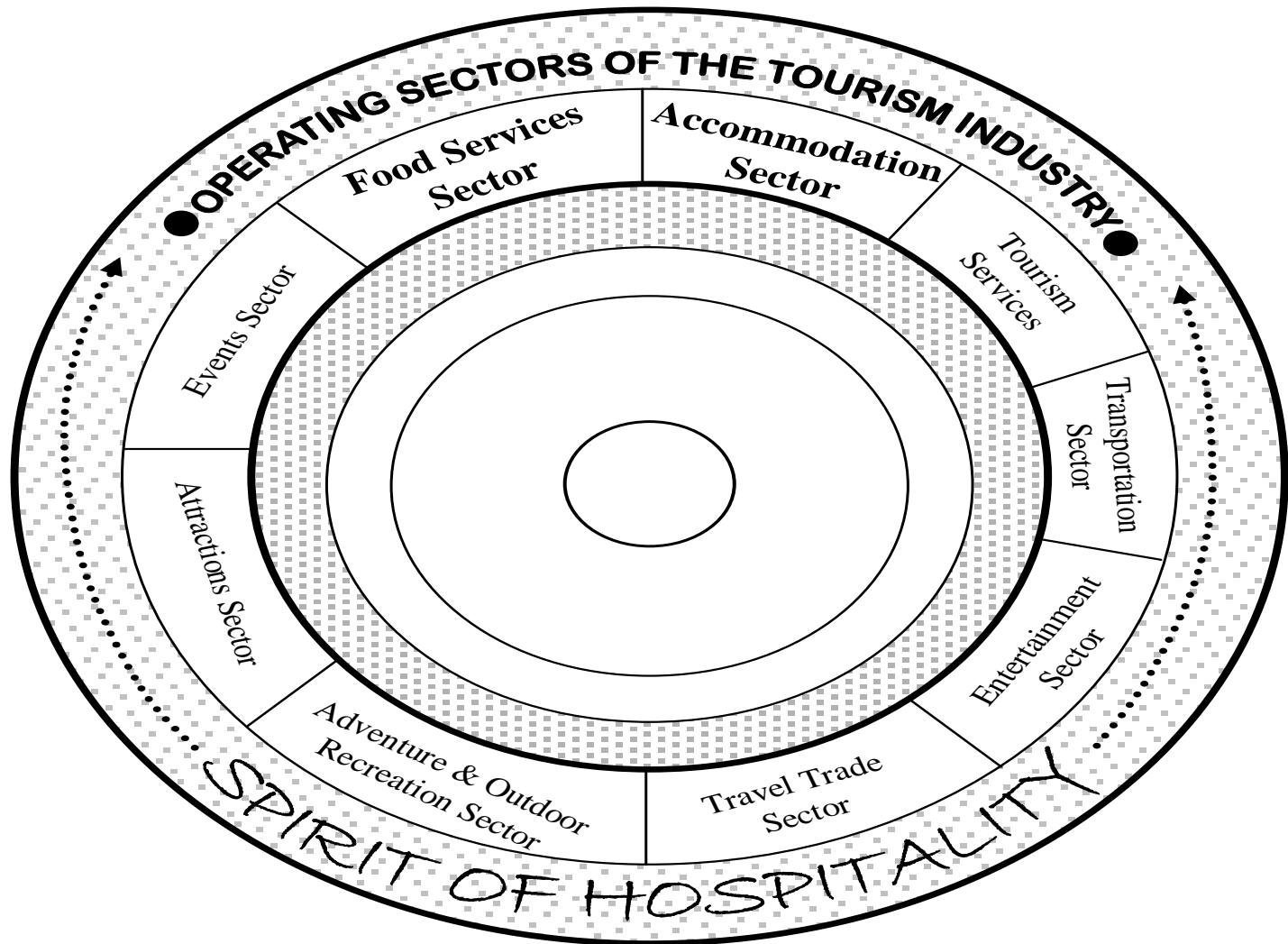


Hospitality Services



ACCOMMODATIONS AND FOOD & BEVERAGE

Operating Sectors of the Tourism Industry



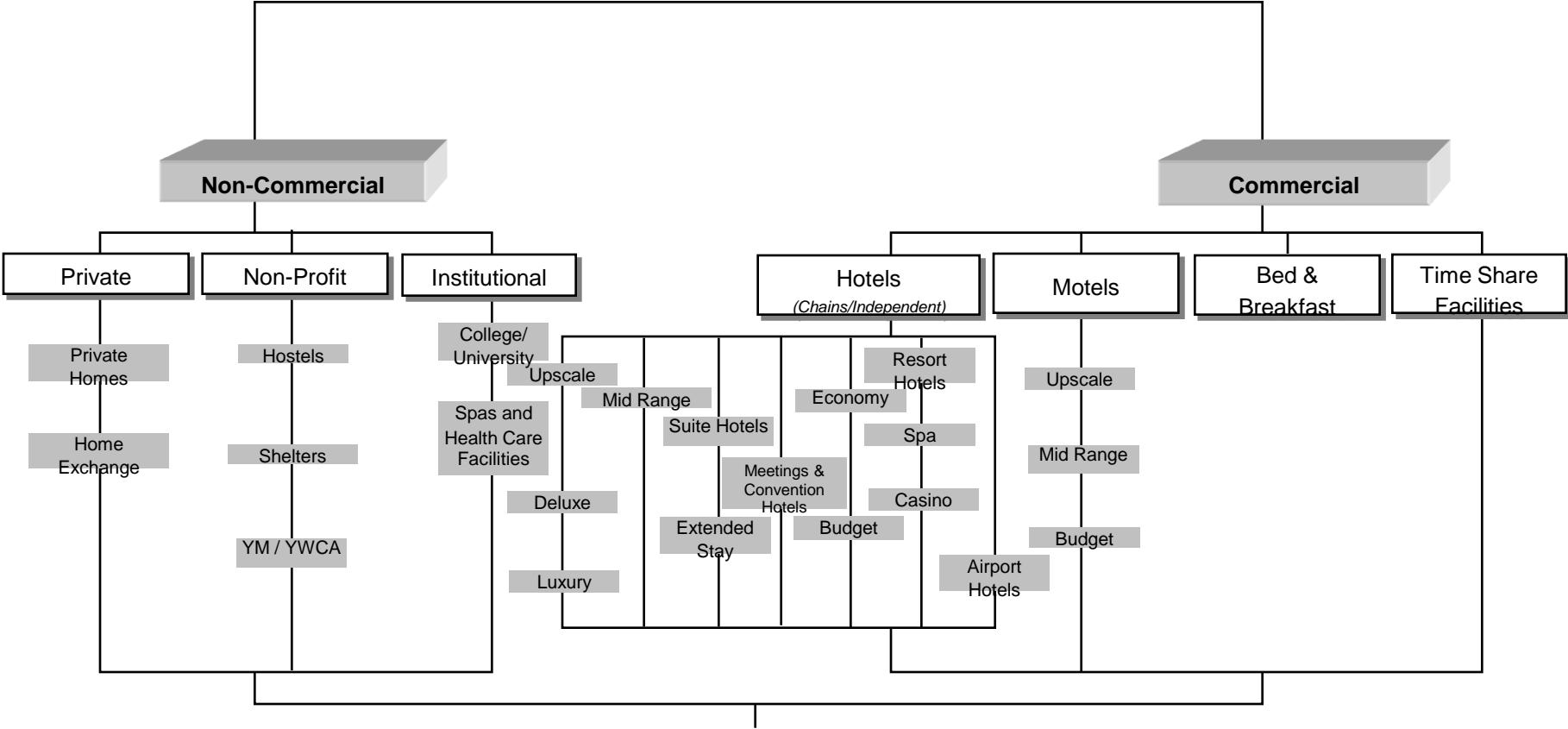
Characteristics of the Hotel Business



- Perishable – unsold rooms cannot be stored for another sale
- Location – is very important
- Fixed Supply – cannot change the number of rooms, it is a fixed structure unlike airplane
- High Operating Cost – Hotels are capital and labor intensive, has a high fixed cost
- Seasonality – when a hotel opens you throw away the key, the hotel never closes. It is very seasonal.

Accommodations Structure

Accommodations



Traditional Classifications

- **Size** – the number of available rooms is the traditional way. Could use number of floors, acres of land number of employees, gross dollar sales, or net profit.
- **Class**
 - Average Daily Rate (ADR) – the price that is paid for a room determines the class of the property. This could determine large rooms, costly construction, expensive furnishings etc., 24 hour room service, thicker towels, sauna bath and other extras.
- **Type**
 - Commercial Hotels –for short stay guests, transient, temporary travelers mostly business, convention
 - Residential Hotels – guest take up permanent quarters condominiums, apartments etc.
 - Resort Hotels – caters to social guests
- **Plan** – the rate charged is dependent on the plan of the visitor
 - European Plan – only the room accommodations are included
 - American Plan – rate include all three meals
 - Modified American Plan – include some meals
 - Continental Plan include continental breakfast

Hotel Classification

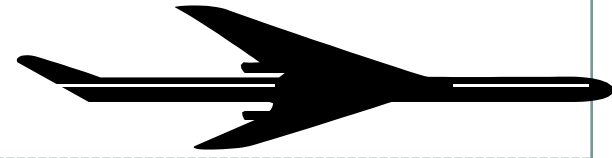


- Deluxe hotel has top restaurants and fine service and rooms with private baths
- First class hotel is of medium range, comfortable with high standard service, and most rooms with private bath
- Economy/Budget hotel often having rooms without private baths and little amenities
- Single/Double/Triple rooms and suites and cabanas (usually facing pool/sea)

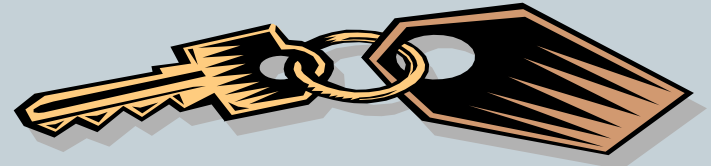
Ownership/Management Control



- Company owned and operated system: owner and manager the same
- Franchise system: owner of the hotel obtains right to use name and belong to a chain
- Management contract: company manages the property for a management fee



The Lodging Industry



- World hotel room inventory grows about 2.5% a year.
- Occupancy rates average 65% overall.
- 72% of the world's hotel rooms are located in Europe and North America. Europe has 45% of the rooms.
- In 2003, the U.S. lodging industry generated \$105.3 billion in sales, numbered 47,584 properties, 4.4 millions rooms, and recorded profits of \$12.8 billion.

Top 10 Largest Lodging Co (2006)

Rank	Revenues	Properties	Rooms
1	Marriott International	Wyndham	Intercontinental
2	Accor	Choice	Wyndham
3	Starwood	Best Western	Marriot Int
4	Hilton	Accor	Accor
5	Wyndham	Intercontinental	Hilton
6	Carlson Hospitality	Marriott Int.	Choice
7	Intercontinental	Hilton	Best Western
8	Interstate	Carlson Hospitality	Carlson Hospitality
9	Fairmont	Starwood	Starwood
10	Mandarin Oriental	Interstate	Interstate

World's Largest Hotels



Property

Rooms

1. MGM Grand	5005
2. Luxor	4408
3. Madalay Bay	4341
4. The Venetian	4049
5. Excalibur	4008
6. Bellagio	3993
7. Circus Circus	3774
8. Flamingo	3565
9. Hilton Hawaii	3386
10. Caesars Palace	3349

Trends in Hotel History



- 1846 Central Heating
- 1907 In-room telephones
- 1958 Free television
- 1964 Holiday Inn Reservation System
- 1970's Keyless Locks
- 1983 In-room Personal Computers
- 2000's Wi-fi Internet

Amenities



- Personal Bathroom amenities
- Free Parking
- Outdoor pool
- Airport transportation
- Gift Shop
- Multi-lingual Staff
- Game Room
- Health Club facilities
- Concierge
- Barber/Beauty Salons
- 24 hour room service
- Tour Operator
- Auto Rental

Caribbean

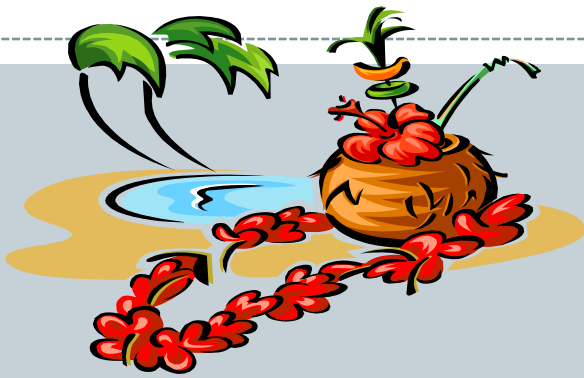


- 55% of total visitor spending in on accommodation
- 2005: total # of rooms was 260,196
- Republica Dominicana with most: 59,980
- Belize had 5593 and in 2007 now app. 6200

Terminology



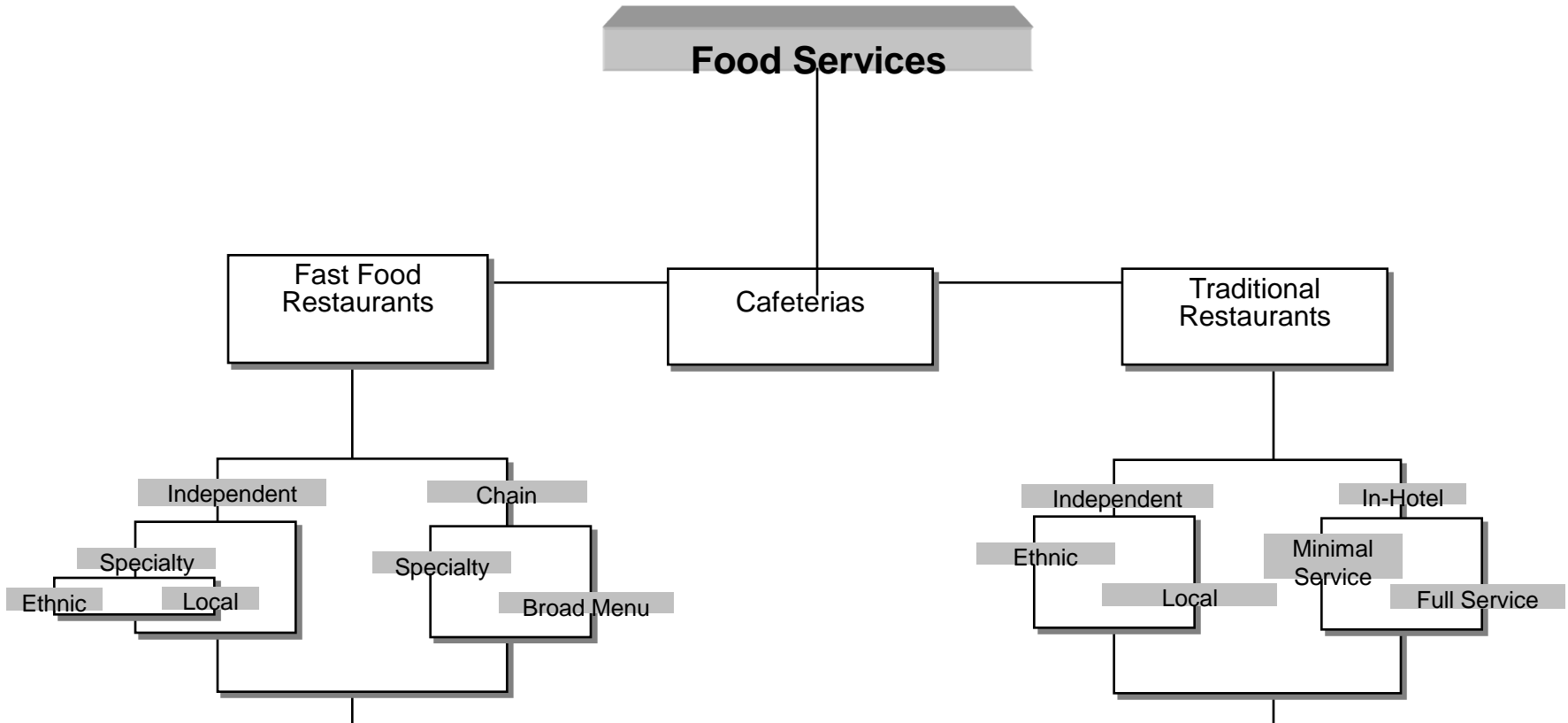
- **Occupancy:** Percentage of rooms sold during a given period
- **Average Daily Rate (ADR):** average room prices computed by dividing total room revenue by the number of rooms sold
- **REVPAR:** Revenue per available room. The most complete measure of room revenue production computed by multiplying the occupancy by the ADR.
- **Rack Rate:** the basic undiscounted price for a room.



Resorts and Timesharing

- 41% of the world's timeshare units are located in the U.S.
- 52% of the world's timeshare owners are U.S.
- Timeshare resorts are located in 95 countries.
- Timeshare owners reside in 174 nations.
- Major companies such as Disney, Hilton, Marriott, and Hyatt have become involved in timeshare.

Food Services Structure



- French service was used in early restaurants - entrees are served on guest plates by the dining room captain
- 2 types of menu
 - A la carte – what is prepared for that day
 - Table d’hote – variety from the menu
- Food service industry hire more minority managers than other retail industries.
- Fast food restaurants enjoy great success because: they limit their menus, have greater purchasing power, less waste, more portion control, lower operating cost.
 - They enjoy specialization, job simplification and operating system

Independent Restaurants

- These include coffee shops, fast food outlets, dining rooms, carry-out operations
- Level of service is dependent on type of facility and may range from full service to limited service
- Menus also range from elaborate to simple