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**PEARSON**

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*To You: the professors and students who are dedicating yourselves  
to the future of Hospitality and Hospitality Management.*

# PREFACE

Thank you to the professors and students who have used the previous editions of this text. This new seventh edition of *Introduction to Hospitality* focuses on hospitality operations and has been written in response to professors and students who wanted a broader view of the world's largest industry. *Introduction to Hospitality* complements *Introduction to Hospitality Management* and *Exploring the Hospitality Industry*, also written by John R. Walker. Adopters may select the title best suited to their needs. This text offers a comprehensive overview of the industry.

This text is designed for the hospitality management professionals of tomorrow. By involving readers in each step of this exciting journey, *Introduction to Hospitality* invites students to share the unique enthusiasm and passion surrounding the hospitality industry. Each chapter has been vetted by industry professionals and includes several hands-on examples that help students understand the how-to aspects of the hospitality industry.

The primary goals and objectives of this text are to:

- Prepare students to advance in their hospitality career by offering a foundation of knowledge about the hospitality industry presented in a lively, interesting manner with an extensive array of features to facilitate the learning process.
- Assist students in learning the details of the hospitality industry by offering chapters on the operational areas of the industry.
- Offer students information on the array of careers available in the various segments of the hospitality industry.
- Facilitate learning by offering a student-friendly text to students and an outstanding instructional package to professors.

## Organization of the Text

This seventh edition has been divided into four parts:

- Part I Introducing Hospitality and Lodging
- Part II Beverages, Restaurants, and Managed Services
- Part III Tourism, Recreation, Attractions, Clubs, and Gaming
- Part IV Assemblies, Events, Attractions, Leadership, and Management

### New to this edition:

1. An interesting How To feature added to each chapter that highlights and examines an essential function or issue within the Hospitality industry
2. A new section on spas added to Chapter 3
3. A Learning Objective at the beginning of each major section throughout a chapter helps focus students in their reading
4. A new case study added to MyHospitalityLab for each chapter
5. Trivia questions added to MyHospitalityLab that are designed to help students score better on multiple choice test questions

**New and continuing features include:**

1. Revision of each chapter with current facts, figures, new photos, and new page layouts
2. Chapter 1: Addition of a section on hospitality in the twenty-first century, and an update of the salaries figure
3. Chapter 2: Extension of timeline beyond the year 2000, plus the addition of new hotels by price segment, and a revised Focus on Development by Dr. Chad Gruhl
4. Chapter 6: Reduced “The Restaurant Business” chapter by removing material related to developing a restaurant
5. Updated Corporate, Personal, and “Day in the Life . . .” profiles in each chapter
6. Case Studies: Updated questions for each chapter case available via MyHospitalityLab
7. Added insights by Dr. Greg Dunn to the Trends section of each chapter
8. New Technology Spotlight sections in relevant chapters
9. “Sustainability” section as it relates to the hospitality industry added to every chapter
10. A Check Your Knowledge feature throughout each chapter aids in checking reading comprehension of learning objectives
11. Key words and concepts set in boldface in text, listed at the ends of chapters, and defined in the Glossary
12. Review Questions
13. Internet Exercises
14. Apply Your Knowledge questions
15. Summaries at the ends of chapters that correspond to chapter Learning Objectives
16. Suggested Activities

## Supplements Package

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1. Professional PowerPoint presentation is available online to qualified text adopters
2. Updated Online Test Bank of class-tested questions
3. Online Instructors Manual
4. MyHospitalityLab course

To access supplementary materials online, instructors need to request an instructor access code. Go to **[www.pearsonhighered.com/irc](http://www.pearsonhighered.com/irc)**, where you can register for an instructor access code. Within 48 hours after registering, you will receive a confirming e-mail, including an instructor access code. Once you have received your code, go to the site and log on for full instructions on downloading the materials you wish to use.

## TO THE STUDENT

Dear Future Hospitality Professional:

This textbook is written to empower you and help you on your way to becoming a future leader of this great industry. It will give you an in-depth overview of the world's largest and fastest growing business. Each chapter contains **profiles of industry practitioners and leaders**, **case studies**, and **corporate profiles**. Additionally, industry experts speak on their area of specialization in **focus boxes**.

### Read the Book

Read and study the text, including the profiles, focus boxes, applications, and case studies. Answer the Check Your Knowledge questions and review questions. By using the many tools throughout this textbook—including boldface key words and concepts—you will be amazed at how much more you get out of class by preparing ahead of time.

### Use the Resources Accompanying This Book

Make use of the excellent **MyHospitalityLab** ([www.myhospitalitylab.com](http://www.myhospitalitylab.com)) course with its unique Hospitality and Tourism Interactive Activities, Dynamic Study Modules, case studies with graded questions, lecture note PowerPoints, and flashcards. By doing so, you will improve your chances of achieving success in this class and will find that you enjoy learning.

### Success in the Classroom

Faculty constantly say that the best students are the ones who come to class prepared. I know that, as a hospitality student, you have many demands on your time: work, a heavy course load, family commitments, and, yes, fun—plus a lot of reading and studying for your other courses. With these thoughts in mind, I tried to make this book as visually appealing, easy, and engaging to read and enjoyable as possible.

Wishing you success in your studies and career.

Sincerely,  
*John Walker D.B.A., CHA., FMP.*

**Take some time** to turn the page and review descriptions of all the features and tools in this book and find out how they will facilitate your reading and understanding of the concepts. **Discover** the exciting opportunities in the numerous and varied segments of the hospitality industry.


# Boxed Features Connect You to the Real World

These boxed features introduce you to *real people* who describe their experiences *on the job* in the world of hospitality management.

## Introducing . . . and A Day in the Life of . . .

INTRODUCING VALERIE FERGUSON

Senior Vice President, Operations, Denihan Hospitality Group and Past Chair of the American Hotel & Lodging Association




To most, “making it big” seems like a regular statement and a task easily achieved. For Valerie Ferguson, well, it comes with a lot of work, dedication, and heart. She speaks often at industry conferences and adds self-interest to what you do for your career.

For this African American woman, life wasn’t always easy. As the managing director of the Philadelphia Hotel and regional vice president of Loews Hotels, she had a lot to say about how she got her to where she is now.

One of her most important role models was her father, Sam Ferguson. She says, “I had a great relationship in which he supported me, but in which he never put an

A DAY IN THE LIFE OF DENNY BHAKTA

Revenue Manager, Hilton Hotels San Diego




Revenue management is a strategic function in maximizing room revenue (REV PAR) along with growing market share. REV PAR and market share are the two primary barometers used in the industry to grade a revenue manager’s competency. It is essential for revenue managers to have a system in place for daily business reviews to formulate winning strategies. Daily duties include:

1. Analyzing Data: A revenue manager must develop a reporting system for daily monitoring. In recent years, the larger hotel brands have developed proprietary revenue management systems that provide on-demand reporting of historical data, future position, and the ability to apply real-time pricing changes to future nights. Understanding past performance can uncover various business trends over high and low demand periods. It is critical to understand the effectiveness of previous pricing strategies to better position the hotel on future nights.

The general public can view rates and book rooms up to 365 days into the future. Therefore, the revenue manager must be able to forecast and adjust rates and availability accordingly.


You’re introduced to industry practitioners’ careers, the issues and challenges they encounter, and their achievements and contributions. These features give a “from-the-heart,” up-close and personal view of their work. From dreams to reality—follow the career path to success for industry leaders and learn from their experiences.

Corporate Profiles

<b>CORPORATE PROFILE</b>	
Wyndham Worldwide—A Collection of Hotel Brands	
	<p>Wyndham Hotels and Resorts, Wyndham Grand Hotels and Resorts, Wyndham Garden, Days Inn, Howard Johnson, Ramada, Knights Inn, Super 8, Travelodge, Baymont Inns &amp; Suites, Microtel Inns and Suites, Hawthorn Suites, Wingate by Wyndham, TRYP by Wyndham, Dream Hotels, and Night Hotels, totalling more than 7,340 hotels in 66 countries.<sup>12</sup></p> <p>As a franchisor, the company licenses the owners and operators of independent businesses to use Wyndham brand names, without taking on big business risks and expenses. Wyndham does not operate hotels, but instead provides coordination and services that allow franchisees to retain local control of their activities. At the same time, franchisees benefit from the economies of scale of widely promoted brand names and well-established standards of service, personnel, and regional direction.</p>

Learn about the practices, growth, and scope of leading corporations and organizations. For example, Marriott International did not start out as a multibillion-dollar company; the company began as a nine-seat root beer stand in 1927.

Focus on . . .

<b>FOCUS ON ROOMS DIVISION</b>	
Rooms Division with Charlie Adams	
	<p>From the early days of primitive inns to our modern super hotels, like the Izmailovo Hotel with 7,500 rooms in Moscow, employees are the crucial ingredient to hotel or motel success. Even with extraordinary advances in technology and the globalization of lodging in the twenty-first century, lodging remains fundamentally a people business and it is the employees who are responsible for the appearance, image, and reputation of a lodging facility.</p> <p>The rooms division is considered the “center” of hotel activity because it is accountable for revenue, customer service, and departmental forecasting. Room sales are the primary source of income for most hotels and almost 100 percent of the revenue for many select service or budget hotels. The rooms division has the most guest contacts because it is comprised of reservations, front office, housekeeping, and uniformed services. The reservations department provides the needed accurate information for other departments to use to forecast for upcoming events and guest needs along with scheduling the proper staffing levels in the hotel.</p> <p>Starting your career in the rooms division of a hotel is an exciting, demanding, and rewarding experience. You will be part of a team whose overall responsibility is the well-being of guests and ensuring that their expectations are met and that they have a great experience. As a rooms division employee you will be</p>

Written by contributing expert authors, these boxes offer unique personal perspectives on chapter topics.

How To . . .

<b>HOW TO GET A STEP AHEAD IN THE INDUSTRY</b>	
Courtesy of <b>James McManemon, M.S.</b> , University of South Florida Sarasota—Manatee	
<p>Josh Medina, who recently earned his degree in hospitality management at the University of South Florida, recognized at the outset that for the majority of department management positions prior experience working in lower-level and/or supervisory positions is necessary, while moving into upper-management positions beyond, would require both experience in lower-level positions, plus an undergraduate and/or graduate degree (a business-related or hospitality degree is ideal) as well. Josh's choice was to study hospitality management as an undergraduate, and work nights as a server/bartender at a fine-dining restaurant. After a single year at this night job, Josh was promoted to head-server, which allowed him to train new servers, expedite food, assist with making schedules, and manage payroll. Upon graduation, Hyatt Regency in Sarasota, Florida, hired him as assistant restaurant manager. Though Josh had no prior experience as a restaurant manager, his experience working as a head-server and bartender, combined with his educational knowledge of management, gave him the necessary tools to</p>	


This feature focuses on a specific issue related to a central function within various sectors of the hospitality industry and how that issue was (or might be) addressed and resolved.

Technology Spotlights

TECHNOLOGY SPOTLIGHT

Hotel Information Technology

"Home away from home!" This is how we would like to express what hotels mean to our guests. For this to happen, we must provide technologies that guests use at home. Of course, the main purpose of the guestroom has never changed: to provide a clean, safe place to spend the night. In 1970, for the first time, hoteliers put ice-cube makers and small refrigerators inside the guestroom. In the beginning, not all rooms had these amenities. Usually, those rooms that had these special amenities were charged more than the other rooms. In 1972, the first models of telephone systems were introduced to the guestroom. In those days, there was only one telephone line for the entire hotel; therefore, guests sometimes waited long hours before they could place a call. In 1975, after color TV was well established in homes, hotels started to offer it. In the beginning, some hotels advertised that they had color TV to differentiate themselves from the competition and charged extra for rooms with TV. In 1980, the Hotel Billing Information System (HOBIS) was introduced. In 1981, it became legal for hotels to profit from phone calls. This is when call accounting systems exploded in the hotel industry. In 1986, electronic door-keys were introduced, increasing the security and the convenience of guests. Interface between TV systems and property management systems were established in 1990 so that the guests could see their bills through the TV. With that, guests were able to check out from their room by using the TV.



Here you'll learn about the wide variety of technological processes, systems, and products used within the hospitality industry.

Timelines

Trends

Trends in Hotel and Rooms Division Operations

Courtesy of Dr. Greg Dunn, Senior Lecturer & Managing Director, University of Florida, Eric Friedheim Tourism Institute.

- Diversity of work force.* All the pundits are projecting a substantial increase in the number of women and minorities who will not only be taking hourly paid positions, but also supervising and management positions as well.
- Increase in use of technology.* Reservations are being made by individuals over the Internet. Travel agents are able to make reservations at more properties. There is increasing simplification of the various PMSs and their interface with POS systems. In the guest room, increasing demand for high-speed Internet access, category 5 cables, and in some cases equipment itself is anticipated.
- Continued quest for increases in productivity.* As pressure mounts from owners and managers, hotel managers are looking for ways to increase productivity.

Dr. Greg Dunn has revised and updated the Trends section in each chapter to give you an up-to-date and realistic picture of factors currently shaping the future of that segment of the industry.

# Hone Your Critical Thinking Skills

## Case Studies

CASE STUDY	
Overbooked: The Housekeeping Perspective	
<p>It is no secret that in all hotels the director of housekeeping must be able to react quickly and efficiently to any unexpected circumstances that arise. Stephen Rodondi, executive housekeeper at the Hyatt Regency La Jolla usually starts his workday at 8:00 A.M. with a department meeting. These morning meetings help him and the employees to visualize their goals for the day. On this particularly busy day, Rodondi arrives at work and is told that three housekeepers have called in sick. This is a serious challenge for the hotel because it is overbooked and has all its 400 rooms to service.</p>	
<p><b>Discussion Question</b></p> <p>1. What should Stephen do to maintain standards and ensure that all the guest rooms are serviced?</p>	

In this edition, you will find a new case study written for each chapter—all based on industry scenarios. You will be challenged to test your skills and knowledge as you address and recommend appropriate actions in each situation.

## Internet Exercises

Internet Exercises	
<p>1. Organization: <b>Hyatt Hotels Corporation</b> Summary: Hyatt Hotels Corporation is a multibillion-dollar hotel management company. Together with Hyatt International, the company has about eight percent of the hotel industry market share. Hyatt is recognized for its decentralized management approach, in which general managers are given a great deal of the management decision-making process. Click the "About Hyatt" tab, and click "Careers" under the "For Job Seekers" section. Click on "University Recruiting," and then click on "Mgmt Training Program" to learn more about this program.</p>	<p>(a) What is Hyatt's management training program? (b) What requisites must applicants meet to qualify for Hyatt's management training program?</p>
<p>2. Organization: <b>Hoteljobs.com</b> Summary: Hoteljobs.com is a Web site that offers information to recruiters, employers, and job seekers in the hospitality industry. (a) What different jobs are being offered under "Job Search," and which one, if any, interests you? (b) Post your résumé online.</p>	

Surf the Internet to uncover answers to specific hospitality questions. The Internet Exercises challenge you to learn more and prepare you for a career in this fascinating industry.

Apply Your Knowledge

Apply Your Knowledge

1. If you were on the executive committee of a hotel, what kinds of things would you be doing to ensure the success of the hotel?

2. Your hotel has 275 rooms. Last night, 198 were occupied. What was the occupancy percentage?

Apply the knowledge and skills learned in each chapter to real-life industry topics.

Important Memory Tools

Learning Objectives

CHAPTER 3

Rooms Division

LEARNING OBJECTIVES

After reading and studying this chapter, you should be able to:

- Outline the duties and responsibilities of key executives and department heads.
- Draw an organizational chart of the rooms division of a hotel and identify the executive committee members.
- Describe the main functions of the rooms division departments.
- Discuss the importance of the front desk and the role of the front desk manager.

LEARNING OBJECTIVE 1

Describe a restaurant's front of the house.

Front of the House

Restaurant operations are generally divided between what is commonly called **front of the house** and **back of the house**. The front of the house includes anyone with guest contact, from the hostess to the busser. The sample organization chart in Figure 7-1 shows the differences between the front- and back-of-the-house areas.

The restaurant is run by the general manager, or restaurant manager. Depending on the size and sales volume of the restaurant, there may be more managers with special responsibilities, such as kitchen manager, bar manager, and dining room manager. These managers are usually cross-trained to relieve each other.

In the front of the house, restaurant operation begins with creating and maintaining what is called **curbside appeal**, or keeping the restaurant looking attractive and welcoming. Ray Kroc of McDonald's once spent a couple of hours in a good suit with one of his restaurant managers cleaning up the parking lot of one of his restaurants. Word soon got around to the other stores that management *begins* in the parking lot and *ends* in the bathrooms. Most restaurants have checklists that each manager uses. In the front of the house, the manager is responsible for the overall appearance of the restaurant.

Helping students keep track *of* and focus *on* the essential information they must take away from each chapter is an essential pedagogical tool. In this edition, a bulleted list of Objectives is featured on the opening page of each chapter, thus providing a “heads up” with regard to chapter coverage and organization; however, in this new edition, you also will be reminded of the relevant objective to be covered in each major section by a *numbered* Learning Objective to help you focus and organize your thoughts as you read through the chapter. Ultimately this feature provides a map of what you need to know after studying the chapter and doing the exercises, case questions, and Apply Your Knowledge questions.

## Check Your Knowledge

### ► Check Your Knowledge

1. What is the role of the general manager?
2. What topics do the members of an executive committee usually address in their weekly meetings?

Every few pages, the Check Your Knowledge section helps you review and reinforce the material that has just been covered.

## Chapter Summary

The chapter summary highlights the most important points in the chapter. It provides a brief review of the chapter and reinforces the main terms, concepts, and topics.

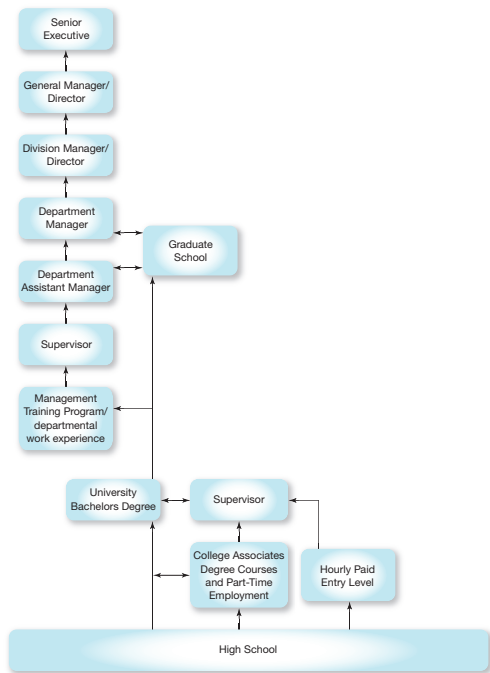
## Key Words and Concepts

Highlighted in bold with easy-to-understand definitions in the Glossary, the key words and concepts help you recall the importance of and meaning of these important terms. Master the key words and concepts of the text and improve your test scores.

## Review Questions

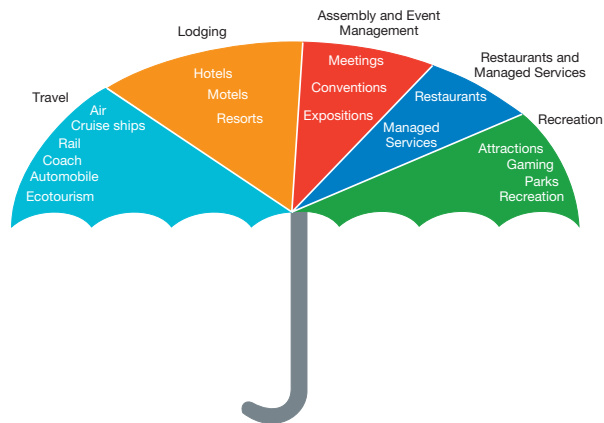
By answering these review questions, you will reinforce your mastery of the materials presented in the text and most likely improve your test scores.

# Visuals



**Figure 1-1 • A Possible Career Path in the Hospitality Industry. Is Education Worth It? You Bet! Just Think—Over a Career, the Difference in Salary between an Associate and a Bachelor's Degree is \$500,000. Yes, That's Half a Million Bucks!**

(Source: U.S. Census Bureau Average Lifetime Earnings—Different Levels of Education.)



**Figure 1-2 • Scope of the Hospitality and Tourism Industries.**



**Figure 1-3 • The Interrelated Nature of Hospitality, Travel, and Tourism.**

The interrelated nature of hospitality and tourism means that we could fly here, stay in a hotel, and eat in a restaurant.



Color format with lively photographs, drawings, and tables maintain your interest and provide visual aids to learning.

## Additional Student Resources

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### MyHospitalityLab, [www.myhospitalitylab.com](http://www.myhospitalitylab.com)

This online course has been designed specifically to help you review, reinforce, and apply the concepts presented in the book. This interactive site features chapter-specific study modules, case studies with questions, interactive activities, and lecture note PowerPoint slides.

### Message from John Walker

It is our goal to help you succeed in your career. If you have any suggestions for improving upon the material in the book or in MyHospitalityLab, or additional information you would like to see, e-mail me at *[jwalker@sar.usf.edu](mailto:jwalker@sar.usf.edu)* or *[johnniewalkergold@hotmail.com](mailto:johnniewalkergold@hotmail.com)*.

## ACKNOWLEDGMENTS

Thanks to the students and professors, especially those who have made valuable contributions to this edition, and to the industry professionals who contributed to this text. Special thanks to Dr. Greg Dunn for adding his trends insights to this edition; James McManemon, MS, who contributed most of the How To features; Nicholas Thomas, who contributed an update to the gaming entertainment chapter and a How To feature for it. To my Program Manager Susan Watkins, I am deeply grateful for all your hard work and dedication to this project.

Thanks to all of my CHRIE colleagues, many of whom encouraged me to undertake this project and made valuable suggestions. I would like to thank the following contributing authors, who graciously allowed their materials and expertise to be included in this edition: James McManemon, William B. Martin, Ryan Lashway, Greg Dunn, Joseph Moreta, Chad Gruhl, Valerie Ferguson, Jason Samson, Charlie Adams, Jay Schrock, Denny Bhakta, George Goldhoff, Jose Martinez, Catherine Rabb, Rob Westfall, Richard Melman, Jim Inglis, Chris Marrero, Sarah Stegner, John Self, Tim Brady, Chris Della-Cruz, Steve Dobrowolski, Reg Washington, Allie Hire, Fred DeMicco, JT Watters, Patti Roscoe, Ann-Marie Weldon, Ed Shaughnessy, Bart Bartlett, Margie Martin, Nicholas Thomas, David Schwartz, Stephen Wynn, Jill Moran, Alexandra Stout, Amanda Alexander, Suzanne Bailey, Tina Stoughton, Horst Schulze, Bill Fisher, Stephanie Summerall, Jessica Leibovich, Tim Mulligan, Andrea Kazanjian, Patricia Engfer, Patricia Tam, Suzanne Seder, Cherry Cerminara, Michael Thorpe, and Kay Ueno.

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## ABOUT THE AUTHOR

Dr. John R. Walker, DBA, FMP, CHA, is the McKibbin Professor of Hotel and Restaurant Management at the University of South Florida and a Fulbright Senior Specialist. John's years of industry experience began with management training at the Savoy Hotel London. This was followed by terms as food and beverage manager, assistant rooms division manager, catering manager, and general manager with Grand Metropolitan Hotels, Selsdon Park Hotel, Rank Hotels, Inter-Continental Hotels, and the Coral Reef Resort, Barbados, West Indies.

John has taught at two- and four-year schools in Canada and the United States. In addition to being a hospitality management consultant and text author, he has been published in *The Cornell Hotel Restaurant Administration Quarterly*, *The Hospitality Educators Journal*, and the *New York Times*. He is a 10-time recipient of the President's Award for teaching, scholarship, and service, and he has received the Patnubay Award for exemplary professional performance through teaching and authorship of tourism and hospitality publications.

John is an editorial advisory board member for *Progress in Tourism and Hospitality Research*. He is a past president of the Pacific Chapter of the Council on Hotel, Restaurant, and Institutional Education (CHRIE). He is a certified hotel administrator (CHA) and a certified foodservice management professional (FMP).

John is married to Josielyn T. Walker, and they have twins, Christopher and Selina. The Walkers live in Sarasota, Florida.

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The background of the entire page is a low-angle shot of the Statue of Liberty against a clear blue sky. The statue's torch is at the top left, and its crown with spikes is visible behind the main title. The statue's face and upper body are the central focus.

# PART I

## Introducing Hospitality and Lodging

CHAPTER 1 Introducing Hospitality

CHAPTER 2 The Hotel Business

CHAPTER 3 Rooms Division Operations

CHAPTER 4 Food and Beverage Operations

ALOHA

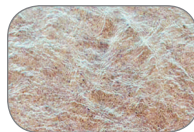
# CHAPTER 1

## Introducing Hospitality

### LEARNING OBJECTIVES

After reading and studying this chapter, you should be able to:

- Discuss the history of hospitality through the ages.
- Describe the characteristics of the hospitality industry.
- Explain corporate philosophy and Total Quality Management.
- Discuss the many facets of service and why it has become such an important part of the hospitality industry.
- Suggest ways to improve service.
- Discuss current trends in the hospitality industry.



# Prelude

Interested in a six-figure income? Read on, this book and the hospitality industries can take you there. We begin with a brief overview of how we got to where we are today.

**LEARNING OBJECTIVE 1**  
Discuss the history of  
hospitality through the ages.

## Hospitality through the Ages<sup>1</sup>

The concept of hospitality is as old as civilization itself. Its development from the ancient custom of breaking bread with a passing stranger to the operations of today's multifaceted hospitality conglomerates makes fascinating reading, and interesting comparisons can be made with today's hospitality management.

The word **hospitality** comes from *hospice*, an old French word meaning "to provide care/shelter for travelers." The most famous hospice is the Hospice de Beaune in the Burgundy region of France, also called the Hotel Dieu or the House of God. It was founded as a charity hospital in 1443 by Nicolas Rolin, the Chancellor of Burgundy, as a refuge for the poor.

The hospital is still functioning, partly because of its role in the wine world. Throughout the centuries, several Burgundian landowners have donated vineyards to the Hospice to help pay for maintaining its costs. Every fall, the wines from these vineyards—about a hundred acres of vines—are sold at a colorful wine auction on the third Thursday in November, which determines the prices for the next year's Burgundy wines.

## Ancient Times

The Sumerians (who lived in what is now Iraq) were the first to record elements of hospitality in about 4,500 years Before the Common Era (B.C.E.).

They moved from being hunter-gatherers to growing crops, which, due to surpluses, they were able to trade. More time became available for other activities such as writing, inventing money, creating pottery, making tools, and producing beer, which was probably safer to drink than water! Taverns served several beers, and as with today, provided a place for locals to relax and enjoy each other's company.

Between 4000 and 2000 B.C.E., early civilizations in Europe, China, Egypt, and India all had some elements of hospitality offerings, such as taverns and inns along the roadside.

Famous "Hospices de Beaune" in Burgundy, France.



## Greece and Rome

Mention of hospitality—in the form of taverns—is found in writings dating back to ancient Greece and Rome, beginning with the Code of Hammurabi (circa 1700 B.C.E.). The Code required owners to report guests who planned crimes in their taverns. The penalty for not doing so was death, making tavern-keeping a hazardous occupation. The death penalty could also be imposed for watering the beer!

Increased travel and trade made some form of overnight accommodations an absolute necessity. Because travel was slow and journeys long and arduous, many travelers depended solely on the hospitality of private citizens.<sup>2</sup> In the Greek and Roman empires, inns and taverns sprang up everywhere. The Romans constructed elaborate and well-appointed inns on all the main roads. They were located about 25 miles apart. To ensure that fresh horses were available for officials and couriers of the Roman government, these inns could only be used with special government documents granting permission. By the time Marco Polo traveled to the Far East, there were 10,000 inns, the best of which were in China.<sup>3</sup>

Some wealthy landowners built their own inns on the edges of their estates. These inns were run by household slaves. Nearer the cities, inns and taverns were run by freemen or by retired gladiators who would invest their savings in the “restaurant business” in the same way that so many of today’s retired athletes open restaurants. The first “business lunch” is reputed to have been the idea of Seqius Locates, a Roman innkeeper; in 40 B.C.E. Locates devised the idea for ships’ brokers, who were often too busy to go home for their midday meals.



The Beautiful Pavilion in Black Dragon Pool Park, Lijiang, Yunnan Province China.

## Medieval Times

On the European continent, Charlemagne established rest houses for pilgrims in the eighth century; the sole purpose of several orders of knighthood was to protect pilgrims and to provide hospitality for pilgrims on their routes. One such rest house, an abbey at Roncesvalles, advertised services such as a warm welcome at the door, free bread, a barber and a cobbler, cellars full of fruit and almonds, two hospices with beds for the sick, and even a consecrated burial ground.

In 1282, the innkeepers of Florence, Italy, incorporated a guild, or an association, for the purpose of business. The inns belonged to the city, which sold three-year leases at auction. They must have been profitable, because by 1290, there were 86 innkeepers as members of the guild.

In England, the stagecoach became the favored method of transportation. A journey from London to the city of Bath took three days, with several stopovers at inns or taverns that were also called post houses. Today, the journey from London to Bath takes about one and a half hours by car or train. As travel and travelers increased during the Middle Ages, so did the number of wayside inns in Europe; yet, they were primitive affairs by today's standards. Guests often slept on mattresses in what today would be the inn's lobby. As the quality of the inns improved, more people began to travel. Many of the travelers were wealthy people, accustomed to the good life; their expectations demanded that inns be upgraded.

In the late sixteenth century, a type of eating place for commoners called an *ordinary* began to appear in England. These places were taverns serving a fixed-price, fixed-menu meal at a long common table. "Ordinary" diners could not be choosy, nor did they often question what they were eating. Frequently, the main dish served was a long-cooked, highly seasoned meat-and-vegetable stew. Culinary expertise was limited by the availability and cost of certain ingredients. Few diners had sound teeth—many had no teeth at all—so the meal had to be able to be gummed as well as being edible. Fresh meat was not always available; spoiled meat was often the rule rather than the exception. Spices helped not only to preserve meat but also to disguise the flavor of gamey or "high" meat.

## Coffee Houses

During the sixteenth century, two "exotic" imports began to influence the culinary habits of Western Europe: coffee and tea. These beverages, so integrated into the twenty-first century way of life, were once mere curiosities. Travelers to Constantinople (now Istanbul, Turkey) enjoyed coffee there and brought it back to Europe.

During the seventeenth century, coffeehouses sprang up all over Europe. By 1675, the city-state of Venice had dozens of coffee houses, including the

famous Café Florian on the Piazza San Marco, still filled to capacity today. The first English coffee house was opened in 1652. Coffee houses, the social and literary centers of their day and the predecessor of today's cafés and coffee shops, served another, even more useful (though less obvious), purpose: They helped to sober up an entire continent.

In a day when water was vile, milk dangerous, and carbonated beverages centuries in the future, alcoholic drinks were the rule, rather than the exception. Adults drank amounts measured in gallons. Queen Elizabeth I's ladies-in-waiting, for instance, were allowed a breakfast allowance of two gallons of ale. Drunkenness was rampant.

Café Florian, St. Mark's Square, Venice, Italy.



## The New World

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There is some evidence that a tavern was built in Jamestown, Virginia, during the early days of the settlement. It was in Boston where the first “ordinary” was recorded—Cole’s Ordinary—in 1663. After Cole’s, the next recorded “ordinary” was Hudson’s House, in 1640.<sup>4</sup> The Dutch built the first known tavern in New York—the Stadt Huys—in 1642. Early colonial American inns and taverns are steeped as much in history as they are in hospitality. The next year, Kreiger’s Tavern opened on Bowling Green in New York City. During the American Revolution, this tavern, then called the King’s Arms, became the Revolutionary headquarters of British General Gage.

The even more famous Frauncis Tavern was the Revolutionary headquarters of General George Washington and was the place where he made his famous Farewell Address. It is still operating today. As the colonies grew from scattered settlements to towns and cities, more and more travelers appeared, along with more accommodations to serve them. The inn, tavern, or “ordinary” in the colonies soon became a gathering place for residents, a place where they could catch up on the latest gossip, keep up with current events, hold meetings, and conduct business. The innkeeper was often the most respected member of the community and was always one of its more substantial citizens. The innkeeper usually held some local elected office and sometimes rose much higher than that. John Adams, the second president of the United States, owned and managed his own tavern between 1783 and 1789.

The Revolutionary War did little to change the character of these public places. They maintained their position as social centers, political gathering places, newsrooms, watering holes, and travelers’ rests; now, however, these places were going by different names—hotels—that reflected a growing French influence in the new nation.

## The French Revolution

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The French Revolution took place at approximately the same time as the American colonies were fighting for their independence. Among many other effects, the French Revolution helped to change the course of culinary history. M. Boulanger, “the father of the modern restaurant,” sold soups at his all-night tavern on the Rue Bailleul. He called these soups *restorantes* (restoratives), which is the origin of the word *restaurant*. One dish was made of sheep’s feet in a white sauce, another was *boulangere* potatoes—a dish in use today—made of sliced potatoes cooked in stock, which was baked in the bread baker’s oven after the bread was done.<sup>5</sup>

The French Revolution, 1789–1799, changed the course of culinary history. Because nearly all the best chefs worked for the nobility, who were deposed or literally “lost their heads,” the chefs lost their employment. Many chefs immigrated to America, especially to New Orleans, a French enclave in America. Others scattered throughout Europe or immigrated to Quebec, a French-speaking province of Canada. The chefs brought their culinary



The Court of the Two Sisters, New Orleans, Louisiana.

traditions with them. Soon the plain, hearty fare of the British and the primitive cooking of the Americans were laced with *sauces piquantes* (sauces having a pleasantly sharp taste or appetizing flavor) and *pots au feu* (French beef stew). In 1784, during a five-year period as an envoy to France, Thomas Jefferson acquired a taste for French cuisine. He later persuaded a French chef to come to the White House to lend his expertise. This act stimulated interest in French cuisine and enticed U.S. tavern owners to offer better quality and more interesting food.

Over time, New Orleans was occupied by Britain, Spain, France, and America, and one interesting restaurant there, the Court of the Two Sisters, has the names of prisoners of various wars inscribed on the walls of its entrance.

## The Nineteenth Century

Restaurants continued to flourish in Europe. In 1856, Antoine Carême published *La Cuisine Classique* and other volumes detailing numerous dishes and their sauces. The grande cuisine offered a carte (or list) of suggestions available from the kitchen. This was the beginning of the à la carte menu. In 1898, the Savoy Hotel opened in London. The general manager was the renowned César Ritz (today, the Ritz-Carlton hotels bear his name) and the chef de cuisine was August Escoffier. Between them, they revolutionized hotel restaurants. Escoffier was one of the greatest chefs of all time. He is best known for his classic book *Le Guide Culinaire*, which simplified the extraordinary works of Carême. He also installed the brigade de cuisine system in the kitchen.

Americans used their special brand of ingenuity to create something for everyone. By 1848, a hierarchy of eating places existed in New York City. At the bottom was Sweeney's "sixpenny eating house" on Ann Street, whose proprietor, Daniel Sweeney, achieved questionable fame as the father of the "greasy spoon." Sweeney's less than appetizing fare ("small plate sixpence, large plate shilling") was literally slid down a well-greased counter to his hungry guests, who cared little for the social amenities of dining.

The famous Delmonico's was at the top of the list of American restaurants for a long time. The Delmonico family owned and operated the restaurant from 1827 until 1923, when it closed due to Prohibition. The name *Delmonico's* was synonymous with fine food, exquisitely prepared and impeccably served—the criteria by which all like establishments were judged. Delmonico's served Swiss-French cuisine and became the focal point of American gastronomy (the art of good eating). Delmonico's is also credited with the

invention of the bilingual menu, Baked Alaska, Chicken à la King, and Lobster Newburg. The Delmonico steak is named after the restaurant. More and more, eating places in the United States and abroad catered to residents of a town or city and less to travelers; the custom of eating out for its own sake had arrived.

Thirty-five restaurants in New York City have now celebrated their one-hundredth birthdays. One of them, P. J. Clarke's, established in 1884, is a restaurant-bar that has changed little in its hundred years of operation. On entering, one sees a large mahogany bar, its mirror tarnished by time, the original tin ceiling, and the tile mosaic floor. Memorabilia ranges from celebrity pictures to Jessie, the house fox terrier that customers had stuffed when she died, who now stands guard over the ladies' room door. Guests still write down their own checks at lunchtime, on pads with their table numbers on them (this goes back to the days when one of the servers could not read or write and struggled to remember orders).<sup>6</sup>

Many American cities had hotel palaces: Chicago had the Palmer House, New Orleans had the St. Charles, St. Louis had the Planter's Hotel, Boston had The Lenox, and San Antonio had The Menger. As the railroads were able to transport passengers to exotic locations like South Florida, hotels such as The Breakers in Palm Beach were built to accommodate the guests.



P. J. Clarke's, in New York City, established in 1884 and still going strong.

## The Twentieth Century

In 1921, Walter Anderson and Billy Ingraham began the White Castle hamburger chain. The name White Castle was selected because "white" stood for purity and "castle" for strength. These eye-catching restaurants were nothing more than stucco building shells, a griddle, and a few chairs. People came in droves, and within 10 years, White Castle had expanded to 115 units.<sup>7</sup>

The Four Seasons restaurant opened in 1959 as the first elegant American restaurant that was not French in style. The Four Seasons was the first restaurant to offer seasonal menus. With its modern architecture and art as a theme, Joe Baum, the developer of this and many other successful restaurants, understood why people go to restaurants—to be together and to connect to one another. It is very important that the restaurant reinforce why guests chose it in the first place. Restaurants exist to create pleasure, and how well a restaurant meets this expectation of pleasure is a measure of its success.<sup>8</sup>

Following World War II, North America took to the road. There was a rapid development of hotels, motels, fast food, and coffee shops. The 1950s and 1960s also saw an incredible growth in air transportation. Cross-continental flights were not only more frequent, but took much less time. Many of the new jets introduced in this period helped develop tourism worldwide.



The Breakers, Palm Beach, Florida, a legendary resort destination built by Standard Oil Company magnate Henry Flagler and family who developed railroads to the east coast of Florida.

Hotels and restaurant chains sprang up to cater to the needs of the business and leisure traveler as well as city residents.

In the 1980s, hospitality, travel, and tourism continued to increase dramatically. The baby boomers began to exert influence through their buying power. Distant exotic destinations and resorts became even more accessible. The 1990s began with the recession that had started in 1989. The Gulf War continued the downturn that the industry had experienced. As hospitality and tourism companies strived for profitability, they downsized and consolidated. From 1993 until 9/11, the economic recovery proved very strong and hospitality businesses expanded in North America and abroad, particularly in Europe and China.

## The Twenty-First Century

In the twenty-first century, we have already had 9/11, war, epidemics, and a great recession—all in just a few years. As we emerge from the recession, the hospitality industry continues to mature with increased market segmentation and consolidation. Companies are increasing their focus on security, health, sustainability, and lifestyles. More people are traveling, especially from and to China, Brazil, and India. Technology will improve the facilitation of guests' needs and "Big Data" will prove a challenge. The recession slowed the industry, but as we emerge from it occupancies are up along with revenue per available room. Now companies are driving the margins to squeeze out a reasonable profit.

## Welcome to You, the Future Hospitality Industry Leaders!

The hospitality industry is a fascinating, fun, and stimulating one in which to enjoy a career, plus you get compensated quite well and have excellent advancement opportunities. We often hear from industry professionals that it (the industry) gets in your blood—meaning we become one with the hospitality industry. On countless class industry visits, the persons speaking to the class said that they wouldn't change their job—even if they had a chance.

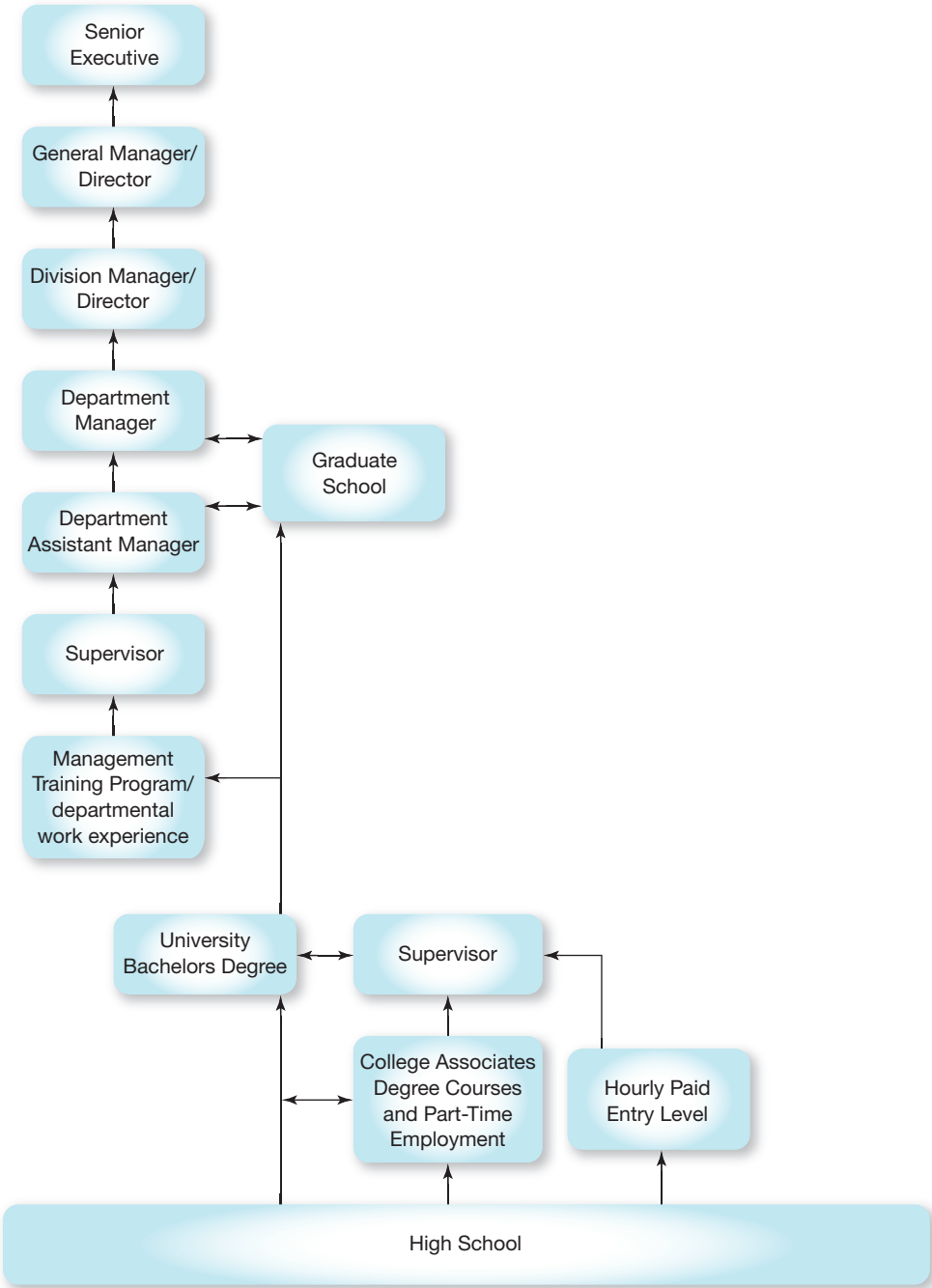
Only one speaker said, “You must be nuts if you want to work in this industry”—of course, he was joking! But there are some realities you need to be aware of, and they are discussed in the section titled, “Characteristics of the Hospitality Industry,” found later in this chapter. Many examples exist of people graduating and being offered positions that enable them to gain a good foundation of knowledge and experience in the industry. Possible career paths are illustrated in Figure 1–1. In most cases, it does not take long for advancement opportunities to come along. Let’s begin our journey with a look at *service spirit*, which plays a crucial role in the success of our industry, no matter what your position or title.

## HOW TO GET A STEP AHEAD IN THE INDUSTRY

Courtesy of **James McManemon**, M.S., University of South Florida  
Sarasota—Manatee

Josh Medina, who recently earned his degree in hospitality management at the University of South Florida, recognized at the outset that for the majority of department management positions prior experience working in lower-level and/or supervisory positions is necessary, while moving into upper-management positions beyond, would require both experience in lower-level positions, plus an undergraduate and/or graduate degree (a business-related or hospitality degree is ideal) as well. Josh’s choice was to study hospitality management as an undergraduate, and work nights as a server/bartender at a fine-dining restaurant. After a single year at this night job, Josh was promoted to head-server, which allowed him to train new servers, expedite food, assist with making schedules, and manage payroll. Upon graduation, Hyatt Regency in Sarasota, Florida, hired him as assistant restaurant manager. Though Josh had no prior experience as a restaurant manager, his experience working as a head-server and bartender, combined with his educational knowledge of management, gave him the necessary tools to get a step ahead in his career immediately after graduating. Next for Josh, who has ambitions of hotel manager, regional vice president, or any position that requires significant strategic management, long-term planning, and top-notch leadership/management skills, is a post-graduate degree in a business-related or hospitality field. Josh remarks, “It may take longer than two years since I am going to school part time, while working full time, but it will be worth it in the long run.”

Ever think about why Marriott International is so successful? Well, one of the reasons is given by Jim Collins writing in the foreword of Bill Marriott’s book, *The Spirit to Serve: Marriott’s Way*. Collins says Marriott has *timeless core values and enduring purpose*, including the belief that its people are number one: “Take care of Marriott people and they will take care of the guests.” Also, Marriott’s commitment to continuous improvement and good old-fashioned dedication to hard work, and having fun while doing it, provide a foundation of stability and enduring character. Collins adds that Marriott’s core purpose—making people away from home feel that they are among friends and are really wanted—serves as a fixed point of guidance and inspiration.



**Figure 1-1 • A Possible Career Path in the Hospitality Industry. Is Education Worth It? You Bet! Just Think—Over a Career, the Difference in Salary between an Associate and a Bachelor’s Degree is \$500,000. Yes, That’s Half a Million Bucks!**  
(Source: U.S. Census Bureau Average Lifetime Earnings—Different Levels of Education.)

So, where does *hospitality spirit* fit into all this? It's simple—it begins with each and every time we have a guest encounter. People with a *service spirit* are happy to do something extra to make a guest's experience memorable. The hospitality spirit means that it is our passion to give pleasure to others, or as one human resources director, Charlotte Jordan, calls it, “creating memorable experiences for others and being an ambassador of the world, adding warmth and caring.”<sup>9</sup> Every day we encounter guests who rely on us for service, which can make or break their experience. We want to “wow” guests and have them return often with their friends. Yes, we are in the people business, and it's “we the people” who succeed in the hospitality industry when we take pride. In the words of the Ritz-Carlton hotel company: We are ladies and gentlemen taking care of ladies and gentlemen.

The **National Restaurant Association (NRA)** forecasts a need for thousands of supervisors and managers for the hospitality and tourism industries. Are you wondering if there's room in this dynamic industry for you? You bet! There's room for everyone. The best advice is to consider what you love to do most and get some experience in that area—to see if you really like it—because our industry has some distinct characteristics. For starters, we are in the business of giving service. When Kurt Wachtveilt, 30-year veteran former general manager of the Oriental Hotel in Bangkok, Thailand—considered by many to be one of the best hotels in the world—was asked, “What is the secret of being the best?” he replied, “Service, service, service!” To serve is to “provide goods and services for” and “be of assistance to.” With thousands of guest encounters each day, it is critical to give our guests exceptional service at each encounter. And that's the challenge!

The hospitality industry can also be a good choice for entrepreneurs who prefer to do their own thing, whether it be running a bar, catering company, restaurant, or night club; being involved in event management; or being a tour guide or wedding planner or whatever. The prospects are good for starting a successful endeavor. Think about it: You could begin with one restaurant concept, open a second, and then begin to franchise. Whatever your dreams and goals, the hospitality industry likely has an opportunity for you.

Consider that a company like Marriott International started out as a small root beer place, in Washington, D.C., with a counter and a few stools. And that an immigrant, who opened up a hot dog stand outside Dodger Stadium in Los Angeles later became the multimillionaire owner of a chain restaurant (Karl Kartcher, owner of Carl's Jr.). And that a former dishwasher, Ralph Rubio, now owns the successful chain of Rubio's Fresh Mexican Grill quick-service restaurants, which have sold more than 50 million fish tacos since the opening of the first restaurant in 1983. Then there is Peter Morton, who, in the early 1970s, lived in London, and, missing American food, borrowed \$60,000 from family and friends to open the Great American Disaster. It was an immediate success, with a line of customers around the block. Morton quickly realized that London needed a restaurant that not only served American food but also embodied the energy and excitement of music past and present. He opened the Hard Rock Cafe and offered a hearty American meal at a reasonable price in an atmosphere charged with



The pineapple is the symbol of hospitality.

energy, fun, and the excitement of rock and roll.<sup>10</sup> More recently, Howard Schultz, who while in Italy in the early 1980s was impressed with the popularity of espresso bars in Milan, saw the potential to develop the coffee bar culture in the United States and beyond. There are now more than 18,000 Starbucks locations.<sup>11</sup> Any ideas on what the next hot entrepreneurial idea will be?

## The Pineapple Tradition

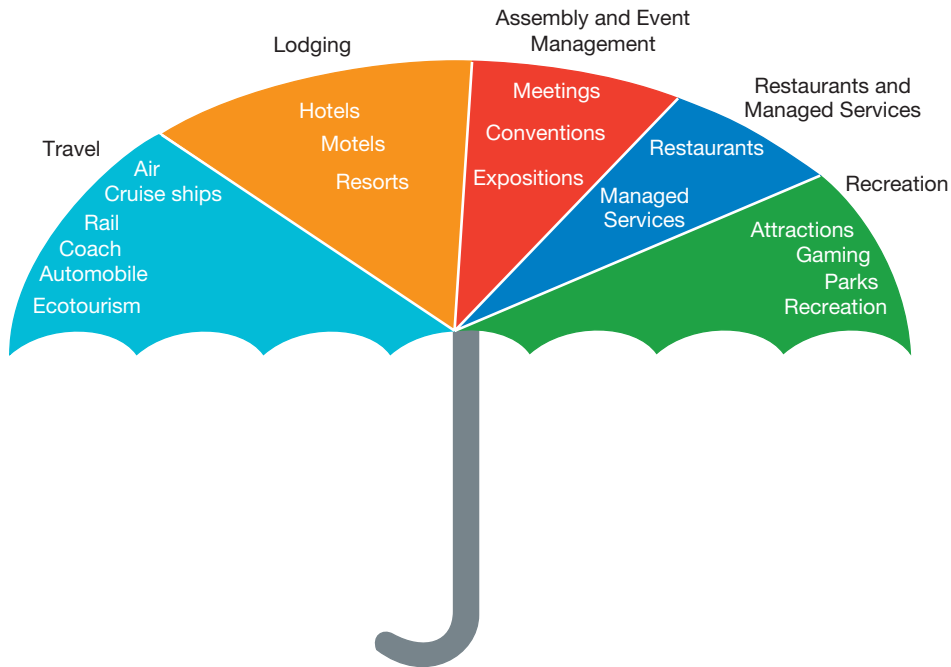
The pineapple has enjoyed a rich and romantic heritage as a symbol of welcome, friendship, and hospitality. Pineapples were brought back from the West Indies by early European explorers during the seventeenth century. From that time on, the pineapple was cultivated in Europe and became the favored fruit to serve to royalty and the elite. The pineapple was later introduced into North America and became a part of North American hospitality as well. Pineapples were displayed at doors or on gateposts, announcing to friends and acquaintances: “The ship is in! Come join us. Food and drink for all!”

Since its introduction, the pineapple has been internationally recognized as a symbol of hospitality and a sign of friendliness, warmth, cheer, graciousness, and conviviality.

# The Interrelated Nature of Hospitality and Tourism

The hospitality and **tourism** industry is the largest and fastest-growing industry groupings in the world. In fact, the U.S. Bureau of Labor Statistics estimates that there are approximately 14 million people working in the leisure and hospitality industry.<sup>12</sup> One of the most exciting aspects of this industry is that it is made up of so many different professions. What picture comes to mind when you think about a career in hospitality and tourism? Do you picture a chef, a general manager, owners of their own businesses, a director of marketing, or an event manager? The possibilities are many and varied, ranging from positions in restaurants, resorts, air and cruise lines, theme parks, attractions, and casinos, to name a few of the several sectors of the hospitality and tourism industries (see Figures 1–2 and 1–3).

James Reid, a professor at New York City Technical College, contributed his thoughts to this section. As diverse as the hospitality industry is, there are some powerful and common dynamics, which include the delivery of services and products and the guests’ impressions of them. Whether an employee is in direct contact with a guest (**front of the house**) or performing duties behind the scenes (**heart of the house**), the profound and most challenging reality of working in this industry is that hospitality employees have the ability to affect the human experience by creating powerful impressions—even



**Figure 1-2** • Scope of the Hospitality and Tourism Industries.

brief moments of truth—that may last a lifetime. (A “moment of truth” is an industry expression used to describe a guest and an associate meeting, as when a guest walks into a hotel or restaurant.)

Imagine all the reasons why people leave their homes temporarily (whether alone or with others) to go to other places near and far.

People travel for many reasons. A trip away from home might be for vacation, for work, to attend a conference, or maybe even to visit a college campus, just to name a few. Regardless of the reason, under the umbrella of travel and tourism, many professions are necessary to meet the needs and wants of people away from home. Think of the many people who provide services to travelers and who have the responsibility of representing their communities and creating experiences that, when delivered successfully, are pleasurable and memorable for travelers. These people welcome, inform, comfort, and care for tourists and are collectively a part of a process that can positively affect human lives and well-being.

The hotel business provides career opportunities for many associates who help make reservations and greet, assist, and serve guests in hospitality operations of varied sizes and in locations all over the world. Examples include a husband and wife who operate their own bed and breakfast (B&B) in upstate Vermont. This couple provides the ideal weekend retreat for avid skiers during a frosty February, making their guests want to return year after year. Another example is the hundreds of employees necessary to keep the 5,505-room MGM Grand in full swing 365 days a year! Room attendants, engineers, front-desk agents, food servers, and managers are just a few of



**Figure 1-3 • The Interrelated Nature of Hospitality, Travel, and Tourism.**

The interrelated nature of hospitality and tourism means that we could fly here, stay in a hotel, and eat in a restaurant.



the positions that are vital to creating experiences for visitors who come to Las Vegas from around the globe.

The restaurant business is also a vital component under the travel and tourism umbrella. People go to restaurants to fulfill diverse needs and wants. Eating is a biological need that restaurants accommodate, but restaurants and the people who work in them fulfill numerous other human desires, such as the need to socialize and to be entertained.

Gramercy Tavern restaurant in New York City may be the perfect location for a certain group of friends to celebrate a

21st birthday. The individual guest who turned 21 may remember this fête for a lifetime because the service and food quality were excellent and added value to the experiences for all the celebrants. For this kind of collective and powerful impression to be made, many key players are needed to operate and support the service-delivery system: several front-of-the-house staff members, such as the food servers, bartenders, greeters, managers, and bus attendants; plus the back-of-the-house employees, such as the chefs, dishwashers, food purchaser, and stewards (to name a few). All these people had to coordinate a variety of activities and responsibilities to create this dynamic, successful, and, for the restaurant ownership, profitable event.

In managed services, foodservices are provided for airlines, military facilities, schools, colleges and universities, health care operations, and business and industry. These foodservice operations have the dual challenge of meeting the needs and wants of both the guests and the client (i.e., the institution that hired the foodservices). The employees who are part of foodservices enterprises have responsibilities very much like those of other restaurant operations. The quality of food products delivered in an airline, for example, may be the key to winning passengers back in the future and creating positive word-of-mouth promotion that attracts new customers.

Since history has been recorded, beverages have provided a biological need that has expanded the beverage menu far beyond water alone! Whether it is the cool iced tea garnished with lemon and mint served poolside at a Riviera resort or the champagne toast offered at a 50th wedding anniversary party in Boston, beverages play a major role in satisfying people and adding to the many celebrations of life.

As with food products, the creation and delivery systems for beverage products are vital components of the hospitality industry. These operations involve many people who consumers rarely see: the farmer in Napa Valley who tends to the vineyard every day of the year, the coffee bean harvester in Colombia, the sake server in Tokyo, or the orchard owner who crates oranges in Florida. These individuals behind the scenes have diverse and crucial responsibilities so that guests, whether in a resort, an office, a hospital, a college, or a roadside snack bar, can have the quality of products they want.



Gramercy Tavern, a Danny Meyer, Union Square Hospitality Group Restaurant.

(Photographer: Maura McEvoy)

## TECHNOLOGY SPOTLIGHT

### The Increasing Importance of Technology to the Hospitality Industry



Courtesy of **James McManemon, M.S.**, University of South Florida  
Sarasota–Manatee

Think about the last travel reservation that you made—did you book your travel online? Did you check consumer reviews on the hotel or restaurant? Studies show that as many as 57 percent of consumers now use the Internet to book their travel, a percentage that vastly changes the landscape of the hospitality industry. In fact, technology could be the thin line between a successful business and bankruptcy for many organizations. In 2013, only four out of every 10 restaurants that open will still be operating in three years. One of the main reasons for the high failure rate is the lack of control in a slim profit-margin industry. With technology, hospitality and tourism businesses can attempt to control costs and generate success. Technology used to be accepted as a cost center by hospitality and tourism organizations. However, in today's world, technology is a strategic enabler. Technology has become such a vital tool that it is hard to imagine a hotel, resort, theme park, cruise ship, restaurant, or airline company running without it.

In each chapter of this book, we will try to show technology applications and uses for each different part of the hospitality and tourism business. Consider this: In a typical full-service hotel, there are about 65 different technology applications. This number is around 35 for a limited-service hotel. Hotels are finding new ways to use technology for a strategic advantage. Consider this example: Mandarin Oriental is keeping track of the fruits eaten by the guest. These records are kept in the guest's profile. Next time the guest visits the hotel, when a fruit basket is sent, it is dominated by the fruits that guest likes. This creates a "wow" factor since it is not directly solicited, but, rather, quietly observed and recorded with the help of proper training and technology.

Similarly, restaurants use more than 30 different technology applications to provide faster, more cost efficient and productive business operations for guests and staff. Airline companies use complex central reservation and yield-management tools. Travel agencies depend on global reservation system networks to operate. Cruise ships employ different technology and navigation systems to operate in an efficient and fast way. Theme parks use different biometric technologies to keep track of their guests and staff members.

The airline industry became a commodity a long time ago. In the contemporary age, travelers do not necessarily care about which carrier will take them from point A to point B. Price seems to be the most important factor in selecting an air carrier. The hotel industry is showing similar symptoms. In the age where hospitality and tourism products are becoming a commodity, technology is becoming a true differentiator. Hoteliers, as in the example of Mandarin Oriental, are turning to technology to differentiate themselves so that they do not become a commodity in the eyes of guests. Many studies already showed that high-speed Internet is one of the most important in-room amenities that enable guest satisfaction in a hotel. In this new age of technology, it is very important for hospitality and tourism students to understand all the different technology applications out there in order to compete in a tough market environment.

# Characteristics of the Hospitality Industry

**LEARNING OBJECTIVE 2**  
Describe the characteristics of the hospitality industry.

Hospitality businesses are open 365 days a year and 24 hours a day. No, we don't have to work every one of those 365 days, but we do tend to work longer hours than people in other industries. Those on their way to senior positions in the hospitality industry, and many others for that matter, often work 10 hours a day. However, because of managerial burnout, there is a trend in the industry of reducing working hours of managers to attract and retain members of Generation X and the Millennial Generation. Evenings and weekends are included in the workweek—so we have to accept that we may be working when others are enjoying leisure time.

The hospitality industry depends heavily on shift work. Early in your career, depending on the department, you will likely work on a particular shift. Basically, there are four shifts, beginning with the morning shift, so you may be getting up as early as 6:00 A.M. to get to the shift that starts at 7:00 A.M. The midshift is usually from 10:00 A.M. to 7:00 P.M.; the evening shift starts at 3:00 P.M. and goes on until 11:00 P.M.; and finally there is the night shift that begins at 11:00 P.M. and lasts until 7:30 A.M. Supervisors and managers often begin at 8:00 A.M. and work until 6:00 or 8:00 P.M. Success does not come easily.

In the hospitality industry, we constantly strive for outstanding **guest satisfaction**, which leads to guest loyalty and, yes, profit. Our services are mostly **intangible**, meaning the guest cannot “test drive” a night's stay or “taste the steak” before dining. Our product is for the guest's *use* only, not for possession. Even more unique, for us to produce our product—hospitality—we must get the guest's input. Imagine General Electric building a refrigerator with the customer in the factory, participating in the actual construction of the product! Seems preposterous, yet we do it every single day, numerous times per day, and in a uniquely different way each time. This is referred to as the **inseparability** of production and consumption of the service product, which presents a special challenge because each guest may have his or her own requests and in our business, we essentially produce and consume the hospitality product at the same time.

Another unique dimension of our industry is the **perishability** of our product. For example, we have 1,400 rooms in inventory—that is, available to sell—but we sell only 1,200 rooms. What are we to do with the 200 unsold rooms? Nothing. We have permanently lost the opportunity to sell those 200 room-nights and their revenue. As a hotelier, we can try and make up the lost room revenue in other ways, but the room inventory for sale has perished. The same goes for restaurant seats not filled during a shift, airline seats unsold on a flight that has departed, and cruise ship berths going empty as a ship sails to sea.

Related to the idea that the hospitality product is simultaneously produced and consumed, one other unique characteristic of the hospitality industry to consider is the **variability** inherent within those that produce and consume. For instance, on the production side of the equation, each

employee has different levels of skill, knowledge, ability, and passion for what they do and therefore we often see variability in the quality of work. On the consumer side of the equation, each guest has different levels of experience, understanding, and expectations in what they are seeking to buy and therefore we often see variability in the ability and way that guests consume the hospitality product. The variability within employees and guests, combined with the fact that the hospitality product is highly perishable and simultaneously produced and consumed, makes for a more complex buyer–seller relationship than found in other industries. This example illustrates that in the hospitality industry, we are in business to make a **return on investment** for owners and/or shareholders and society. People invest money for us to run a business, and they expect a fair return on their investment. Now, the amount that constitutes a fair return can be debated and will depend on the individual business circumstances. The challenge increases when there is an economic downturn or, worse, a recession, such as we have recently experienced. Then, the struggle is to make more money than is spent, known as keeping one’s head above water!

### ► Check Your Knowledge

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1. Identify and explain two differences between the hospitality business and other business sectors.
  2. List and describe the four shifts in the hospitality industry.
  3. Identify some of the highlighted characteristics of the hospitality industry.
- 

Each year, the NRA invites the best and brightest students from universities and colleges to participate in the annual restaurant show in Chicago. The highlight of the show is the “Salute to Excellence” day when students and faculty attend forums, workshops, and a gala award banquet with industry leaders. Coca-Cola and several other corporations involved in the industry sponsor the event.

During the day, students are invited to write their dreams on a large panel, which is later displayed for all to enjoy. So what are your dreams and goals? Take a moment to think about your personal dreams and goals. Keep them in mind and look back on them often. Be prepared to amend them as you develop your career.

## Careers

There are hundreds of career options for you to consider, and it’s fine if you are not yet sure which one is for you. In Figure 1–3 you saw the major hospitality industry segments: lodging, restaurants and foodservice, recreation and special events, assembly management, theme parks and attractions, travel, and tourism. For instance, lodging provides career opportunities for

many associates who make reservations, greet, assist, and serve guests in hotels, resorts, and other lodging operations all over the world. Among the many examples are the operators of a B&B in upstate New York who cater to seasonal guests. Another example is the hundreds of employees necessary to keep the City Center in Las Vegas operational. Throughout the chapters of this text we will explore the important segments of the hospitality industry.

Figures 1–4, 1–5, and 1–6 show a career ladder for lodging management and food and beverage management and the rooms division in mid-sized and large hotels. Figure 1–7 shows a career ladder for restaurant management. Information relating to careers comes from the 2011 American Community Survey (ACS) released by the Census Bureau statistics of lifetime earnings, which indicates that high school graduates earn \$1.4 million.<sup>13</sup> Associate degree holders earn more than \$1.6 million, but less than both bachelor's degree holders who earn \$2.1 million, and master's degree holders who earn over \$2.5 million.<sup>14</sup> Figure 1–8 shows the income for different levels of education.

Speaking of salaries, not everyone follows these steps; some move from front-of-the-house positions to heart-of-the-house positions to “round out” their experiences. Figure 1–8 is a current salary guide for hospitality positions. Please note that these figures (2015) are a guide and may vary by company and location.



Figure 1–4 • Lodging Management Career Ladder.

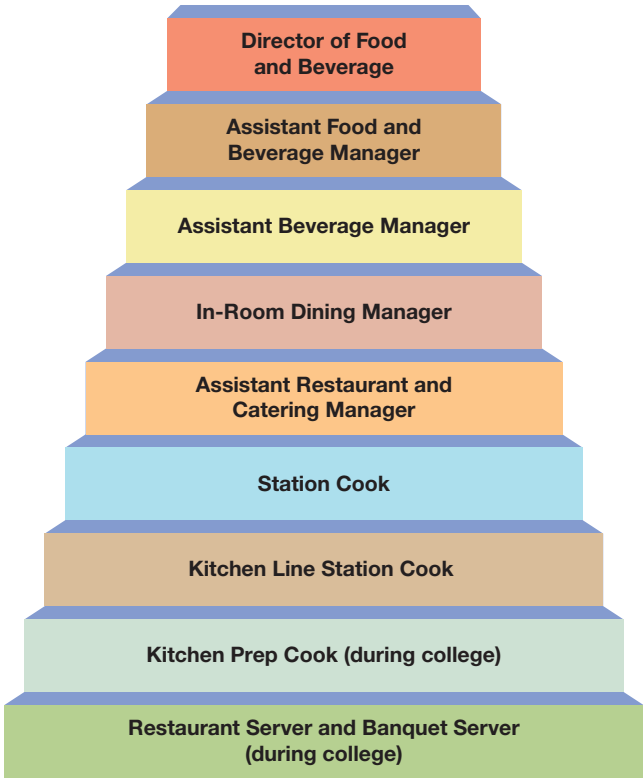


Figure 1-5 • Lodging Food and Beverage Career Ladder.

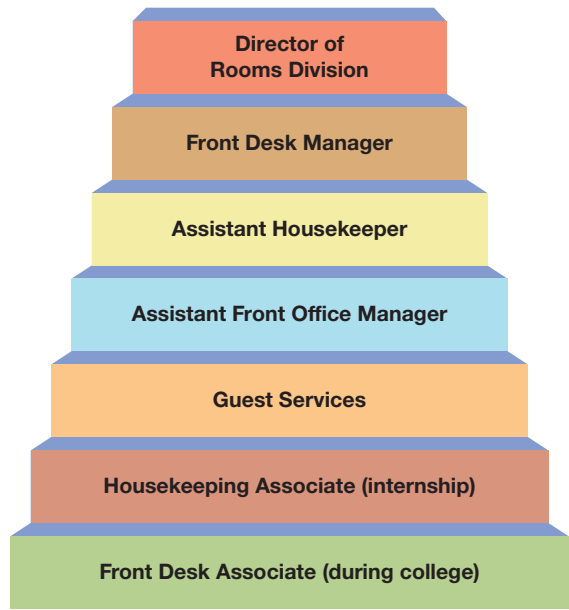


Figure 1-6 • Lodging Rooms Division Career Ladder.

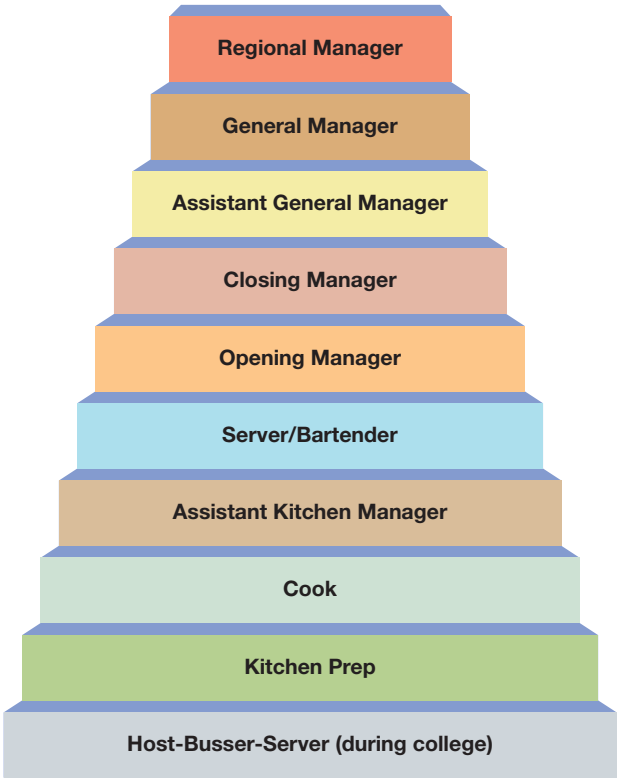


Figure 1-7 • Restaurant Management Career Ladder.

Hospitality Salaries	
President of a Chain Lodging Company	\$350,000–1,000,000+
President of a Chain Restaurant Company	\$175,000–450,000+
Vice President of a Lodging Company	\$250,000–500,000+
Hotel/Resort General Manager	\$75,000–375,000+
Country Club General Manager	\$100,000–750,000+
Vice President of a Restaurant Company	\$75,000–250,000+
Restaurant General Manager	\$40,000–100,000+
Hotel or Resort Rooms Division Director	\$70,000–120,000+
Hotel/Resort Human Resources Director	\$50,000–80,000+
Hotel or Resort Food and Beverage Director	\$55,000–125,000+
Hotel/Resort Catering Manager	\$50,000–90,000+
Assistant Restaurant Manager	\$25,000–45,000+
Hotel Front Office Manager	\$30,000–60,000+
Hotel/Resort Executive Housekeeper	\$30,000–75,000+
Hotel/Resort Assistant Food and Beverage Manager	\$35,000–60,000+
Hotel/Resort Executive Chef	\$60,000–120,000+
Restaurant Chef	\$30,000–80,000+
Front Desk Agent	\$20,000–30,000+
Servers	\$25,000–50,000+
Cooks	\$20,000–35,000+

**Figure 1–8 •** A Guide to Hospitality Salaries 2015. (These salaries may vary by location or company.)

## Hospitality Industry Philosophy

**LEARNING OBJECTIVE 3**  
Explain corporate philosophy  
and Total Quality Management.

Current **hospitality industry philosophy** has changed from one in which managers plan, organize, implement, and measure to that in which managers counsel associates, giving them resources and helping them to think for themselves. The outcome is a more participative management style, which results in associate **empowerment**, increased productivity, and guest and employee satisfaction. For example, Ritz-Carlton associates are empowered to spend up to \$2,000 to make a guest completely happy. Imagine a bride-to-be arriving at a hotel and sending her wedding dress to be pressed. Unfortunately, the iron burns the dress. Luckily, the concierge comes to the rescue by taking the bride to a wedding dress store, where they select a gorgeous dress for around \$1,800, and the bride is happy because it is a nicer dress than the original. Corporate philosophy has strong links to quality leadership and the **total quality management (TQM)** process. (TQM is discussed in a later section.)

**Corporate philosophy** embraces the values of the organization, including ethics, morals, fairness, and equality. The new paradigm in corporate American hospitality is the shift in emphasis from the production aspect of our business to the focus on guest-related services. The philosophy of “whatever it takes” is winning over “it’s not my job.” Innovation and creativity are winning over “that’s the way we’ve always done it.” Successful organizations are those that are able to impart corporate philosophies to employees and guests alike. Disney Corporation, as discussed later in the chapter, is a good example of a corporation that has a permeating corporate philosophy.

## Service Philosophy Is a Way of Life

J. W. (Bill) Marriott Jr. is chairman of the board of directors of Marriott International. Marriott's Web site defines the "Marriott Way" as "about serving the associates, the guest, and the community." These ideals serve as the cornerstone for all Marriott associates who strive to fulfill the "Spirit to Serve."<sup>15</sup> The values originate from deep inside the people themselves—authentic, bone deep, and passionately held. Marriott's **core values** include the belief that people are number one ("Take care of Marriott people and they'll take good care of Marriott guests"), a commitment to continuous improvement and overcoming adversity, and a good old-fashioned dedication to hard work and having fun while doing it.

Marriott's core values drive the culture. Similarly, regardless of which service organization we work for, our culture influences the way we treat associates, guests, and the community, and that affects the success of everyone. In the words of J. W. Marriott, Jr., "Culture is the life-thread and glue that links our past, present, and future."<sup>16</sup>

## Sustainable Hospitality

Sustainable development is a holistic concept based on a simple principle. As outlined in the 1987 Brundtland Commission Report titled, "Our Common Future," the Brundtland Commission, formally the World Commission on Environment and Development, was convened by the United Nations to address the growing concern "about the accelerating deterioration of the human environment."<sup>17</sup> The concept of sustainability involves "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

**Sustainability** is the ability to achieve ongoing economic prosperity while protecting the natural resources of the planet and maintaining an ideal quality of life for its people and future generations.<sup>18</sup> Operators of hospitality businesses have generally embraced the concept of sustainable hospitality and are increasingly making it a part of their operation. As an example in the lodging industry, the Willard InterContinental's Sustainable Development initiative is showing substantial results. The program's chief goals are based on profits, people, and planet. The first goal is to find ways to operate the hotel according to the idea of a "triple bottom line," which embodies profitable operation combined with attention to the people who use and work in the hotel and with a focus on careful stewardship of resources.<sup>19</sup> More on making sustainable hospitality operational as it relates to water, solid waste, construction, sourcing, use of alternative power, and reduction of energy will be presented in each chapter in the text.

### ► Check Your Knowledge

1. Describe Marriott's "Spirit to Serve."
2. Define the term corporate philosophy and how it is currently understood, especially in the hospitality industry.
3. What is sustainability, and how does it relate to the hospitality industry?

## Success in Service

**LEARNING OBJECTIVE 4**  
Discuss the many facets of service and why it has become such an important part of the hospitality industry.

What must happen to achieve success in service? Given that approximately 70 percent of the U.S. and Canadian economies and an increasing percentage of other countries' are engaged in **service industries**, it is critical to offer guests exceptional service, but what is exceptional service? *Service* is defined in *Webster's New World Dictionary* as "the act or means of serving." To serve is to "provide goods and services for" and "be of assistance to."

This is the *age of service*, and the hospitality industry is getting revamped because guest expectations have increased and the realization is that "we buy loyalty with service."<sup>20</sup> With thousands of guest encounters, or moments of truth, each day, it is critical to incorporate service excellence in each hospitality organization. Some corporations adopt the expression, "If you're not serving the guest, you had better be serving someone who is." This is the essence of teamwork: Someone in the **back of the house** (also called the heart of the house) is serving someone in the front of the house, who is serving the guest.

A guest is anyone who receives or benefits from the output of someone's work. The external guest is the guest most people think of in the traditional sense. The satisfaction of external guests ultimately measures a company's success, because they are the people who are willing to pay for its services. The internal guests are the people inside a company who receive or benefit from the output of work done by others in the company, for example, the server or busser preparing the restaurant to serve lunch has been "served" by the dishwasher, who has prepared clean plates, knives, forks, spoons, and glassware.

For success in service, we need to do the following:

1. Focus on the guest.
2. Understand the role of the guest-contact employee.
3. Weave a service culture into education and training systems.
4. Emphasize high touch as well as high tech.
5. Thrive on change—constantly improve the guest experience.

As hospitality professionals, we need to recognize a variety of guest-related situations and act to relieve them or avoid them. Imagine how an associate can win points by showing empathy—that is, putting him- or herself in someone else's shoes—in the following situation: A party of two ladies arrives for lunch one cool January day at an upscale Florida waterfront hotel. They decide it would be nice to have lunch on the terrace. A server from the adjacent lounge notices the guests, and upon learning of their request to have lunch on the terrace, quickly lays up a table for them, brings them hot tea, takes their order, and then goes to the laundry to have two blankets put in the dryer for a couple of minutes to take out to the ladies to keep them warm. Little did the server realize who the guests were—travel writers for the *New York Times*, who described their outstanding experience in an article that brought praise to the hotel and its service.

Another key objective in the service equation is to encourage guest loyalty. We not only need to keep guests happy during their stay but also to