

Modern Hotel Operations Management

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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 hospitality, 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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1

The Hospitality Industry – Past, Present and Future

M. N. Chibili

1

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

Convenient places

1

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.

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, *dhar-amshala* 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

- 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:

- 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.

Significant developments

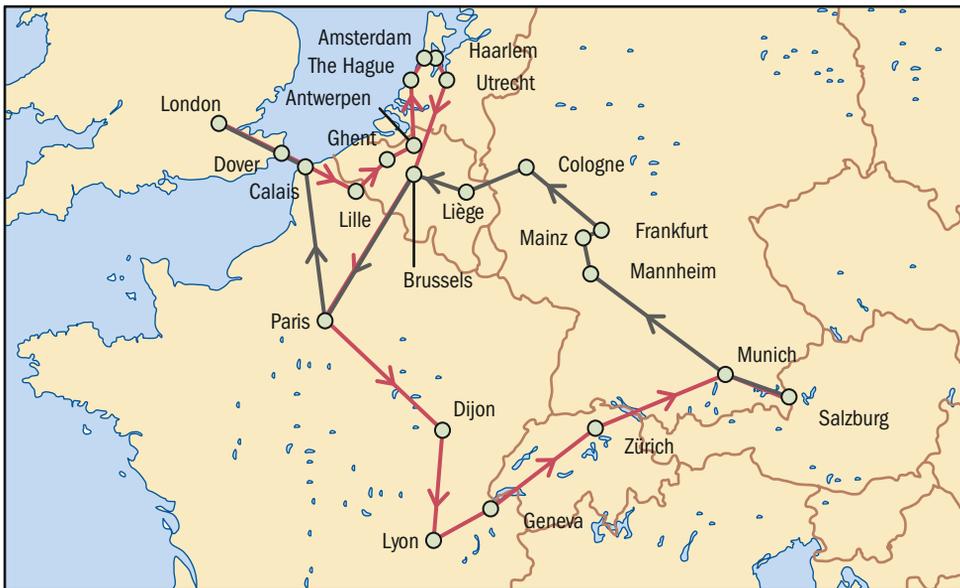
Luxurious amenities

- 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

1

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



الشعاعان
للإسكان
AL SHU'AA'AN REAL ESTATE
SINCE 1982

ARISTO
DEVELOPERS

إستثمر
في قبرص

Invest
in Cyprus



2

Rating Systems and the Structure of the Hospitality Industry

M. N. Chibili

2

2.1 Introduction

There is no standardised set of rules for classifying hotels on a universal level, and this chapter discusses the ratings, classifications and structures of hotels as the predominant type of hospitality accommodation. Rating systems are as varied as the organisations employing them, but over the years several of these systems have proven to be of greater value to guests in helping them make their accommodation decisions. There are multiple classification criteria, including price, function, location, particular market segment, and distinctiveness of style or offerings. The diversity and changing patterns of the use of hotels often impede precise classifications, and new forms of accommodation are being introduced to cater to specific needs. Structurally speaking, no matter the size or type of the hotel, it will have a formal structure that permits it to distribute responsibility and authority amongst the different levels of management and staff.

2.2 Rating systems

Hotel ratings are often used to classify hotels according to certain objective standards such as the available facilities or the level of services provided. This normally does not include other criteria, such as ambiance or charm. There are many rating schemes and organisations worldwide, many of whom use the star symbol to categorise hotels. The greater the number of stars (or other symbols, such as diamonds as used in the USA by the American Automobile Association – AAA), the higher the expected levels of luxury.

Objective standards

2.2.1 The emergence of rating systems

One of the first known rating systems is the Michelin Red Guide, which started in 1900 and is the oldest and best-known European hotel and restaurant guide. It was created to encourage travelling by road in France, and

Michelin Stars

began reviewing restaurants anonymously by means of a three-star system in 1926. It awards the much-coveted Michelin Stars, which are granted on the basis of five criteria: the quality of the ingredients, the flair and skill used in preparing them in a combination of flavours, the chef's personality as revealed through his cuisine, value for money, and the consistency of culinary standards. The stars reflect 'what's on the plate and only what's on the plate'. In other words, their award does not take into consideration the restaurant's décor, or the quality of the service, amenities and equipment or availability of valet parking provided. The Michelin Red Guide is designed on the premise that only reviews by anonymous, professionally-trained experts can be trusted to be accurate. A brief history of the Michelin Guide (an excerpt from the Michelin Guide Dictionary Page 7) is presented in Text 2.1.

Premise**TEXT 2.1**

Brief history of the Michelin Guide

**HISTORY**

- 1900: André and Edouard Michelin publish the first MICHELIN guide. The brothers foresaw that, for the automobile to become successful, motorists had to be able to find places to refuel, charge their batteries or change their tires wherever they travelled. The MICHELIN guide was therefore created to offer drivers useful information, free of charge.
- 1904: First MICHELIN guide Belgique
- 1910: First MICHELIN guides España and Deutschland
- 1911: First MICHELIN guide Great Britain & Ireland
- 1920: The Michelin guide is no longer offered free of charge.
- 1926: The first MICHELIN stars are awarded.
- 1937: First MICHELIN guide Paris
- 1956: First MICHELIN guide Italia
- 1997: The Bib Gourmand distinction is introduced in France.
- 2000: Descriptions of selected establishments are added.
- 2001: The selection is published online on the ViaMichelin website.
- 2005: The first US guide is published, in the form of the MICHELIN guide New York City.
- 2007: The first Asian guide is launched, in the form of the MICHELIN guide Tokyo, and the Bonne Petites Tables France guide is introduced.
- 2009: The 100th edition of the MICHELIN guide France; first iPhone application launched; first MICHELIN Bib Gourmand guide in the Benelux countries and Buenas Mesas in Spain; first MICHELIN guide Hong-Kong Macau.
- 2011: The US selection is extended by the addition of Chicago, and the Japanese selection is extended by the addition of Kobe to the Kyoto Osaka guide and Yokohama and Kamakura to the Tokyo guide; the first MICHELIN Bonnes Petites Tables Tokyo guide is published.
- 2012: New Japanese cities are added, with Nara in the Kyoto Osaka Kobe guide, Shonan in the Tokyo Yokohama Kamakura guide, and the new Hokkaido guide.

(Source: travel.michelin.co.uk)

The Michelin Guide chooses the best hotels and restaurants in each comfort and price category. Establishments are ranked from one to five pavilions for hotels and from one to five fork-and-spoon pictograms for restaurants; or

from 'quite comfortable' to 'luxury in the traditional style'. Symbols shown in red indicate particularly pleasant establishments in terms of atmosphere, décor, customer reception, and/or level of service. As for gastronomy, the stars, which are universally recognised as symbols of quality cuisine today, are defined as follows:

- One star: A very good restaurant in its category;
- Two stars: Excellent cooking, worth a detour;
- Three stars: Exceptional cuisine, worth a special journey.

The AAA copied the Michelin Tire Company example, and in 1937 started its own independent rating system for hotels and restaurants based on a system of standards and guidelines using professionally trained inspectors. The AAA rates hotels in the United States, Canada, Mexico and the Caribbean. Hotels do not pay to be included in the ratings, but can submit an application. To become AAA Approved, the hotel must first meet 27 basic requirements covering comfort, cleanliness and safety. If the hotel is approved, AAA sends out anonymous inspectors to evaluate the hotel and assigns a diamond rating from one to five. In 1963, AAA began assigning lodging ratings from 'good' to 'outstanding'. In 1977 the Diamond Rating system was introduced for lodgings, with restaurants included 12 years later.

Diamond Rating

In the lodging domain for example, the following criteria are used by the AAA to define the diamonds:

- **One Diamond**
These establishments typically appeal to budget-minded travellers. They provide essential, no-frill accommodations. They meet basic requirements pertaining to comfort, cleanliness, and hospitality.
- **Two Diamonds**
These establishments appeal to the traveller seeking more than the basic accommodations. There are modest improvements to the overall physical attributes, design elements, and amenities of the facility when compared to the one diamond establishments - typically at a moderate price.
- **Three Diamonds**
These establishments appeal to the traveller with comprehensive needs. Properties are multifaceted and have a distinguished style, including marked improvements to the quality of physical attributes, amenities, and levels of comfort provided.
- **Four Diamonds**
These establishments are upscale in all areas. Accommodations are pro-

gressively more refined and stylish. The physical attributes reflect an obvious enhanced level of quality throughout. The fundamental hallmarks at this level include an extensive array of amenities combined with a high degree of hospitality, service, and attention to detail.

- **Five Diamonds**
These establishments reflect the characteristics of the ultimate in luxury and sophistication. Accommodations are first class. The physical attributes are extraordinary in every respect. The fundamental hallmarks at this level are to meticulously serve and exceed all guests' expectations while maintaining an impeccable standard of excellence. Many personalised services and amenities enhance an unmatched level of comfort.

(Source: Approval Requirements & Diamond Rating Guidelines - Lodging, AAA Publishing, 2008)

Summary

- ▶ Either called General Manager (GM), Managing Director or General Director, the GM reports to the owners either directly or through regional offices, and is ultimately held responsible for the unit's success, image and reputation.
- ▶ The job of the GM differs by property type and size, as well as by its services offered. The GM's job can be conceptualised based on job demands and relationship issues in the short-, intermediate- and long run, generic managerial work roles, and specific job functions.
- ▶ The main responsibilities of the hotel GM include taking full responsibility for the performance of the hotel; coordinating the activities of all hotel departments; leading the staff of the hotel towards conform to their community, environmental and financial responsibilities; participating in determining the hotel's policies and strategies; providing leadership of and guidance to the hotel's executive team.
- ▶ The leadership competency model for the lodging industry establishes various dimensions for competencies required by hospitality leaders in eight factors.
- ▶ The Executive Committee consists of the senior managers of the functional areas who report directly to the GM; this committee is responsible for directing, coordinating, and implementing the vision and objectives of the hotel. The executive committee composition differs by hotel as the organisational structures of no two hotels are the same. Apart from a GM, it generally features a Rooms Division Manager, a Food and Beverage Director or Manager, a Human Resources Manager, a Sales and Marketing Manager, a Financial Controller, a Chief Engineer, an Information Technology Manager, and a Revenue Manager.
- ▶ A hotel's property management system (PMS) is software used to automate operations; a PMS makes it possible for management and other employees to use computers within an integrated system permitting them to manage and control almost all operations within the hotel, even linking them to other worldwide information networks.
- ▶ Since selecting the right PMS for a hotel is not always easy, it is essential to start with a needs analysis carried out by front-line staff members; this analysis should focus on the flow of guests through the hotel and on the communication between departments. This should be followed by a crucial evaluation of PMSs and their developers before making a final decision.

Questions and assignments for reflection

- 1** Brief describe the (most) important job-related roles of a hotel GM.
- 2** Why should hotel GMs be people who are continually seeking to improve their skills and knowledge base?
- 3** Discuss the relevance of the leadership competency model for the hospitality industry as described in this chapter for contemporary hospitality managers.
- 4** Why is it important for a hotel to own and use a PMS?
- 5** What are the questions faced by hotel managers when trying to determine which PMS to obtain for their properties?



5

The Food and Beverage Department

S. de Bruyn and M. N. Chibili

5

5.1 Introduction

Aside from the lodging possibilities offered by hospitality organisations, the provision of food and beverage products is also of paramount importance. The Food and Beverage Department is in charge of this service, meaning it has a key role to play within the hospitality industry. More and more people enjoy a meal or drink outside of their homes nowadays. Where traditionally the 'lady of the house' would take care of the cooking, and 'going out' used to be reserved for special occasions only, it is now considered entirely normal and part of everyday life to enjoy food and beverage products at one of many available establishments. This chapter provides a short discussion of the hospitality concept, fundamentally important to all food and beverage service operations, followed by an insight into different food service companies and various food and beverage provision and support departments, as well as an outline of their scope and processes.

5.1.1 A guest's perspective (demand)

The main reason guests visit a food service company is to eat or drink, both components of their primary needs. Also called innate, basic, or physiological needs, these needs are important for survival. Everybody needs to eat or drink, for example. But there are other needs that make a guest want to go out and have a meal, snack or drink. These can be the need for contacting other people (including service staff), or the need to have a good time with family or friends. Such needs are called secondary needs, and they are also referred to as either social, acquired or psychological needs. Furthermore, needs and wishes differ depending on the person as well as other factors, such as age, profession, education, relation to the company, income, or nationality (culture). Subsequently, the purposes, in conjunction with the occasion and the time of day, play a very important role in the needs and wishes of guests. If a guest visits a restaurant for a business lunch in order to discuss and finalise a very important deal, for example, the guest's wishes demands will surely and differ from those in situations where the same guest

Eat or drink
Primary needs

Secondary needs

visits the same restaurant with family or alone. In the case of the business lunch, a guest's main objective is to please the business partner with a meal, and very hopefully get a deal finalised. In such a scenario, the service staff should be present, but also silent and discrete. In the case of a guest's visit with family, it would be wiser for service staff to also focus their hospitality offering on the children. In those cases where the guest is alone, the guest may now be expecting a more social and sociable interaction with the service staff.

5.1.2 A company's perspective (supply)

As indicated in the previous paragraph, the offerings of hospitality organisations go beyond lodging possibilities, and include food and beverage elements, both tangible products. Additionally, these very tangible products are offered within a certain surrounding: the building itself; the restaurant; the bar; the meeting rooms. It should also be remembered that it is not only the décor, inventory, lighting, and music that make the surrounding, but other guests are also part of – and do influence – these surroundings (ambiance). There is also the matter of hospitality – an intangible, behavioural aspect provided by the persons that serve the tangible products on offer. These 3 elements (products, surrounding, and hospitality) form the foundation of the hospitality formula of a food service company. A mixture of these elements should be adapted by any food service company and should be recognisable to guests or potential guests.

Tangible products

Surrounding

Hospitality

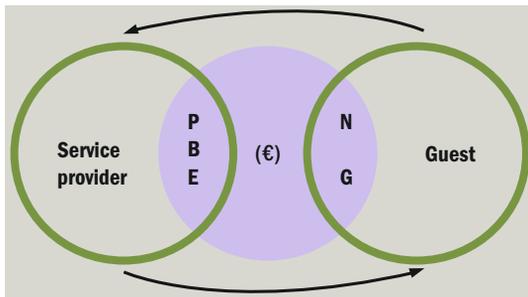
5

5.1.3 The hospitality model

To get a better insight into matching demand and supply perspectives, the Hospitality Institute developed the hospitality model as shown in Figure 5.1.

Hospitality model

FIGURE 5.1 The hospitality model (Source: www.hospitalityinstitute.nl)



The model shows the interaction between the needs and goals of the guests (N and G) and the product, behaviour and environment of the service provider (P, B, and E), leading to a certain guest experience as well as returns for the service provider. When the needs of the guest have been met (or even exceeded), a guest is likely to return. If the expectations have not been met, this guest will probably not pay another visit and may in fact share this negative experience with other people, with possible negative effects for the service provider.

In order for a company to be successful in the hospitality industry, it is crucial for it to be able to assess the different needs and wishes of its guests

and adapt its service offering to these needs. For a more detailed discussion on services and hospitality, see Chapter 11 – Managing Hospitality Services. As this chapter concerns the Food and Beverage Department, however, it is worthwhile to note that, according to Dictionary.com, service is defined as ‘the performance of duties or the duties performed as or by a waiter or servant’. In addition, the Oxford Advanced Learners Dictionary (online - www.oxfordlearnersdictionaries.com) defines hospitality in two ways. Firstly as ‘friendly and generous behaviour towards guests’, and secondly as ‘food, drink or services that are provided by an organisation for guests, customers, etc.’.

Service

There are similarities between service and hospitality, yet there is one major difference. Providing service is by nature a type of transaction (economic activity); the provider obtains something in return for services rendered, which is money. Guests receive products and service, and in return pay the bill. Hospitality is the superlative of service, more in the manner of ‘a way of life’, which is not only shown at work but also in relation to other people in one’s private life. For more on this distinction, see Section 14.6 on hospitality.

Hospitality is about seriously considering one’s guests, having a genuine interest in them, and doing the utmost to fulfil and, if possible, exceed their wishes. Hospitality is about making a choice to be helpful, friendly and having a positive impact on the people one encounters. It is about taking responsibility, making a choice to serve others instead of oneself, getting satisfaction out of solving problems. Receiving payment can certainly be a desired result when providing hospitality, but hospitality goes beyond merely making money: hospitality is about going the extra mile, and it is something that is or has to become part of the DNA of any hospitality industry employee. Gunnarsson and Blohm (2003) suggest a modified level of hospitality called hostmanship, which is based on the following fundamentals: interaction; the big picture; dialogue; responsibility; consideration; and knowledge. Text 5.1 is an extract from Gunnarsson and Blohm (2003, p. 25), in which hostmanship is summarily explained.

Hostmanship

TEXT 5.1

Hostmanship is an attitude

I usually think of hostmanship as an attitude. A way to live.

Never forgetting that people who have contacted you are an extension of yourself.

Hostmanship is about giving. It’s about sharing a part of yourself and your knowledge.

Hostmanship is an art. The host is an artist.

This artist, for which there is a growing demand these days, is an important aspect of sustainable business relationships that allow hospitality organisations and individuals to make the deciding difference beneficial to both guests and organisations.

Considered as a lifestyle attitude, de Zwaan has conceived 6 pillars to explain hostmanship as indicated in Text 5.2.

TEXT 5.2



Six pillars of hostmanship

A basic serving attitude (I really like to serve people)

A care reflex (when a glass falls over, you already get a towel)

Make contact – start with eye-contact, and make sure you are really listening

Consideration (have empathy for the other, place yourself in the other person's shoes – without judging)

Knowledge of what you pour or serve (this gives power, certainty, and credibility)

Not only putting the above into practice during working hours, but also when you see a

mature citizen with a rollator walker hesitating to cross over at a crosswalk.



Brenda de Zwaan regularly writes on hospitality related issues, and can be found at bdezwaan.blogspot.nl

Symbol of hospitality

This subsection ends with a short story related to one symbol of hospitality as shown in Text 5.3, the pineapple, and its commonplace nature in many food and beverage outlets.

TEXT 5.3

Pineapples: a symbol of hospitality

Pineapples are traditionally a welcome gift in the tropics. Centuries ago however, modes of transportation were relatively slow and fresh pineapples (being perishable) were a rare luxury and coveted delicacy.

The fresh pineapple was highly sought after, becoming a true symbol of prestige and social class. In fact, the pineapple, because of

its rarity and expense, was such a status item that all a party hostess had to do was to display the fruit as part of a decorative centerpiece, and she would be awarded much social awe and recognition. Colonial confectioners sometimes rented pineapples to households by the day. Later, the same fruit was sold to other, more affluent clients who actually ate it.



King Charles receiving a pineapple.

During the 20th century, the pineapple primarily symbolized hospitality. American Sea Captains placed the fruit outside their homes to signal to friends that they had returned after a voyage. It was this act that began the trend of stone pineapples being placed at the entrance of fine properties.

Pineapples appeared frequently in the decorative arts on gates, bedposts, crockery, napkins, tablecloths and door knockers. This pineapple fountain can be found in Charleston, South Carolina, USA.

Did you know: The pineapple was used by political cartoonists during the Napoleonic Wars to symbolize extravagance.



Pineapple fountain in Charleston

(Source: www.kingoffruit.com.au)

5.2 Types of Food and Beverage Service Operations

There is a large variety of service companies providing an extended selection of food and beverage products designed to satisfy all needs and wishes. These can range from a small ethnic restaurant in a city centre to a fish-and-chips stall around the corner, or from a school canteen to a fine-dining Michelin-starred restaurant. Since the structure of the hospitality industry was classified and rated principally with a bias towards hotels in Chapter 2, the current subsection provides a brief discussion related to the specific classification of food and beverage service operations, which can be either small or large. A small enterprise can be a person selling spring rolls at a street market, for example, while a large business can be a buffet restaurant at a holiday park selling more than 1,000 meals every day.

Classification

FIGURE 5.2 Categories and examples of food service operations

Categories		Some examples (based on the Dutch market)	
Commercial	Quick Service	Fast food restaurants (drive-throughs)	McDonald's, KFC, Burger King
		Lunchrooms/coffee shops	Subway, Bagels & Beans, Delifrance, Bakker Bart, Starbucks
		Take-away places (often offering delivery services)	Chinese, Indian, Indonesian restaurants, Domino's Pizza, fish & chips kiosks, sushi bars etc.
	Full Service	Cafeterias and motorway restaurants	La Place, Haje
		Buffet restaurants	Chinese, Indian, Indonesian restaurants, holiday parks etc.
		Street vendors	Food trucks etc.
		Ice cream parlours	Min 12, Toscana, Australian Homemade
		Casual	Many Dutch restaurants
		Bistro	Humphreys, De Beren
		Brasserie	Flo
	Catering	Single item	Pancakes, chicken, steak or sushi etc.
		Ethnic	Greek, Italian, Chinese etc.
		Family	Van der Valk
		Theme	Hard Rock Café, Rainforest Café, Theatre restaurants
		Beverage-offering food service	Pubs, coffee bars, wine bars, cocktail bars
	Fine-dining		De Zwethheul & De Librije
		Fixed location	Hotels, banquet companies, clubs
Non-commercial	Institutional food service	Outdoor catering	Customer-desired locations
		In-house	Schools, universities, companies, factories, military installations, and prisons, etc.
Hotels and other lodging companies		Contracts	Sodexo, Aramark, Compass Group
			Hotels, B&B, holiday parks, etc.
Food service within consumer-based companies		Leisure attractions	Sports clubs, cinemas, theaters, museums, zoos, fun parks, music festivals, etc.
		Retail stores	Shopping malls, retail stores, gas stations, traiteurs.
Travel food service		During travel	Food and beverage services on board planes or cruise ships
		At the stations	Restaurants and bars at airports, bus, and train stations

There are two basic types of food service: commercial food service and non-commercial food service. Commercial food service is offered by companies aiming to make a profit, and non-commercial food service is provided by organisations that exist for some other reason, but do offer food and beverage to their employees or other people as a service. To provide a better insight into this complex world of food and beverage service companies, they can be categorised using the basic criteria in Figure 5.2. One should keep in mind that there are many food service businesses that will not fit any single category exactly, instead requiring more than one at a time.

Commercial food service

Non-commercial food service

It is important to understand that there are both independent restaurants and chain restaurants. A chain restaurant, also called multiple-unit business, has more than one location operating under the same name and ownership. There is also a type of chain restaurants operated as franchises, which is a concept that allows an entrepreneur to start or continue a restaurant without taking too many risks. This allows the franchising company to expand rapidly without having to finance the operation itself. The franchise chain owner (or franchisor) lends certain rights to the entrepreneur (or franchisee) running the location. These rights can refer to the use of the concept, trademark, logo, operating systems, distribution channels, reservation systems, marketing expertise, purchasing discounts, etc. In return for these rights, the franchisee pays a fee and signs a franchise contract stipulating they will operate in accordance with the guidelines set by the franchisor.

Chain restaurant

Franchises

5.2.1 Quick service restaurants

As their name implies, these restaurants provide guests with speed, convenience, and low to medium service at relatively low prices. This service is most often 'self-service' – implying that guests have to collect their food or drinks themselves before proceeding to their tables. There are usually only few employees in relation to the number of guests. Quick service restaurants include fast food restaurants, lunchrooms, take-aways (including delivery service), cafeterias, buffet restaurants, 'street food' stalls, and ice-cream parlours.

Quick service restaurants



Fast food restaurants

A fast food restaurant usually has a counter at which orders can be placed. The menu consists of a limited number of products, which can be prepared very quickly. The production process is mainly capital intensive, necessary for a speedy production. Kitchen routes and *mise en place* are designed to

Fast food restaurant

Capital intensive

make processes run smoothly and efficiently. Production times of incoming orders take no longer than 5 minutes. Once prepared, orders can be picked up and paid for at the same counter, and either enjoyed at one of the tables in the dining room or taken for consumption elsewhere. These restaurants, especially those that belong to a chain, also offer drive-through windows catering for guests in a hurry or not wishing to consume their food and beverage items in the restaurant. Within this domain, the best known example is McDonald's, being one of the largest restaurant chains at over 34,000 restaurants in 119 countries. It is remarkable that a Big Mac in Amsterdam tastes exactly the same as does one in Hong Kong. It should however be noted that such companies also adapt their products or services that are available all over the world to make them suitable for local needs in what is termed *glocalisation*. Such consistency raises questions. How do they do it? How do they get such a consistent product and quality with so many outlets? The answers are related to the systems and standards implemented to ensure the quality of service, and to employees, who are offered intense training programmes for different positions. Lastly, the ability to adapt to market conditions also enables them to adequately react to the demands of the guests.

Consistency

5



Lunchrooms

Lunchrooms are mainly located in shopping areas, and operate following the opening times of surrounding shops. Lunchrooms can also be found in other places where there is heavy pedestrian traffic, such as at airports or train stations. These facilities offer different kinds of breads, like sandwiches, buns, French bread, bagels, and croissants, with a variety of fillings. Both hot and cold bread products are offered. Soups, salads, hot dishes, pastries, cold and warm drinks are also served. Average spending is low to medium, and the service varies from take-away to table service. Catering and takeaway within this domain are expanding, making it possible for businesses to generate revenue during off-peak hours with the help of the Internet, which enables consumers to order their products online.

Lunchrooms



Nowadays, there is a wide range of lunchroom type businesses available: small outlets in bakeries with a few tables; traditional privately-owned lunchrooms; franchise chains like Subway; and non-franchise chains like Pret a Manger. Because consumers are becoming increasingly health conscious, lunchrooms have become a major competitor to the relatively more unhealthy fast-food sector. At the time of writing, the Subway franchise chain has overtaken McDonald's in terms of number of branches worldwide, having more than 43,500 branches in 109 countries, compared to McDonald's 34,000 restaurants in 119 countries as indicated above.

Health conscious

Coffee shops

Quick service businesses that offer coffee as a core business, in addition to other products like cold and warm drinks, pastries, and other food items like sandwiches. An well-known example of a coffee shop is Starbucks. All Starbucks branches have one or more 'baristas' (coffee professional) in service to ensure a high standard of specialty coffee. There are more than 21,500 Starbucks locations in 64 countries worldwide at the time of writing, and their very interesting mission statement intimates that their aim is 'to inspire and nurture the human spirit – one person, one cup and one neighborhood at a time'.

Coffee shop

Take-away restaurants

These food service operations offer food for guests to take home or elsewhere. Some take-away places also offer delivery service. While, not so long ago, the majority of food available in-store or by delivery was limited to pizza, Chinese food, and kebabs, there is now a huge variety of dishes and snacks from which guests can make their choice; these range from different types of pizzas to exotic dishes, and from sushi to vegetarian dishes. Quality and pricing can differ enormously, and these companies tend to flourish, particularly in cities,



Take-away

Huge variety



7

Marketing for the Hospitality Industry

Dr. B. Rowson

7.1 Introduction

This chapter is about marketing in the hospitality industry. First of all, what is marketing? Simply put, marketing is managing profitable customer relationships. The aim of marketing is to create value for customers and capture value from customers in return. Essentially, there are five steps in the marketing process: understanding customer needs, designing customer driven strategies, integrating marketing programmes, and building customer relationships whilst capturing value for the firm.

7.2 What is marketing?

Marketing, more than any other business function, deals with customers. Although in this chapter more detailed definitions of marketing and how it is used in the hospitality sector will be explored, perhaps the simplest definition is this: Marketing is managing profitable customer relationships. The twofold goal of marketing is to attract new customers by promising superior value, and to keep and grow numbers of current customers by delivering satisfaction (Lovelock & Wirtz, 2011).

Definition

Walmart, for example, has become the world's largest retailer and company by delivering on its promise, 'Save money, Live better.' Nintendo surged ahead in the video-games market behind the pledge that 'Wii would like to play,' backed by its wildly popular Wii console and a growing list of popular games and accessories for all ages. And McDonald's meets its 'I'm lovin' it' motto by being 'our customers' favourite place and way to eat' the world over, giving it a market share greater than that of its nearest three competitors combined (Kotler & Armstrong, 2013).

7.2.1 The service revolution

Service sector

Across Europe and indeed around the world, the service sector of the economy is going through a period of almost revolutionary change in which established ways of doing business continue to be shunted aside. At the second decade of the 21st century, all ways of life and work are being transformed by new developments in services. Innovators continually launch new ways to satisfy existing needs, and meet these heretofore unknown needs as well. The same is true of services directed at corporate users.

Progress

Although many new service ventures fail, a few succeed. Many long-established firms are also failing or being merged out of existence; but others are making spectacular progress by continually rethinking the way they do business, looking for innovative ways to serve customers better and taking advantage of new developments in technology. This is as true for the hospital-ity sector as for any other business sector.

7.2.2 Services marketing

B2C

People use an array of services every day, although some of these, like talking on the phone or using a credit card, even taking a bus ride, or withdrawing money from an ATM, are often so routine they almost escape notice unless something goes wrong. Other service purchases may involve more forethought and may be more memorable experiences, for instance booking a cruise vacation, getting financial advice, or having a medical examination. The use of these services is an example of service consumption at the individual, or business-to-consumer (B2C), level (Lovelock & Wirtz, 2011).

B2B

Hospitality organisations also use a wide array of business-to-business (B2B) services, varying according to the company size to some degree, but usually involving purchases on a much larger scale than those made by individuals or families. An independent restaurant business, for example, will often purchase their food from various suppliers, most of which deliver to the business. In the restaurant business, food provenance is everything nowadays; customers often want to know the origin of the seafood, meat or vegetables used. This can be part of a marketing plan for the business. Having the source of one's produce on the menu, for example, can be a particular selling point to restaurant customers (Ball, Rimmington, & Rowson, 2007).

Core business

Current trends suggest firms are outsourcing more and more tasks to external service providers in order to focus on their core business. So what are services? The formal definition of services is: economic activity offered by one party to another, most commonly employing time-based performances to bring about desired results in recipients themselves or in objects or other assets for which purchasers have responsibility (Lovelock & Wirtz, 2011).

Time-based performances

Time-based means something a firm does within a certain time period, for example providing dinner for customers in the restaurant that evening. Desired results are outcomes desired by a customer, e.g. the wish to have dinner with friends that evening. Other examples are going to a theatre to be entertained, to a university to get an education, to visit a hotel to have somewhere safe to stay and sleep when away from home. These are desired results of service activities. Put simply: in exchange for their money, time and effort, service customers can expect to obtain value from access to goods, labour, professional skills, facilities, networks and systems. However, they do not normally take ownership of any of the physical elements involved (Lovelock & Wirtz, 2011).

Desired results

What is so special about services marketing? Service marketing focusses on the distinctive characteristics of services and how these affect both customer behaviour and marketing strategy. Many hospitality services, for example, are produced and delivered with the customer present at the service firm's facility (staying in a hotel or eating at a restaurant). The presence of the customer in a service facility means that capacity management becomes an important driver of a firm's profitability. If too few customers are present, for example, the high fixed costs of operating and staffing the facility cannot be covered. If too many customers show up, their service experience often deteriorates as service providers get busier; customers who have to be turned away may not want to come back having been disappointed by not being able to stay in the hotel or eat in the restaurant a first time.

Special**Customer**

To address this constant struggle of having the right number of customers show up, pricing of services tends to be highly dynamic and complicated. Consider the pricing of airline tickets and the terms and conditions attached to a discounted ticket. Prices change all the time, and typically depend on time and date of travel, how long in advance a flight is booked, the duration of the stay, whether tickets are flexible and allow for changes in travel dates and itinerary, and whether they are refundable. Such pricing is also called 'revenue management' or 'yield management', previously discussed in Chapter 4.

Pricing of services

In hospitality services marketing, the traditional 4 Ps of the marketing mix (product, pricing, promotion/market communications, and place/distribution) are adapted to the distinctive features of hospitality services; because of the personalised nature of hospitality services, these differ from other services marketing concepts (e.g. car hire or banking services) in that, in the hospitality sector, customers are very much part of the service delivered. Then, there are the additional 3 Ps of services marketing: people, physical evidence and process.

Traditional 4 Ps**Additional 3 Ps**

The process of service delivery is often as important as the function of the service. A service is a process from an organisation's point of view, but from a customer's perspective it is an experience. The quality of the experience is a function of the careful design of customer service processes, adoption of standardised procedures, rigorous management of service quality, high standards of training and automation. Services marketing helps ensure that these processes are designed to be viewed from the customer's perspective (Kotler & Armstrong, 2013).

Process Experience

Physical environment includes the appearance of buildings, landscaping, interior furnishing, equipment, uniforms, signs, printed materials and other visible cues that provide evidence of service quality and guide customers through a service process. The design of a physical environment can have a profound impact on customer satisfaction and service productivity. People relate to the frontline employees of the firm. From a hospitality customer's point of view, when service employees are involved, the people are the service. This means that frontline employees need to possess the required technical and interpersonal skills and a positive attitude. People can be a key competitive advantage for many service firms. Services marketing includes building customer loyalty, managing relationships, complaint handling, improving service quality and productivity of service operations, and how to become a service leader in the hospitality industry.

Frontline employees



13

Designing Hospitality Processes

M. N. Chibili

13.1 Introduction

Designing hospitality processes is about making the services we employ usable, easy and desirable. As has been indicated in many of the previous chapters, service happens over time and consists of touchpoints – either people, information, products or spaces that we encounter. A menu, a chair or a waitress, for example, are all touchpoints that make up a restaurant service. Designing hospitality processes is about creating these touchpoints and defining how they interact both with each other and with the user. An important part of designing great service is determining who the users of that service will be – guests, employees or suppliers. The use of design tools and methods can deliver an in-depth understanding of user behaviours, likes and needs, which allows new solutions to be developed. These solutions can be used to redesign an existing service and improving its usability, or it can be used to create an entirely new service.

13.2 Configuring the processes

Once the general design of a process has been conceived, its separate activities must be configured. Slack et al. (2013, p. 109) state that:

'This detailed design of a process involves identifying all the individual activities that are needed to meet the objectives of the process, and deciding on the sequence in which these activities are to be performed and who is going to do them. There will, of course, be some constraints to this. Some activities must be carried out before others and some activities can only be done by certain people or equipment. Nevertheless, for a process of any reasonable size, the number of alternative process designs is usually large. Because of this, process design is often done using some simple visual approach such as process mapping.'

Individual activities

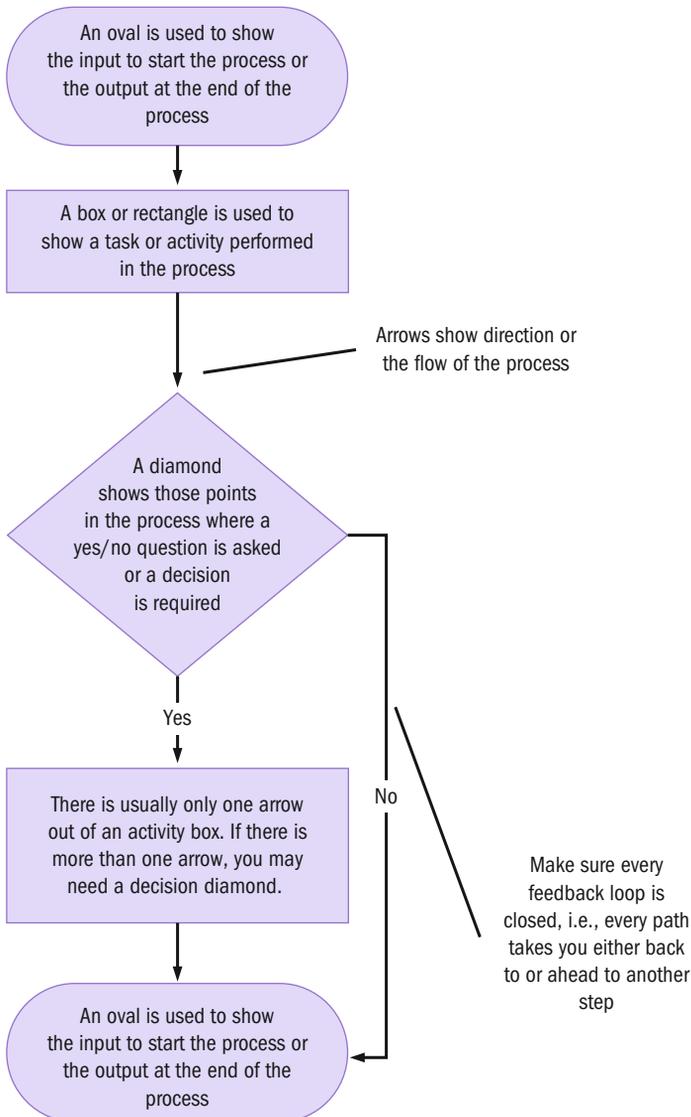
Sequence

Workflow diagram
Purpose

13.2.1 Process mapping and service blueprinting

Process mapping, also called process analysis, is the practice of using a workflow diagram to promote a clearer understanding of a process or series of parallel processes. It allows one to describe how activities (information, materials, or people) within a process are linked. The purpose of process mapping is to use diagrams to better understand processes currently in use and to identify possible improvements in order to provide better customer focus and satisfaction. Process mapping helps to identify the best and most suitable practices, and to find appropriate benchmarks that can be used to measure how services can be better presented to the customers. HTC

FIGURE 13.1 Some common process mapping symbols

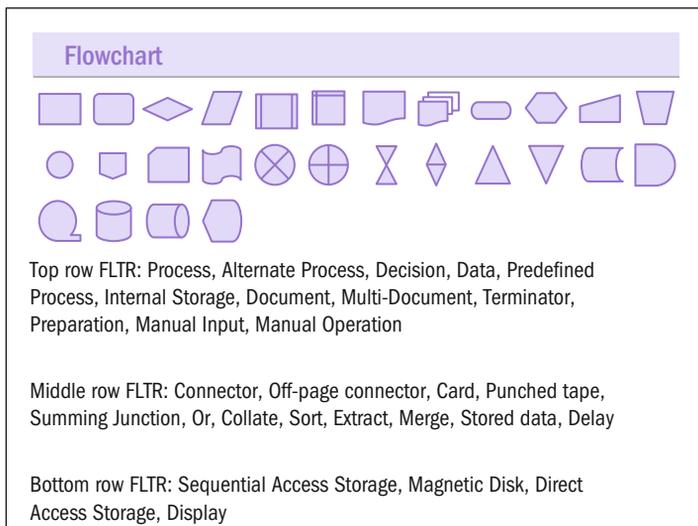


Consulting (www.htc-consult.com) indicates that process mapping itself 'should be led by the process owner but should also include input from their team and indeed consultation with other parties across the business. It is critical that the maps accurately depict how a current process actually works in practice'. In developing these maps, major activities must be identified first; subsequently, sub-tasks must be defined within each of the broader areas of activity. In order to design process maps (also called flowcharts), some common symbols have been adopted over time – however, there is no universally used or accepted set of symbols for specific types of processes. Some common process mapping symbols, accompanied by their meanings, are illustrated in Figure 13.1.

Flowcharts

Creating flowcharts in Microsoft Word, for example, is fairly straightforward. In the Insert – Shapes menu option, there is a palette of 28 shapes termed 'flowchart' (Word 2013); placing the cursor over these symbols displays their titles. The names of the symbols are shown in Figure 13.2; from left to right (FLTR), and from top to bottom.

FIGURE 13.2 Flowchart symbols from Microsoft Office Word 2013



In order to create process maps, the following easy steps can be used (adapted from the Iowa State University of Science and Technology, www.fpm.iastate.edu):

Step 1: Determine the boundaries

- 1 Where does a process begin?
- 2 Where does a process end?

Step 2: List the steps

- 1 Use a verb to start the task description.
- 2 Use a flowchart to either provide (the minimum amount of) information required to understand the general process flow or to describe every finite action and decision point in greater detail.



14

Delivering Hospitality Services

Prof. C. Lashley

14.1 Introduction

A major concern for hotel managers is in ensuring that visitor experiences at least meet expectations. Customer dissatisfaction occurs when customers feel they are not getting what they expect – equipment that does not work, facilities looking shabby, or staff not serving them in a hospitable or friendly way. Customer retention and the attraction of new customers depends on ensuring that customers have a clear idea of what to expect from a hotel operator, and ensuring that their expectations are lived up to. The key issue for hotel management is to deliver what they have said they will deliver. Tangible products and services and employee performance are fundamental elements of successful hotel service delivery.

14.2 Same pool of customers

Too many hotel companies have, in the past, paid too little attention to guest experiences beyond sale. Yet all hotels are in competition for customers. They need to:

- Retain existing guests and minimise guest visits to competitors in the same area; or
- Attract guests from competitor destinations; and
- Maximise hotel traffic.

Maximising weekly traffic ensures more spending towards the hotel's accommodations, restaurants, bars or other leisure services. Fixed costs remain the same; whatever the number of visitors, maximising spending on any one week produces higher profits. Creating customer dissatisfaction produces the reverse effect; fewer guests visit the site, which reduces traffic profits. In effect, the same levels of fixed costs are recouped over lower sales volumes: profits fall.

Competition

Dissatisfaction

14.3 Satisfiers and dissatisfiers

Motivational states

Herzberg et al. (1957) provide a useful model for understanding customer responses to service experiences. Figure 14.1 lists potential dissatisfiers and satisfiers in hotel services. Essentially, they suggest three motivational states. Dissatisfiers are those aspects of service that cause dissatisfaction – if they are not as expected, or are defective.

If hotel visitors find dissatisfiers to be as expected, or even better than expected, they do not cause satisfaction; only an absence of dissatisfaction. Satisfaction only comes from the satisfier list of emotional experiences, largely dependent on frontline staff. Satisfied customers are the most likely to (want to) return to the destination.



FIGURE 14.1 Herzberg et al.'s satisfiers and dissatisfiers applied to hotel operations

Dissatisfiers

- Own room or suite décor
- Décor of the hotel
- Quality of equipment in accommodation
- Quality of leisure equipment
- Landscaping of grounds
- Parking facilities
- Range of leisure facilities
- Restaurant and bar choices
- Alternative destination attractions

Satisfiers

- Quality of guest/host transactions
- Hospitableness of hosts
- Emotional responses to service
- Treatment exceeds guest expectations
- Frontline staff performance
- Empathy
- Feeling at home away from home

Hotel managers therefore have to ensure that the tangible aspects of the offer meet customer expectations to avoid dissatisfaction, but also have to ensure that the service interactions with staff are always hospitable and friendly, and produce a favourable emotional experience for visitors.

The matrix in Figure 14.2 is not an exhaustive list of product and service tangibles and intangibles for hotel experiences. It does, however, show some aspects of hospitality operations as being more measurable and capable of being monitored than others. The significance of different features varies between different types of service operations, and the nature of how characteristics are defined varies as well. Speed is one of the tangible aspects of the service provided, for example. Most service operational standards set down maximum target waiting times for guests at the reception desk or while waiting to be served meals or drinks.

Measurable

Operational standards

FIGURE 14.2 Quality characteristics matrix for a hospitality operation

	Tangible	Intangible
Nature of product	Hotel buildings and facilities	Atmosphere
	Room and facilities	Décor and furnishings
	The food and drink products offered in the hotel	Feeling
	Serving goods (plates, glasses, cutlery, linen, etc.)	Comfort
	Information (menu)	Perceived quality
	Process (e.g. credit cards)	
The service contact	Actions	Warmth
	Accuracy of communication prior to visit	Feeling at home away from home
	Accommodation preparedness	Feeling valued as guests
	Process	Friendliness
	Speed	Care
	Script	Complaint handling
	Corrective action	Fault correction
		Hospitableness

14.4 Characteristics of the experience

Service requirements vary according to the service being purchased; in essence, it is important to communicate an expectation and then ensure that these planned customer expectations are met during the service experiences. Guest expectations of service quality become an important defining feature of service quality when compared to experiences of the service. Guests have a base level of expectations of any service – their minimum expectancy. They have a level of expectation of what a service should be like versus what they are looking for.

Expectations

Guests also predict the expected quality. Visitors may vary in their expectations; and customers with more experience with a service may well have higher expectations than those with less experience of it. Hotel operators have a role in shaping expectations, and may influence consumer expectations through advertising and other promotional activities. It is important that the service delivered in a hotel matches these expectations it has engendered in its audience.

APPENDICES

APPENDIX A

Sample SOP for dusting hotel rooms

Housekeeping Department Sample Standard Operating Procedure Dusting of the Hotel Rooms
<p>Dusting doors and windows:</p> <ul style="list-style-type: none"> • From your caddy basket take a duster. • Fold duster into four folds. • Sprinkle with dusting solution and dust inside and outside of each door, frame and wooden window frames. • For areas which cannot be reached, use a feather duster and remove the dust and cobwebs.
<p>Dusting mirrors and fixtures:</p> <ul style="list-style-type: none"> • If the mirrors have wooden panels, then dust them. • Wipe the mirrors with a damp cloth or sponge. • Wipe the mirrors again with a clean dry cloth from top downwards • Dust the picture frames with the dusting cloth, and wipe them again with a cloth sprayed with surface cleaner in order to provide a polished finish.
<p>Dusting dressing table and night stands:</p> <ul style="list-style-type: none"> • Wipe the side, front, edges and top using dusting cloth. • Open the drawer and wipe inside in case the guest has checked-out. • Polish all surfaces using a cloth sprayed with surface cleaner solution.
<p>Wipe and disinfect the telephone:</p> <ul style="list-style-type: none"> • Pick up the receiver and listen for the dial tone. • Report any issues found on the telephone to the Facility Engineering and Maintenance Department. • Spray disinfectant on the wiping cloth, and wipe the mouthpiece and earphone. • Repeat the same steps on any other room and/or bathroom telephones.
<p>Dusting other furniture:</p> <ul style="list-style-type: none"> • Remove any items on the table. • Wipe the table surface with a wiping cloth sprayed with surface cleaner. • Start cleaning from the top and work towards the base and legs of the table. • Dust and wipe all the chairs. • Dust all lamp shades, and other fittings.
<p>Dusting LCD TV, I-Pod Dock, and Alarm clock:</p> <ul style="list-style-type: none"> • Turn off the TV, as it is easier to spot the dirt on the black surface. • For cleaning the LCD screen use, use a soft, clean, lint-free, dry cloth or a microfiber cloth. • Never use cleaning fluids, wax, or chemicals to clean the LCD screen. • Wipe the frames of the TV with the same cloth. • Use a microfiber cloth to clean other electronic gadgets in the room.
<p>General Dusting Tips:</p> <ul style="list-style-type: none"> • Wipe gently removing dusts and fingerprints. • High dusting that cannot be reached with cloth should be done with a feather brush. • Dusting is done with the A/C on, and main door open for aeration of room. • All areas are dusted with a duster or a feather brush whichever is more appropriate.