

LESSON 1 THE INDUSTRY

INTRODUCTION

The hospitality, tourism, events and catering services industry is a very broad sector with a huge range of different businesses within it. They all have a service and customer focus; however, the specific products and services will differ.

The sector within which you operate as an accommodation provider is very broad with lots of opportunities to create a successful business. Each sector will have different customer traits and this will be an important consideration when you think about ways in which you will operate.

It is also important to recognise that the accommodation sector is vast, and

can come in many different guises. The opportunities are fairly endless in terms of what you can create and offer, and as time progresses so do the ways in which provision is developed.

As a member of the accommodation sector, it is useful to be able to:

- Develop knowledge of the nature *and* structure of the hospitality industry.
- Develop an understanding of the contemporary issues relevant to the industry.
- Develop generic business skills that are required in today's business environment, for example - interpersonal skills, leadership, marketing, planning, and so on

Suggested Tasks: ▼

Throughout this course you will be provided with suggested tasks and reading to aid with your understanding. These will appear in the right hand column.

Remember: these tasks are optional. The more you complete, the more you will learn, but in order to complete the course in 20 hours you will need to manage your time well. We suggest you spend about 10 minutes on each task you attempt, and no more than 20 minutes.



THE ACCOMMODATION INDUSTRY

The role of the accommodation sector stems from a long history of development in the field of hospitality provision. In many countries, hotels (as one example from the accommodation sector) have evolved as extensions of domestic hospitality. Today, there is no defined hotel. Hotels range from small sized boutique hotels of fewer than 20 rooms to magnificent towering buildings catering to thousands of guests at any one time. The scope of the industry is also enormous. When we consider consumer trends and global markets, we know that in the hotel industry, net revenue is in the region of \$570bn USD annually and is expected to continue to grow beyond this.

In many countries the accommodation sector supports many, many jobs and is indispensable. It provides opportunities for earning foreign income through tourism; has the ability to stimulate rural development where perhaps there are limited business opportunities; and can offer opportunities to develop international relationships.

Industry groups in different countries may define a hotel in different ways. We suggest a typically accepted and simplified definition is:

“A hotel is an establishment of a permanent nature ranging in standard and size, which consists of bedrooms and communal areas, offering short term accommodation for which money is paid.”

It is common for hotels (and other parts of the accommodation sector)

to be classified or rated against a generic system which is only valid in one country. There is no internationally defined standard which allows comparison between all other systems of classification. However, by having specialised classification systems, potential guests/visitors/consumers have the knowledge of what they could expect from the hotel. These specialised classifications are normally linked to the hotel's general purpose.



As a member of the sector, you should be aware of the main reasons for classifying hotels as these provide you with the opportunity to consider your choices for your establishment. This can be done through analysis of the market which in turn will support you in your business decision-making journey. This can be through the following areas:

- **Competitor comparisons** – looking at both the immediate, and wider, area for competitors will be one of the first things that helps inform decision making. Identifying those business which are successful will also help you to understand what attracts customers to the area.

- **Analysis of performance** – reviewing both local and national performance will help to acknowledge the level at which similar businesses are operating. This is important to provide a benchmark for your own business.
- **Identifying market gaps** – in some locations there will be many, many providers all offering very similar accommodation. This may be because demand is so high that there is room for that volume of supply. However, in other areas it will be important to differentiate yourself from the competitor so that you're filling a gap in the market. Filling that gap will ensure that you're not offering the same as everyone else. When everyone is competing for the same pool of customers with

little differentiation between the accommodation, price becomes a key issue to those customers.

- **Marketing strategies** – to become a successful accommodation provider you need the ability to market yourself and ensure that your target market knows that you're there. Utilising research and using observation, you will soon get a feel for what will work and what won't.
- **Customer requirements** – understanding what your customers want (and need) is the main element of being successful in any business. When you understand this, and provide the product or service that meets this, then you have a much higher chance at being successful.

To portray the type of accommodation for advertising and promotional purposes, a hotel (or similar) may be described in terms under the following headings:

Location	Form of ownership	Facilities	Type of client
Urban or city centre	Independently owned	Sailing	Business people
Suburban	Chain	Golf	Community
Rural	Franchise	Conventions	Tourist
Semi-rural/ countryside	Syndicate owned	Ski	Traveller
Island		Condominiums	Holidaymaker
Airport		Business Centres	Family
Beach Resort		Room Service	Special interest
Tourism Centre (near attractions)		Restaurant(s)	
Business Centre		Licensed bar	
		Swimming pool	
		Sports facilities	

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Suggested Tasks

Find 2 different people (friends, colleagues, anyone) who you can interview regarding their perception of hotels they have stayed in.

Ask each (separately),:

What are the best and worst hotels you have stayed in?

Why?

Take notes.

Consider the best and worst hotels you have stayed in yourself, and consider why.

Consider how different people may have different or similar perceptions about what is most important to them when staying in a hotel.

The diversity and changing patterns of accommodation use often make precise classification difficult. New forms of accommodation are being introduced to cater for specific needs. This adds to the challenge of generic classification. For example, holiday villas, condominiums, or time-share.

Accommodation most often fit into more than one category outlined below. This is a deliberate policy in order to appeal to a wider market, to encourage greater occupancy or a more even pattern of occupancy.

Standard	Star Rating	Size
First class luxury	1, 2, 3, 4, 5 (or more) stars	Number of beds or bedrooms
Good		Number of restaurants
Medium		Number of swimming pools
Small (less than 50 beds)		

To assist guests and tourism professionals, various classification schemes have been developed. Though there are undeniably exceptions, the more prominent schemes are roughly a comparable standard around the world. However, some facilities that may be considered three-star in one country may not match that standard in another country due to cultural and societal expectations and norms. A simple example is the provision of hot beverages in guest rooms. Tea and coffee making facilities are accepted as a standard facility in some countries and are not expected in others. However, these systems have developed a unified level of consistency within close regions, nations or geographical areas. Commonly they are run by national tourist boards. It is recommended that you become familiar with the various tourist boards which operate rating systems in your country, state or region.

It may also be relevant, particularly if you're anticipating international guests,

to become familiar with accommodation provision overseas. You may then be able to offer a comparison to the local systems that they will understand, making them more comfortable in booking with you.

Examples of Star Ratings

For Motels, Hotels and Resorts

½ Star

These facilities offer the very basic standard. Some improvements may be recommended in terms of cleanliness, property maintenance or provision of necessary facilities.

1 Star

Offer basic standard accommodation. Simply furnished with adequate lighting. Motel units have private facilities, but hotels and resorts may have shared bathrooms.