

GLOBAL
EDITION



Introduction to Hospitality

SEVENTH EDITION

John R. Walker



Pearson

INTRODUCTION TO

Hospitality

SEVENTH EDITION

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

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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

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.pearsonglobaleditions.com/walker, where you can register for an instructor access code. 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) 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	
	<p>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 conferences and opportunities and adding self-interest to what you do for your career.</p> <p>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.</p> <p>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</p>

A DAY IN THE LIFE OF DENNY BHAKTA	
Revenue Manager, Hilton Hotels San Diego	
	<p>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:</p> <ol style="list-style-type: none"> 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. <p>The general public can view rates and book rooms up to 365 days into the future. Therefore, the revenue</p>


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

CORPORATE PROFILE	
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 & 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.¹²</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.</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 . . .

FOCUS ON ROOMS DIVISION	
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 . . .

HOW TO GET A STEP AHEAD IN THE INDUSTRY	
Courtesy of James McManemon, M.S. , University of South Florida Sarosta—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 get the job done.</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	
<p>"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 technology, guests were able to check out from their room by using the TV.</p>	

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

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>Discussion Question</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: Hyatt Hotels Corporation 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 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: Seek Summary: Seek is a Web site that offers employment and education opportunities across the Asia-Pacific region. (a) What jobs are being offered, and which one, if any, interests you? (b) What advice and tips are provided under the "Jobs" section of the Web site?</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 would you do to ensure the hotel's success?
2. If a hotel with 850 available rooms generates sales worth \$75,884 in one day, what is the revenue per available room?

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.
- Describe the main functions of the rooms division departments.

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 general 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

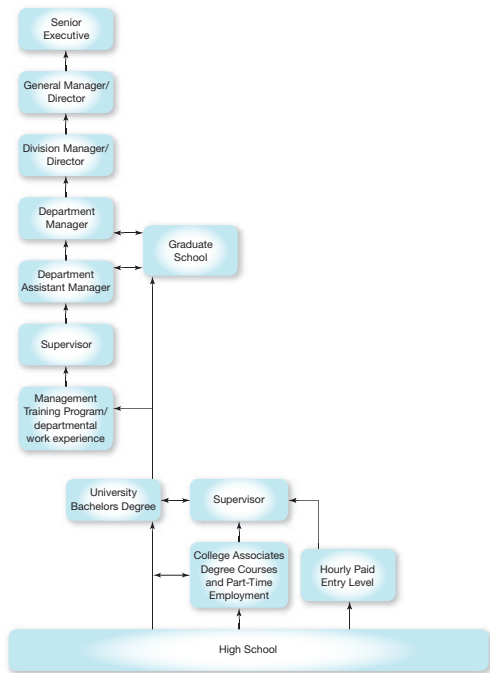


Figure 1-1 • A Possible Career Path in the Hospitality Industry. Is Education Worth It? You Bet! Just Think—Over a Career, the Difference in Salary between an Associate and a Bachelor’s Degree is \$500,000. Yes, That’s Half a Million Bucks!

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

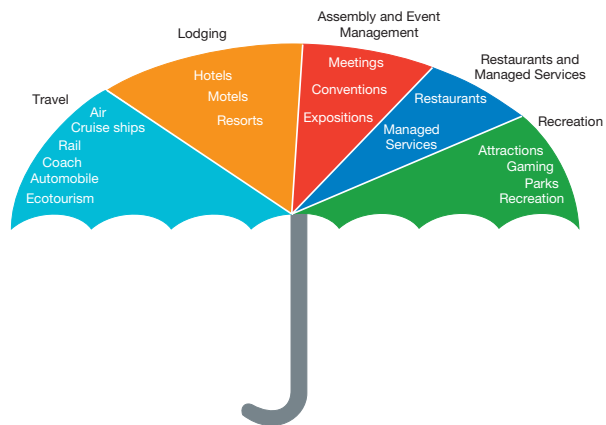


Figure 1-2 • Scope of the Hospitality and Tourism Industries.



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



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

Additional Student Resources

MyHospitalityLab, 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* or *johnniewalkergold@hotmail.com*.

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