

## Chapter Seven Outline Accommodations

- i. Quote: Homer
- ii. Opener: Expect the Unexpected
- I. Introduction: Brief history of accommodations
  - A. Age-old profession
  - B. Started as way stations for travelers needing safe shelter for the night
  - C. Evolved into local gathering places for meetings and entertainment
  - D. Inns expanded in size and became hotels
  - E. Development of lodging facilities closely followed improvements in transportation
- II. Oh So Many Choices!
  - A. Accommodations grouped under the umbrella term *lodging*
  - B. Many forms of transportation include “accommodations” as part of their service
  - C. Resort properties and cruise ships will be covered in Chapter 10, Destinations
  - D. Distinctive forms of accommodations
    - 1. Bed and breakfasts (B&B): No two are exactly alike
      - a. Started in small towns and similar to early small inns
      - b. B&Bs exist worldwide, often supplementing family income
      - c. Wide variety of B&B establishments
        - 1) B&B homes (one to three rooms)
        - 2) B&B inns (four to twenty rooms)
        - 3) B&B hotels (over twenty rooms, sometimes including a restaurant)
        - 4) French term “pension” is used in some regions
      - d. Referral organizations have evolved to assist B&B owners in marketing
      - e. Internet has proven to be especially effective for reservation booking
      - f. Personal attention and breakfast are major distinctions of B&Bs
    - 2. Living like a local
      - a. Offering visitors a place to stay in one’s home, whether it’s on an air mattress in the living room, a spare bedroom, or the entire property; private accommodations, has grown tremendously in the past few years
      - b. Growth in these accommodations can be attributed to a desire to “feel like a local” and get a taste of the community life during their visits
      - c. The growth of this form of lodging, like many other sharing economy players, is

not without controversies

3. Time-share condominiums: Same Time, same place?
  - a. Usually have amenities similar to a luxury apartment
  - b. Vacation ownership is appealing to people who can plan in advance and want to be assured of accommodations at set times at specific locations
  - c. Fee-simple or right-to-use basis
  - d. Flexibility through ability to swap occupancy rights with other owners at different locations
  - e. Point system is new way to sell time-shares and make swapping easier
  - f. Destinations and week of year vary in popularity
  - g. Alternative to time-share is purchase of condo in resort area and participation in rental pool when owner is not using condo

### Living, Learning and Leisure

- a. Accommodations built to serve the needs of meeting attendees
- b. Service is designed to enhance the meeting experience

#### Campgrounds and RV parks: Enjoying the great outdoors

- a. Camping is no longer “roughing it”; often find amenities similar to other forms of accommodations
- b. Add additional “rooms” during the tourist season
- c. Shift the capital investment burden to the traveler

### III. Rooms, Rooms, and More

#### A. Brief history of hotel development

1. Boston’s Tremont House, 1829, first hotel
2. Brown Palace in Denver, 1892, first atrium
3. Statler Hotel, 1908, added many services and amenities
4. Great Depression, began in 1929, resulted in 85 percent of hotels going bankrupt
5. End of WWII gave rise to new development but mainly in the form of motels
  - a. Investment in interstate highway system and mass production of autos
  - b. Precursor of motel was tourist court, small roadside wooden structures
  - c. Holiday Inns the first major national motel company
  - d. Hyatt started the renaissance of downtown business hotels by building many hotels with atriums and a great deal of public space
6. Recent decades a period of growth and high profits
  - a. Addition of new brands of properties to target specific segments; e.g., extended stay
  - b. Nine companies now dominate the U.S. lodging industry

#### B. Making sense of classifications and ratings systems

1. Organizations such as American Hotel and Motel Association have developed rating systems to clarify the amenities and services at a type of lodging property
  2. Eight typical categories
    - a. Limited-service budget motels
    - b. Limited-service economy motels
    - c. Full-service mid-priced hotels and motels
    - d. Full-service upscale hotels
    - e. Luxury hotels
    - f. All-suite hotels
    - g. Extended-stay hotels
    - h. Boutique and lifestyle hotels
  3. Classification systems provide managers with reference groups and benchmarks against which they can evaluate performance
  4. Confusion has been introduced into rating systems as many online sources have created their own rating rubrics
  5. Rating organizations use standardized rubrics and annual visits by anonymous inspectors to classify properties
- C. Lodging lexicon
1. Lodging has its own set of terms
  2. Some terms are industry-wide, while others may be unique to certain companies

#### IV. Organizing for successful operations

- A. Five types of ownership/management are typical
- B. Going it alone: Small independent properties, managed by owner
  1. Not bound by corporate policies so have complete decision-making authority
  2. No corporate support/resources
- C. Franchising
  1. Provide use of brand name, reservation system, and management systems from parent company in return for royalties and fees
  2. Franchisee gives up some decision-making freedom
  3. Franchising in the lodging business is still rare in Europe and Asia
- D. Management contracts
  1. Owners of lodging property hire a company to manage/operate the property
  2. Management company receives percent of revenue as compensation
  3. Owners retain all financial obligations
  4. The structure of these contracts has changed and become more complex
- E. Chain operations
  1. Chain operations have common ownership or management
  2. Chains provide similar benefits as franchises
  3. Variety of ways to create a chain
    - a. Through franchising agreements with one or more lodging companies
    - b. Through management contracts with one or more lodging companies
    - c. Through purchase/development of own units

- d. Combination of these three methods
- F. Strength in numbers: Referral associations
  - 1. Referral organizations offer freedom of going it alone plus some benefits of chains
  - 2. Marketing, especially through central reservations system and widely distributed member directory, is the primary benefit
  - 3. May also offer operational benefits such as cooperative purchasing and training
- V. It All Begins with Marketing
  - A. Goal of lodging sales is to attract future bookings of individual and/or group business
  - B. Can use a variety of methods to gain sales including toll-free/Internet reservation system, travel agents, tour operators, convention and visitors bureau, in-house sales staff
  - C. All employees are involved in sales through recommendations of related services

### **Mini-Lector or Practical Application Experience**

#### **The Sales Blitz**

No one knows for sure who came up with the idea of a sales blitz, but the blitz (a sudden massive attack) has proven to be a very effective marketing tool for a wide variety of lodging properties. The sales blitz is a coordinated effort to reach as many past, current, and potential customers in as short a period of time as possible. A sales blitz is typically conducted over one or two days although it can be stretched over a week. Whether they are conducted through personal calls or telemarketing; planning, organizing, directing, and controlling are the keys to achieving the following potential objectives of sales blitzes:

- Introducing potential customers to the array of services offered by the lodging property,
- Personalizing the sales process and creating ties among organization members and target market customers,
- Developing goodwill and positive word-of-mouth comments among present customers, and
- Creating top-of-mind name awareness and recognition among past, present, and potential customers.

Planning the sales blitz begins with determining whether the effort will be achieved through personal calls or telemarketing. Personal calls will limit the number of contacts that can be made, while telemarketing provides the opportunity to reach a wider audience. Personal calls can be an effective means of generating sales leads or engaging in one-on-one service recovery. Telemarketing can be an effective means of attracting potential customers to come and visit the property when combined with some type of festive activity designed to show off the facilities and services.

When the objectives and the most effective approach have been identified, the total number and types of accounts can be determined. The number of contacts to be made by the sales blitz team will depend on the objectives and size of teams. A sales blitz designed to say “thank you” to