.37 shows a POS system.



**Figure 1.37:** A POS system is the place where transactions occur.

But what happens when the situation becomes more complex? For instance, a hotel guest may wish to have a king-size bedroom with a balcony overlooking the mountains, a massage at 2 p.m., and a tee-time at 9:30 a.m. The guest is also allergic to pineapple, prefers a window table in the on-site restaurant, and would love tickets to a particular concert. And, by the way, she is booking her reservation online. Now what?

For these and other reasons, many hotels and motels have adopted Property Management System (PMS) software. This technology can serve a variety of functions by which managers and staff can improve guest experiences. Common attributes of PMS software include the following:

- Scheduling: Rooms, spa services, restaurant reservations, and event planning
- Database maintenance: Guest preferences, vendor information, and maintenance and housekeeping records
- Accounting and sales: All financial transactions, including mini bar and Internet fees

Often, this software works jointly with online travel sites, such as Expedia and Orbitz. These travel sites improve both the guest's access to an expedited booking process and the hotel's ability to self promote.

PMS software can significantly enhance a guest's experience with a hotel or motel by enabling the management to provide a wide variety of amenities in a seamless manner. Although final responsibility resides with humans—after all, people not only provide the services desired, but enter the information into the computer in the first place—this software can help provide a smooth, trouble-free stay.

## Summary

In this section, you learned the following:

- People travel for a variety of reasons including vacations, business, visiting relatives/friends, or experiencing a foreign culture.
- Leisure travelers want to get away from it all. They may require special services or activities, like programs or activities for children, social activities, and spas. Business travelers spend most of their time working and often need access to office equipment such as computers, copiers, faxes, wireless networks, and meeting facilities.
- The American Automobile Association's *AAA TourBook*® uses a diamond system in judging overall quality. It is the most widely recognized rating system in the United States.
- The AAA judges management and staff, housekeeping, maintenance, room décor and furnishings, bathrooms, guest services and facilities, soundproofing, security, parking, and exterior appearance.
- The *Mobil Travel Guide* rates thousands of properties using a five-star rating. It looks at quality of the building and its furnishings inside, maintenance, housekeeping, and overall services. Fewer than 100 properties receive a five-star rating each year.
- Lodging properties differ greatly depending on the needs of the travelers:
  - Luxury properties are top of the line full-service operations that offer comfort and elegance at a premium price.
  - Full-service properties offer large rooms, well-trained staff, and amenities (pools, room service, fitness center, services for business travelers, banquet rooms).
  - Mid-priced facilities provide comfortable, moderately priced accommodations.
  - Economy lodging provides clean, fully furnished rooms at budget prices. They have smaller staff and provide limited amenities.
  - All-suite properties offer apartment-style facilities with an “at-home” atmosphere.
  - Resorts feature extensive facilities for vacationers looking for recreational activities and entertainment.
  - Bed and breakfasts provide quiet accommodations with simple amenities. They are usually privately owned homes converted to have several guest rooms.
- The front office is the heart of all lodging properties. It has four main responsibilities: check-in, reservation, information, and checkout.

## Section 1.3 Review Questions

- 1 What are the main differences between leisure and business travelers?
- 2 Describe the different types of lodging properties.
- 3 Describe three types of tourism.
- 4 How does AAA judge lodging properties?
- 5 Michael Santos notes that you have to “connect” with your guests. Do you think that establishments that cater primarily to business travelers, rather than vacation travelers, would connect with their clients differently? Explain your answer.
- 6 If you were to rate the By Land and By Sea Resort for AAA, what would you check?
- 7 Assume you are going on a vacation. What type of lodging would most interest you? Why?
- 8 Compare and contrast the American Automobile Association’s *AAA TourBook*® with the *Mobil Travel Guide*.

## Section 1.3 Activities

### 1. Study Skills/Group Activity: Going Green at School

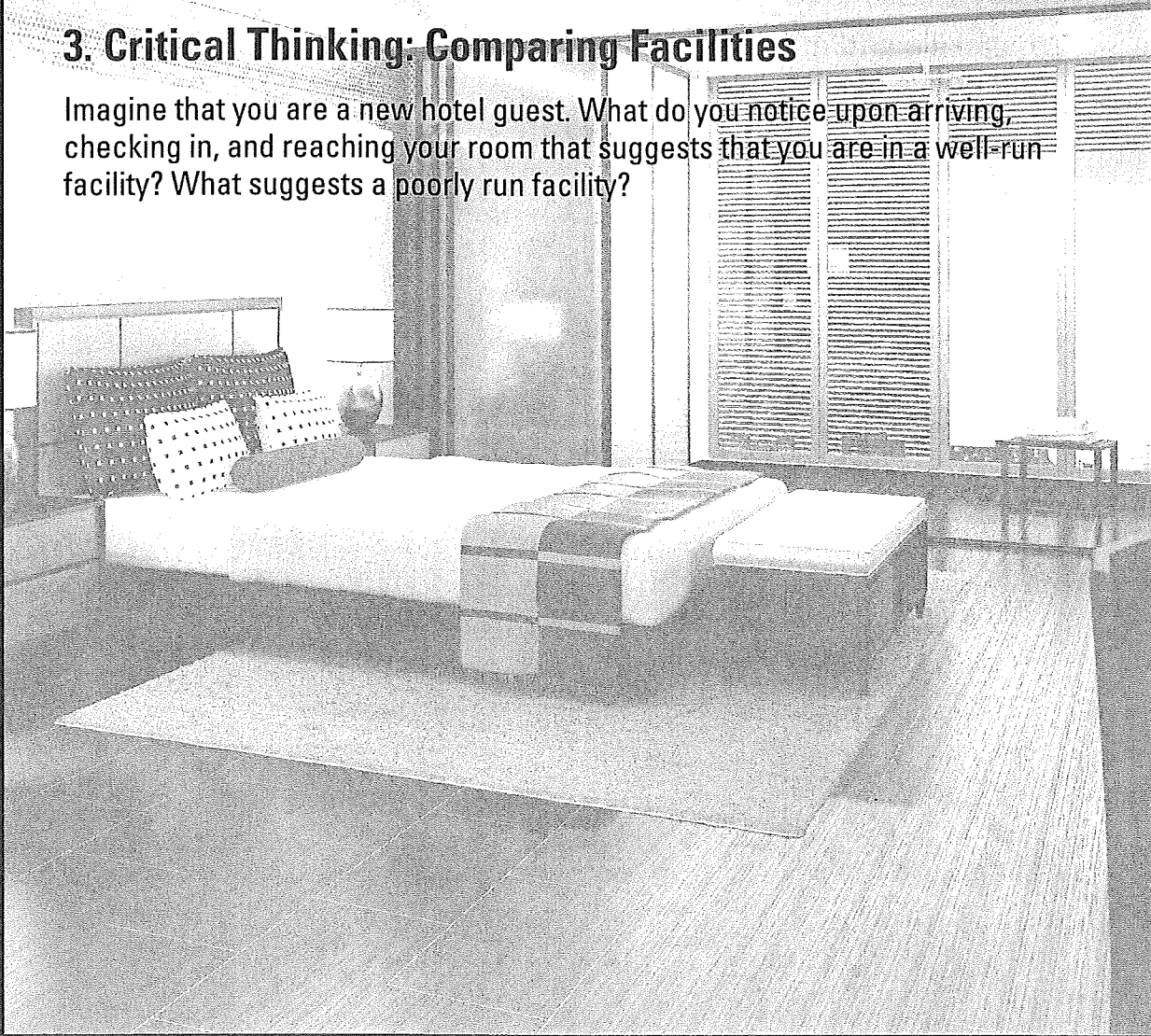
Hotels, motels, and resorts are increasingly turning to “green” practices, both to meet customer needs and to lower energy costs. What about schools? Work with two or three other students to identify some ways in which your school practices green behaviors as well as some areas for improvement.

### 2. Activity: AAA Ratings

Analyze the ratings assigned by AAA. What are the differentiating factors?

### 3. Critical Thinking: Comparing Facilities

Imagine that you are a new hotel guest. What do you notice upon arriving, checking in, and reaching your room that suggests that you are in a well-run facility? What suggests a poorly run facility?





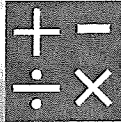
## Case Study Follow-Up

### *Climbing the Career Ladder: Which Path to Choose?*

The case study introduces Linda, a restaurant and foodservice employee who started as a hostess and server in a resort restaurant and has now been promoted to assistant manager.

1. What do you think should determine whether or not Linda continues in a restaurant or foodservice career path?
2. What do you think differentiates the restaurant and foodservice industry from other hospitality careers?
3. What skills and attitudes are needed to succeed in a restaurant and foodservice industry career?

## Apply Your Learning



### Your Hotel's Budget

Larger hotels and resorts can be quite complex, with a number of income sources and necessary expenses. Create an imaginary hotel or resort, describing it in a paragraph or two, and develop its annual budget. Be creative. Does your facility have outdoor recreation? Is it renowned for any particular reason? In your budget, include as many income and expense categories as is realistic, showing how much money your facility expects to earn or spend in each category. Although this is a creative exercise, you should cover such typical budget items as payroll, restaurant income, room rentals, spa fees, utilities, and so on.



### Contemporary Events in Foodservice

This chapter has introduced you to the history of the foodservice industry, but what about contemporary events? Research recent developments in local foodservice and write two paragraphs about foodservice developments in your community during the last 10 years.



### Can It!

Among Georges Auguste Escoffier's other notable achievements, he developed canned tomatoes. How does the canning process work, and how has it changed since Escoffier's time? What health and safety issues might be involved? What about nutrition?

### Critical Thinking

### Career Investigation

Visit the dining room of a local restaurant to learn about the division of labor, customer service, and first impressions. Which employees perform which tasks? What is the restaurant's philosophy on customer service? What is your first impression upon entering the dining room, and what is the impression the restaurant wishes to convey? Talk with the manager about practical applications of the material discussed in the text, and present your findings in an oral report.



## Exam Prep Questions

- ① Pasteurization is the process of
  - A. boiling water to eliminate germs.
  - B. heating milk to remove harmful bacteria.
  - C. canning foods to keep them fresh and safe to eat.
  - D. cleaning cooking utensils to make sure they are safe and sanitary.
- ② One of the first cookbooks, *De Re Coquinaria (On Cooking)* was written by
  - A. King Henry II.
  - B. Marcus Apicius.
  - C. Emperor Lucullus.
  - D. Catherine de Medici.
- ③ Which culinary advancement cuisine did Catherine de Medici bring to France?
  - A. Haute
  - B. Grand
  - C. Classic
  - D. Nouveau
- ④ The first impression of an operation that guests receive is from the
  - A. chef.
  - B. server.
  - C. host/hostess.
  - D. general manager.
- ⑤ Tourists who visit places in order to enjoy their natural beauty are \_\_\_\_\_ tourists.
  - A. historic
  - B. cultural
  - C. recreational
  - D. environmental
- ⑥ Which type of lodging is most likely to rely on business travelers and typically experiences low occupancy rates on weekends?
  - A. Downtown
  - B. Luxury rural
  - C. Economy suburban
  - D. International airport
- ⑦ As part of the full-service segment, which properties cater to wealthy travelers and corporate executives?
  - A. Luxury
  - B. All-suite
  - C. Economy
  - D. Bed and breakfast
- ⑧ What type of restaurant provides serving staff that takes orders while patrons are seated and the average per-person dinner is \$10-\$25?
  - A. Fine dining full-service
  - B. Quick-casual restaurant
  - C. Casual dining full-service
  - D. Family dining full-service

- 9 A service or product provided to guests for their convenience, either with or without an additional fee, is a(n)
- A. amenity.
  - B. donation.
  - C. endowment.
  - D. catering service.
- 10 Boulanger affected the growth of the foodservice industry by
- A. opening the first café.
  - B. developing pasteurization.
  - C. opening the first restaurant.
  - D. inventing the cooking guilds.