

UNIT – II

OVERVIEW OF THE ACCOMMODATION INDUSTRY

HOTEL

The word hotel is derived from the French *hôtel*, which refers to a French version of the townhouse. The term hotel was used for the first time by the fifth Duke of Devonshire to name a lodging property in London sometime in AD 1760. Historically, in the United Kingdom, Ireland, and several other countries, a townhouse was the residence of a peer or an aristocrat in the capital of major cities. The word hotel could have also derived from the hostel, which means 'a place to stay for travellers'.

A hotel is defined by the British Law as a 'place where bonafide travellers can receive food or shelter, provided he/she is in a position to pay for it and is in a fit condition to be received'. Hence, a hotel must provide food (and beverage) and lodging to a traveller on payment, but the hotel has the right to refuse if the traveller is not presentable (either drunk, or disorderly, or unkempt) or is not in a position to pay for the services.

Alternatively, a hotel may be defined as 'an establishment whose primary business is to provide lodging facilities to a genuine traveller along with food, beverage, and sometimes recreational facilities too on the chargeable basis'. Though there are other establishments such as hospitals, college hostels, prisons, and sanatoriums, which offer accommodation, they do not qualify as hotels, since they do not cater to the specific needs of the traveller.

A hotel is an establishment that provides paid accommodation, generally for a short duration of stay. Hotels often provide a number of additional guest services, such as restaurants, bars, swimming pools, healthcare, retail shops; business facilities like conference halls, banquet halls, boardrooms; and space for private parties like birthdays, marriages, kitty parties, etc.

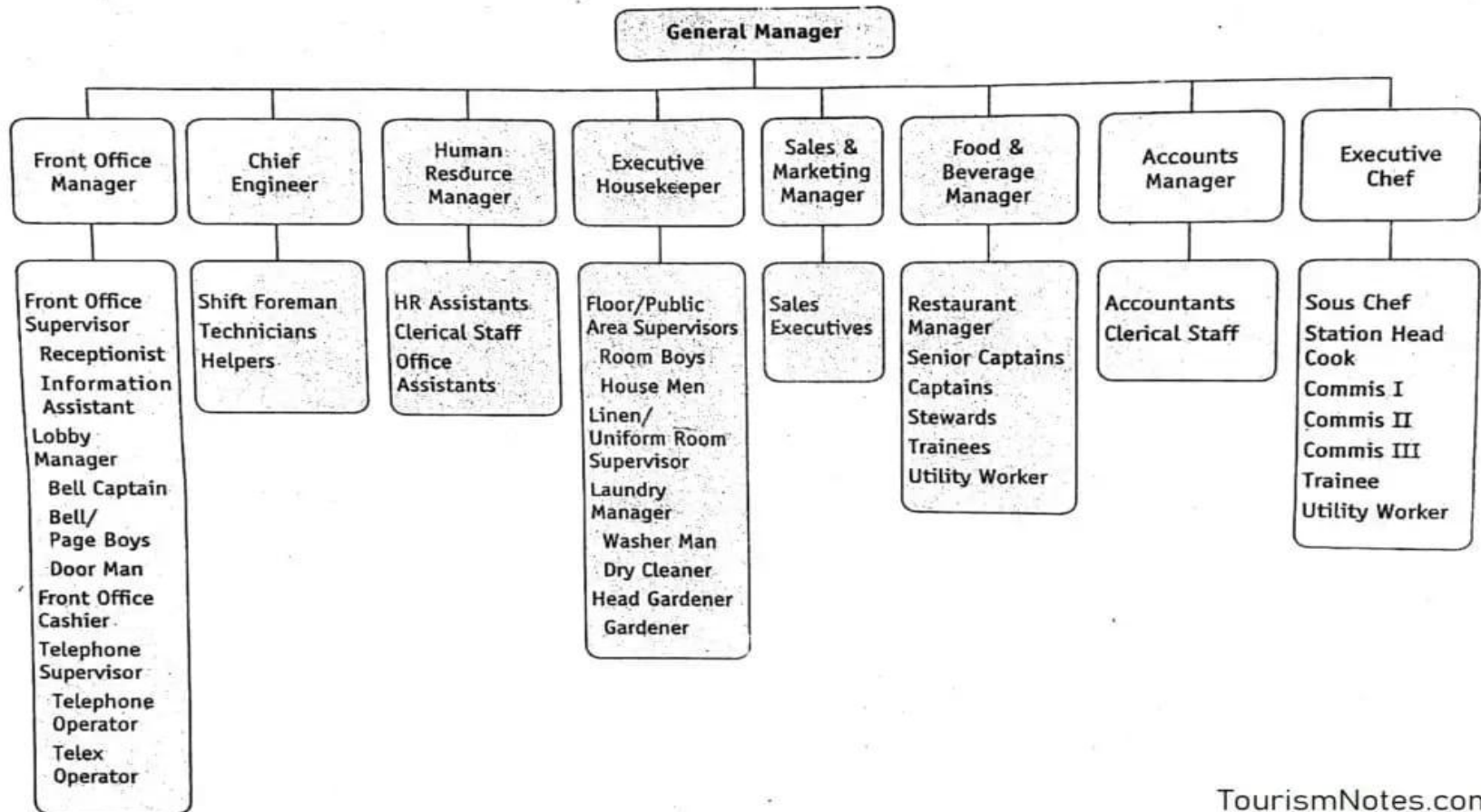
Most of the modern hotels nowadays provide the basic facilities in a room- a bed, a cupboard, a small table, weather control (air conditioner or heater), and a bathroom- along with other feature like a telephone with STD/ISD facilities, a television set with cable channel, broadband internet connectivity.

There might also be a mini-bar containing snacks and drinks (the consumption of the same is added to the guest's bill), and tea and coffee making unit having an electric kettle, cups, spoons, and sachets containing instant coffee, tea bags, sugar, and creamer.

ORGANIZATIONAL STRUCTURE : HOTELS

To carry out its vision, mission, objectives, and goals, every hotel requires a formal structure known as the organization structure. The structure defines the company's distribution of responsibilities and authority among its management staff and employees. It establishes the manner and extent of roles, power, and responsibilities, and determines how information flows between different level of organization. This structure depends entirely on the organization's objective and strategies chosen to achieve them. The most common way to represent the organization structure is through an organization chart. Each hotel is different and has unique features, so the organization charts of hotels vary from each other. The organization structure depends upon the size and function of a hotel.

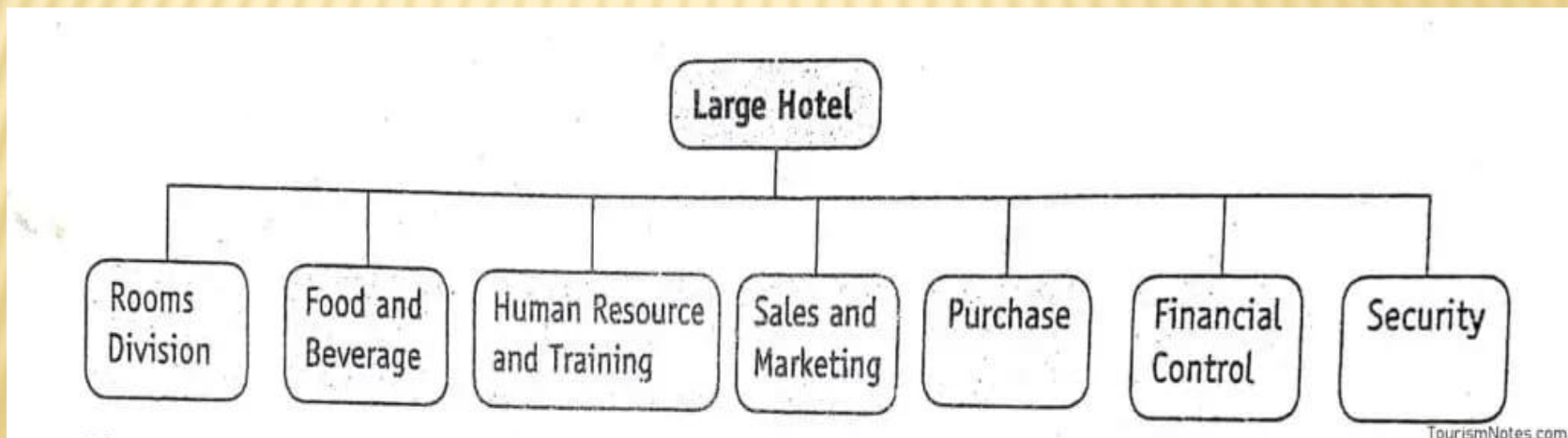
Some hotel may lease their outlet to another company or may employ another agency to operate restaurant or housekeeping services. In such cases, those portions will not be a part of the organization chart of the hotel. A sample organization chart of a commercial hotel is following as:



DEPARTMENTS OF HOTEL

The organization of a hotel today is very complex and comprises various departments. The number of departments varies from one establishment to another. All departments may have their own managers, reporting to the general manager and the assistant general manager. Hotels departments fall under the category of either Revenue earning departments or Support departments. Revenue earning departments are operational departments that sell services or products to the guest, thus, directly generating revenue for the hotel. These departments include front office, food and beverage, and hotel operated shops. Support departments are the ones that help to generate revenue indirectly by playing a supporting role in the hotel's revenue earning departments. These include human resources, maintenance, purchase, housekeeping, and so on.

The various departments in a hotel are discussed below in brief:



Room Division Department

In a large hotel, the housekeeping, front office, and maintenance departments come under room division. These departments together are responsible for maintaining and selling the room in a hotel. In most hotels, these are the departments that directly or indirectly generate more revenue than other departments. This is because the sale of room constitutes a minimum of 50 percent revenue of a hotel. A hotel's largest margin of profit comes from the room because a room, once made, can be sold over and over again. The room division is headed by the room division manager to whom the front office manager, executive housekeeper, and very often the chief engineer report.

Housekeeping Department

The housekeeping department is responsible for the cleanliness and upkeep of the front of the house areas as well as the back of the house areas so that they appear as fresh and aesthetically appealing as on the first day when hotel property opened for business. This department is headed by the executive housekeeper or, in chain hotels, the director of housekeeping.

Front Office Department

Headed by the front office manager, the front office department is the operational department that is responsible for welcoming and registering the guests, allotting the rooms and helping the guests check out. Uniformed services like concierge and bell desk and EPBAX operators are the part of the front office department.

Maintenance Department

The maintenance department also called the engineering and maintenance department, is headed by the chief engineer or the chief maintenance officer. The department is responsible for all kinds of maintenance, repair, and engineering work on equipment, machine, fixtures, and fittings.

Food and Beverage Department

The food and beverage (F&B) department include restaurants, bars, coffee shops, banquets, room service, kitchen, and bakery. The department is headed by the F&B director. While the restaurants, bars, coffee shops, banquets, and the room may be grouped specifically under the F&B service department, headed by the F&B manager, the kitchen and bakery fall under the F&B production department, headed by the executive chef.

Human Resource Department

The human resource (HR) department or the personnel department, as it used to be called earlier – is headed by the human resource manager. Recruitments, orientation, training, employee welfare and compensation, labor laws, and safety norms for the hotels come under the purview of the HR department. The training department is an ancillary department of the HR department. This is headed by the training manager, who takes on the specific task of orientation and training of new employees as well as existing ones.

Sales and Marketing Department

The sales and marketing department is headed by the sales and marketing manager. A large hotel may have three or more employees in this department, whereas a small hotel can do with just one employee.

The function of this department is five-fold – sales, personal relations, advertising, getting MICE (meeting, incentive, conference, and exhibition) business, and market research. All these functions lead to the common goal of selling the product of the hotel – i.e. rooms and the services of the hotel by ‘creating’ customers.

Purchase Department

The purchasing department is led by the purchase manager, who, in some properties, may report to the financial controller. The procurement of all departmental inventories is the responsibility of the purchasing department. In most hotels, the central stores are the part of purchase department.

Financial Control Department

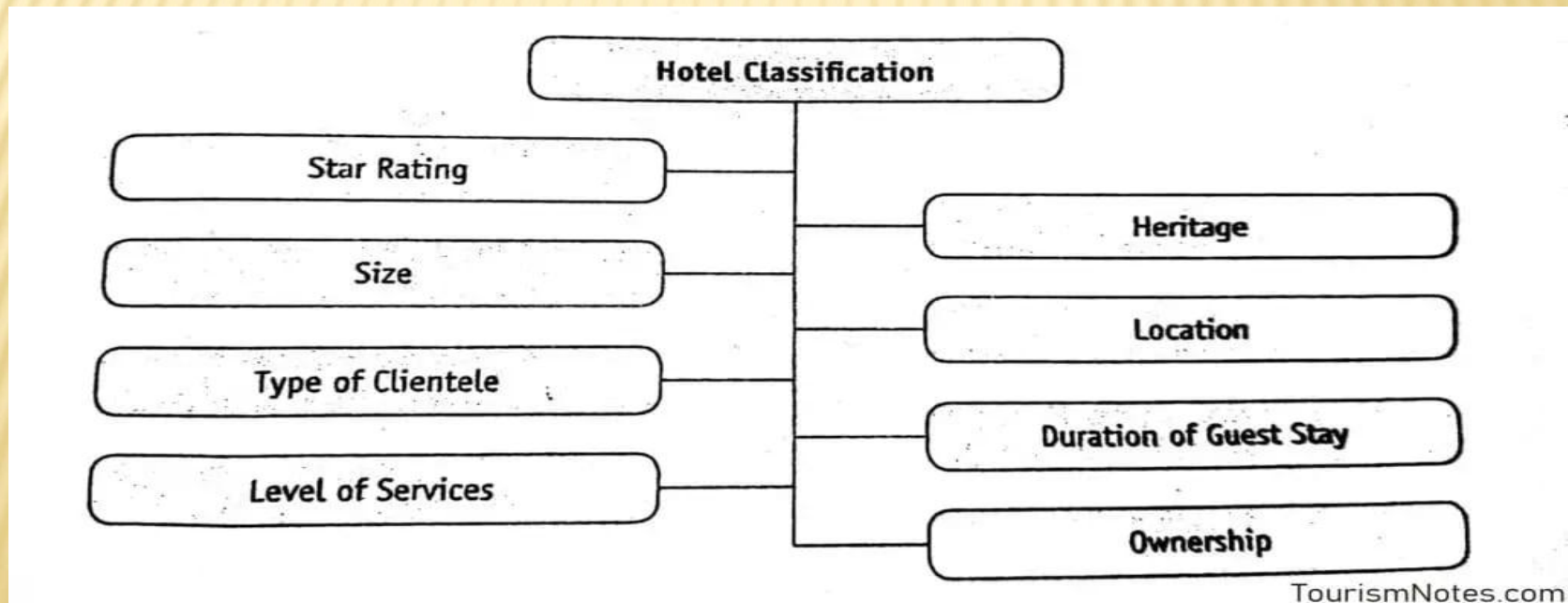
It is also called the control department, the financial control department is headed by the financial controller, who is responsible for ratifying all the inventory items of the operational departments. Inventory control procedures are the responsibility of the department. The financial controller, along with the general manager, is responsible for finalizing the budgets prepared by the heads of other departments. The hotel’s accounts are also maintained by the controls department

Accounting activities include making payments against invoices, billing, collecting payments, generating statements, handling bank transactions, processing employee payroll data, and preparing the hotel's financial statements.

Security Department

It is headed by the chief security officers, the security department is responsible for safeguarding the assets, guests, and employees of the hotel. Their functions include conducting fire drills, monitoring surveillance equipment, and patrolling the property.

Types and Classification of Hotels



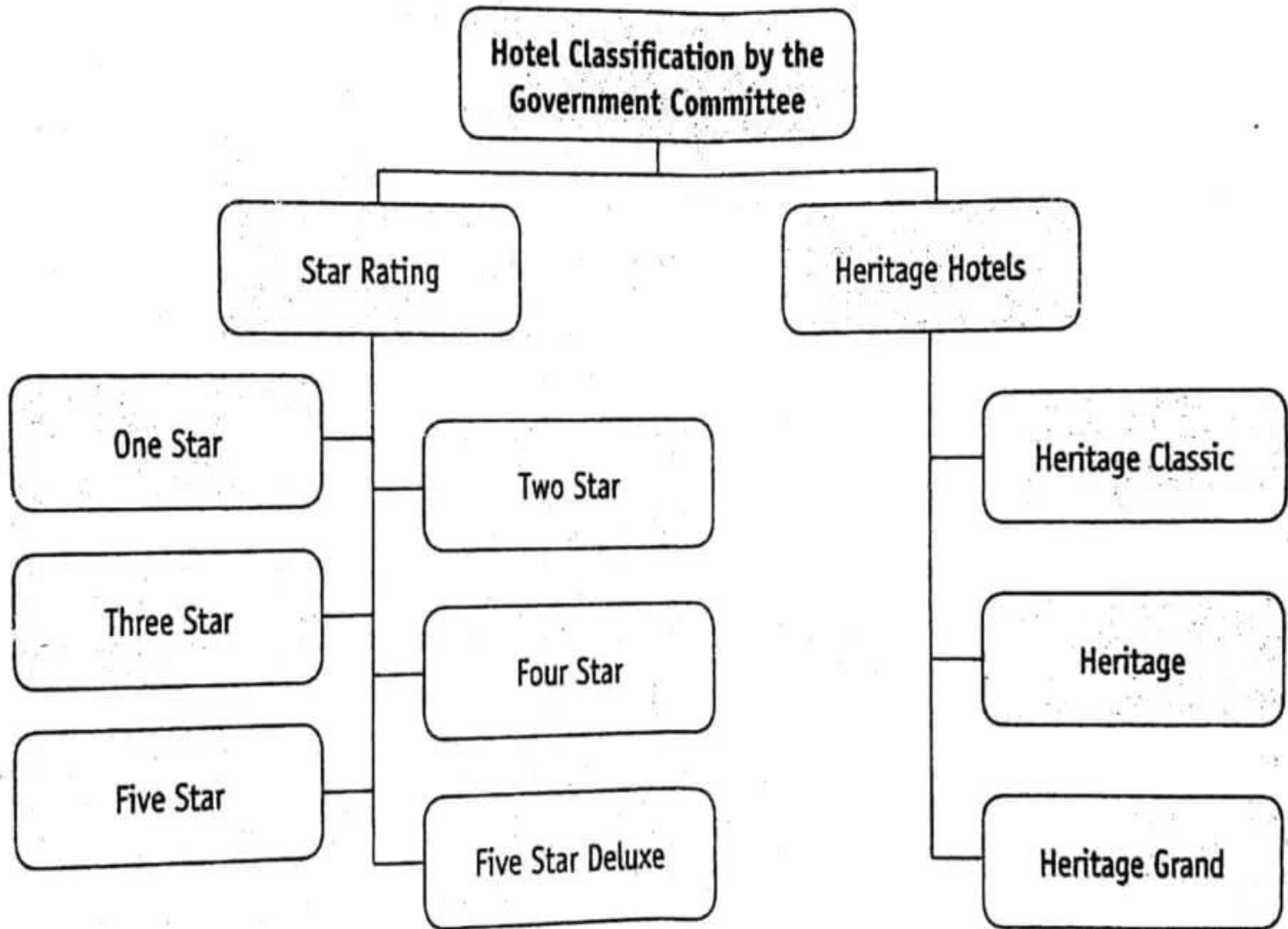
Hotels provide accommodation, along with services like food and beverages, and facilities like recreation, conference, and training arrangements, and organization of official or private parties. Each hotel has a unique feature associated with it.

The features may be its location; the number of guests room; special services such as concierge, travel assistance, and valet parking; facilities such as specialty restaurants, bars, business meeting venues, swimming pools, and so on.

The diversity in services and facilities provided by each hotel makes it quite difficult to have any single basis of classification of hotels, and if we classify them in different criteria there will be some hotels that will fall into more than one group. The criteria in which hotels are classified are following as:

Standard Classification of Hotels

The star classification system is among the most widely accepted rating of hotels worldwide. Rating of hotels in different countries is done by the government or quasi-government sources, independent rating agencies, or sometimes the hotel operators themselves. The brief description of the various star categories are following as:



One-star Hotels

These properties are generally small and independently owned, with a family atmosphere. There may be a limited range of facilities the meals may be fairly simple. For example, lunch may not be served or some bedrooms may not have an en-suite bath or shower. However, maintenance, cleanliness, and comfort would be of an acceptable standard.

Two-star Hotels

In this class, hotels will typically be small to medium-sized and offer more expensive facilities than one-star hotels. Guests can expect comfortable, well equipped overnight accommodation, usually with an en-suite bath and shower. Reception and other staff will aim for a more professional presentation than at the one-star level and will offer a wider range of straightforward services, including food and beverages.

Three-star Hotels

At this level, hotels are usually of a size to support higher staffing levels as well as significantly higher quality and range of facilities than at the lower star classifications. Reception and other public areas will be more spacious, and the restaurant will normally also cater to non-residents.

All bedrooms will have an en-suite bath and shower and will offer a good standard of comfort and equipment, such as a direct dial telephone and toiletries in the bathrooms. Besides room services, some provision for business travelers can be expected.

Four-star Hotels

Expectations of this level include a degree of luxury as well as quality in the furnishing, décor, and equipment in every area of the hotel. Bedrooms will also usually offer more space than at the lower star levels. They will be well designed with coordinated furnishing and décor.

The en-suite bathrooms will have both a bath and shower. There will be a high staff to guest ratio, with provisions of porter services, twenty-four-hour room service, and laundry and dry cleaning services. The restaurants will demonstrate a serious approach to its cuisine.

Five-star Hotels

Five-star hotels offer spacious and luxurious accommodation throughout the hotel, matching the best international standards. The interior design should impress with its quality and attention to detail, comfort, and elegance. The furnishing should be immaculate.

The services should be formal, well supervised, and flawless in its attention to the guest's need, without being intrusive. The restaurant will demonstrate a high level of technical skill. The staff will be knowledgeable, helpful, and well versed in all aspects of customer care, combining efficiency with courtesy.

Heritage Hotels

A recent addition to the hotel industry, heritage hotels are properties set in small forts, palaces, or havelis, the mansions of erstwhile royal and aristocratic families. They have added a new dimension to cultural tourism.

In a heritage hotel, a visitor is offered rooms that have their own history, is served traditional cuisine toned down to the requirements of international palates, is entertained by folk artists, can participate in activities that allow a glimpse into the heritage of the region and can bask in an atmosphere that lives and breathes of the past.

Heritage hotels can further be divided into three types:

Heritage

Heritage Classis

Heritage Grand

Classification of Hotels On the Basis of Size

The number of guest rooms in a hotel is a criterion to classify hotels. Hotels can be grouped into the following categories on the basis of the number of rooms or the size of the hotel:

Small Hotel

In India, hotels with twenty-five or less are classified as small hotels. However, in the developed countries of Europe and America, hotels with less than 100 rooms are considered small. These hotels provide clean and comfortable accommodation but may not provide upmarket facilities, such as swimming pool, restaurant, bar etc.

Medium Hotel

Hotels with twenty-six to a hundred rooms are called medium hotels. However, in developed nations, hotels with up to 300 rooms are termed medium-sized.

Large Hotel

In India, hotels with 101 to 300 guest rooms are regarded as large hotels. Whereas, hotels with 400 to 600 rooms are termed as large hotels in the developed world.

Very Large Hotel

Hotels, with more than 300 guest rooms are known as very large hotels in our country. In developed nations, hotels with 600 to 1,000 rooms may be considered very large.

Classification of Hotels on the Basis of Location

The location of the hotel is one of the major criteria for the traveler to select and patronize a hotel. Hotels may be located in the city center, suburban areas, natural locations such as hill stations and sea beaches, near the port of entry into a country, etc. They may be classified into the following categories on the basis of their location:

Hotel Classification on the Basis of Location

Downtown Hotel

Airport Hotel

Motel

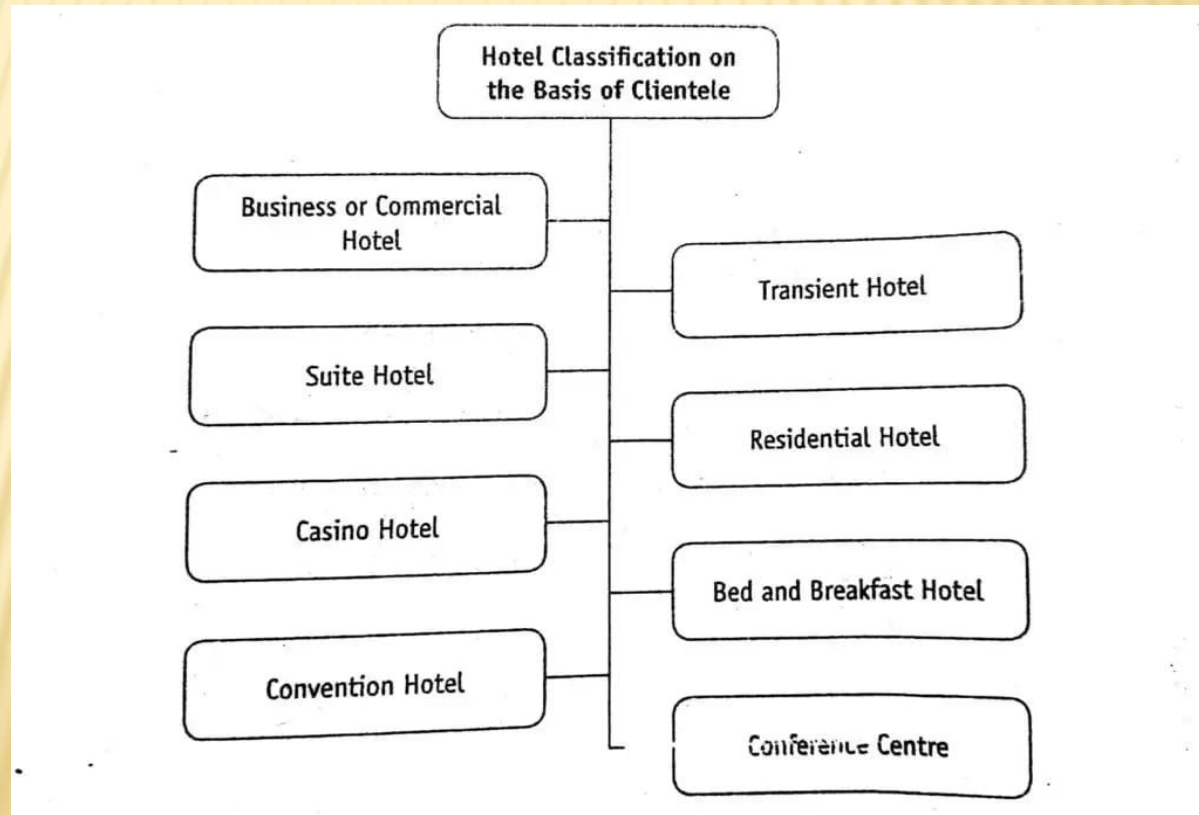
Sub-urban Hotel

Resort

Floatel

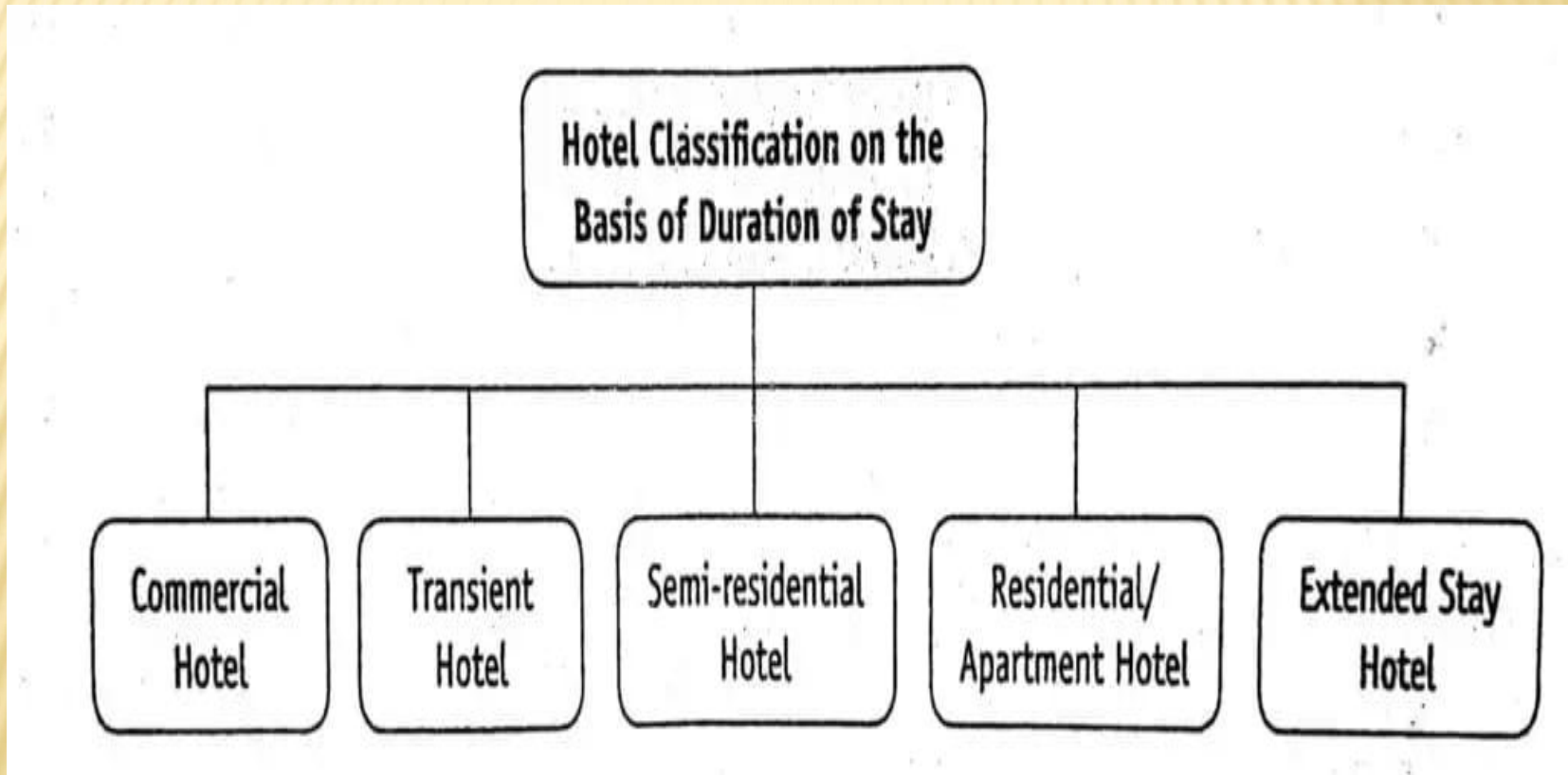
Classification of Hotels on the Basis of Clients

The hotel caters to the need of its guests. Every individual or a group of people who patronize a hotel has a different set of requirements. While some would prefer luxurious accommodation, others would like to stay in a simple and cheap room. Some would require facilities such as meeting rooms, business centers, and conference halls if their travel is business-oriented. Hotels choose to carve out a niche for themselves by catering to the needs of specific guest segments. The hotel can be classified into the following categories on the basis of its clients :



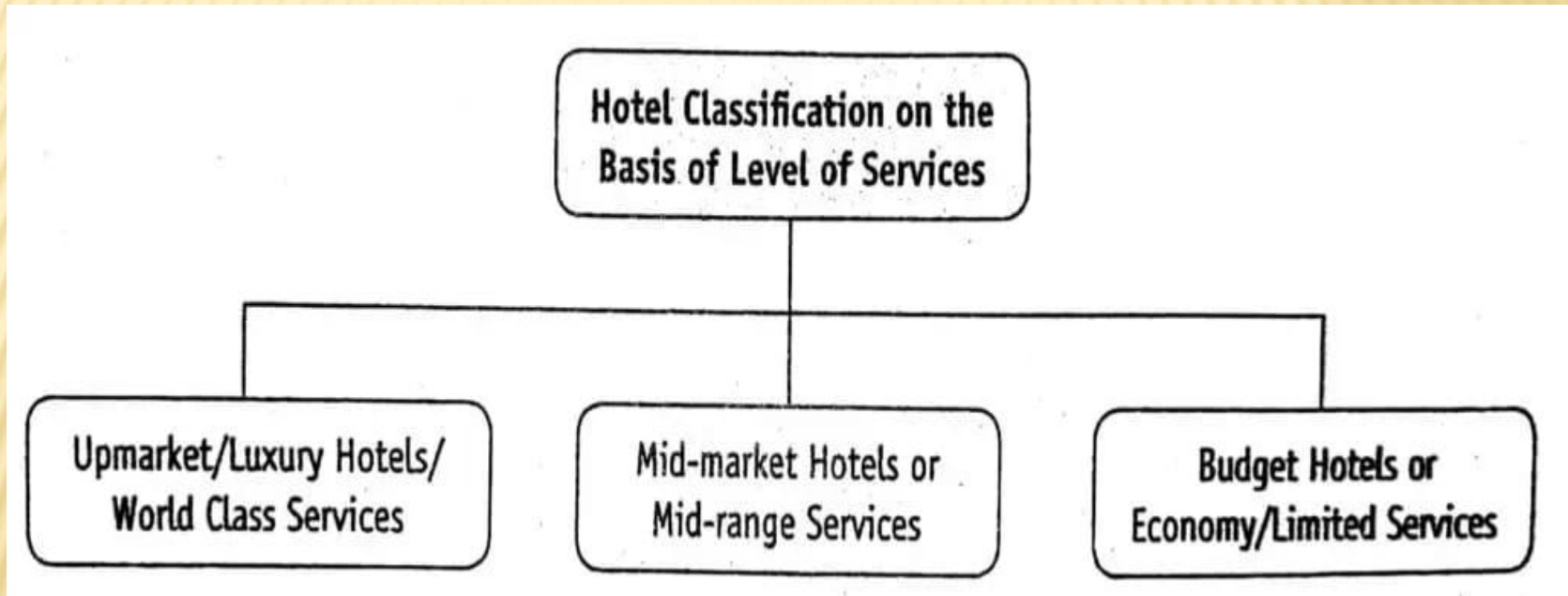
Classification of Hotels on the Basis of Duration of Guest Stay

On the basis of the duration of the guest stay, hotels may be classified into the following categories:



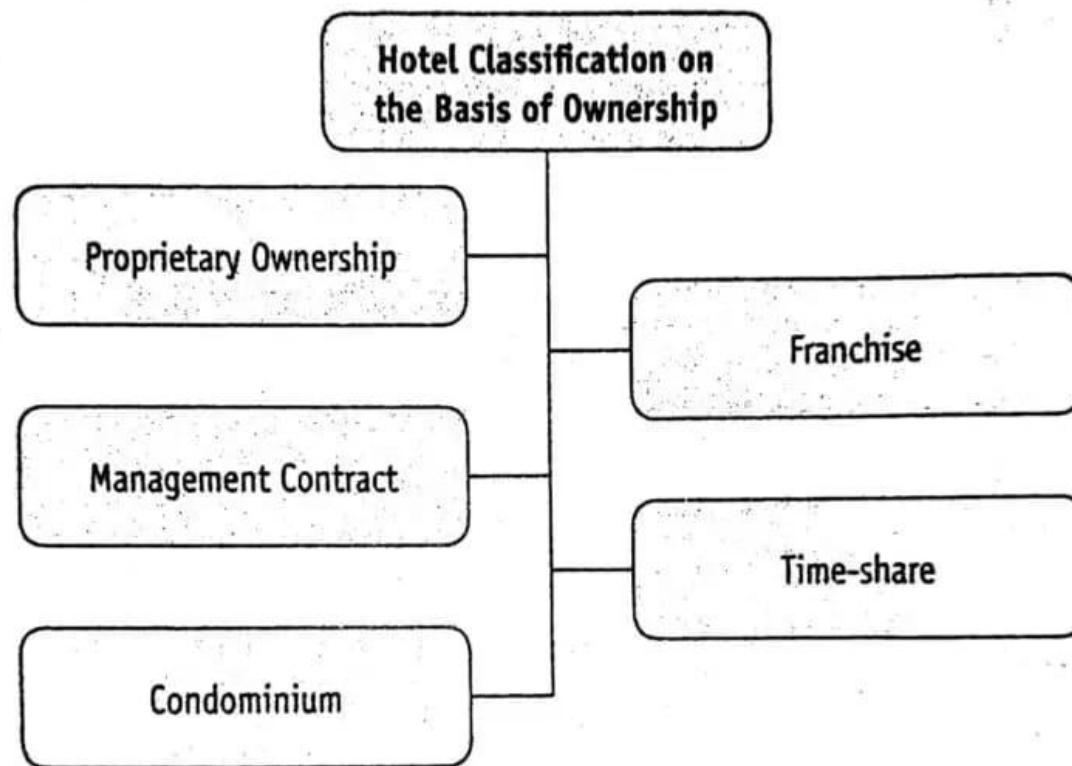
Classification of Hotels on the Basis of Level of Services

On the basis of services offered by a hotel, they may be classified into the following categories:



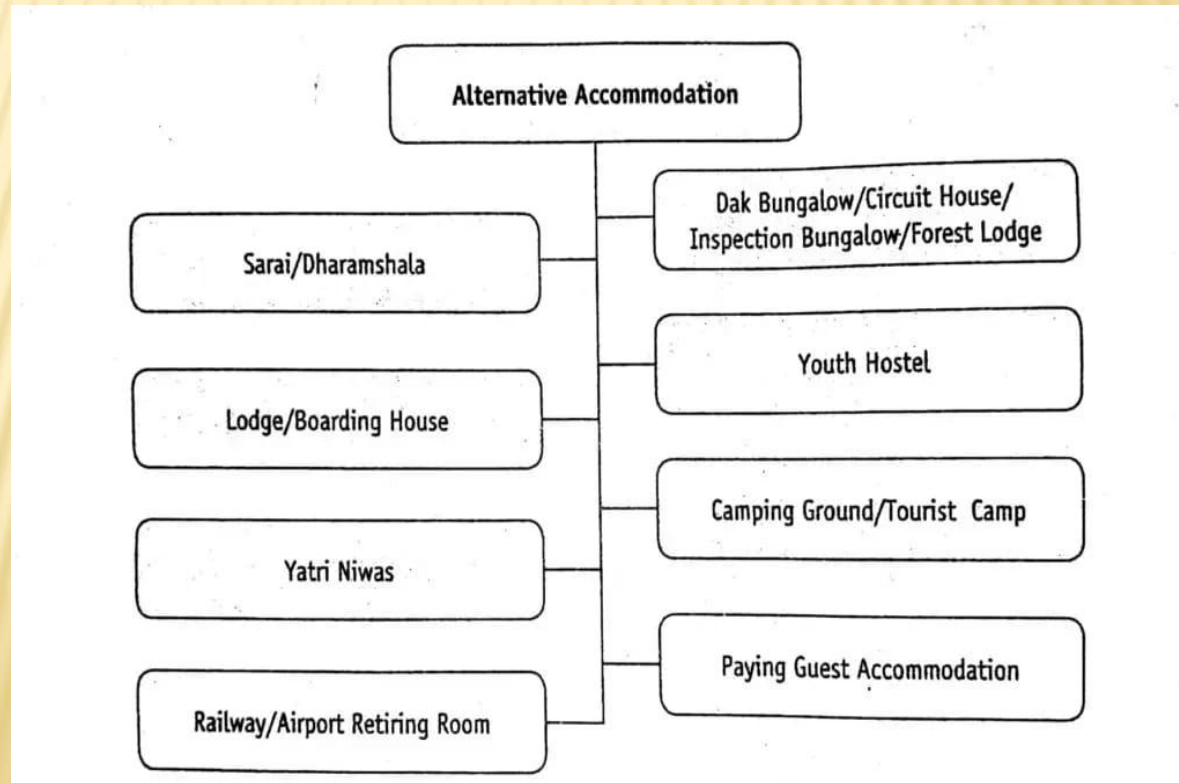
Classification on the Basis of Ownership

On the basis of ownership of a hotel, they may be classified into the following categories:



Alternative of Hotel Accommodation

Alternative accommodation can be simply defined as 'all those types of accommodation that are available outside the formal or organized accommodation sector'. These establishments provide bed and breakfast and some basic services required by the guest at a reasonable price. An alternative accommodation, thus, providing sleeping space and modest food for its users. There are certain properties that cater to the needs of a large group. The lodging houses constructed for the welfares of common travelers, such as sarais, dharmshalas, dak bungalows, circuits, houses, inspection bungalows, lodges, youth hostels, yatriniwas, and forest lodges are the example of alternative accommodation.



Sources :

- Tewari R Jatashankar , Hotel front office operation and management, oxford press, new delhi.
- Ducker , peter F, the Practice of Management, Harper & Row , New York.
- <http://tourism.gov.in>

Thank you