

DEPARTMENT OF COMMERCE (CA)
TRAVEL AND HOSPITALITY SERVICES (Semester-III)

II M.COM (CA)

Sub Code-18MCC36E

UNIT IV

Hospitality Services: Hotels – classification of Hotels by physical characteristics–classification of hotels by price level.

MEANING OF HOSPITALITY SERVICE

The **hospitality** industry is a broad category of fields within the service industry that includes lodging, food and drink service, event planning, theme parks, and transportation. It includes hotels, restaurants and bars.

Meaning of Hotels:

A **hotel** is an establishment that provides paid lodging on a short-term basis. **Hotel** rooms are usually numbered (or named in some smaller **hotels** and B&Bs) to allow guests to identify their room. Some boutique, high- end **hotels** have custom decorated rooms. Some **hotels** offer meals as part of a room and board arrangement.

Classification of Hotels:

1. Size - Or number of rooms

Under 200 rooms

200 to 399 rooms

400 to 700 rooms

More than 700 rooms

The above categories enable hotels of similar size to compare operating procedures and statistical results.

2. Target Markets

Hotel targets many markets and can be classified according to the markets they attempt to attract their guests. The common type of markets includes business, airport, suites, residential, resort, timeshare, casino, convention and conference hotels.

- **Business Hotels:** These hotels are the largest group of hotel types and they primarily cater to business travelers and usually located in downtown or

business districts. Although Business hotels primarily serve business travelers, many tour groups, individual tourists and small conference groups find these hotels attractive. Guest amenities at business hotels may include complimentary newspapers, morning coffee, free local telephone calls, Breakfast etc.

- **Airport Hotels:** These types of hotels typically target business clientele, airline passengers with overnight travel layovers or cancelled flights and airline crews or staff. Some hotels might give free transport between hotel and airport. Some Airport hotels also charge the guest by the hour instead of normal daily night charges.
- **Suite Hotels:** These kinds of hotels are the latest trend and the fastest growing segments of the hotel industry. Such hotels have a living room and a separate bedroom. Professionals such as accountants, lawyers, businessmen and executives find suite hotels particularly attractive as they can work and also entertain in an area beside the bedroom.
- **Extended Stay Hotels:** Extended stay hotels are somewhat similar to the suite hotels, but usually offers kitchen amenities in the room. These kinds of hotels are for long-stayers who want to stay more than a week and does not want to spend on hotel facilities.
- **Serviced Apartments:** Serviced Apartment / Residential hotels provide long-term or permanent accommodation for Guest. Usually guest makes a lease agreement with the hotel for the minimum of one month up to a year. Rooms generally include living room, bedroom, kitchen, private balcony, washing machines, kitchen utensils etc. Unlike normal hotels Serviced apartment only provide weekly one housekeeping service.
- **Resort Hotels:** Resort hotels are usually located in the mountains, on an island, or in some other exotic locations away from cities. These hotels have recreational facilities, scenery, and golf, tennis, and sailing, skiing and swimming. Resort hotels provide enjoyable and memorable guest experiences that encourage guest to repeat to the resort.
- **Bed and Breakfast / Home stays:** These are houses with rooms converted into overnight facilities, this can size up to 1 to 10 guest rooms. They are also known as 'Home Stay's'..
- **Timeshare / Vacation Rentals:** Another new type or segment of the hospitality industry is the timeshare hotels. These are sometimes referred to as “Vacation-interval” hotels. Timeshare hotels are where the guests who purchase the ownership of accommodations for a specific period. These owners may also have the unit rented out by the management company that operates the hotel.

- **Casino Hotels:** Hotels with gambling facilities are called Casino Hotels. Although the food and beverage operations in the casino are luxurious their functions are secondary to and supportive of casino operations.
- **Conference and Convention Centres:** this type of hotels focus on meeting and conferences and overnight accommodation for meeting attendees. They also provide video conferencing facility, audiovisual equipment, business services, flexible seating arrangements, flipchart etc. These hotels mostly located outside the metropolitan areas and have facilities like golf, swimming pools, tennis courts, fitness centres, spas etc.

3. Levels of Service

- **World class service:** These are also called luxury / Five Star hotels, they target top business executives, entertainment celebrities, high- ranking political figures, and wealthy clientele as their primary markets. They provide upscale restaurants and lounges, Valet, conciierge services and also private dining facilities.
- **Mid-Range Service:** Hotels offering mid-range or otherwise 3 to 4-star hotels service appeal the largest segment of the travelling public. This kind of hotels does not provide elaborate service and have a adequate staffing. They also provide uniformed service, food and beverage room service, in-room entertainment's and also Wi-Fi etc.
- **Budget / Limited Service:** These hotels provide clean, comfortable, safe, inexpensive rooms and meet the basic need of guests. Budget hotels appeal primarily to budget-minded travellers who want a room with minimum services and amenities required for the comfortable stay, without unnecessary paying additional cost for costly services.

4. Ownership and Affiliations

- **Independent / Single Owner Hotels:** They do not have identifiable ownership or management affiliation with other properties. Example of the same would be family owned and operated hotel that is not following any corporate policies or procedures.
- **Chain hotels:** Hotels which are part of a hotel chain and these kinds of ownership usually imposes certain minimum standards, rules, policies and procedures to restrict affiliate activities. In general the more centralized the organization the stronger the control over the individual property.

STAR SYSTEM

The Star categories to the Hostels are given by the committee called “**HOTELS AND RESTAURANTS APPROVAL AND CLASSIFICATION COMMITTEE**” (HRACC).

1. One-Star Hotels:

Hotels in this classification are likely to be small and independently owned, with a family atmosphere. Services may be provided by the owner and family on an informal basis. There may be a limited range of facilities and meals may be fairly simple. Lunch, for example, may not be served. Some bedrooms may not have an en suite bath/shower rooms. Maintenance, cleanliness and comfort should, however, always be of an acceptable standard.

2. Two-Star Hotels:

In this classification hotels will typically be small to medium sized and offer more extensive facilities than at the one-star level. Some business hotels come into the two-star classification and guests can expect comfortable, well equipped, overnight accommodation, usually with an en-suite bath/shower room. Reception and other staff will aim for a more professional presentation than at the one-star level, and offer a wider range of straightforward services, including food and drink.

3. Three-Star Hotels:

At this level, hotels are usually of a size to support higher staffing levels, and a significantly greater quality and range of facilities than at the lower star classifications. Reception and the other public rooms will be more spacious and the restaurant will normally also cater to non-residents. All bedrooms will have an en suite bath and shower rooms and offer a good standard of comfort and equipment, such as a hair dryer, direct dial telephone and toiletries in the bathroom. Besides room service, some provisions for business travellers can be expected.

4. Four-Star Hotels:

Expectations at this level include a degree of luxury as well as quality in the furnishings, decor and equipment, in every area of the hotel. Bedrooms will also usually offer more space than at the lower star levels, and well designed, coordinated furnishings and decor. The en-suite bathrooms will have both bath and fixed shower. There will be a high enough ratio of staff to guests to provide services like portage, 24-hour room service, laundry and dry-cleaning. The restaurant will demonstrate a serious approach to its cuisine.

5. Five-Star Hotels:

Here you should find spacious and luxurious accommodation throughout the hotel, matching the best international standards. Interior design should impress with its quality and attention to detail, comfort and elegance. Furnishings should be immaculate. Services should be formal, well supervised and flawless in attention to guests' needs, without being intrusive. The restaurant will demonstrate a high level of technical skill, F&B production to the highest international standards. Staff will be knowledgeable, helpful, well versed in all aspects of customer care and combining efficiency with courtesy.

6. Five Star Deluxe Hotels:

Something that's extra fancy or of very high quality is deluxe. If you upgrade to a deluxe hotel room, it will be bigger, more luxurious, and probably have a great view. You're most likely to find deluxe describing a spa, hotel, car, or house.

7. Five Star Super Deluxe Hotels:

Most travelers and even professionals believe that no hotel rating system on Earth gives a rating higher than 5 stars. It's because the standard and quality expected to acquire that 5-star rating is something that only a few hotels on this earth have managed to achieve. But those that have achieved beyond even that have been rated as 5-star deluxe hotels. An example of such deluxe hotel fame is the Burj al-Arab in the UAE. Awarded as the most luxurious property ever; this is expected to have the rumored seven-star status, which has yet to be announced.

TYPES OF RATE IN HOTELS (PRICE LEVEL)

Hotels always have more than one rate code category for each room type. Room rates categories generally correspond to types of rooms available to sell in the hotel (Eg: Suite, Deluxe, Premier, Studio, Penthouse etc.). Room Rates and rate codes may also vary according to the available room features such as room size, location, view, furnishing, décors etc... and also with competitors pricing.

Standard Room Rates and Rate codes used in the hospitality industry

1. Rack Rate: Is the Standard rate or Published tariff defined by the hotel management for a particular room category/type. This is generally printed on the tariff sheet of the hotel and these details are also submitted to the local government authorities for hotel licensing and in some countries for Government tax compliance. In other words, these rates are always without any sorts of discounts.

2. Corporate or Commercial Rate: These are rates offered to companies that provide frequent business for the hotel or its chain. This rate may vary according to the volume of business guaranteed by the companies. Eg: NEG1, COR1 etc.

3. ADHOC Rate Code: These are normally non-standard rates which are offered as special one-time rates for first time corporates.

4. Group Rate: These are rates which are offered to groups, meetings and conventions using the hotel for their functions.

5. Promotional Rate Codes: These rates are generally offered during low occupancy periods to any guest to promote occupancy. Early Bird Rates, stay for 3 and pay for 1 etc. are some examples. These rates may also include certain add-ons to attract the customers like free WiFi for 24 Hrs, free buffet dinner etc.

6. Incentive Rate Code: The Rate offered to individuals who belong to an association or holders of special membership cards or Credit cards. Eg: Amex / VISA / Master cardholders get 5% discount on Rack Rate, Lufthansa Frequent Flyer members get a 25% discount etc. For hotels, these rates always give potential referral business.

7. Early-bird Rate: This type of rates are only open X days before arrival. Eg: Open only when 7 Days before arrival, 14 Days Before Arrival, 30 Days Before arrival Etc.

8. Family Rate: A rate reserved for families with children. Usually, these rates include Extra Bed charges and may also include some free add-on activities for children.

9. Package Rate: Rates that includes a guest room in combination with other available events or activities. (Eg: Best of London package which includes room rental, all meals, site seeing, airport transfers etc.)

10. Best Available Rates (BAR): These rate codes are the lowest discounted rate available for a day which can be offered to the guest by the Reservation or Front desk staff. BAR can be of different types:

'Dynamic BAR' - Has different tiers and each tier will be opened and closed according to the occupancy of the hotel. (The new age hotel management software's does this automatically for the Revenue Managers.)

'Daily BAR' - Has a pre-defined daily room rate regardless of room categories (Run of the house) and occupancy, these rates are set according to the day of the week, as per the demand of hotel rooms in the city, special day's or seasons, as per the room demand forecast done by the hotel revenue manager.

Complimentary Rate: A Room rate with zero room charge which is offered to special guests, industry leaders, Government officials etc.

House use Rate: A Room rate with zero room charge which is used for rooms stays for hotel purpose. Eg: Manager or duty room, In-house General / Resident manager room etc.

Zero Rate Code: This kind of rates are used as system requirements for PMS's as these would be tagged to Dummy rooms, Paymaster rooms and Group Master rooms.

Virtual Rate / Follow Rates: A Special Type of rate codes whose values are derived from another rate code or rate group. Eg: BAR1 which is 10% off on the Rack Rate.

CLASSIFICATION OF HOTELS BY PHYSICAL CHARACTERISTICS:

1. Simple Booking:

Whether you book a hotel online, on the phone, or through a travel agent, it should be a simple process. It should be easy to contact a knowledgeable, helpful person if you have questions, changes to your initial booking, or special requests. Anything else is a red flag.

2. Fast, Friendly First Contact

When you first pull up to a hotel entrance or walk into the lobby, your initial encounter tells you plenty about the type of place you're staying. Harrison says, "A guest's first contact with the hotel is the valet, doorman, and bellman. These staffers must communicate welcome, in words, smiles, and body language. They should be happy to serve guests, and not angling for a tip."

3. A Genuinely Cheerful, Helpful, Knowledgeable Staff

There's a fundamental difference between fake cheerfulness and genuine warmth. Great hotels hire people with intuitive qualities: observant, empathetic, kind, and funny. Harrison describes them as people "who quietly make guests feel comfortable and important." One-way good employees accomplish this feat is knowing enough about the facility and the town you're in, so they don't have to hand you off to someone else when you have a basic question.

4. Distinctive, Well-Appointed Guest Rooms That Are Exactly What You've Asked for:

One way the better hotels and resorts distinguish themselves from low- and mid-range chains is with distinctive accents and amenities that help you experience the local flavor. Harrison says she looks for “refined goods and services that show true taste and respect.”

Pay attention to whether you've been assigned to exactly the kind of room you've requested, including:

- * Room category or level
- * Room location: floor, view, proximity to elevators, etc.
- * Special classifications: e.g., pet-friendly, disability accommodations
- * The type of bed you requested

5. On-Site Services That Delight:

The guest rooms are critical to a superior hotel experience, of course, but what really sets great hotels apart is the range and quality of services that make your stay a special experience - without needing to upgrade to “club- level.” Harrison's list of these services includes: 24-hour fitness center: The facility should include at least a range of basic equipment: A Stair Master, a treadmill, a stationary bike, free weights, and floor mats.

- A social lobby: Look for an area away from the drafty entrance, with couches and wifi. Bar service for the social lobby is nice, too.
- Referral service: You should be put in touch with reliable providers for babysitting, pet sitting, dog-walking, etc., before or after you arrive for your stay

6. A Variety of Excellent Food and Drink:

Even if you're planning on having most of your meals outside the hotel, a solid reputation for on-site restaurants is a good indicator of a hotel's overall quality. Look for a hotel that offers a variety of options in addition to room service, including fine dining, casual or pub-style dining, a grab-and-go shop and/or a

premium coffee shop. It's a good sign when locals frequent the hotel's restaurants and bars.

7. Quick Resolution of Problems:

This is where the best hotels really shine. The first staff member you report a problem to should own it and see to it personally that the situation is resolved — or that you are connected directly with someone who can resolve it. Hotels that respond best to difficulties usually have a resident manager or a GM- level boss available at all times. And “available” doesn't mean hiding in an office.

REFERENCE

1. <https://setupmyhotel.com/train-my-hotel-staff/sales-and-marketing/285-marketing-mix.html>
2. <https://www.revfine.com/hotel-marketing/>

Prepared by Dr.N.SHANMUGAVADIVU