**Chapter 1 – Introduction to Hotel Management**

* **Instructor to Instructor Chat –** This chapter will lead students into the organizational concepts of the hotel industry. We begin by talking about the founding leaders of the hotel industry and their impact upon today’s modern day hotel business. Then the classification system that I have included in this chapter will allow students the opportunity to make some sense of the vast differences and similarities of various lodging properties, their services, and locations. The section on trends that foster growth is a lead into understanding the societal and financial aspects that will not only support the continued ability of our hotel industry to flourish, but to also assist the student into seeing just where he or she will fit into the hotel industry.

I have included student learning activities both for inside and outside the classroom. These active learning concepts rely on student involvement with the text material and real-world applications. I encourage you to consider using them to support your efforts in the classroom.

* **Opening Dilemma –** This opening dilemma helps to focus the student’s attention on careers in the hotel industry. The information in this chapter will assist the student in learning the various types of hotels and his or her future career path in the industry.
* **Chapter Focus Points**
* Historical overview of the hotel industry
* Hotel classification system
* Trends that foster growth and employment in the hotel industry
* Career Development
* **Classroom Presentations**
* Discuss your background in the hotel industry
* Various jobs you held
* Your career path
* Your continued interest in hotel management
* How your educational experience assisted you
* Discuss founders of the Hotel Industry
* E.M. Statler
* Conrad Hilton
* Cesar Ritz
* William Waldorf Astor and John Jacob Astor IV
* Kemmons Wilson
* J.W. Marriott and J.W. Marriott, Jr.
* Ernest Henderson and Robert Moore
* Ray Shultz
* Discuss historical Developments
* Atrium concept
* refer to Figure 1-1
* Select -service hotels
* Technological advances
* refer to Figure 1-2
* Marketing emphasis
* Total Quality Management
* Major reorganization 1987-88
* Hotel investment
* September 11, 2001 attack on the U.S.
* Economic downturn of the late 2000s
* Discuss overview of the hotel industry

1. introduce Figure 1-3; this figure will anchor the discussion on the various ways the hotel industry can be discussed

2. discuss types of lodging properties – refer to description and photos in textbook

a. hotels

b. motels

c. all-suites

d. select service hotels

e. extended-stay hotels

3. discuss market orientation – types of properties and who they serve

a. residential

b. commercial

4. discuss sales indicators

a. occupancy percentage

b. average daily rate

c. yield percentage

d. Revenue Per Available Room (RevPAR)

e. Gross Operating Profit Per Available Room (GOPPAR)

f. Revenue Per Available Customer (RevPAC)

5. discuss levels of service – explain various market segments

a. full-service

b. all-suites

c. select -service

d. extended –stay

6. discuss business affiliations – and these concepts as they relate to hotel ownership and management

a. chain affiliation

b. company-owned

c. referral property

d. management contract property

e. brands – refer to listing in text book

f. independent property

7. discuss trends that foster growth – as they apply to a hotel ‘s financial success and a student’s personal career

a. leisure time

b. me/pleasure concept

c. discretionary income

d. family size/household size

e. business travel

f. female business travel

g. travel as an experience

8. discuss career development – how a student of today is the professional of tomorrow and how career planning is important

a. establishing career goals

b. educational preparation

c. work experience

d. professional memberships

i. American Hotel & Lodging Association

ii. Hotel Sales and Marketing Association International

iii. National Restaurant Association

e. ports of entry

i. marketing and sales

ii. front office

iii. food and beverage

iv. controller

9. discuss researching growth areas in the hospitality industry

a. *Trends in the Lodging Industry* by Pannell, Kerr, and Forster

i. Use of the Interne Hotel On-line [http://www.hotel-online.com](http://www.hotel-online.com/)

ii. Hotel Business [http://www.hotelbusiness.com](http://www.hotelbusiness.com/)

iii. Hotel Magazine [http://www.hotelsmag.com](http://www.hotelsmag.com/)

b. Trade journals

i. *Hotels*

ii. *Hotel & Motel Management*

iii*. Lodging Hospitality*

* **Supplementary Student Materials to Enhance Active Learning Inside the**

**Classroom**

* Review the following inserts in Chapter 1
* Hospitality Profile – Joseph Longo
* International Highlight – international employment opportunities
* Frontline Realities – preparation for a meeting to discuss offering long-term stays for visitors
* Solution to Opening Dilemma – discuss questions to ask of career fair recruiters
* End of Chapter Questions

1. Answers will vary depending upon student’s experience. Guide student’s answers to follow the front office procedure through reservations, registrations, services at the property, etc.

2. Answers will vary according to student’s research.

3. Answers will vary according to student’s research.

4. Residential properties are marketed to people who want a long-term residence. Commercial properties are marketed to people who need accommodations for a short stay. Therefore the design of the services at these properties would differ.

5. The four most common locations for lodging properties are center city, suburban, airport, and highway. The end destination of the guest is determined by the purpose of the visit.

6. Sales indicators are factors that tell the management and owners of hotels how profitable a property is. Occupancy percentage (how many rooms were sold), average daily rate (the average room rate), yield (how successful the hotel marketing staff and front office staff were in obtaining the highest room rate and most profitable guest), and RevPAR (the amount of dollars each hotel room produces for the overall financial success of the hotel) are examples of sales indicators. Other examples include (GOPPAR) as total gross operating profit per available room per day and RevPAC revenue per available customer.

7. Social media can be used by the reservation department to promote social networking of groups who could use hotel facilities for meetings and room nights. The current technology allows hotels to link their reservation system to the social media technology to provide flexibility for the consumer and thus increase revenues. Encourage students to think of how they would reach out to potential market segments.

8. The four levels of service are full-service, all-suites, select service, and extended stay. Full-service usually refers to offer reservations, well-appointed room furnishings, dining rooms, banquet rooms, health facilities, concierge, etc.). All-suites refers to a property that offers guests more than just a room. It offers expanded floor space to include a living area, separate sleeping areas, kitchen facilities, etc. It may also include, in addition to reservations, well-appointed room furnishings, health facilities, etc. Select-service properties offer the guest a sleeping room and a continental breakfast and or complimentary beverages and snacks along with a sophisticated reservation service. Extended stay properties offer similar services as do limited-service properties, but they offer full-kitchen facilities and upscale room furnishings and appointments. Also they go above and beyond in offering a “home away from home” type services that include shopping for groceries, more complete breakfast and snack services. However, their real competitive edge is offering a scaled rate that goes down as the longer the guest stays at the hotel.

9. Hilton offers Homewood Suites, Embassy Suites Hotels, Hampton Inns, Doubletree, and Hilton Hotels; Marriott offers Courtyard by Marriott and Residence Inns; InterContinentals Hotels offers Holiday Inn Express.

10. Hotels that are operated under a franchise chain have the rights to operate a hotel under a major hotel brand. The franchisee agrees to operate the hotel under rigid conditions that will insure standard service at hotels operating with that particular brand name. The franchisee agrees to pay royalty fees to the franchisor. Hotels that are operated under a franchise chain that are designated company-owned, indicate that the franchise chain operates these hotels with company hired staff to obtain a profit. The franchise company owns the property and hires the management team and employees to produce a profitable income. A referral group usually buys into the franchise reservation service only. They too must adhere to the stringent standards of service and cleanliness. A royalty fee is paid to the franchise based upon the number of room reservations received and other services provided by the franchise organization.

11. Chain properties have the advantage of professional management expertise and a reservation system. Independent properties have to work very hard to develop an effective management system and maintain a satisfactory level of occupancy. However, the independent property usually has the advantage of offering a unique hospitality experience.

12. Answers will vary.

13. Answers will vary.

14. Answers will vary.

15. Answers will vary.

16. Answers will vary.

17. Answers will vary.

C. Case Studies

* Case Study 101 – This case study was prepared to allow the student to recall the various types of lodging properties as described in Chapter 1. The instructor may want to ask students to role play the various characters in the case study as they describe the results of their field trip.
* Case Study 102 – This case study will highlight the concept of market segmentation and how hotels respond to a new market segment.
* Case Study 103 – This case study will encourage students to blend tourism concepts and review various types of hotels in the local area.
* **Supplementary Student Activities to Enhance Active Learning Outside the**

**Classroom**

* Assign students the following project to assist them in gaining additional information on the topics presented in class: Go to the website [http://www.hotel-online.com](http://www.hotel-online.com/), [http://www.hotelbusiness.com](http://www.hotelbusiness.com/), <http://www.hotelsmag.com/>, [http://www.google.com](http://www.google.com/), or [http://www.yahoo.com](http://www.yahoo.com/) and ask them to look for a recent article on any of the following topics and bring into class for “show and tell.”
* Conrad Hilton
* Cesar Ritz
* Waldorf=Astoria
* Kemmons Wilson
* J.W. Marriott
* Total Quality Management
* RevPAR
* REIT
* Recovery of hotel industry from September 11, 2001 attack on U.S.
* Extended-stay Hotel
* Yield Management
* Hotel franchise
* Discretionary income
* Female travel in hotel industry
* Assign students a project that allows them to explore professional membership.

1. Go to the website of the American Hotel & Lodging Association [http://www.ahla.com](http://www.ahla.com/) and determine what advantages hoteliers would gain if they belong to this association.

* Assign students the task of developing a panel for a classroom presentation that focuses on the Ports of Entry. Roles include: moderator, food and beverage director, front office manager, controller, and director of marketing
* **Supplementary Website Resources to Enhance Student Active Learning**
* Any of the following websites are very good resources for students to gain exposure.

1. [http://www.hotel-online.com](http://www.hotel-online.com/)

2. [http://www.hotelbusiness.com](http://www.hotelbusiness.com/)

3. [http://www.ahla.com](http://www.ahla.com/)

An instructor may want to assign the student a particular website and ask them to list some features that they found useful.

* Any of the following website are very good resources for students to gain exposure.

1. [http://www.hilton.com](http://www.hilton.com/)

2. [http://www.marriott.com](http://www.marriott.com/)

3. <http://www.ichotelsgroup.com/>

An instructor may want to assign the student a particular website and ask them

to list some features that would assist a traveler.

* **Supplementary A/V Material Resources to Enhance Student Active Learning**
* The following website of the Educational Institute of the American Hotel & Lodging Association provides a listing of videos and other educational material that may supplement the student’s active learning.
* <http://www.ei-ahla.org/productshowcase.asp>

* **Quiz Questions – Chapter 1**
* Central heating, the elevator, and electric lights were first adapted to the lodging industry in what era?
* mid 1800’s
* late 1800’s
* early 1900’s
* middle 1900’s
* Conrad Hilton entered the hotel industry during the post World War II era?

a. true

b. false

* Kemmons Wilson founded the Sheraton Chain in the 1950’s?

a. true

b. false

* Market orientation of a hotel refers to which of the following?
* the ability of the hotel to attract guests
* the stores surrounding the hotel
* the type of guests attracted to a hotel
* the geography of the hotel’s location
* Example(s) of a hotel’s market orientation is (are) which of the following?
* J.C. Penney and Sears
* commercial and residential
* advertising with a local travel agent
* none of the above
* Total Quality Management focuses upon employee morale issues.
* true
* false
* This concept measures a hotel manager’s efforts in achieving maximum occupancy at the highest room rate possible.
* Occupancy percentage
* Average rate
* Yield percentage
* Franchise agreement
* If a hotel sells 300 rooms in one night and has 400 rooms available to sell, and attracts 600 guests for that night, the single occupancy for that night is?
* 75%
* 100%
* 50%
* 35%
* The double occupancy rate for the night listed in question number 8 is which of the following?
* 75%
* 100%
* 50%
* 35%
* A hotel has collected $10,000 in revenue for the night. They sold 200 rooms. What is the average room rate?
* $100
* $50
* $75
* $85
* Levels of service of a hotel are indicated by which of the following?
* Full-service, all suites, limited-service, extended-stay
* Franchise and independent services
* Luxury, independent, top rated
* Franchise, referral, limited-service
* Affiliation of a hotel is indicted by which of the following?
* Franchise
* Company-owned
* Referral
* All of the above
* Luxury
* Concepts that support growth in the lodging industry include, but are not limited to, leisure time, discretionary income, and number of one and two person households.
* True
* False
* This type of property is a hotel which is operated by a consulting company that provides operational and marketing expertise and a professional staff.
* Management contract
* Franchise
* Select -service
* Full-service
* Concepts that support career development in the hotel business include which of the following?
* Educational preparation and continued in-service education.
* Work experience
* Membership and participation in professional hospitality organizations
* All of the above
* Franchise agreements
* Marriott founded his hotel empire in 1957 with which hotel?
* Twin Bridges Marriott Motor Hotel
* Marriott Hotel
* Washington D.C. Manor
* Waldorf=Astoria
* This person is associated with developing a market segment for the cost conscious business and pleasure travelers in the early 1980’s.
* Tom Bradley
* Ray Schultz
* Gordon Hilton
* Mary Carlton

18. This atrium concept allows a guest a to overlook the lobby of a hotel from the first floor to the roof. It was first used by

a. Marriott

b. Holiday Inn

c. Hyatt

d. Waldorf=Astoria

19. The concept “demographic” refers to which of the following?

a. size, density, distribution, or vital statistic of a population

b. emotional and motivational forces that affect a service or product

c. data which represent hotel services

d. chain concept

20. The money remaining from wages after paying for necessities such as food, clothing, and shelter is referred to which of the following?

a. vacation savings

b. discretionary income

c. flexible income

d. extra revenue

**Answers to Exam – Chapter 1**

* B
* A
* B
* CB
* B
* C
* A
* B
* B
* A
* D
* A
* A
* D
* A
* B
* C
* A
* B