

*Fourth Edition*

# Exploring the Hospitality Industry

**John R. Walker**





*Fourth Edition*

# Exploring the Hospitality Industry



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*To Josielyn, Christopher, and Selina*

*My love, joy, and inspiration*



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# TO THE STUDENT

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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. *Exploring the Hospitality Industry* will give you an overview of the world's largest and fastest-growing industry groupings. Each chapter contains information about the various hospitality segments, the many different areas of career opportunities and career paths, as well as profiles of industry practitioners and leaders.

## Read the Book

Read and study the text, including the profiles, boxes, Check Your Knowledge questions, industry professionals' advice, career advice, and review questions, and discuss and debate the case studies. Use the many tools throughout this textbook—including bolded key words and concepts and glossary of terms—to facilitate your reading and understanding of the concepts. You will be amazed at how much more you get out of class by preparing ahead of time.

## Success in the Classroom

Faculty say that the best students are those who come to class prepared. We 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 this in mind, we tried to make this book as visually appealing, easy, and engaging to read as possible—and enjoyable, too.

Wishing you success in your studies and career.

Sincerely,  
John R. Walker

*Take some time to review the book's features and tools as described on the following pages; they will facilitate your reading and understanding of the concepts and introduce you to the exciting opportunities in the many, varied segments of the hospitality industry.*



## Career Information

Management careers in the field of managed services offer college graduates a vast array of opportunities. A tremendous advantage to this type of career is that as a manager, you have more control over your time because of the structured nature of the environment. Airlines, schools, and health care foodservice, as well as college and university dining, usually work on a set schedule that is based on a menu rotation. There are no late nights unless you are supervising a catering event or special function. Within the educational environment, summers and school breaks allow managers time to get caught up on projects and/or take vacations.

If you are looking for a managed services career, these areas offer a rare opportunity for a quality of life that is often not available in foodservice. One drawback to this type of career is that there is often little or no interpersonal relationships with your customers. Reduced customer contact means that there is often limited recognition and acknowledgment by patrons.

Military dining operations can offer a more restaurant or club-oriented career path. Working as a civilian for the military means competitive salaries, excellent benefits, and the opportunity to travel.

Business and industry dining is the most diverse career segment of institutional foodservice. It draws from all aspects of the industry. Hours are usually longer but still defined, and there is a greater potential for bonuses and advancement.

Institutional foodservice is enjoying unprecedented growth as a multibillion dollar industry. It has expanded to include services outside the hospitality industry, such as groundskeeping, maintenance, janitorial services, and vending machine sales. Figure 8-4 illustrates a possible career path in managed services.

### Managed Services Career Path

- Assistant foodservice director: Salary range of \$32,000 to \$39,000 plus benefits, which can be about 30 percent of salary and include a pension plan. If you already have experience in a variety of foodservice operations/positions,



“Health care foodservice is very labor intensive, with labor accounting for about 55 to 66 percent of operating dollars.”

It is possible to gain this type of position upon graduation. It is possible that you would move to a larger operation or a different type of account to broaden your experience and knowledge before moving up to the next level.

- Foodservice director: \$40,000 to \$60,000 plus benefits. It is likely that you would begin at one account and then move to a larger one after a few years.
- General manager: \$60,000 to \$80,000 plus benefits. After spending a few years at one location it is likely that you would move to another, possibly larger one. For example, you may be GM of a \$4 million account and go to a \$10 million account.
- District manager: \$85,000 to \$100,000 plus benefits. The district manager is responsible for several accounts; other responsibilities include making proposals to gain new accounts and negotiating contracts with clients.



## Career Information

This feature describes career opportunities, and the chapter will help students develop skills and understand the realities of careers in each segment of the hospitality industry.

## Career Paths

Explore potential career paths within each chapter such as the travel industry, hotel management, food service management, and more.

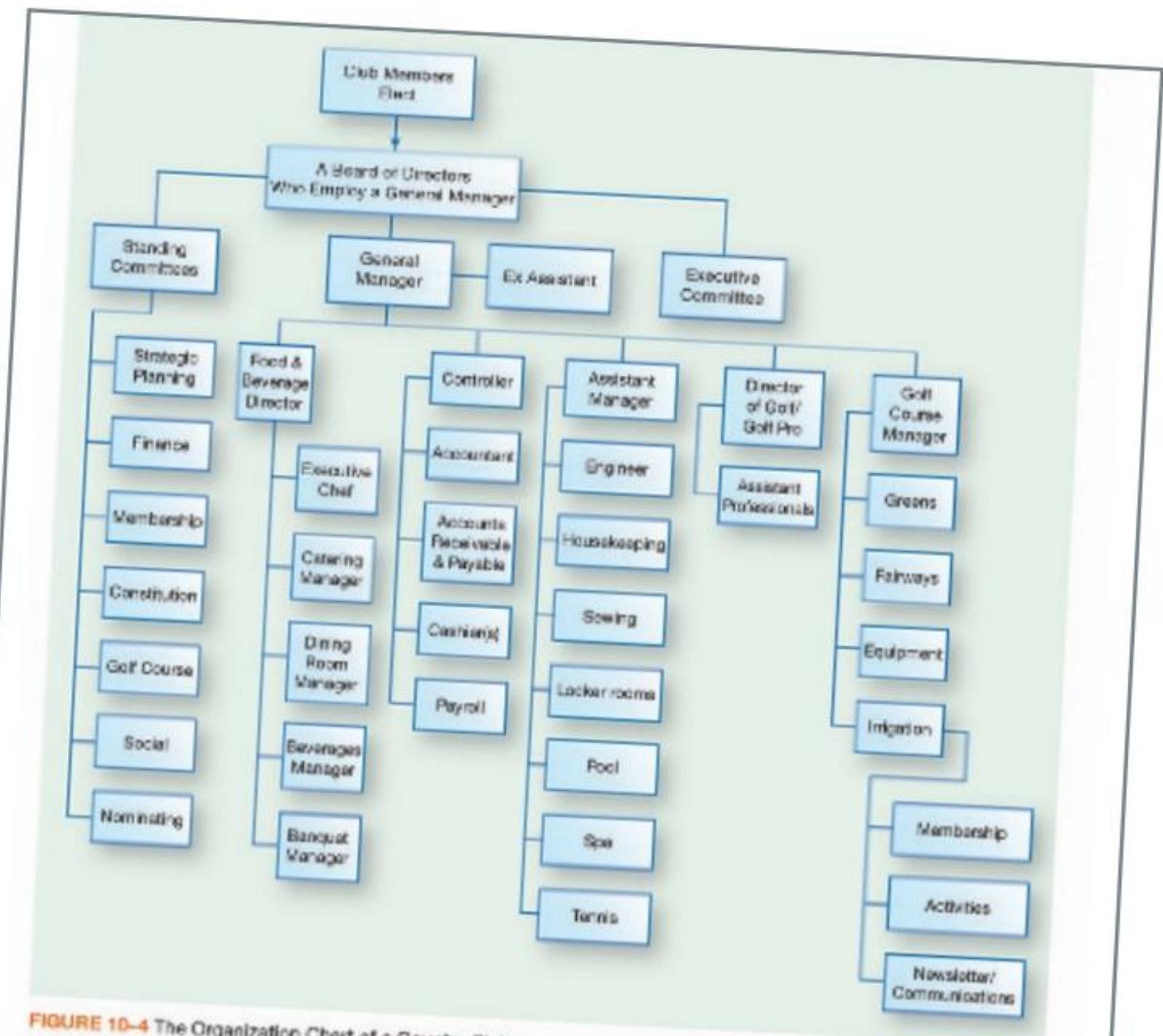


FIGURE 10-4 The Organization Chart of a Country Club.

The golf course manager works with the greens committee and the golf committee to ensure that all the goals of the club are met and maintained.

### The Golf Professional

The golf professional handles all tournaments, such as a club-sponsored fund-raiser, championship club and outside tournaments, or local area fund-raisers such as the Boy Scouts or local charities. The golf professional is responsible for caddies (people who carry the golf bags and advise players on what clubs to use along the course), the driving range where golfers practice, ball cleaning, and the mowers that are moved back and forth on the tees. The golf professional used to be on contract and would also run the pro shop; however, today, the golf professional is on staff and receives a six-figure income.



Golf practice can be enjoyed by the whole family.



**REVEL** for *Exploring the Hospitality Industry* offers an immersive learning experience that engages students deeply, while giving them the flexibility to learn their way. Media interactives and assessments integrated directly within the narrative enable students to delve into key concepts and reflect on their learning without breaking stride.

**REVEL** seamlessly combines the full content of *Exploring the Hospitality Industry* with multimedia learning tools. You assign the topics your students cover. Videos, application exercises, and short quizzes engage students and enhance their understanding of core topics as they progress through the content.

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# PREFACE

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*Exploring the Hospitality Industry* was written to fill a vital need: a text that was different in structure and content, and broader in its coverage of the hospitality industry. The introductory course in hospitality serves as a foundation for other courses and is used to attract majors to hospitality management programs. This book is intended for both purposes. The hospitality industry continues to change rapidly, and this text brings you the very latest trends from the broadest array of hospitality industry segments. It is a “need to know” book, vibrant and colorful in design, that is outstanding in its easy-to-use, engaging content.

We thank you if you have used my *Introduction to Hospitality*, which offers an overview of the hospitality industry and has an operational focus; or our *Introduction to Hospitality Management*, which highlights management issues. ***Exploring the Hospitality Industry*** is different in structure and content and offers a broader coverage of the hospitality sectors. This text is designed for the hospitality professionals of the future. In every chapter, we invite students to share our unique enthusiasm for the hospitality industry.

## New to This Edition

Featured learning outcomes and updated facts and figures support student learning of the hospitality industry.

- The text explores each segment of the industry, including career opportunities, industry leaders, and operations practices – with real-life applications.
- The sequence of the tourism begins with economic benefits and economic impact, moving to modes of transportation for travel, and current travel and tourism trends.
- Lodging operations discusses executive duties, explains hotel departments, and reviews property management systems, including calculating potential rooms revenue.
- Foodservice addresses real-life advice from a restaurant general manager and evolving trends, including multi-unit establishments, food trucks, nutritional principles, and craft brewing.
- Sales, marketing, and advertising features the industry’s current technology practices (and social media), which reach customers in new ways.
- Ethics will no longer be tossed in between great career information. It is featured as one driving philosophy in *Exploring the Hospitality Industry*.

## Goals and Organization of This Text

The primary goal of *Exploring the Hospitality Industry* is to help students advance in their hospitality careers by giving them a foundation of hospitality industry knowledge. The information is presented in a lively and interesting manner, and includes an extensive array of features to facilitate the learning process. Chapters cover all facets and segments of the industry, and present a student-friendly text in an outstanding instructional package.



*Exploring the Hospitality Industry* is organized into 14 chapters.

1. Hospitality Spirit
2. Tourism
3. Lodging
4. Lodging Operations
5. Cruising
6. Restaurants
7. Restaurant Operations
8. Managed Services
9. Beverages
10. Clubs
11. Theme Parks and Attractions
12. Gaming Entertainment
13. Meetings, Conventions, and Expositions
14. Event Management

### **Hallmark Chapter Features Include:**

- **Learning outcomes** that help the reader focus on the main points of each chapter.
- **Bold key words and concepts** that help the reader hone in on the various topics presented in the chapter.
- **“Introducing”** features that describe the careers and work of successful industry practitioners.
- **Corporate profiles** that give an overview of leading corporations of excellence.
- **Career information** in each chapter.
- **Check your knowledge** features that encourage students to answer questions relevant to the material covered every few pages.
- **Thorough identification and analysis of trends,** issues, and challenges in the hospitality industry.
- **Summaries** that correspond to the chapter learning outcomes.
- **Learning outcome-based and critical thinking review questions related to SCANS (Secretary’s Commission on Achieving Necessary Skills)** that review important aspects of the text.
- **Case studies** that challenge students to address real-world situations and recommend appropriate action.
- **Internet exercises** that invite students to visit Web sites to find answers to specific, relevant-to-hospitality questions.
- **Apply Your Knowledge** questions that offer students the chance to apply their knowledge of hospitality industry topics.
- A full **Glossary** that explains the meaning of essential words throughout the text.



# ACKNOWLEDGMENTS

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I would like to thank the reviewers of this edition for their thoughtful comments. They are Eric Brown of Iowa State University, Haze Dennis of Mission College, Ali Green of University of West Florida, Nicholas Thomas of DePaul University, and Diane Withrow of Cape Fear Community College. I also thank the reviewers from previous editions: Brian Miller of the University of Delaware, Joan Garvin of Monroe College, and Josette Katz of Atlantic Cape Community College.

I am truly grateful to Gary Ward for authoring the supplements for this book. He's done a fantastic job on the PowerPoint slides, instructor's manual, and test bank. Thank you!



# ABOUT THE AUTHOR

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John R. Walker, D.B.A., FMP, CHA, is a Fulbright Senior Specialist and the McKibbon Professor Emeritus of Hotel and Restaurant Management at the University of South Florida, Sarasota–Manatee. John’s years of industry experience include management training at the Savoy Hotel London, followed by stints as assistant food and beverage manager, assistant rooms division manager, catering manager, food and beverage manager, resident manager, and general manager with Grand Metropolitan Hotels, Selsdon Park Hotel, Rank Hotels, Inter-Continental Hotels, and the Coral Reef Resort, Barbados, West Indies.

He has taught at two- and four-year schools in Canada and the United States. In addition to being a hospitality management consultant and 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). He and his wife Josielyn T. Walker have twins, Christopher and Selina. The Walkers live in Sarasota, Florida.





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# Hospitality Spirit

# 1

## Learning Outcomes

- Describe the interrelated nature of hospitality and tourism.
- Identify the characteristics of the hospitality industry.
- Summarize the Stephen Hall Code of Ethics for the hospitality and tourism industry.
- Explain why service is so important to success in the hospitality industries and how to perfect it.
- Determine and prepare yourself for a career path in the hospitality and tourism industry.



# Welcome to You, the Future Hospitality Industry Leaders!

The hospitality industry is one of the most fascinating, fun, and stimulating industries in which to work, plus you get paid quite well and have excellent advancement opportunities. We often hear from industry professionals that the industry gets in

your blood—meaning that you and the hospitality industry will become one. On countless class industry visits people who speak to the class say that they wouldn't change their jobs for anything! Only one person has said, "You guys must be nuts if you want to work in this industry." He was joking, of course, but there are some realities of which we need to be aware, and these are discussed in the section that describes the characteristics of the industry. There are several examples 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 for these graduates are illustrated in Figure 1-1. In most cases, it does not take long

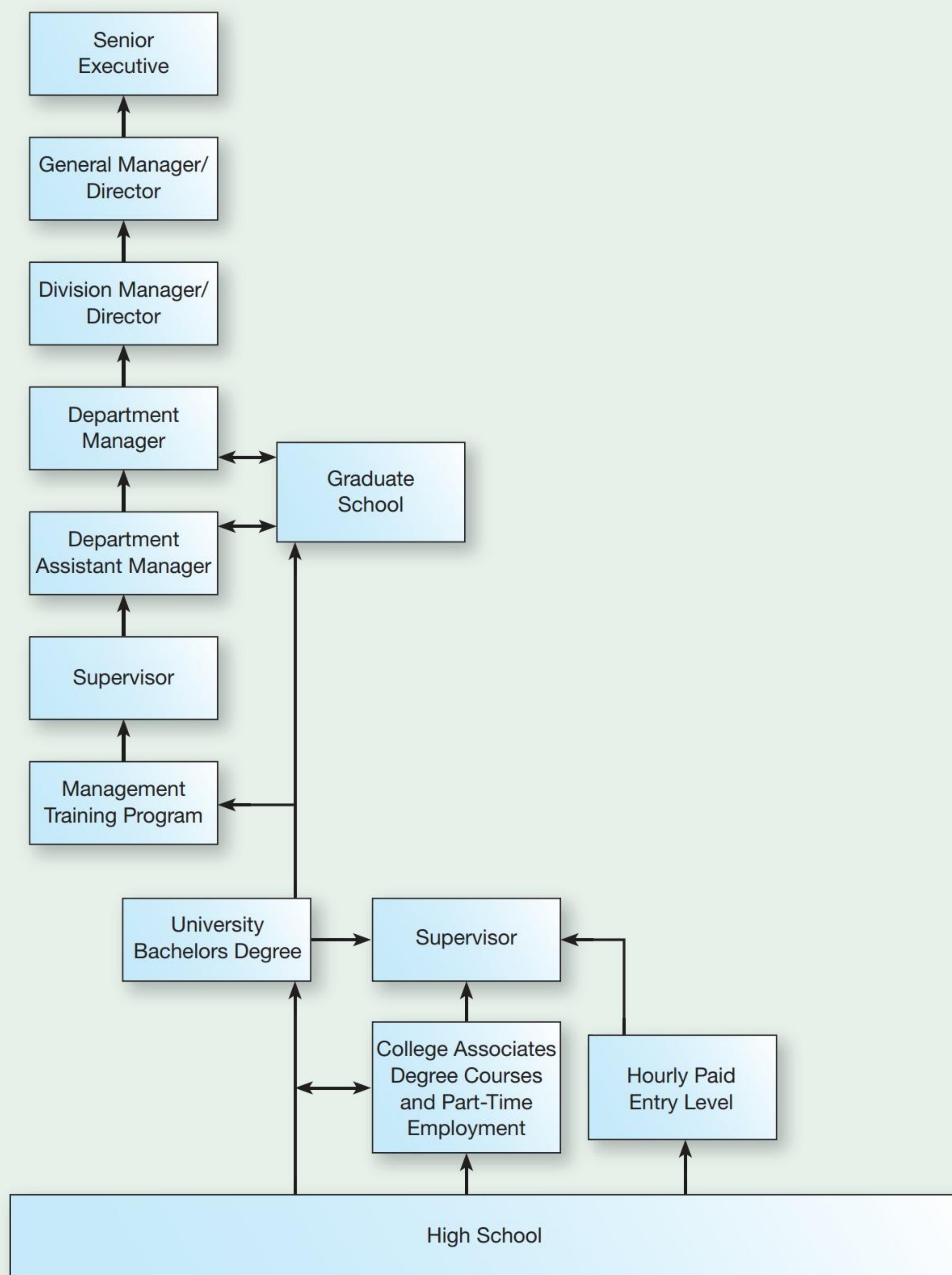


FIGURE 1-1 A Possible Career Path in Hospitality.



for career advancement opportunities to come along; however, let's begin our journey with a look at hospitality *service spirit*, which plays a crucial role in the success of our industry, no matter what your position.

Ever thought about why Marriott International is so successful? Well, one reason is given by Jim Collins in the foreword that he wrote for Bill Marriott's book *The Spirit to Serve: Marriott's Way*. Collins says that Marriott has *timeless core values and enduring purpose* ... including the belief that people are number one: "Take care of Marriott people and they will take care of the guests." In addition, a commitment to continuous improvement and a good old-fashioned dedication to hard work and having fun while doing it provide a foundation of stability and enduring character.

Mr. Collins adds that Marriott's core purpose—make people who are away from home feel that they are among friends and are really wanted—serves as a fixed point of guidance and inspiration. So where does *hospitality spirit* fit in to all this? It 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 the guest's experience memorable. The hospitality spirit is a passion to give pleasure to others, or, as former Ritz Carlton Human Resources Director, Charlotte Jordan, calls it, "Creating memorable experiences for others and being an ambassador of the world, adding warmth and caring." Every day, we encounter guests who rely on us for service, which can make or break their experiences. We want to wow the guests and have them return often with their friends. Yes, we are in the people business, and it's "we the people" who take pride in the words of the Ritz-Carlton Hotel—"We are ladies and gentlemen taking care of ladies and gentlemen"—who succeed in the hospitality industry.

Is education worth it? You bet! Just think—the difference in salary between an associate's and a bachelor's degree over the length of a career is \$500,000. Yes, that's half a million bucks!

## 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 hospitality. In colonial times, sea captains would display a pineapple on their doors or on gateposts giving public notice to friends and acquaintances that they had had a safe trip home. It also symbolized "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, and cheer.

The **National Restaurant Association (NRA)** forecasts a need for thousands of supervisors and managers for the hospitality and tourism industry. Okay, so you're wondering if



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Pineapple is the symbol of hospitality.

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 and get some experience in that area—to see if you really like it—because our industry has some special 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—is asked, "What is the secret of being the best?" he replies, "Service, service, service!"

## The Interrelated Nature of Hospitality and Tourism

**Learning Outcome 1:** Describe the interrelated nature of hospitality and tourism.

The hospitality and tourism industry is the largest and fastest-growing collection of industries in the world. One of the most exciting aspects of this industry is that it is made up of so many different professions. What picture comes to your mind when you think about a career in hospitality and tourism? Do you picture a chef, general manager, director of marketing, executive housekeeper, or director of human resources? Hospitality and tourism professions are almost limitless. They range from positions in restaurants, **resorts**, cruise lines, theme parks, casinos, and everything in between. Under the umbrella of travel and tourism, countless professions are necessary to meet the needs and wants of people away from home (Figures 1–2 and 1–3).





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

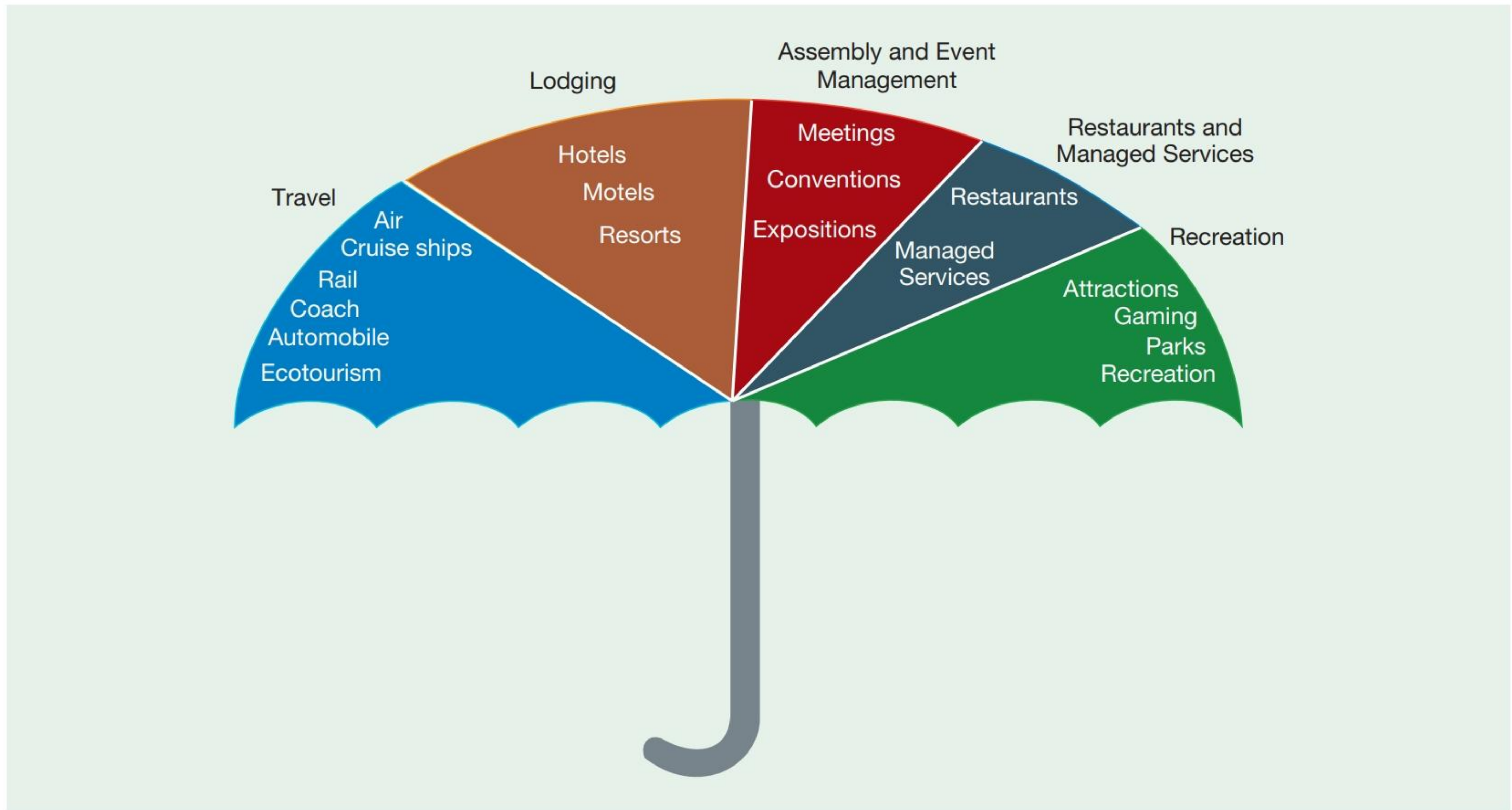
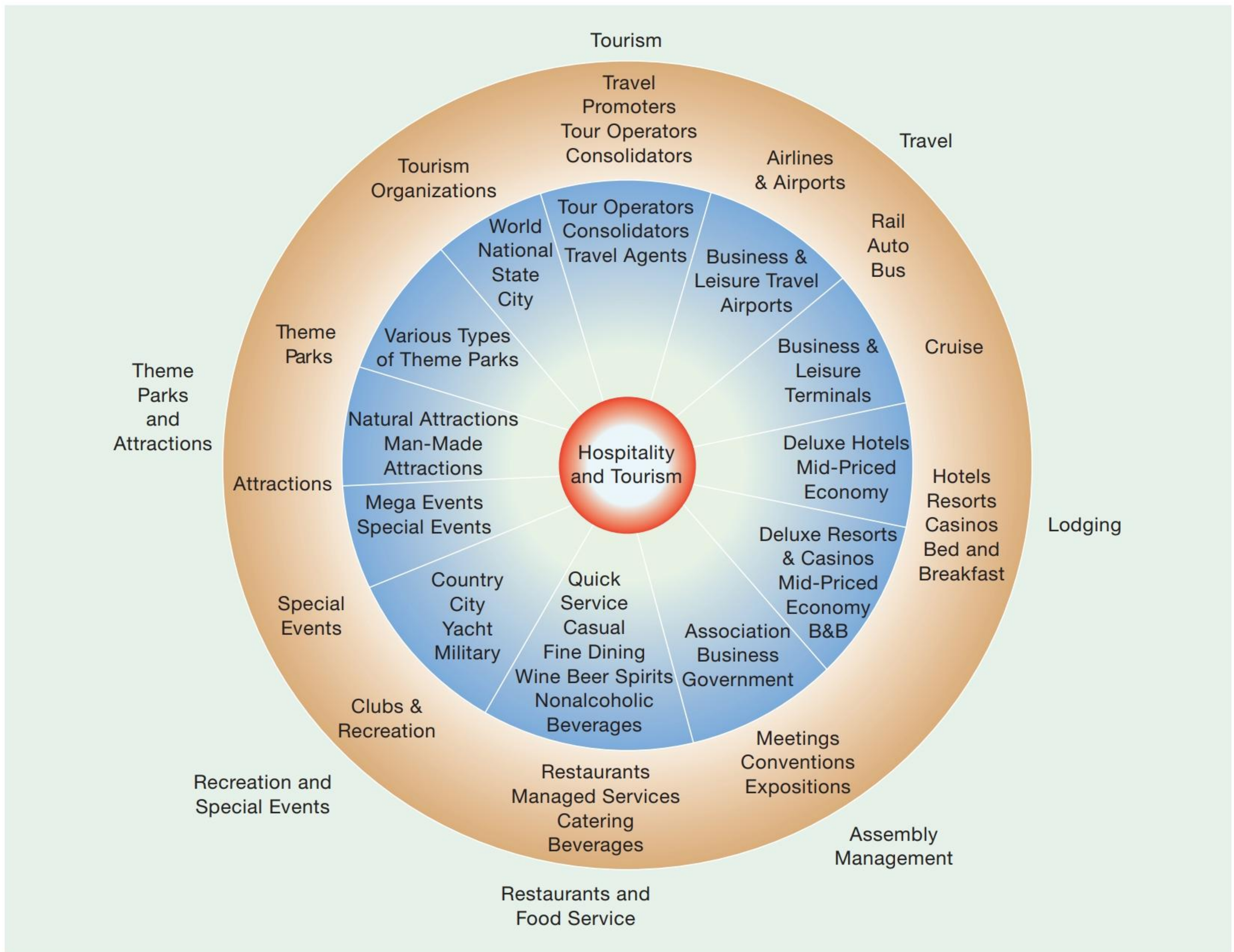


FIGURE 1-2 Scope of the Hospitality and Tourism Industries.





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

Throughout this book, we discuss some of the career possibilities in hospitality and/or tourism. Here are a few questions you must ask yourself if you are considering a career in the industry:

1. Do you enjoy working with people?
2. Do you enjoy an upbeat work atmosphere?
3. Do you like to travel?
4. Do you value the idea of working in an industry where opportunities for advancement are plentiful?

If you answered yes to these questions, a career in hospitality and tourism may well be for you. Figure 1-2 shows the scope of the hospitality and tourism industries.

### Check Your Knowledge

1. Name three possible careers in the hospitality and tourism industry.
2. What four broad industry segments are encompassed by the hospitality and tourism industry?

3. Hotels, motels, and resorts are locations where you might work in which industry segment of hospitality and tourism?

## Characteristics of the Hospitality Industry

**Learning Outcome 2:** Identify the characteristics of the hospitality industry.

Hospitality businesses are open 365 days a year, 24 hours a day. No, we don't have to work all of that time, but we do tend to work longer hours than some other industries. Those on their way to senior positions in the hospitality industry and many others, for that matter, often work 10 to 12 hours per day. Evenings and weekends are included in the work week—so we must accept the fact that we may be working when



others are enjoying their free time. The hospitality industry depends heavily on shift work. Early in your career, depending on the department, you will likely work one of four shifts. Supervisors and managers often begin at 8 A.M. and work until 6 or 8 P.M. Basically there are four shifts, beginning with the morning shift, so you may be getting up as early as 6 A.M. to get to your 7 A.M. shift. The mid-shift is normally from 10 A.M. to 7 P.M.; the evening shift starts at 3 P.M. and goes until 11:30 P.M.; and, finally, there is the graveyard shift, which begins at 11 P.M. and ends at 7:30 A.M. Well, 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**: the guest cannot “test-drive” a night’s stay, “kick the tires” prior to boarding a shuttle, or “squeeze the steak” before dining. Our product is for the guest’s *use*—not possession—only. Even more unique, for us to produce this product, we must get the guest’s input. Imagine General Electric (GE) building a refrigerator while the customer is in the factory participating in the actual construction of the product—it would be ridiculous! Yet we do it every single day, numerous times per day, and in a uniquely different way each time. We refer to this as the **inseparability** of production and consumption of the service product and the inherent heterogeneity of the product due to each guest’s unique demands. The other 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 do we do with the 200 unsold rooms? Nothing—we have permanently lost 200 room nights and their **revenue**.

The NRA invites its best and brightest prospective professionals to participate in its annual restaurant show in Chicago. These students write their dreams on a large panel, which is displayed for all to enjoy reading. Here are a few of their hopes and dreams:



Restaurants associated with hotels are open weekends and holidays.



piksel/123RF

Thinking about your personal dreams and goals is an important part of your education.

- To please my customers.
- To pass on knowledge to others, touching their lives in a positive way!
- To teach others as well as those who have taught me.

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.

## Diversity and Inclusion

One of the interesting aspects of the hospitality industry is our increasing **globalism**, which brings even greater diversity and cultural nuances to our places of work. Both associates and guests are increasingly diverse. With every country represented amongst hospitality associates, and with over 75 million visitors a year to the United States and more than 90 million expected by 2020, we are literally hosts to the world.

We have become a **Global Village** and need to embrace diversity and **inclusion** of both our associates and guests in order to remain competitive. In the hospitality industry, we are a very diverse group of individuals with proportionately more women, minorities, racial and ethnic groups, older workers, and people with disabilities than other industries.

At the present time, over 100 million Chinese tourists travel abroad spending billions on shopping, attractions, and gambling.<sup>1</sup>

In order to remain competitive, the tourism and hospitality sector must continue to diversify if the needs of these new guests are to be met. This trend must continue in order to increase the skills, sensitivity, and cultural norming necessary to serve larger and rapidly growing new groups of affluent tourists.

Inclusion means including all people regardless of race, gender, religion, national origin, disability, marital status, sexual orientation, weight, or physical appearance. None of these characteristics should be discriminated against, as the only thing that matters is the person’s ability to do the job.

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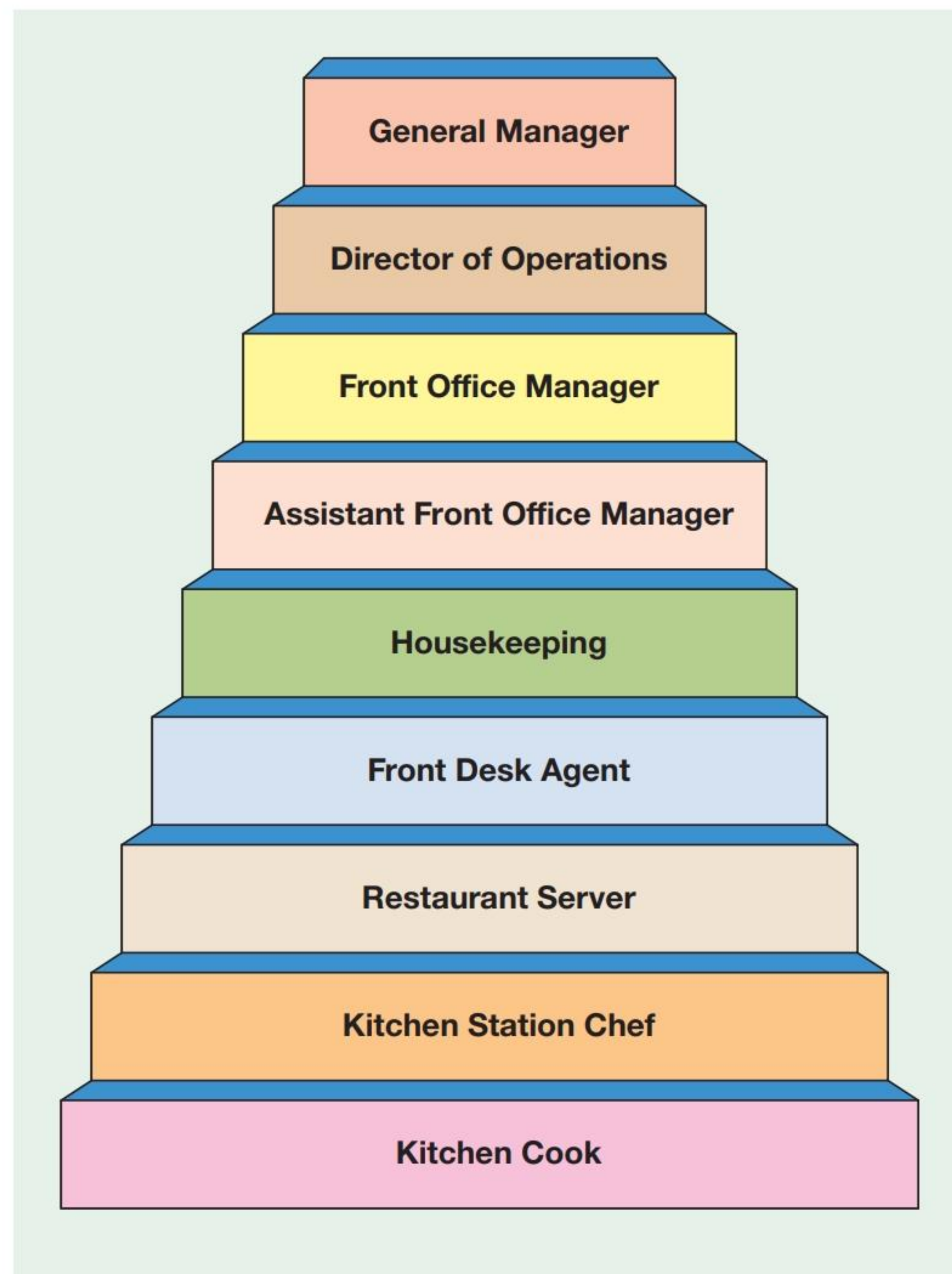
**Diversity** and inclusion in the workplace begins with each company's unique culture, which is built on what the company actually does, or follows through with, not just what the company says it does. Today, many hospitality companies promote their devotion to diversity and inclusion – you can typically find a page dedicated to the subject on many company's Websites – but the most successful companies understand the true value of focusing on actually being a diverse employer.

Hilton Worldwide, for example, employs a workforce of over 300,000 team members across 90 countries. Hilton's executive leadership understands that creating a diverse culture is accomplished by investing in programs that endorse diversity, such as training on inclusion through Hilton Worldwide University, celebrating international customs and behaviors, and deploying internal newsletters that inform team members about diverse organizations and partnerships that are tied to the company. Hilton is built on the foundation of promoting inclusiveness by creating a diverse workforce through attracting and recruiting the best and brightest talent. Hilton has developed and maintains strong partnerships with the world's top Historically Black Colleges and Universities (HBCUs) and Hispanic Serving Institutions (HSIs) to recruit graduates of hospitality programs into the Hilton Worldwide family.<sup>2</sup>

Successful hospitality companies have thrived on providing opportunities to employees who are intelligent, work hard, and help the company succeed, regardless of their demographic, race, religion, or ethnicity. This mentality makes a company more attractive to the most talented individuals, because there is such high demand to work for that company. Companies that employ only a specific demographic, race, or ethnicity are fast becoming the minority in the United States, more companies are realizing the importance of embracing the value of being a diverse company over simply meeting a required quota.

## Careers

There are thousands of hospitality career options for you to consider, and it's fine if you are not yet sure which is the one for you. In Figures 1-4 through 1-10, you can see the major hospitality and tourism industry segments: lodging, restaurants and food-service, recreation and special events, **assembly management**, theme parks and attractions, and travel and tourism. For instance, lodging provides career opportunities for many associates who make reservations and greet, assist, and serve guests in hospitality operations of varied sizes and in locations all over the world. Among the examples are the operators of a **bed and**



**FIGURE 1-4** Lodging Management Career Ladder.

**breakfast (B&B)** in upstate New York who cater to seasonal guests. Another example is the hundreds of employees necessary to keep the City Center complex in Las Vegas operational. Throughout the chapters of this text, we will explore the important segments of the hospitality industry. Enjoy!

You can explore career ladders for your future hospitality career, from lodging management to tourism management. Remember the United States Census Bureau's statistic of lifetime salaries by educational level:

High school graduate: \$1.2 million

Associate's degree: \$1.6 million

Bachelor's degree: \$2.1 million

Consider what this information means—you will likely be \$500,000 better off by getting a bachelor's degree.



## Make a Commitment to Excellence

As you begin your career in the hospitality industry, it is important to make a commitment to excellence. You can become whatever you aspire to

become—remember, it's your attitude that determines your altitude. Somebody has to be the president of the company. Why not you?