

A TEXTBOOK OF HOTEL ADMINISTRATION



V.S. RANA
G.P. SINGH
MANOJ AGARWAL



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Wisdom Press
NEW DELHI

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*V.S. Rana
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*This edition published by Wisdom Press,
Murari Lal Street, Ansari Road, Daryaganj,
New Delhi - 110002.*

ISBN: 978-93-82006-57-2

Edition: 2022 (Revised)

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Wisdom Press

Production Office: "Dominant House", G - 316, Sector - 63, Noida,
National Capital Region - 201301.
Ph. 0120-4270027, 4273334.

Sales & Marketing: 4378/4-B, Murari Lal Street,
Ansari Road, Daryaganj, New Delhi-110002.
Ph.: 011-23281685, 41043100.
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CHAPTER 1

ADAPTING TO CHANGING LANDSCAPES: EXPLORING MODERN DYNAMICS IN HOTEL MANAGEMENT

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ABSTRACT:

In response to changing environments, this abstract explores current issues and tactics in the field of hotel management. This paper explores how hotel management techniques have changed to maintain operational efficiency, guest pleasure, and sustainable development in a period marked by fast technology breakthroughs, altering customer tastes, and dynamic market trends. This study reveals the many strategies used by the hospitality sector via a thorough analysis of contemporary phenomena, such as digital transformation, guest experience personalization, sustainability integration, and workforce diversity. This abstract provides a comprehensive overview of the creative approaches and adaptable tactics that have emerged as crucial in managing the constantly shifting landscape of hotel management by combining ideas from industry practices, academic research, and case studies. The results provide the groundwork for further developments in the industry and help to elucidate the possibilities and problems confronting hotels in today's changing climate.

KEYWORDS:

Adapting, Changing Landscapes, Hotel Management, Hospitality Industry, Technological Advancements.

INTRODUCTION

The bulk of research studies and chapters in this book discuss one or more aspects of what has been referred to as the art and science of contemporary hotel management. It should be highlighted that the term modern carries the risk of significant misunderstanding. Inns are changing and will keep evolving. Modern hotels must thus adjust their management strategies to the ever-changing environment. The book's subsequent parts are intended to aid the student and practitioner in learning facts, methods, and strategies for coping with these shifting conditions. The changing focus in American living patterns has had an impact on hotels, just as it has on many other American enterprises. The so-called rust belt has lost its population and industrial base in favor of the sun belt. In core cities that have been rebuilt and given new life, the hotel industry has been bustling. Human activity has been concentrated in technical corridors like California, Massachusetts, Washington, Texas, and North Carolina, to mention a few such locations. This is due to the proliferation of technology and information-based businesses in these locations. Hotels will undoubtedly follow significant centers of economic activity and employment. It can be claimed with certainty. The following are a few further recent and continuing influences on hotel design, development, marketing, and operation. The following list is neither all-inclusive nor exclusive [1]–[3].

Demographics now play a significant impact and will do so for the foreseeable future. The country's population will be older, healthier, and more educated than previous generations for a number of years when the baby boom generation and its offspring reach adulthood. All company managers will face new difficulties and possibilities as a result of these realities.

Computers, communication, personal gadgets, and labor-saving mechanical equipment all have had, and will continue to have, a significant impact on how hotels are operated and managed. Today, most travelers anticipate that the hotel rooms they book will enable them to be as productive as they are at work or at home because of how quickly information is gathered, stored, modified, and distributed. With portable computing, personal data assistants PDAs, wireless communication, and almost everything being connected to the Internet in some way, hotels are being forced to offer services and access that allow guests to seamlessly transition from their working, traveling, or home environments to the hotel's environment. The need to combine entertainment with effective communication and work procedures is growing.

The idea of market segmentation, or ever-more precise market definitions, will determine hotel architecture and organizational structures, and management strategies intended to target those market segments have become even more crucial to the management of hospitality service enterprises. Hotels have access to constantly growing databases of information on its customers because to the increasing capability in the information and data manipulation fields, and they are developing new goods to appeal to those markets. The advent of vacation rentals a contemporary reimagining of the time share properties of a few decades ago is one of the repercussions of the aging demo graphic. The fact that they are being built and run by well-known hotel chains and targeted at rich, healthy, and well-educated consumers has forced resort managers to adapt to new business realities. The well-documented shift in the national economy's composition from one that prioritizes products and, to a lesser extent, natural resources, to one that prioritizes services has sparked fresh ideas about how we should oversee the creation and provision of these services. Today, the hospitality industry is seen as a distinct sector that requires particular management approaches and methods. The way we handle our hotel properties has changed as a result of changes in people's travel habits.

Given the hub-and-spoke arrangement of airline services, deregulation of the airlines has resulted in a shift in the manner that millions of passengers fly each year. In order to capitalize on the possibility that business travelers won't necessarily need to go to a central business district CBD, several hotel businesses are increasingly placing large hotel complexes close to hub air transportation facilities. Business travelers no longer need to spend the night in a CBD hotel since meetings and conferences can now be planned within a five-minute limousine ride of the airport, and they may leave for their next destination before the day is finished.

Over the last 20 years, new patterns of hotel facility investment have arisen, and maximizing return on investment is now given greater consideration. Because outsiders are increasingly involved in the financial structure of the hotel industry, hotel operations are no longer reliant on the vision of a single entrepreneur. In order to accomplish previously unforeseen financial targets, managers must now develop methods and plans. The sophisticated administration and structure of the contemporary hotel has also changed as a result of the same tendency. This is particularly true for publicly traded hotel companies, where expectations for quarterly sales and earnings have a significant impact on stock prices [4], [5].

This puts pressure on hotel chains and their operations managers to go against many managers' natural impulses on a quarterly basis. The majority of the aforementioned concerns and influences continue to have an impact to a greater or lesser extent on the organizational frameworks and tactics of the contemporary hotel. However, new economic, cultural, and social phenomena have emerged since the publication of the last version of this book, challenging our understanding of hotel administration. This supports the claim that the hotel business is a component of the larger economy and is often fully at the mercy of outside

forces. The cyclical nature of the American and global economies has lately had a considerable impact on hotels' capacity to adapt to shifting conditions. For instance, at the beginning of 1993, job growth was sluggish, corporate earnings were low, the growth of the gross national product GNP was marginally above prior years, and travel was down in most areas as a result of corporate restructuring, downsizing, or reorganizing. Every month, massive layoffs numbering in the hundreds of thousands, have been announced. Fuel prices were mostly steady, but consumer spending habits and rapid job growth had not materialized, especially in light of business cutbacks and consumers' persisting concerns about the security of their financial resources.

Consider the third version of this book, which was written in late 2000. The Dow Jones Industrial Average was between 10,000 and 11,000, the national hotel occupancy rate had stabilized at over 70%, and the federal government was operating in surplus for the first time in most people's recollection. Unemployment was also at an all-time low. What happened next? After the terrorist attacks in New York and Washington, D.C., in 2001, all business and travel underwent rapid upheaval, and it is likely that this change will continue into the foreseeable future. Business travel is down, the high-tech stock market bubble burst, the nation is at war in many locations, security has made travel more difficult, if not downright disagreeable, and people are anxious. Major airlines are also in bankruptcy. The state of the economy is difficult when you add in trade imbalances, the outsourcing of employment, and the greatest government deficits in history.

This applies equally to travel for both work and leisure, in addition to personal travel. The next generation of hotel owners must figure out how to make a profit in such a setting. One of the forecasts I made in the last edition was that cultural diversity would affect how contemporary hotels are managed and structured organizationally in the United States. The shift in the workforce's ethnic composition will have an impact on the hotel sector much as living habits, economic cycles, and market segmentation did. An increasingly diverse workforce will bring different cultural backgrounds to the hotel industry, which may be perceived as a challenge, a problem, or maybe both. For the majority of operators, it will be seen as a chance to show an increasingly diverse consumer that hotels are dedicated to employing and developing a staff that reflects society. I see no reason to alter that projection at this time. If anything, the industry's acculturation will quicken. Hotel operators are no exception to the growing importance of the legal and regulatory environments for company management. Operators must be more aware of and vigilant in areas of risk that might lead to legal action being taken against them. These dangers to hotels and their visitors are highlighted in a number of articles and essays in this magazine [6], [7].

It should be mentioned that modern security worries have significantly impacted how hotels are run as well. The capacity of a hotel to compete in the early twenty-first century depends on its awareness of the risk environment and the regulatory landscape. This topic is covered in essays and articles in the security and human resources sections. We have made an effort to give fresh and sometimes unique perspectives on the hotel industry in this issue. Additionally, this part explores concepts that may be novel to the management process. The readings presented here are from the views of operators, leaders, and specialists, including regional operators, significant industry consultants, and independently branded hotels, as opposed to just focusing on the operations of the large chains. The steps required to bring a hotel from conception to construction and operation are explained by John Dew, a former president of Inn Ventures, a regional hotel management and development company that has built and operated many Marriott products in addition to a proprietary hotel product. This distinct perspective on hotel operations links the idea of hotel development with the

practicalities of everyday operating. Aspiring managers could benefit from having a better understanding of how the complex development process may affect hotel marketing and management. Peter Cass provides the reader with insights into independently branded hotels that collaborate to give market power that had previously been inaccessible in publications of this kind. He argues that independent hotels' capacity to preserve their independence while maintaining a competitive edge in the premium market is a key factor in determining their future success. After 9/11, there was a significant decline in hotel building, but businesses still sought to expand, thus rebranding existing business relationships led to a lot of expansion activity. Re branding is a challenging process that has to be finished in a timely manner while taking into account operational, financial, and operational factors. Tom Dupar has experience in this intriguing and significant endeavor and has taken part in rebranding initiatives all around the globe. In the first version of this book, his piece on the nuances of rebranding was a regular. Due to the shifting economic conditions of today, Dupar's business has shifted its emphasis to the launching of new, large-scale projects. In order to compare Dew's smaller project focus and Dupar's large projects, it is helpful to read both of their pieces together. This may be evidence that everything old is new again, as the idea of health and wellness spas as a hotel and resort product has experienced a resurgence.

The concept of being pampered at a spa has expanded from the domain of high-end hotels and resorts to many more contemporary hotels and resorts. While the high-profile spas at five-star hotels continue to set the standard for pampering and cost, contemporary travelers also appear to value the comfort of personalized care in less opulent spas. The spa sector overview by Peter Anderson offers insights into this intriguing service good. I have also selected to include in this part two freshly researched and analyzed concepts that may or may not be embraced across the business, in addition to goods, buildings, and rebranding. For the student who wants to learn more in-depth information about the hospitality business as a whole and specific historical antecedent, there are a number of recommended resources at the conclusion of this section. The books by Hilton and Jarman, one of whom, Conrad Hilton, continues to live on in an international, publicly listed firm run by one of his sons, pay special attention to the inter machinations of the setup by two early pioneers of the sector. E.M. In that he is often credited with developing and running the first commercial hotel concept that acknowledged the reality of the early business traveler at the beginning of the twentieth century, Statler's contributions to the contemporary hotel industry are legendary. The selected articles are taken from newly released historical summaries of the hotel sector of the American hospitality business. They also highlight other crucial factors that have contributed to the growth of the contemporary hotel industry.

Hotel construction

On that empty lot you pass every day on your way to and from home, bulldozers are at work, and a construction crane is being built. A new hotel is being constructed, with a spring 2007 opening date, according to the sign on the fence. You could have puzzled about any or all of the following if you've ever wondered how that hotel came to be:

1. How did someone choose that specific unoccupied lot?
2. Who constructs brand-new hotels? Who is its owner?
3. How did they get the funds to construct it?
4. How long does it take from conception to opening day?
5. Who chooses the interior designer, engineers, and architects?
6. Who oversees the many intricacies involved in building a new hotel?
7. After it opens, who will run the hotel? In this chapter, we want to answer these and any other questions you may have.

The developer is the risk-taker, the businessman who comes up with the concept for the hotel. When working on a hotel project, the developer often risks losing their own money, depending on the company structure they choose. The developer contacts commercial real estate brokers in search of a potential hotel location with the help of a small team. A site of at least two to four acres is needed, depending on the sort of hotel that will be built for reference, one acre is about the size of a football field. The city must have designated this property as a hotel, it must be visible from a highway or major thoroughfare, and it must have received official clearance for construction projects such as curb cuts, left-hand turn lanes, and delivery truck access. Commercial realtors provide locations with maps, aerial pictures, and documentation of hotel zoning for the developer's consideration. The developer may inspect possible sites by helicopter or by driving around the community within five miles of the location, taking note of where potential customers would live and work as well as where rival hotels might be situated.

The cost per square foot of the land is taken into account. The greater the land price, the more the hotel will have to charge in rates. Does the cost exceed the average daily rate ADR in this market? Is it unreasonable? Does it pass muster, or? When the hotel financial pro forma budget sheet is generated, this is decided. After choosing a location, a developer often commissions a feasibility study to get a third party's unbiased opinion of the property. Developers may use the consulting division of a big public accounting company, which does hotel feasibility assessments for a charge and has expertise in a certain area. The firm hired to do the feasibility study may spend up to several months gathering comprehensive data to determine if, in their judgment, it is financially advantageous to construct the hotel. The feasibility study's result provides an unbiased, unbiased third-party view on the project's viability. Generally, the feasibility study considers, evaluates, and makes recommendations about the project based on the following variables: The Site

1. Proper zoning.
2. Size in square feet/acres.
3. Visibility from arterials/freeways.
4. Traffic counts/patterns.
5. Accessibility from streets, freeways, air ports, train stations, etc.
6. Proximity to where potential guests live, travel, or work.
7. Barriers that discourage competition coming into the market, if any.
8. How adjacent property and businesses are utilized.
9. Master area development plans.
10. Local permitting process and the degree of difficulty for that particular city.
11. Impact fees charged by the city
12. Major employers, government agencies.
13. Business trends for each employer/agency.
14. Hotel needs and the demand for each.
15. Leisure travel demand in the area.
16. Nearby tourist attractions.
17. Visitor counts.
18. Conventions, trade shows, and meetings history.
19. The competitors, both existing and planned.
20. Historical occupancy of hotels in the area.
21. Historical average rate.
22. Proprietary data on area travel
23. Full service.

24. Limited service.
25. Extended stay.
26. Luxury.
27. Midprice.
28. Economy.
29. Budget Selection of Appropriate Hotel Design.
30. High-rise.
31. Midrise.
32. Garden apartment style.
33. Hybrid design Selection of Appropriate Hotel Brand.
34. Franchised.
35. Licensed.
36. Independent.
37. Independent with strategic market affiliation.
38. ADR by year.
39. Estimated cash generated for debt.
40. Estimated cash generated for distribution to investors.
41. Estimated cash-on-cash return after-tax income divided by equity invested.
42. Overall projected yield.
43. Projected internal rate of return.
44. Net present value of the project over each of the next ten years Once the feasibility study is completed, the developer is prepared to move forward with the project.

In order to secure the land until the remaining development procedures can be carried out and to prevent the competitors from doing the same, the developer will often buy an option on it at this point of the process.

DISCUSSION

The debate around Adapting to Changing Landscapes: Exploring Modern Dynamics in Hotel Management highlights how crucial it is for the hospitality sector to continue to be adaptable and creative in response to the shifting socioeconomic and technological backdrop. Several fundamental elements that have become significant factors for modern hotel management techniques are the focus of this debate. The enormous effect of technology improvements on the hotel industry is one of the main topics. Hotels are pushed to incorporate digital technologies into their operations as the world becomes more connected. To improve passenger comfort and expedite procedures, this includes using online booking systems, mobile check-ins, and smart room amenities. Additionally, visitor preferences are understood via data analytics and artificial intelligence, providing tailored experiences that increase customer happiness and loyalty. The guest's experience is our first priority in this discussion. With the growth of social media and online review sites, customer feedback may influence a hotel's reputation and financial performance. Therefore, it is the responsibility of hotels to not only meet but also surpass guests' expectations. This requires striking a fine balance between keeping a tailored, human touch and technology-driven convenience. The production of memorable and immersive stays that appeal to a wide range of customers is one strategy for improving the visitor experience [8]–[10].

CONCLUSION

The conversation on Adapting to Changing Landscapes: Exploring Modern Dynamics in Hotel Management has highlighted the hospitality sector's dynamic character. Hotels can effectively traverse the contemporary environment and position themselves for sustainable

development and success by embracing technology advancements, promoting excellent guest experiences, incorporating sustainability practices, and cultivating a diverse staff. For hoteliers, researchers, and other industry stakeholders looking for insights into the shifting dynamics of hotel management in the quickly changing world of today, this discourse offers as a thorough reference. Another key topic in the conversation is sustainability.

Hotels are under pressure to implement eco-friendly procedures and lessen their carbon impact as environmental awareness rises. This covers programs like trash minimization, local organic product procurement, and energy-efficient operations. In addition to being ethical, using sustainability practices may save expenses and appeal to a rising market of environmentally concerned tourists. In this topic, workforce dynamics in hotel management are also examined. In terms of origins, languages, and cultural viewpoints, the contemporary workforce is heterogeneous. An inclusive atmosphere that encourages cooperation and creativity must be fostered through effective management, which must be flexible to these differences. In addition, creative strategies to recruit and retain talent are required to overcome labor shortages and turnover in the sector, such as by providing competitive perks and chances for career advancement.

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CHAPTER 2

A COMPREHENSIVE APPROACH: FRANCHISING AND FINANCING STRATEGIES FOR HOTEL DEVELOPMENT

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ABSTRACT:

This abstract offer information on a thorough framework for organizing ownership, franchising, and finance tactics in the context of hotel development. This paper investigates the complex interaction of ownership arrangements, franchising choices, and finance methods that together influence the effective execution of hotel projects in a dynamic hospitality sector characterized by sophisticated market dynamics and shifting visitor preferences. The article discusses the choice of suitable company forms such limited liability companies LLCs, limited partnerships LPs, S corporations, and C corporations. It digs into the complexities of creating different ownership corporations to own both property and hotel properties. Examining elements including franchise fees, royalties, and market effect evaluations, this article examines the crucial role franchising agreements have in ensuring that hotel brands meet consumer wants. The report also emphasizes the complex financing process for hotel development, taking into account factors including construction loan terms, interest rates, loan-to-value ratios, and payback periods. This abstract provides a thorough grasp of the various tactics necessary for successful hotel construction via a careful investigation of the intricate negotiation between developers, financiers, and equity partners. This study adds significant knowledge to the broader field of hospitality management and development by addressing the crucial interactions between ownership, franchising, and financing. As a result, stakeholders will be better equipped to navigate the complex environment of contemporary hotel projects with efficiency and foresight.

KEYWORDS:

C Corporations, Franchising Strategies, Hotel Development, Market Dynamics, Ownership Models.

INTRODUCTION

To hold title to the land and the hotel, after it is built a separate ownership corporation must be established. This entity must be distinct from and unrelated to the development business. A business structure is chosen, typically in one of the following forms. This is done in consideration of the investors' liability being limited, tax implications, estate implications for the investors, and potential mortgage lender requirements. For this service, the development business charges a fee that is about equal to 3 percent of the project's overall cost. The agreement typically covers things like: choosing an architect/engineer, choosing and managing a general contractor, processing all building and occupancy permits, collecting all of the equity from investors, obtaining a construction mortgage loan, choosing a franchise company, obtaining the franchise, choosing an interior designer who complies with the requirements of the franchise company, buying all of the opening furnishings, fixtures, and equipment, and choosing a mortgage broker. The ideal franchise brand for the target market group must be taken into account. Each franchise business's contract with the operating

company specifies a particular set of franchise fees, royalties, and marketing/other costs. Consideration must also be given to existing brands that may be offered for franchising and are already established in the target market[1]–[3].

The feasibility study is provided as support for the request for a franchise when the franchisor is contacted. The franchise company's impact evaluation of the market is what will come next. This takes into account issues including potential harm to already-existing hotels that fly the franchisor's flag. Depending on the franchise chosen, a franchise is often awarded to the owning company for a one-time charge of roughly \$400 per room if the effect is deemed to be minimal, along with ongoing royalties and marketing that are typically based on a percentage of hotel revenue. Because the finished product of this process is a building that the operator must operate as a hotel, the architect's experience in designing hotels, his or her familiarity with the prototypical drawings of the franchise chosen, the cost, and their track record of completing projects on time all need to be taken into account. If the project is large enough, the architect fees, which may amount to 5% of the entire project cost, are often bargained down. The company's track record and experience with comparable projects are crucial. When the hotel is finished, the architect is not required to run it. The hotel should be simple to run and maintain, according to the developer's request to the architect. The general contractor's track record for quality and dependability, as well as the company's usage of and connections with the many subcontractors required for a project as complicated as a hotel, are important factors to take into account.

Once again, expertise in creating the hotel type is crucial. One hopes that the general contractor has learnt from any errors made while constructing hotels of a similar design. The developer may establish the project's ultimate cost by having the general contractor and architect submit joint bids. Frequently, the project bidding process includes up to a 10% contingency fee to account for unanticipated occurrences [4], [5]. In order to be eligible for financing, the following factors must be established:

1. The cost of the land.
2. The cost of building design and construction.
3. The cost of furniture, fixtures, equipment, and opening supplies.
4. Pre-opening marketing and labor costs.
5. A six-month operating capital cash reserve the sum of these costs serves as the project's total cost for the purpose of obtaining financing.

The ten-year operating pro forma budget is modified to reflect actual expenses using this information. It is now time to look for building funding on the money markets. Depending on the specific lender, the terms and conditions of a construction loan might differ significantly. When choosing a lender, it is important to carefully consider the following terms that can have an impact on the cost of the loan:

1. Personal guarantees from developers and/or equity partners/investors.
2. Loan origination fees.
3. Interest rate.
4. Required loan-to-value ratio.
5. Terms of repayment.
6. A requirement that interests and taxes be held in reserve.
7. Required debt service coverage ratios.
8. Length of the construction loan.length and costs of extensions.

These are just a few of the factors that must be taken into account. The developer then contacts several lending institutions on behalf of the owning organization. After reviewing

the transaction, the lending institutions suggest a term sheet that addresses all of the borrowers' concerns. This gives the borrowers the option to choose the loan company they want to engage with. The lender then requests an independent evaluation of the project from a business-like Hospitality Valuation Services HVS. The lender provides a loan commitment for the project based on the assessment that typically gives up to 60% of the project cost. The remaining 20% must be obtained as equity from investors.

With the bank covering around 60% of the cost, the remaining 40% must be funded via equity commitments from investors. The developer prepares an offering solicitation document that complies with current securities and exchange legislation in order to pursue these. Depending on the kind of corporate company that was created, this document will have a certain format. A project description and private placement offering circular are created for limited partnerships and limited liability companies. Stock offerings for S or C companies are prepared for sale in accordance with relevant federal and state securities rules. The developer is currently in touch with financial institutions that have risk capital available for infusion. These possible investment sources are given the chance to participate in the hotel, and they may be:

1. Individual investors.
2. Private asset managers.
3. Opportunity fund managers.
4. Venture capital fund managers.

They make their decision on whether or not to provide funds to the developer based on their examination and assessment of the reports, papers, and research mentioned above. The land purchase option is exercised and the transaction is concluded after the financing is secured, the equity is raised, and the city issues the necessary construction permits. The building procedure then starts and lasts for 12 to 16 months. Congratulations if the architect's plans go as planned, the general contractor has no issues with subcontractors, unions, or permits, all the furniture, fixtures, and equipment arrive on time, the weather cooperates, and the labor market is strong enough to support the opening of a hotel [6]–[8].

On schedule, the hotel will open. The owning entity often chooses an appropriate management business even before the construction activity starts to handle the pre-opening, marketing, and sales, hiring and training of the opening personnel, preparation of the operational budget, and day-to-day operations once the hotel is open. For this service, management firms charge 3-5 percent of revenue. In order to be analyzed and evaluated on both sales and profitability, management organizations recently started charging 3–4 percent of revenue and 2-3 percent of gross operating profit. Franchisees may be offered management services by the franchisor. For instance, under 20-year contracts, Marriott International, Inc. administers nearly half of all hotels that fly the Marriott flag. The remaining hotels are managed by independent management firms on long-term management agreements with durations of up to 10 years, sometimes with multiple five-year renewal options. This description of the intricate procedure a developer must go through in order to build a hotel is basically linear. Although it has been broken down into parts, many of the processes are actually skipped in order to save time and money. However, it takes a hotel around three years to develop from the first concept to the arrival of the first visitor. It's crucial to keep in mind that the developer may be putting as much as \$1 million U.S. or more on the line during the preliminary phases of the process before a final go-or-no-go decision is made. The developer cannot begin recovering up-front expenditures and collecting development fees until the project has been authorized and the necessary finance is in place. Graduates in hotel and restaurant administration have a variety of job options accessible to them, including hotel

development, which includes its component elements of hotel feasibility studies, hotel appraisal, hotel real estate financing, and hotel management. In the Pacific Northwest, a city's development commission bought a 1.55-acre riverside plot of property in the center of town. Industrial contaminants that had previously been present on the property rendered it unfit for occupancy and building. The site was decontaminated with the help of state, municipal, and federal subsidies, and after the creation of a master plan for the region, the parcel was made available for purchase and development. The City Development Commission issued a request for proposals RFP that detailed the \$2,076,240 \$30/sq. ft. asking price for the land as well as the design specifications it had established for a building that would fit the intended aesthetic of the area. The RFP was distributed to numerous significant hotel chains and commercial real estate brokers, asking potential buyers to submit a purchase price bid as well as a description of their development experience and capabilities. A deadline by which all offers were to be filed was specified. A local commercial realtor offered to represent the developer in discussions with the City Development Commission, which would be paying the real estate commission on the sale, and the company was contacted. The company had a long history of developing and managing extended-stay hotels in the Pacific Northwest, including one property that was offered for sale. The developer started working on creating a proposal after an agreement was struck with the commercial real estate broker to represent the buyer to the seller. The developer carried out a feasibility analysis to determine all market factors that might support or hinder this development project. Studies were done to determine the number of extended-stay room-nights being sold within a five-mile radius, the number of hotel rooms that already existed, and the number of rooms that would be built over the next five years. The developer used this information to calculate the number of extended-stay room nights required to yield an 82 percent occupancy and an average daily room cost of \$141 when the hotel reached stability three years after opening. That served as the foundation for a revenue projection for 10 years. A nine-floor extended-stay hotel with 258 suites was the developer's suggested design. It would have cost \$38 million, or \$147,286 per suite, and include an indoor pool, spa, and fitness center, as well as guest laundry, office space, and conference rooms. The following is a breakdown of the \$38 million construction budget:

1. Land 6.0%
2. Construction 66.0%
3. Office Equipment 1.4%
4. Furniture, Fixtures, and Equipment 7.4%
5. Architecture/Engineering 2.8%
6. Permits, Fees, and Environmental 2.8%
7. Appraisal/Legal/Tax/Insurance 1.3%
8. Pre-Opening Expenses 1.3%
9. Construction Loan Fee 1.1%
10. Developer Fee 2.8%
11. Construction Interest 2.8%
12. Working Capital 2.1%
13. Contingency 2.2%
14. Total 100%

The opening date for the hotel was projected at 27 The developer was given the project by the City Development Commission, and construction got under way. The ownership entity that would hold title to the hotel was first established as an ownership limited liability company LLC. To oversee the funding and building of the hotel, the LLC, in turn, engaged into a development and construction management agreement with the development business. The developer, acting as the ownership LLC's agent, also signed a hotel management agreement

with a management firm to oversee pre-opening advertising, hiring, and training, as well as the day-to-day management of the hotel once it had opened.

The contract stipulated that the management firm would be compensated for its management services with 3% of revenue and 2% of net operating income. The ownership LLC then got in touch with a major hotel chain and submitted an application for a franchise to permit the construction and management of an extended-stay hotel. A \$100,800 or \$400 per suite franchise fee for a 20-year term was charged. Once the hotel was up and running, a 5% royalty and a 3% advertising charge were to be added on top of that. As the owner's agent, the developer created a private placement memorandum document to solicit investments from accredited investors. Accredited investors were primarily defined as those with a net worth of \$1 million or those with an expected annual income of more than \$200,000 over the previous two years. The private placement memorandum offered \$100,000 units of ownership to accredited investors, guaranteeing a 9 percent priority return on investment and a combined 50% ownership in the hotel. In return for organizing the initiative, a group of initial investors kept the other 50%. In anticipation of a lender providing the remaining 60% in the form of a construction loan, this endeavor was successful in generating 40% of the hotel's total cost. Investors might anticipate sharing in any future financial gains achieved should the hotel be sold, in addition to the priority return [9], [10]. The development company then looked for a commercial bank to provide three-year construction financing for the project, continuing to act as the owner's agent. Because \$22,800,000, or 60%, of the \$38 million development cost needed to be borrowed, only major banks were taken into consideration as potential lenders. The construction loan's size exceeded the threshold for lending set by the majority of small regional banks. A three-year construction loan was acquired after a preconstruction evaluation by a third-party appraisal company designated by the lender determined the value would be \$38 million upon completion of construction. The loan documents specified an interest rate and mandated that the ownership LLC seek a permanent mortgage before the construction loan's three-year expiration date. The terms allowed the developer, acting as the owner's agent, to draw down the loan every 30 days after providing proof that funds had been distributed correctly during construction. After that, the development business worked as the owner's agent and negotiated with and ultimately chose a general contractor with extensive expertise building hotels.

The interior designer, design-build subcontractors, and furniture, fixture, and equipment choices were made by the general contractor to satisfy the hotel franchise design specifications. Building permits were requested, and the building design was submitted for review by the City Development Commission and other organizations having an interest in how the final structure would look in relation to the surrounding area and community. After receiving all necessary permissions, building got underway, and two years later, the hotel opened. Three years later, the ownership LLC was required to get permanent funding for the hotel to replace the construction loan. Travel in the United States was slowed down as a result of the terrorist attacks on September 11, 2001, on the Pentagon and the World Trade Center. As a consequence, over the three years of the construction financing, the hotel did not reach the anticipated occupancy or average daily rate. A value roughly \$2 million below the initial construction cost was obtained from an assessment that was mostly based on the hotel's trailing 12-month net operating income. Owners were informed by the bank that had provided the construction credit that they did not desire to give permanent financing in these circumstances. The proprietors were compelled to look for a new mortgage bank. Only after buying down the debt by \$2 million to return the loan-to-value ratio to 40% equity and a loan at 60% of the appraised value were they able to get a mortgage. This exemplifies the risk developers take on when they commit to a hotel project. The owners look forward to the

possibility of selling the hotel at the next high, which will enable them to collect the initial predicted return via capital appreciation, since hotel prices typically peak and drop on a ten-year cycle. Owning and developing hotels is a high-risk, high-reward venture.

DISCUSSION

The debate over A Comprehensive Approach to Structuring Ownership, Franchising, and Financing Strategies for Hotel Development demonstrates the complex web of factors and choices that must be made in order for hotel projects to be successfully completed in the competitive hospitality market. Ownership structure becomes an important factor in the growth of hotels. Not only is it necessary for legal and liability reasons, but also for effective management and financial structure, to establish a distinct owning organization. Tax consequences, investor responsibility, and operational control are strongly impacted by the choice of business organization, whether it is a limited liability company LLC, limited partnership LP, S corporation, or C corporation. Each alternative has advantages and disadvantages, and the decision must be made in accordance with the project's unique objectives and conditions.

In this discussion, franchising techniques play a crucial role. To match the property with target market preferences, it is essential to choose the appropriate hotel brand and franchising arrangement.

To maintain financial sustainability, considerations including franchise fees, recurring royalties, and marketing contributions must be carefully considered. Market impact analyses also take into account how the selected franchise would affect the current competitive environment. Long-term success depends on the idea of the hotel, the brand that is selected, and the demand of the local market.

The viability of hotel construction is significantly influenced by the available financing options. A careful evaluation of a number of variables, such as site acquisition costs, building design and construction costs, furnishing and equipment costs, pre-opening marketing expenditures, and operations cash reserves, is required to secure appropriate finance. Understanding complex concepts like loan origination fees, interest rates, loan-to-value ratios, payback periods, and debt service coverage ratios is essential when working with lending institutions. Equity partners and investors are often involved in the negotiating process to get the required funding.

All of these components, which combine a holistic strategy, are interconnected, needing precise alignment and synchronization. It takes a thorough grasp of both the hotel sector and financial management to comprehend how ownership structure, franchising choices, and financing methods interact. Additionally, the necessity for flexibility is made clear by the fact that each project's particular conditions need customized solutions.

CONCLUSION

A successful hotel development ultimately depends on the coordination of ownership, franchising, and finance factors, the debate has emphasized. A thorough strategy considers the hotel sector's dynamism, discriminating visitors' needs, and the complex financial aspects of real estate development. The potential for profitability and longevity in the cutthroat world of hotel administration and growth may be maximized by stakeholders by navigating the possibilities and difficulties within each of these components. In this conversation, the idea of risk reduction also comes up. In order to foresee future difficulties and create backup plans, it

is crucial to have a full awareness of legal, financial, and operational risks. The development may be more resilient if elements like market instability, unforeseen expenses, and changing customer preferences are carefully taken into account.

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CHAPTER 3

AN OVERVIEW OF TRANSFORMATIONS IN THE HOSPITALITY INDUSTRY

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ABSTRACT:

In particular, the difficulties and possibilities faced by independent hotels in the context of branding, technology, and changing market dynamics are covered in this abstract, which digs into the fundamental shifts that have altered the hospitality business.

The hospitality industry has seen extraordinary changes over the last three decades, most notably affecting small hotel owners who are trying to preserve their uniqueness in the face of well-funded hotel chains' domination.

Organizational changes and improved services have been encouraged by the advent of numerous reservation and sales systems targeted at supporting small hotels, driven by growing competition and changing customer needs. There are now more than twenty ownership types available, each with a different level of autonomy and competitive benefits, underscoring the expanded alternatives for independent hotels.

The development and diversity of the global consumer market, quick technical improvements, the power of global brands, and the unification of several brands under a single worldwide management are all contributing to the fast evolution of a new market model in this period.

KEYWORDS:

Branding, Consumer Preferences, Hospitality Industry, Independent Hotels, Transformations.

INTRODUCTION

Over the last 30 years, the hotel industry has seen significant changes. These developments have had a disproportionately big impact on independent hotel owners, who fight to preserve their independence and compete on the basis of unique hospitality and character in the face of mounting pressure from huge, well-funded chains. Reservations and sales services are offered by a number of companies to independent hotels and resorts.

Some of these businesses have changed their organizational structures and improved their services in response to the evolving demands of independent hotels and the competitive market dynamics as competition has grown and increased [1]–[3]. Independent hotels have more than 20 options to select from today, each offering a different level of ownership freedom and competitive advantage. An updated market model the hotel industry is evolving at a pace that has never been witnessed before in the new century. Due to four variables, the environment is changing quickly:

1. The global consumer market's expansion and diversity. The global consumer market's demographic and psychological traits are both expanding and changing drastically.
2. The technology's quick development and accessibility. Internal hotel operational systems, revenue management, direct-to-consumer communications and booking

technology marketing technology, and telecommunications and automated sales systems are included in this. These allow central sales offices to become revenue generators.

3. The rise and significance of international brands. In order to connect with various client groups and foster customer loyalty, recognizable brand names and brand qualities are crucial.
4. Merging many brands under a single worldwide administration. Similar technological platforms and common sales and marketing infrastructure are used by the management and leveraging of several brands to consolidate and direct customer demand.

Long-term, high-fee management contracts and franchises, an emphasis on conventional distribution channels, and conventional hospitality sector marketing strategies are some old business practices that are no longer successful in the new consumer-focused market. This shift away from conventional hospitality marketing techniques is anticipated to evolve over several years and involve millions of US dollars in telecommunication, e-commerce, data warehousing, and one-to-one marketing investment. As a result, more and more hospitality marketing budgets are being focused on technology enabled customer booking and communication. Many small branded management companies as well as independent hotels or resorts may not be able to afford to meet this criterion.

However, not all independent hotels and resorts will experience this change at once. The worldwide business and city hotel sector will be affected by the first wave of upheaval. The business travel distribution network is more organized and is mostly driven by multinational firms seeking cheaper and more predictable prices. This is primarily due to brand rivalry. The leisure market will be impacted by the second wave, and changes might occur swiftly. As the currently disjointed leisure travel distribution network is more effectively consolidated, the amount of leisure travel material, including packaging, will rapidly rise online. As was formerly believed, the introduction of e-commerce in the hotel sector does not eliminate the middleman and empower the individual property. It creates new, more powerful middlemen. Some of these originate in the hotel sector, while others are shrewd e-commerce businesses.

As expansion potential were constrained by the requirement for funds to invest in more properties in the 1970s, hotel chains continued to develop. The chain grants the hotel owner the right to use its brand name, established facility and service standards, as well as its trained operations management, reservation services, and marketing assistance for a hefty fee, typically a percentage of gross sales in response to this pressure. Additionally, the need to expand encouraged the creation of the franchise idea and franchise system in North America. The owner of the franchise is responsible for operations, including adhering to the franchise criteria, which distinguishes it from a management contract. According to a recent research, 75 percent of hotel rooms in North America are now covered by some kind of branded franchise or professional management agreement.

The expansion of management and franchise contracts has been spectacular. Because the chains' share of the lodging industry is expanding more quickly, these new business structures have continued to pose a challenge to the independent conventional proprietor. As a result, the marketing/referral businesses established in the 1960s started to provide a larger variety of services. While the customer was mostly overlooked and the organizations did nothing to increase consumer brand awareness, these new services made use of links to the worldwide distribution channels and fostered strong ties with travel brokers. Strong consumer brand operators in the US are receiving more funding to support their expansion at the cost of unbranded operators.

Development of a Brand

Branding became more significant as the consumer market became more diversified and the hospitality product got more fragmented. Without a recognized brand link or a strong connection to the financial community by the late 1980s, owners and developers found it challenging to get long-term financing for a new hotel or resort. Lenders chose the lower-risk option because they thought that a well-known brand would provide better scale efficiencies and infrastructure. Independent hotels' particular character and style became a competitive advantage in this brand-driven economy, but only if they could adhere to established standards. As a consequence, it became more important than ever for independent hotels to be connected to a distinctive, reputable brand. Independent hotels started to confront the prohibitive expenses of updating their technological infrastructure and amenities in the late 1990s in order to keep up with shifting customer requirements, particularly those in Europe. To remain competitive, enhancements like modern property management systems, high-speed Internet access, two-line phones, in-room fax machines, and recreational and medical amenities were essential. These expenditures put unprecedented pressure on the finances of small hotels when combined with rising consumer marketing costs. These hotels therefore shifted their attention to maximizing higher returns from their reservation relationship.

Reservation Affiliations

Independent hotels and resorts have had a long-standing and largely fruitful partnership with reservation associations. These partnerships performed at their peak in a market environment that was steady, rather uniform in terms of demographic market segmentation, and where travel influencers dominated transitory business, group, and leisure travel. When the aims and objectives of the reservation organization are in line with the interests of the individual hotel owners, reservation affiliations are most successful in regional hospitality markets without numerous brand rivalry. The networking and friendship opportunities for the professional management at independent hotels have long been a factor in the appeal of reservation associations. Affiliations with reservations emphasize conventional means of distribution. Since the Global Distribution Systems GDS is a global pipeline, having access to them is no longer a competitive advantage [4], [5].

Proprietary distribution channels using consumer segmentation, e-commerce partners, and innovative customer management programs are the new playing ground for competition. The strength and efficacy of reservation affiliations are put to the test by new market and operational imperatives in the modern technology-driven and consumer-driven global market. In order to compete with chains, costs will rise tremendously. Local and regional licensees of powerful worldwide brands are likely to take market share away from independent hotels and resorts as the rivalry heats up. Therefore, independent hotels must attract more domestic and foreign business to cover occupancy shortages. This demand is incompatible with the capabilities of reservation affiliations and the established business model. Less than 5% of the available rooms are contributed by bookings businesses on average each night to associated independent hotels Preferred Research. Traditional volunteer groups' efficacy is being hampered by at least four new factors:

1. The global consumer market's increasing demographic and psychological complexity necessitates the development of considerable new knowledge and resources in the field of segmentation and analysis.
2. Consumer direct-booking Internet technology is emerging, necessitating significant new and continuing investment.

3. To build and preserve a brand in the face of fierce competition in the new market, resourceful global brand management is required. A brand must be able to draw in new business in order to remain competitive, and it must be powerful enough to persuade lenders to provide long-term funding. In order to enhance and increase the efficacy of the brand, brand management also include the administration of loyalty programs and the development of regional and international partners.
4. The necessity to expand and achieve shareholder profit requirements has an impact on the corporate goals and governance practices of conventional reserve organizations.

These expansion objectives may conflict with the objectives and expectations of affiliated hotel and resort members. If the conventional reservation associations are to thrive in this new, cutthroat environment, they must alter both their structure and their mission. In order to increase average room-night contributions to affiliated independent hotels to 15% an average growth per member hotel of at least 200 percent over current performance levels the traditional reservation organization must be ready to respond to competitive challenges by enhancing its resources and expertise. A new hospitality business structure known as the branded distribution company is emerging for all types of hotels in response to this competitive environment and the need for more collaborative and focused business partnerships. The ideal branded distribution business is a traditional equity company with ownership contributed to by the individual hotel owners, who have a direct say in the firm's operations via an elected board of directors. Through a real operational partnership and a pooling of resources, this ownership structure fosters wealth creation by raising brand recognition and room sales.

To retain technological and management leadership and to protect the investment of the shareholders, corporate earnings must be adequate. A branded distribution business, as opposed to a reservations and representation firm, owns and develops a branded distribution network asset that in turn offers the services shown in the model below. Performance for the linked independent hotels and resorts is the only concern. For independently owned and operated hotels and resorts that wish to maintain owner control yet need efficient and affordable management, joining such an association is appropriate. Without the restrictions and expenses of a conventional hotel chain franchise or management agreement, group buying offers distribution, worldwide consumer brand awareness, and other advantages. Above all, it provides the independent hotel access to fast growing technologies and understanding of their target market via cooperative ownership. Table offers examples of correlating brands and an overview of the important characteristics of the different marketing business models. From the perspective of an owner or developer, this new company structure is appealing for a variety of reasons, including:

1. **Costs:** Compared to a pure franchise or management agreement, it costs less money up front and has fewer continuing fees and commissions on reservations. For instance, in many circumstances, a 9 or 10 percent franchise fee equates to 50% of total earnings.
2. **Contract terms:** These are often shorter and simpler to negotiate, and they give the owner more say in how the hotel is run and how it will look and feel. Conflicts may be avoided as a consequence, and the branded distribution contract may be finished and signed in as little as 45 days. Enables hotel management to concentrate their attention and operational abilities on the delivery of an extraordinary guest experience by relieving them of the difficult and expensive process of obtaining lucrative new clients [6]–[8].

3. **Shared goals:** The major goal of the arrangement is income for both the owner and the branded distribution firm. If the brand distribution firm doesn't deliver to the hotel or resort, it doesn't be paid. The two lovers' connection is strengthened and energized by their common ambition. From the perspective of a branded distribution firm, this structure enables the brand to grow quicker since cash is not spent to support an outdated business model or to fund further building.

Instead, monies are utilized to create and maintain a modern worldwide distribution network and infrastructure that includes sales and marketing, telecommunications, e-commerce capabilities, reservations software, and data warehousing. The operation's effectiveness is ensured by a concentration that focuses almost exclusively on the creation of brand recognition and quantifiable room-night income for each linked hotel or resort—the most crucial aspects of this commercial relationship. The branded distribution company is primarily market focused; it gives its full attention to customer and travel influencer communication, relationship technology, and revenue streams. In contrast to hard flags, which focus primarily on hotel operations and asset management, such as the Marriott or the Westin, and reservation affiliations, which focus on professional camaraderie and conventional distribution channels, such as the Best Western. Travel influencers, which include travel agencies and other related entities, act as middlemen between customers and the travel product. In contrast, management corporations, which are often publicly traded businesses with investor expectations to meet, place a higher priority on asset management, profitability, and operational efficiency. Strategic asset management concerns often clash with tactical operational requirements on a daily basis. This is shown by Marriott's recent decision to benefit both parties by dividing its ownership and operational divisions. The independent hotel owners, who are preoccupied with real estate issues, and the management business they employ may have the same disagreements. Such misunderstandings may damage a partnership that ought to be mutually helpful. Owner trust in the partner is not increased by the fact that management contract fees are paid and collected even when there is negative cash flow. A franchise partnership might lead to a similar dispute and strain an owner financially and operationally. The ability to get beyond these issues and concentrate on their operation and the consumer—the source of their income and the cornerstone of their success—is provided by independent owner/operators' involvement as shareholders in a branded distribution firm, on the other hand. A branded distribution company's owners of property are required to give up a small level of control and decision-making, primarily in the areas of branding and quality control. In certain circumstances, member properties may be required to adopt and uphold particular quality standards. Additionally, companies can be compelled to use the branded distribution company's logo on marketing materials and take part in e-commerce and inventory management programs to show their support for the latter. Even yet, these shortcomings might help a hotel improve its operations and market positioning while still preserving its autonomous ownership and management. In today's market, independent hotels confront substantial risk. The competition for clients is growing as a result of technological advancements and shareholder-imposed demands on chain hotels to increase profitability. Independent hotel proprietors have a tremendous problem in keeping up with aggressive chain hotels. They presently have a range of alternatives to the branded distribution corporation for dealing with this, including representation agencies, reservation services, flagging chains, and franchise management organizations. However, many of these old economy choices may only provide temporary relief from the long-term competitive pressures brought on by the economic, sociological, and technological developments that are drastically altering the hospitality business and some of which are examined in this book. Going into this new competitive environment, a branded distribution firm has an inherent advantage. Its main objective is to acquire and manage customers, which it does through

creating new technologies. The independent hotel affiliated with a branded distribution firm also benefits from this competitive advantage. The branded distribution firm allows the hotel management to concentrate on delivering exceptional service and profits to the owners by giving the independent owner a worldwide brand as well as the technology and know-how to attract profitable new consumers. A model and a recipe for success are provided by the division of talents, knowledge, resources, and operational cultures in a cooperative corporate partnership. Independent hotels and resorts that partner with a branded distribution company will not only be able to continue operating profitably in the new international market, but also thrive.

DISCUSSION

The topic of Transformations in the Hospitality Industry: Shaping Independent Hotel Survival through Branding, Technology, and Evolving Market Dynamics is discussed in depth, focusing on the unique opportunities and challenges that independent hotels must overcome. This discussion emphasizes how crucial branding, technological adoption, and adaptable tactics are to independent hotels' long-term survival and competitiveness in a changing industry. In this new hospitality paradigm, branding becomes essential to success. The importance of building a recognizable brand has increased with the growth and diversity of the global consumer market. Independent hotels, formerly admired for their distinctiveness, are now under pressure to partner with well-known brands in order to get finance, improve operational efficiency, and build customer confidence. The key balancing act becomes the capacity to uphold established brand standards while maintaining their own identity. The introduction of technology has significantly changed how independently owned hotels operate. Technology has altered customer experiences and operational efficiency, from guest experience to high-speed Internet access. Independent hotels must invest in technical infrastructure to stay current and competitive given the growing dependence on digital platforms for bookings, reservations, and communication. But the change presents financial difficulties, particularly for smaller businesses, so returns on investment must be carefully considered. The significance of adaptation is further highlighted by changing market circumstances. Independent hotels must rethink their tactics to interact with a variety of client groups while preserving their own appeal as global brands gain importance. However, it also necessitates creativity in distinction to stand out in a crowded sector.

The consolidation of several brands under a single administration result in simplified operations and targeted client demand [9], [10]. Independent hotels' survival plans need a change from traditional marketing techniques. Budgets for hospitality marketing are being invested in technology-enabled consumer interactions with an emphasis on direct booking channels as a result of the change to customer-centric tactics. By introducing new middlemen who have substantial market power, e-commerce and technology-driven platforms are reshaping the conventional dependence on intermediaries. Although the changes are pervasive, they appear in diverse waves across various industrial groups.

CONCLUSION

The conversation concludes by emphasizing how Transformations in the Hospitality Industry: Shaping Independent Hotel Survival through Branding, Technology, and Evolving Market Dynamics are redefining the industry's structural foundation. Independent hotels have the difficult challenge of adopting technology, managing the competitive market, and adjusting to changing client tastes while maintaining their uniqueness. Independent hotels may guarantee their relevance and profitability in a sector that is always changing and demanding

agility and creativity by addressing these dynamics. Multinational firms looking for cost-effective solutions drive the methodical growth of business travel distribution networks, while the leisure sector moves quickly in reaction to consolidation allowed by technology and internet interaction.

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CHAPTER 4

INTEGRAL ROLE IN HOTEL OPENINGS: OPERATIONS PROJECT MANAGER

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ABSTRACT:

The key part Operations Project Managers OPMs play in the exciting and fulfilling process of hotel openings is highlighted in this abstract. Despite its difficult nature, opening a hotel is one of the most rewarding experiences in the hospitality sector. Every component, from the tiniest particulars to the general visitor experience, is painstakingly designed by a committed staff. This abstract is based on the vast experience of an OPM who, since 1989, has managed the launch of more than 40 hotels throughout the globe. Regardless of the location, every project offers a unique combination of chances and difficulties that adds to the professional pleasure of the work. The OPM plays a key role in the pre-opening period, collaborating closely with a variety of stakeholders, including owners, operators, and interior designers to realize their ambitions. The activities that fall under the category of responsibilities range from managing budgets, organizing procurement, and preparing interior graphics packages to examining blueprints, designing model rooms, and planning pre-opening staff preparations. The main goal is to provide a smooth movement of resources, workers, and visitors. Careful planning and design are essential to the success of many operational elements. The arrangement is carefully planned to improve both functioning and the visitor experience, from bell person bag storage to cashier station optimization for valet parking. Flexibility is essential since venues are designed to handle a variety of events, from big banquets and conferences to cocktail receptions, each with unique logistical needs.

KEYWORDS:

Budget Management, Crafting Success, Hotel Openings, Interior Design, Logistics Planning, OPM, Pre-opening Phase.

INTRODUCTION

The book *Crafting Success: The Integral Role of an Operations Project Manager in Hotel Openings* launches a thorough investigation into the crucial part Operations Project Managers OPMs play in the complex dance of orchestrating successful hotel openings. Readers are encouraged to explore the depths of knowledge, business savvy, and unshakable commitment that characterize an OPM's contribution to the hospitality sector in these pages. The voyage starts with an in-depth exploration of the exciting world of hotel openings, exposing the many difficulties and wonderful benefits that come with giving birth to a new facility. A tale that reveals the craftsmanship of creating amazing guest experiences, from the tiniest design element to the magnificence of event venues, will engross both aspiring OPMs and seasoned experts alike. The story reveals how every aspect of visitor contact is carefully chosen by an OPM, creating a space that reverberates with flawless utility and classic beauty [1]–[3]. By putting themselves in the position of an OPM, readers may better understand the crucial function they play from the outset of a project. The story follows the process from first hiring through teamwork with a wide range of stakeholders, such as interior designers, owners, and

operators. It demonstrates the OPM's skill in interpreting architectural drawings, dexterity in designing mockup rooms that capture the spirit of the hotel, and strategic acumen in developing pre-opening staffing plans that guarantee operational excellence from day one. As the story explains the OPM's function in budget control, the financial panorama of hotel openings comes to life. They handle the difficulties of pre-opening and operating supply with a sharp eye on economic restraint, finding a pleasing mix between desire and reality. The book explores the fine art of resource allocation, showing how the OPM's strategic choices result in a skillful orchestration of assets that forms the basis for a successful launch.

But the mathematics and logistics alone do not fully capture this trip. The story reveals the core of an OPM's work: the development of customer-focused experiences that connect with authenticity and creativity. The union of aesthetics and utility will be on display for readers to see, with event spaces created to accommodate a variety of events while blending in well with the overall design ethos. As they manage the nexus of customer demands, operational effectiveness, and creative expression, The OPM develops its own touch. Beyond the obvious components, the story explores the OPM's function as a link between innovation and implementation. Their proficiency in encouraging cooperation, problem-solving, and effective communication is evidence of their capacity to reconcile the perspectives of different stakeholders into a coherent whole. Their existence acts as the glue that unites many components, turning potential problems into chances for creativity.

Readers travel several countries as the story considers how the OPM may adapt to various cultural environments. The book illustrates their capacity to overcome particular difficulties while upholding a universal standard of quality by drawing on examples in places like Guam, Malta, Berlin, and St. Louis.

This international viewpoint highlights the OPM's position as a cosmopolitan master, coordinating the launch of hotels with a grace that knows no boundaries. A thorough voyage that recognizes the OPM's function as an artist, strategist, diplomat, and visionary, *Crafting Success: The Integral Role of an Operations Project Manager in Hotel Openings* is a book in its whole. Readers learn to appreciate the symphony of components that results in a successful hotel opening via the prism of their trip. This book is a must-have companion for professionals in the field, aspiring OPMs, and anybody interested in the transformation of aspirations into hospitality realities.

Don't pass up the chance to be involved in the launch of a hotel if you ever have the chance. Despite its demanding and laborious characteristics, opening a hotel is one of the most gratifying occupations in the hospitality business. Look around every hotel you enter, wherever. Every single feature that you can see, hear, or feel was created by a large number of individuals. Since 1989, throughout my time as an operations project manager OPM, I have opened more than 40 three-, four-, and five-star hotels around the globe.

Each project has been different, the same, and professionally satisfying, whether it was in Guam, Malta, Berlin, or St. Louis. Following the general manager and the head of marketing, the OPM is the third employee recruited. An OPM's job is to integrate the ideas of the interior designer, owner, operator, and other parties. The hotel visitor is happy, the owner earns money, and the architect and interior designer may add the project to their resume of successful ventures when these visions are effectively merged [4], [5].

The OPM is responsible for managing the following aspects of a project:

1. Reviewing the building's blueprints and specifications.
2. Helping to create a model room.

3. Creating the pre-opening staff plan.
4. Creating and managing the pre-opening budget.
5. Creating the operational supplies and equipment budget OS&E.
6. Managing the purchasing, warehousing, delivery, and installation of the OS&E.
7. Creating the interior graphics package.
8. Coordinating the installation.

The goal is to maintain a smooth flow for visitors, employees, and commodities. The bellperson bag storage area should be situated between the elevators and the portecochere and have 1 square foot for every guest room. Make sure there is a handy cashier's station next to the portecochere if valet parking is provided. Set up a key rack to save the keys for every valet parking space. The catering division can host dinner events for 800 guests in a 10,000 square foot ballroom. This needs 80 6-foot round tables, 800 chairs, a dais for the head table, a dance floor, and band staging. The classroom set-up needs 1,400 linear feet of narrow tables and 700 chairs if it is marketed for a 700-guest all-day conference. For a brief theatrical conference, 1,000 seats, a podium, staging, and audio-visual equipment are needed. 1,400 people may attend a cocktail reception in the same area, which calls for cocktail tables, mobile bars, buffet stations, etc. It all comes down to providing enough storage space at least 1,500 square feet for equipment that isn't in use. To ensure that labor costs are spent wisely, moving products from the rear of the home to the front needs careful planning.

Do the rollaway mattresses, cribs, and high chairs have easy access to an elevator? To save access time, the housekeeping closets should be centrally positioned on the levels of the guest rooms. If the elevator is only five feet deep, a trash cart measuring six feet and two cubic yards will not fit. Ice makers must create enough ice 10 pounds per room per 24-hour period for the number of guest rooms on that level or floors if they are available for guest self-service. The right utilities, such as power, plumbing, lighting, and HVAC, are needed in the ice machine room. Don't forget the is outside the room, which must to adhere to ADA guidelines! MODEL ROOM Construct a regular king and double/double guest room nearby so you may inspect each and everything inside. Exactly where the TV, lighting, clock radio, mini-bar, coffee machine, hair dryer, Internet access, and telephones are located,

1. Are there enough electrical and telecom outlets to hide the cords?
2. Are other amenities like an iron and computer available for guests to use?
3. Is the closet rod positioned to provide room for the iron board and ironing board organizer?
4. Is it easy for visitors to reach the thermostat?
5. Are the case goods, such as the dresser, nightstands, headboards, and chairs, intended for commercial or heavy-duty use?
6. Will they withstand mistreatment?
7. Do they have any sharp edges that might catch the garments of visitors?
8. Does the bed skirt protrude a half-inch from the ground?
9. Are there enough lumens produced by the bedside lights for visitors to read in bed?
10. Does the room meet or surpass all operator brand requirements?
11. The sales and marketing team uses these model rooms as sales tools to sell group rooms up to three years in advance of opening.

An organizational chart listing every role is the first step in the pre-opening staffing process. Titles and staff counts are finalized per position, and spreadsheets are then made with the titles, start dates, pay scales, bonus amounts, transfer allowances, and full-time equivalents FTEs for each post. The pre-opening staff plan is a detailed document that specifies who is employed, when they begin working for the company, how much they are paid, and whether

or not relocation expenses and benefit costs are covered. The budget for the pre-opening personnel plan is created using each of these components. The budget must be changed if recruiting has already started and the opening date changes. The budget must also be adjusted when a job is filled that does not conform to the plan, such as when a famous chef is hired one month sooner than anticipated.

The pre-opening budget is created and managed by the OPM. This budget normally has three main categories: labor costs 40% and sales and marketing activities 40% as well as other 20%. The pre-opening staff plan is directly used to calculate the labor costs. Public relations, collateral, advertising, and client visits are all part of sales and marketing efforts. The budget's miscellaneous expenses complete it. Before moving into the hotel, these expenses include renting office space, paying for utilities electricity, water, Internet, and telephone, recruiting for human resources advertising, headhunters, drug testing, etc., purchasing training materials, paying association dues, and paying for licenses and permits business, alcohol, sales tax collection, etc.. The pre-opening budget is impacted if the hotel opening date is postponed for any reason.

Labor, office rent, utilities, and marketing expenses are additional expenses. Since the majority of the workforce has already been employed, considerable expenditures are incurred if the opening date is changed within three weeks of the original schedule. Specifying, quantifying, and budgeting for the operating supplies and equipment OS&E list is the OPM's biggest and most difficult task. For a normal four-star facility, this budget works up to \$8,000 to \$10,000 per guest room. Normally, the list of commodities has more than 2,500 lines. For a full-service hotel, increase the amount. for an in-city business hotel, decrease the amount. Except for the furniture, fixtures, and equipment FF&E, all objects that are not fastened down are included in the OS&E. Typically, the interior designer specifies and orders the FF&E. Bedding clock radios, hangers, laundry bags, laundry tickets, irons, ironing boards, luggage racks, guest amenities soap, shampoo, lotion, etc., hair dryers, shower curtains, and shower curtain hooks are examples of common items found in guest rooms.

To mention a few of the various devices used in housekeeping, there are vacuums for guest rooms and large areas, carpet shampooers, carpet extractors, housekeeper carts, laundry bins, trash trucks, valet delivery carts, and shelves. Additionally, housekeeping is required to maintain a stock of things that guests often request, such as humidifiers, dehumidifiers, cribs, high chairs, rollaway beds, bed boards, extra pillows, two-person mattresses, refrigerators, laundry detergent, and other items. The list of front-of-the-house supplies for food and drink includes flatware knives, forks, and spoons, hollowware serving trays, serving utensils, chafing dishes, sugar bowls and sauce boats, punch bowls, glassware, tablecloths, napkins, skirting, salt and pepper shakers, China, plate covers, espresso machines, menu covers, and so on. All of the aforementioned, as well as tables, chairs, staging, staging stairs and railings, dance floors, carts, carving boards, ice carving trays, flags, podiums, portable bars, ice bins, pianos, and tray jack stands, are included in banquet goods [6]–[8].

The biggest purchase order, which often runs over 100 pages, is for a full-service kitchen and contains all the ingredients a chef needs to create the dishes that are served at the hotel. The day before the chef begins to burn in the kitchen, every tool, pot, pan, dish, and glass rack, ware washing agents, mops and buckets, and specialty things roller-docker, anyone? must be inspected by the chef, bought, and delivered. The OPM specifies the office desks, chairs, cork and dry-erase boards, conference tables, file cabinets, safes, bullet-proof windows for the general cashier's office, fax machines, copiers, money and coin trays, and a set of flags for the outside flagpoles on the administrative side of the hotel. The purchase order for staff

uniforms is one of the biggest and trickiest. The invoices for my most recent Kona, Hawaii, project uniform purchase order totaled 68 pages.

1. Numerous issues are raised prior to estimating consistent demands.
2. Are uniforms for the winter and summer necessary?
3. Will the hotel or hotel staff be responsible for designing the uniforms?
4. How many more servers are required for a large dinner event in the ballrooms?
5. Is it the intention to employ a significant portion of part-timers?
6. Which outfits need bespoke broderie?
7. How many extra uniforms should be kept in reserve?

The selecting procedure starts when these questions are answered. Operations and the interior designer discuss the choices' visual and tactile qualities. There are distinct requirements for each job or related position. The uniforms of the housekeeping and bell crew must be sturdy, breathable, and able to withstand a lot of bending and straining. The uniforms of the culinary and engineering employees must be stain-resistant and able to withstand repeated washes. 90 to 120 days before the first uniformed employee is employed, the uniform order is placed. A common bell chart sizing curve is employed for the nation or area where the hotel is located in order to determine the sizes needed. Before each individual fitting, the uniforms are supplied and arranged. Every line worker gets measured for uniforms on their second day of work. Then, an army of seamstress's alterations each pair of trousers, coats, and outfits for each employee. A few days before opening day, the fitting university forms are distributed.

In a perfect process, the 500 po's are issued beginning six months prior to opening. Purchasing, warehousing, delivery, and installation of the OS&E. Each order is monitored to make sure it arrives at the designated place on time. As the general contractor finishes the construction and hands over sections, the majority of the supplies are brought to a nearby warehouse and pulled for delivery to the site. Some products are delivered straight to the location to save handling. Bed sets 21 40-foot shipping containers for the Kona project, TVs 3 containers, banquet chairs 2 containers, banquet tables 3 containers, and guest room safes 1 container are among the significant purchases. The guest room and food and beverage linen orders are sent to an off-site laundry facility for first washing.

The biggest ballroom is often where the items are placed after they arrive on site for distribution and unpacking. A large number of people are needed for the unpacking procedure. Each clock radio, for instance, has to be unpacked, the electrical twist tie taken out, a 9-volt battery put in, and the time set. The device is then set up on a nightstand in a guest room. This assignment required two employees to work on three eight-hour days on the 525-room Kona project. They spent the next five working days putting the 7,000 shower curtain hooks, 525 shower curtains, and 525 shower liners after finishing this assignment. Then, 30,000 glasses were removed from their boxes and put on glass racks for cleaning.

Every one of the 2,500-line item requires the completion of activities of this kind. When receipt and delivery start in-person, waste becomes a more prominent factor. Every day around 3 tons of packaging material were produced during the course of the five-week Kona installation procedure! The local rubbish carrying business has to be cultivated as a friend. The project manager checks the interior graphics package for inaccuracies and omissions. Every sign required to guide visitors and workers in front and rear of the house areas is included in this package. The most recent Kona project had 1,600 signs, 98 percent of which were unique. According to the ADA, the signs must have proper language, directional arrows that point in the right direction, and elevated Braille lettering in most cases. To create the identity for the distinctive regions inside a property, the OPM collaborates with the marketing

department. These consist of the eateries, pubs, swimming pools, spas, and shopping areas. The signage package, collateral cocktail napkins, menus, check presenters, etc. and uniforms all use these logos.

The property must be accessible to a number of third-party vendors before it may be opened. The soft drink vendor must install soda guns for the bars and vending machines for the guest floors. The coffee company must install and test equipment. The pay-per-view TV vendor must connect every television in the building and test the signal strength. The ware washing chemical vendor must install and calibrate the dishwashing machines. The office furniture installer must install and test equipment. The project manager schedules and directs all of these vendors. Other vendors include those offering cellphones, fitness center equipment, mailing machines, security systems, and first aid supplies. The general contractor's completion dates are used to determine when these suppliers may install their equipment. Vendors must be alerted when the construction timetable changes so they arrive when the area they need access to is ready. During the last two months before opening, the OPM provides assistance to the human resources personnel so that they have access to all of the resources they need to find and employ the necessary workers. For each vacancy, the HR department typically conducts at least five interviews. For a normal four-star hotel with 300 rooms, this equates to more than 1,000 applications. The term mass hire refers to this procedure. Six weeks before opening, the mass hiring is often done over a two- or three-day period. HR needs office space, a reception area large enough to accommodate 200 people at once, restrooms, and break areas for the interviewers in order to interview this many job applicants.

All of these elements are coordinated by the OPM so that the operations team may concentrate on hiring. After the acceptance of the offer letters, all line associates begin working roughly three weeks later. Group training, operational philosophies, a code of conduct, and other general rules are all covered in the first few days of employment. Divisional training is held on day three. The personnel are divided into departments or jobs for the second week of training. As part of departmental training, staff members learn how to make beds, clean a room, prepare every dish on the menu, find the fastest way to each guest room, and greet visitors at the door. The last 72 hours before the opening ceremonies are a whirlwind of activity. Now is the moment for everyone to pitch in. The typical workday is sixteen hours. The rooms are cleaned. The closets for housekeeping are supplied. Food and beverage storage spaces are full. The general contractor takes care of the little things, including touch-up paint. In the public spaces, there is furniture and art. All facets of the business are practiced, including serving mock meals and mocktails, checking guests in and out, and even simple tasks like valet parking and pool cleaning that are easy to ignore. The OPM can tell what sort of work has been done as soon as the general manager cuts the ceremonial ribbon [9], [10].

DISCUSSION

The debate around Crafting Success: The Integral Role of an Operations Project Manager in Hotel Openings explores the crucial importance of Operations Project Managers OPMs in directing the difficult process of launching a hotel. This discussion emphasizes OPMs' many tasks and contributions, highlighting how crucial they are to a successful hotel launch. The acknowledgement of how difficult yet very gratifying building hotels is at the center of this conversation. It takes careful preparation and execution to implement the complex web of elements that make up the visitor experience, from the positioning of utilities to the overall

architectural arrangement. Every point of contact that visitors have, from the room lighting and furnishings to the design of the event venues, showcases the hard work of an OPM and their staff.

The OPM is one of the first personnel hired for a new hotel project, and their engagement starts early in the pre-opening process. This emphasizes the crucial part they play in working together with many stakeholders, such as interior designers, owners, and operators, to turn abstract concepts into concrete realities. Their duties also include making model rooms, analyzing architectural drawings, and formulating staffing plans, among other things. A seamless launch and operating continuity are ensured through budget management, especially in regards to pre-opening and operational supply.

The success of hotel openings strongly depends on carefully considering the experiences of guests. The OPM's engagement in designing layouts, interior graphics, and event spaces is a testament to its commitment to providing visitors with smooth and memorable encounters. A crucial component is functionality, which effortlessly combines utilitarian concerns with aesthetic appeal.

CONCLUSION

The debate concludes by highlighting the need of an operations project manager in Crafting Success during hotel openings. The total success of a new hotel launch is largely down to the expert management of logistical complexities, rigorous planning, cooperation with stakeholders, and attention to guest-centric experiences.

The abstract attests to their vital role in bringing ideas to life and guaranteeing the satisfaction of a well-executed and memorable hotel launch. Notably, an OPM's responsibilities go beyond simple logistical planning. Their efforts play a crucial role in promoting the alignment of strategy and implementation. A successful launch depends on cross-departmental cooperation as well as strong communication and problem-solving abilities.

The interdependence of their duties emphasizes the comprehensive strategy they use to influence every element of the hotel opening. Additionally, an OPM's experience is especially crucial for context and location adaptation. They have shown their adaptability in navigating a variety of operating contexts and cultural subtleties by their expertise managing various issues, whether in Guam, Malta, Berlin, or St. Louis.

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CHAPTER 5

UNVEILING THE IMPACT OF ELECTRONIC HOTEL DISTRIBUTION CHANNELS: REVENUE GENERATION

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ABSTRACT:

The abstract explores Unveiling the Impact of Electronic Hotel Distribution Channels on Revenue Generation, offering insight on how the revenue landscape of the hotel sector has been transformed by electronic distribution channels. It emphasizes how the dynamics of hotel room distribution are changing as customer behavior and expectations are altered by technology improvements. The information, which was obtained through studies of the industry and research results, emphasizes the importance of the Internet as a trustworthy and safe commerce channel, leading to changes in reservation patterns and distribution tactics. Along with the advent of technological channels, visitors' methods of communication, information-seeking, and decision-making are being reimagined. Notably, services connected to travel have become especially well-suited for online sales, drawing on a market of wealthy travelers who value the ease and effectiveness of digital platforms.

The abstract goes on to examine the expected development in online travel sales, which is backed by estimates that indicate a significant rise in revenue over the next five years. Competitive price is recognized as a key component in driving people to purchase travel services online, and it emerges as a critical element impacting the success of online sales. Consumer attitudes are changing, and they are gravitating toward digital booking channels because of expectations of cost savings that are grounded on the cost-effectiveness of online distribution.

The abstract comes to a conclusion by noting the disconnect between industry standards and customer expectations, underscoring that despite ongoing difficulties, hotels have a bright future because to the quick development of electronic distribution channels.

KEYWORDS:

Consumer Behavior, Electronic Hotel Distribution, Online Booking, Revenue Generation, Travel Industry, THISCO.

INTRODUCTION

In recent years, the significance of electronic hotel distribution channels has significantly increased. Horwath Worldwide Hotel Industry Studies figures show that direct reservations decreased from around 39% in 1995 to 33% in 1999, with the change in sales occurring almost entirely via electronic channels.

The distribution of hotel rooms has changed as a result of customer acceptance of the Internet as a dependable and safe commerce medium, even while hotels continue to make substantial use of travel agent-focused global distribution systems GDSs.

The way individuals connect, get information, and purchase products and services have all been fundamentally altered by the internet. Particularly travel-related goods have shown to be

suitable for online sales. According to NFO Plog Research 2000, the typical Internet user is a wealthy, frequent traveler who spends more money on amusement and leisure than the ordinary person [1]–[3].

Additionally, from the standpoint of the customer, ordering travel-related goods online has often become quicker, simpler, and more convenient than contacting a travel agency or supplier directly. As a consequence, it is anticipated that income from online travel would increase significantly. For instance, online travel sales will more than quadruple in the next five years from US\$18 billion in 2002 to US\$64 billion in 2007, according to recent research by Jupiter Media Metrix. A rise in booking volumes is also anticipated. Between 6 and 10 percent of all travel bookings were predicted to start online by the end of 2002 by the Travel Industry Association of America TIAA. If Jupiter's prediction for 2007 comes true, travel will be the most popular online purchase, with a volume that is almost twice as large as the market's current top item, PC hardware Forrester Research. Pricing is essential for online sales success. Price is one of the main motivating aspects that drives people to book travel online, according to studies by Internet analysts Gomez and PhoCusWright as well as TIAA. As an example, the PhoCusWright research discovered that competitive pricing is the greatest strategy for drawing clients. When asked what would persuade tourists who haven't made online purchases to do so, 64% said that saving money would increase their interest. No other advantage, including time savings, additional points from loyalty clubs, more control, or better information, even came close to receiving the same level of support.

In research conducted in 2000 by Yesawich, Pepperdine, and Brown, it was shown that roughly six out of ten leisure travelers now actively look for the lowest possible price for travel services. Similarly, a Forrester Research study from 2001 found that 66% of all buyers had used an online travel agency in the previous year to make purchases, and a Joint Hospitality Industry Congress study from 2000 found that consumers actually expected Internet prices to be lower than those offered in the bricks and mortar world. Such an impression has emerged for a number of reasons. The majority of the most well-known Internet merchants, like Amazon.com, for instance, first competed with traditional stores primarily on the basis of pricing. Second, informed customers are aware that web-based channels have cheaper distribution costs than conventional channels. According to Jack Geddes, managing director of sales and marketing for Radisson Hotels Worldwide in Asia, consumers now understand that suppliers are cutting costs through this channel and expect savings to be passed on to them, as well as being rewarded for making the booking themselves. The low-cost airline Secret, which provides significant discounts for online reservations, is reinforcing these expectations.

Companies like EasyJet, RyanAir, and Buzz claim that they can save up to 30% by bypassing tele sales and travel agents, and they pass those savings down to consumers in the shape of cheaper tickets. The internal Accor data in Table 1.2 demonstrate how an 80–90% reduction in processing fees may be achieved by selling directly to the customer online, demonstrating that hotel firms can achieve comparable or even larger levels of savings. Finally, a lot of hotels and airlines utilize the internet to market last-minute packages with short lead periods and relatively inexpensive pricing. While these deals may assist get rid of unsold inventory, they have also led the public to believe that rooms purchased online are less expensive. Due to a combination of these reasons, customers now see online booking as offering excellent value, which they interpret as reduced costs [4], [5].

However, industry practice usually seems to be the antithesis of theory when it comes to the websites owned by hotel companies. For example, a colleague and I discovered in a 1999 study that rates received via the website were often much higher than those got by visiting the

central reservations office. However, that research had limitations since it only looked at direct sales made via hotel corporations' own branded websites. Electronic distribution for hotels is quickly developing, and there are already a ton of different consumer-focused online channels accessible. Most chains employ a variety of channels to reach consumers.

There are several intriguing issues raised by the existence of various places of sale. The first and foremost of these is: Are the room availability and rates being provided across each of the channels consistent? Comparing prices online can often be done rapidly, unlike in the real world where a prospective customer would need to call or visit many vendors. According to research, people who book travel online virtually usually browse many websites before making a decision. Only 10% of prospective customers visit only one website to book a hotel stay, 43% visit two to three websites, and 22% visit four or more websites, according to Jupiter Media Metrix 2001. Online shoppers are becoming less tolerant of inconsistent information as a result of their many price comparisons. They may respond negatively to a company's inconsistent rates by making a reservation with a rival. The following two issues are related:

1. If charges vary among channels, is there a consistently cheaper route?
2. Is the company's pricing strategy logical from both the standpoint of the customer and the hotel?

I try to provide answers to such queries in this essay. Methodology and study limitations There have only been a few prior studies on how hotels utilize the Internet. Murphy et al.'s 1996, 70–82 focus was on grading hotel websites' content, while Van Hoof and Combrink's goal was to gauge managers' attitudes and impressions of the Internet. The co-authored work I cited above examined web reservations facilities in detail. However, it doesn't seem like there has been any rigorous study done on the topic of pricing across different distribution channels up to this point. Therefore, the goal of this research was to evaluate the lodging prices being provided to customers through various electronic distribution channels. It would be nearly impossible to do an extensive review of the prices that are being given by all hotels. As hotels forecast occupancy rates, they open or shut pricing classes as necessary in accordance with yield-management concepts. Though recent research has shown that large companies are most active on the web, I think that major international hotel chains' electronic-distribution activities are indicative of industry patterns.

This may be because their size frequently gives them an advantage in terms of technical know-how and financial resources. I made the decision to concentrate my analysis on the actions of the top 50 global hotel brands as a consequence.

Although this tactic implies that the results are not generally applicable and, thus, not typical of the industry as a whole, it does enable the construction of an accurate baseline of trends as they are right now. Based on the list of the top-50 hotel brands published in *Hotels Magazine* in July 2000, the firms were selected.

Due to the fact that two of those companies Disney and Club Med operate resorts and sell most of their rooms as components of packages, their products cannot be directly compared to those of the rest of the business. A further three companies were not included on any of the other channels examined nor did they provide online bookings on their own websites. As a consequence, the findings from the 45 hotel brands for whom reliable data could be gathered are reflected in the results mentioned below.

The literature was used to identify five main categories of electronic business-to-consumer distribution channels, and the best examples from each category were chosen for the research.

In addition to a chain's own website such as www.marriott.com, these included channels that get their information and reservation engines from the GDS such as Expedia and Travelocity, those that rely on the databases and reservation engines of the switch companies such as Travelweb, and pure web-based channels with an online inventory and reservations database such as WorldRes. These comprise the bulk of hotel reservation websites, albeit they are not all inclusive. The auction-style websites, such as Priceline.com, were left out of the research since they cannot be compared to conventional booking methods. I added voice channels to the analysis by analyzing the rates provided by the toll-free number to the Central Reservations Service CRS as a further point of comparison.

The information was gathered by repeatedly requesting to book a typical double room for the given dates at a chosen property from each of the brands via each of the aforementioned distribution channels. When the requested product was offered by the system, the number of rates shown and the lowest rate offered were both logged for study. I excluded prices that were not accessible to the general public such as corporate, military, AARP, and AAA and only looked at rates that could be used by a normal client in order to help maintain consistency. I looked at the websites and then called the hotel company's CRS to make the same reservation. In that instance, I simply documented the agent's first pricing. I didn't request a lower cost, and I didn't record any more offers made after I declined to make a reservation. Although bargaining can result in better rates, I made the decision that doing so would prevent me from consistently calculating the lowest rate since it depends on the caller's tenacity. To lessen the likelihood of errors caused by system failures or other extraordinary conditions, the aforementioned procedure was done five times for alternative dates [6], [7].

Each of the big hotel brands use various simultaneous distribution channels, as shown in Table Voice via the company's CRS and electronic through the company's corporate website were the two most often used methods. The business in the economics category did not provide a CRS number. With the exception of one brand, all of the companies assessed provide online bookings for hotel rooms on their respective websites. When compared to polls conducted only a few years ago, which revealed that only around 50% of the main hotel corporations offered online bookings, it is important to note that this marks a significant progress. Expedia and Travelocity, which are GDS-based middlemen, were utilized by almost four out of every five significant brands, whereas Travel web was only used by about one in three.

These results are not shocking in and of themselves. The bulk of the hotel brands included in this research should reasonably anticipate to be represented in the GDSs, which are where Expedia and Travelocity both get their data from. Similar to Travelweb, THISCO is where Travelweb gets its data, thus any hotel brands that utilize THISCO as their switch service should make inventory accessible for sale via Travelweb. The chains' underwhelming use of World Res surprised me. Using WorldRes offers the lowest possible transaction cost, with the exception of a company's own website, and hence would seem to be a desirable channel for usage by hotel firms. According to an analysis of its property database, there are a lot of independent hotels, bed & breakfasts, and little-known hotel brands. Why the large brands do not use this distribution channel is a problem that remains unanswered. Rates are offered. There were many rates available for each electronic channel.

Each channel provided an average of five rates in answer to the query, with Travelocity providing the consumer with the most options among the channels under consideration. Offering the customer, a range of charges has both advantages and disadvantages. In a good way, it gives prospective buyers options so they may match the things being marketed to their requirements. On the other hand, giving customers a wide range of prices without sufficiently

differentiating between the items might leave them uncertain of what they are receiving for their money. This is best shown by a research example where a property provided 17 different prices on Travelweb for a certain day, with little to no obvious variation in the room descriptions. It goes without saying that any consumer trying to reserve the property would find such a situation confusing and annoying. Average costs. Expedia's rates were slightly lower than those provided by other channels, and WorldRes appeared to consistently offer higher rates than did the others, but it was difficult to generalize about which of the several channels is consistently least expensive on average. In fact, when everything was taken into account, the pricing for each channel were comparable, with the average price for the desired accommodation costing between US\$163 and \$163.

The fact that Expedia's mean prices were lower surprised me since, as an online travel agency, it has significant distribution expenses, and it seems sense to think that rates given via this channel would reflect those higher costs. Additionally, since WorldRes has very low transaction costs compared to the other channels examined, hotels may be able to offer lower prices via this channel. In other words, I discovered that there doesn't seem to be a correlation between the rate given and the expense of utilizing the distribution channel when selling hotel items online. Illogically, the hotel's most expensive electronic channels often seem to provide the most value to customers. To take advantage of the expanding market for online hotel room sales, hoteliers must reconsider their present strategies as will be detailed below. segment separation. The discussion that came before it was based on a broad examination of hotel room sales distribution. A different image is shown if the brands under study are classified according to the market sector they are aiming for. Table 1.6 demonstrates how much more probable it is for hotels at the low end of the market to provide consistent pricing across all channels. While it's possible to guess that this is because economic properties are more likely to have a single constant price for their product regardless of demand, it's also possible that the reason for this is because the host property has a more consistent pricing strategy.

Additionally, it is clear that customers at the low ends of the market are far more likely to find reduced rates via direct company-owned channels. Direct sales made via the company's website were lowest for economical brands 26% of the time. A customer booking an economy room will almost always find the best deal on the hotel chain's website, according to the 46 percent of instances in which the same rate is offered regardless of the channel utilized. The chain's website is much more likely to provide the best price for mid-priced items, doing so almost half the time. At the top of the market, the situation is different. Less than 10% of the time, luxury hotel chains' websites offered the best deal. Additionally, Table demonstrates that in more than one-third of situations, the company's website provided the highest rate. Overall, the data tends to suggest that if you want to stay in upscale hotels and are looking for a decent deal, you should avoid making a reservation through these hotels' websites. Instead, online intermediaries especially Expedia give the greatest chances of discovering the cheapest rates for upscale formal ties, with an average savings of 5% possible by booking via Expedia rather to the business's own website. Negotiation needed. The results also show that, at least if one accepts the first offer as I did for this research, a hotel company's CRS is not the greatest location to find the best prices. Regardless of the market group, there is a larger likelihood of receiving the highest rate estimate via this channel, and reservations made through this path were virtually never the most affordable options. But my technique is largely responsible for this discovery. In fact, the CRS representative often provided me with a different, cheaper cost as soon as I said that I had no intention of making a reservation at the rate provided. This anecdotal observation suggests that price reductions may have been the product of negotiating.

It is clear from the discussion above that both the number of channels available for booking hotels and the complexity of those channels have increased. This research is a first effort to catalog pricing strategies used by lodging companies on electronic channels. The survey found that the majority of hotel businesses now make their rooms accessible to a sizable audience by using concurrent, multiple electronic channels of distribution. The availability of hotel firms' own websites has increased, and the great majority of the businesses that I researched now offer their rooms for sale in this way, despite a minor decline in the usage of CRS-based bookings. The disparities between the results of this study and earlier research suggest a significant increase in the use of the web as a direct-sales medium by hotel chains, possibly accompanied by a realization of the advantages of the web in comparison to other, more conventional, electronic channels of distribution[8]–[10].

Most businesses provide clients with numerous tariffs for each channel. But it's amazing to see how many businesses now provide constant pricing across all platforms. A lack of connection between the multiple inventory databases used to manage inventory was suggested as a potential reason for the finding that fewer than 10% of businesses maintained consistent pricing in earlier study. However, more than a third of the companies I looked at now provide consistent pricing across various channels, a sign of improvement in the industry's handling of electronic distribution. A thorough research does show a correlation between pricing and the market being targeted, even if no one channel regularly gives the lowest costs. First, regardless of market niche, the CRS seldom offers the lowest costs without negation. A potential consumer can save at least 5% by making a reservation via any of the electronic channels I looked at in comparison to the first-offered CRS pricing. Based on the statistics, it is clear that users are more likely to discover the lowest rates in the economy and mid-price classes on the hotel chains' own websites than on their CRS or third-party websites. On the other side, so-called upmarket hotel companies are more likely to offer greater costs on their own website than what they do elsewhere. In terms of the link between the cost of utilizing a channel and the rates given there, as well as in terms of actively controlling their channels of distribution, economy brands seem to be the only ones in the industry as a whole displaying a sensible online pricing strategy. Implications.

First off, it is obvious that the hotel brand's own website is not the place to purchase for individuals with a taste for expensive goods, since better deals can often be found via other channels. The fact that pricing have generally become more or less equal across many of the channels examined and by association, across many other electronic distribution channels as well is more intriguing. Time is a vital resource in today's society, as is widely known. Since there are now so many other methods for consumers to book hotel rooms, the expense associated with looking through even a tiny portion of the many consumer-focused channels already present in the market in an effort to get a cheap price has skyrocketed. Given that our research discovered that many of the prices being given across alternate channels are essentially the same for many hotels, clients should think twice before using so much time and effort looking for the lowest cost.

The consequences for the hotelier are more immediate. My research indicates that many hotel companies do not actively control the room prices that are made available via their assortment of electronic distribution channels. The majority of businesses provide numerous pricings for each channel, which, as was already said, may be advantageous since it provides the client an option. Having too many prices available, however, may backfire if the client feels overburdened. The best course of action would be to provide a limited number of rates with precise definitions. The majority of businesses, however, now provide five rates in response to a consumer inquiry, with some displaying much more, and the majority of the

time with little to no obvious product differentiation. Additionally, it seems that the rates offered through electronic means are inconsistent. In many instances, no obvious or reasonable pricing approach exists.

The networks with the greatest transaction costs also provide the lowest pricing. Only a limited percentage of businesses provide uniform price regardless of the booking channel. Informal conversations with such businesses have indicated that they adhere to this policy because they think there should be one correct pricing for every customer. By doing this, businesses avoid having to deal with complaints from customers who have already made reservations and then get a cheaper estimate for a room from a different source. Such a strategy, however, overlooks the expense associated with processing a booking via a certain channel. As was previously said, the number of intermediaries between the supplier and the client has a significant impact on these expenses.

The cost of transactions and processing fees increases with the number of intermediaries, which also increases the cost of distribution. This seems to support charging higher rates on channels with high-cost structures and charging lower rates on channels with low-cost structures. Along with this, consumers are increasingly expecting to find the lowest prices over electronic, and particularly direct electronic, routes because they are more familiar with and comfortable with e-commerce issues in general, are aware that distribution costs are lower in the digital world than in the physical one. Simply said, customers look for the greatest deal when they visit a hotel chain's website. Given that luxury hotels in particular prefer to offer their highest prices across direct channels and paradoxically their lowest rates using the costliest online intermediaries our research has shown that in many situations, this is simply not the case.

Informal analysis of the study's findings suggested that this may be the result of online businesses' pro-active efforts to contact hotels almost every day and persuade them to lower their prices in exchange for higher rankings on their search results. In contrast, the prices shown on the websites of hotel chains are mostly unmanaged, sometimes fixed far in advance without being adjusted to account for shifting supply and demand.

Whatever the underlying reason, hotel firms' actions are pushing online shoppers into the arms of ready online middlemen, where they may discover a large range of products as well as consistently cheap costs. Due to customers' movement to online travel sites that offer comparatively inexpensive prices from many different hotel chains, it is possible that many hotels are missing out on prospective reservations to competitors.

Prospective visitors see a far greater variety of possibilities from the online middleman and may be persuaded to book a competitor's hotel particularly if price becomes a factor instead of being provided with a list of a chain's properties on a company's website. Customers will start using Expedia or Travelocity as their first choice for future reservations once they realize that they will typically find lower prices on these third-party channels. This will undermine customer loyalty to the brand, increase transaction costs, cause more reservations to be made elsewhere, and give third parties more leverage to demand special rates or commission overrides in exchange for a company's inclusion in their search results. If hotel corporations want to maintain control over the sale of their own goods, they must move quickly. This requires, at the absolute least, that pricing be uniform across all sales channels, while it is more likely that buyers will get the best deal on their own website. This would increase website traffic, lessen the incentive for visitors to make reservations via other electronic channels, and should lower distribution costs.

DISCUSSION

The topic of Webbed Prosperity: Unveiling the Impact of Electronic Hotel Distribution Channels on Revenue Generation explores the significant changes that the expanding impact of electronic distribution channels is causing in the hotel sector. These channels, which were initially made possible by the Internet, have not only completely changed how hotels interact with their guests, but they have also become essential in determining how to generate money. The distribution and booking of hotel rooms have undergone a paradigm change with the introduction of computerized hotel distribution channels. Statistics showing a decrease in direct bookings and a rise in dependence on electronic channels are clear indicators of this transition. Statistics from Horwath Worldwide Hotel Industry Studies show that although electronic sales increased, the share of direct reservations fell, highlighting the significant shift in how consumers interact with hotels to make reservations. This change has been prompted by the Internet's development as a reliable and secure platform for doing business. Customers now see the Internet as a reliable source for making travel-related purchases. This significant change appeals to a wide range of customers rather than just a small segment of the population. Notably, the online traveler profile includes wealthy people who like traveling and other leisure activities often. Hotels have been able to take advantage of this profitable market niche by enabling customers to book accommodations from the comfort of their homes. Experts in the field predict exponential growth when predicting the trajectory of online travel sales. According to projections, internet travel sales income is expected to expand significantly over a short period of time.

These predictions highlight how crucial the Internet has been in reshaping the pattern of income creation in the hotel industry. Competitive pricing is a key component of the success of electronic distribution channels. Customer surveys frequently demonstrate that price has a big impact on whether or not they choose to make an online service reservation. Customers can compare costs across hotels with ease because to the openness of internet platforms, which forces hotels to use aggressive pricing tactics to stay competitive. The implementation of this idea in the actual world, however, has several discrepancies. According to several surveys, the pricing shown on hotel websites don't necessarily match what customers anticipate to pay when shopping online. Due to cost reductions from digital distribution, customers anticipate lower online costs, however certain hotel practices haven't always matched this expectation. Despite these difficulties, the quick development of electronic distribution methods offers a potential path for income expansion. These channels have a wide range of effects on customer behavior, pricing schemes, and the larger hospitality ecosystem.

CONCLUSION

The conclusion highlights the significant influence that electronic hotel distribution channels have on generating money. A shifting revenue environment is a result of the redefining of distribution tactics, the expansion of online booking, the dynamics of pricing, and the change in customer behavior. Despite the difficulties, hotels with a strategic approach to the environment may be able to attain webbed prosperity, where income creation is improved through efficient use of electronic distribution channels. Hotels that successfully use the possibilities of electronic distribution channels stand to gain from increased revenue creation, greater operational efficiency, and the opportunity to serve a consumer base that is becoming more digitally sophisticated as the industry continues to change.

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CHAPTER 6

CHALLENGES AND OPPORTUNITIES IN IMPLEMENTING CUSTOMER RELATIONSHIP MANAGEMENT IN THE HOSPITALITY INDUSTRY

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ABSTRACT:

The abstract explores Challenges and Opportunities in Implementing Customer Relationship Management in the Hospitality Industry, stressing the challenging environment for implementing Customer Relationship Management CRM procedures in the industry. It is based on in-depth interviews with industry professionals and case studies of well-known hotel brands in the US. CRM is gaining popularity in a variety of industries because it fosters consistent, individualized customer service. The hotel sector is well-positioned to gain from CRM given the focus on customer service and the variety of touchpoints. A data-ownership dilemma is presented by the industry's current organizational structure, which includes owners, management businesses, and brands, and it prevents the smooth adoption of a thorough CRM strategy. The abstract continues with a study of CRM's conceptual framework, covering both its benefits and disadvantages. The existing structure of the hospitality sector in the US is then looked at, with particular emphasis placed on the interactions between owners, management companies, and brands. The structural obstacles that prevent effective CRM integration are outlined, focusing on the effects of the data-ownership dilemma. The summary closes by outlining possible solutions to this conundrum and describing the general possibilities and obstacles that the hospitality sector must navigate in order to successfully deploy CRM tactics.

KEYWORDS:

Data Ownership, CRM, Challenges, Hospitality Industry, Implementation, Opportunities.

INTRODUCTION

We have had extensive formal and informal discussions over the last two years with senior executives from leading hotel chains, management firms, and ownership groups. These conversations, together with in-depth case studies of two of the biggest hotel chains in the United States, produced the ideas that are given here. Customer Relationship Management CRM, a management concept that allows a business to get to know its clients well, is now gaining widespread acceptance in a variety of sectors. Businesses that use CRM aim to provide consistent and individualized customer care throughout time and via many contact points. The hospitality industry looks perfectly situated to benefit from CRM efforts given its focus on customer service and variety of client contact points. However, we believe that the hotel sector's existing organizational structure creates a data-ownership dilemma, which looks to be restricting the implementation of a thorough CRM strategy [1]–[3].

The three parties typically involved in operating a hotel—the owner, the management company, and the brand—have partially conflicting interests and frequently oppose sharing customer information, which is necessary for effective CRM. The current flurry of legal actions brought by brands and ownership groups alleging data exploitation reflects the often-tense relationship between the entities. The data ownership conundrum is highlighted in this study,

along with many future possibilities that might lead to its resolution. The first part presents the CRM idea and discusses the advantages and disadvantages it may provide. The second part looks at how the lodging sector is now organized in the United States and describes the complimentary roles played by the three main stakeholders in the sector: owners, management firms, and brands. The reasons why the existing lodging sector structure makes it difficult for hotel firms to successfully embrace CRM are explained in the section that follows. It is described how the data-ownership dilemma affects things. Alternative possibilities for how the problem could be handled are presented in the article's last section.

In the domains of corporate strategy, information technology, and marketing management, Customer Relationship Management CRM is one of the trendiest subjects right now. CRM, or customer relationship management, is a management concept that encourages reorienting a company's operations around the client. CRM is different from traditional marketing initiatives in that it focuses on maximizing revenue from each customer over the course of the relationship by getting to know each one in-depthly, as opposed to the latter, which primarily take a short-term, transactional approach. By definition, CRM is also a cross-functional mindset that encourages thorough corporate integration. Consequently, a fundamentally different mentality is required for CRM implementation to succeed: Through initiatives spanning marketing, operations, information systems, accounting, and other organizational areas, the company no longer advertises to its consumers but instead cultivates a connection with them. Why bother is one of the CRM-related queries that is asked most often. Changing an organization's operating philosophy and techniques may be difficult. Creating and maintaining extensive consumer databases costs money, and the advantages of the strategy are not always certain. Day, Dean, and Reynolds succinctly enumerate the advantages of CRM.

First, by forging tighter ties with clients, the business may obtain a competitive edge and be able to defend it thanks to higher switching costs. Individual consumers often teach a company over time about their unique requirements, interests, and preferences—a time-consuming process that they are averse to doing with a competition. Thus, developing a close relationship with customers makes it more difficult for followers to copy the leader's tactics. Second, improved customer satisfaction may result from good CRM. When properly implemented, the customer-company interaction enables both the development of new goods and services to satisfy changing demands or even foresee future wants, as well as the close customization of products and services to individual needs.

Third, using CRM strategies helps cut down on total marketing spending. According to estimates, maintaining current customers is less costly than acquiring new ones. Five to seven times as much have been mentioned in figures. Finally, building stronger relationships with consumers is believed to promote customer loyalty, and loyal customers are expected to stay with a business longer, make larger purchases, and do so more often. A frequently cited figure is that businesses may increase profitability by 25 to 85% by lowering customer churn by 5 percent. Since accommodation companies have long encouraged loyalty via frequent traveler programs, CRM may be considered as the obvious next step, even if the value of loyalty is now being contested. According to the points made above by CRM proponents, CRM increases profitability since sales grow, customer acquisition costs decrease, and the profitability of customers who are prepared to pay more for better service increases. A graphical example of how CRM is supposed to operate is shown in Figure Building connections with consumers and fostering customer loyalty are the top row of consequences. The well-known results of data mining efforts are listed in the bottom row.

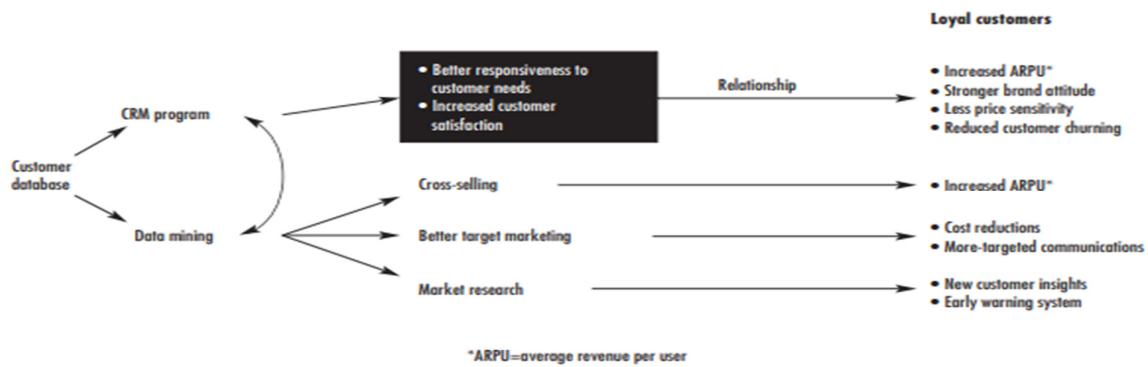


Figure 1: Representing the overview about the CRM Model [Science Direct.Com].

Due to the results, several businesses have decided to invest in developing a database-driven CRM system. Significant investments in CRM are not appropriate for everyone, according to certain experts Figure 1. For instance, it is quite simple to stay on top of client preferences in a small or specialist firm. However, as the firm's volume and breadth grow, the quantity of information that must be handled significantly increases, necessitating a large investment in technology, process innovation, and personnel for CRM success. To maintain a comparable connection with its consumers, an airline or a huge multinational hotel chain needs handle far more data than a local inn. However, information technology IT may assist to lessen the issue when applied properly. The globe has seen significant changes in how much corporations may use computers since 1990 [4], [5].

IT has been cited by numerous writers as one of the crucial success criteria for CRM deployment because it enables the collection, consolidation, manipulation, and analysis of customer data on a never-before-seen scale. IT provides more responsive customer marketing and improved access into new areas without incurring significant added expenditures. The importance of IT in CRM initiatives has led some authors, as well as many actual managers and suppliers, to link CRM with the technology that underpins the methodology. Many people use the phrase in the extremely specific context of database marketing, where a variety of demographic, lifestyle, and purchasing habits are collected and monitored before being utilized as the foundation for advertising various items to chosen client groups. Their reaction to each marketing contact is then monitored and utilized to improve the strategy. CRM, however, encompasses more than simply technology. CRM is an example of an enterprise-wide commitment to identify your named, individual customers and create a relationship between your company and these customers so long as that relationship is mutually beneficial. The company will actively seek out the right customers and, implicitly, will not target those who will not do business with them, will develop a long-term, mutually beneficial relationship with each customer by beginning and maintaining a two-way dialogue, will work to meet customers' needs and solve their problems, and will assist customers throughout the life cycle of their interactions with the company. These are just a few of the key CRM concepts highlighted by this definition.

More than just computer systems and information technology are needed for this CRM strategy. The consumer must take center stage in the business. CRM must be used to manage all facets of the customer relationship in a coordinated manner. To be effective, it must be utilized by all people of the business who must all understand and support the common values necessary for CRM. Even though little research on the effectiveness of CRM has been published to date, most observers concur that it depends on the ability to effectively capture extensive data about both current and potential customers, profile them accurately, identify

their unique needs and idiosyncratic expectations, and generate actionable customer knowledge that can be distributed for ad-hoc use at each point of contact. The goal is to have a thorough understanding of clients so that you can continually foresee their demands and respond to them with focused and efficient actions at every point of contact.

To learn continuously, grow to know each visitor better, and bolster its database of specific customer knowledge, CRM needs the company to maintain track of the information generated during each encounter. CRM has been compared by Godin to dating a customer since it is a lengthy process that demands time, knowledge, and resources from both sides. The outcome is a connection between the client and provider that is active, participative, and interactive. The capacity to consistently serve various clients differently is customization, which is the last component of CRM. As a relationship grows, it changes. We do not regard long-time friends the same as recent acquaintances, nor do we treat close friends the same as random strangers. Such constant personalization necessitates the synchronization and integration of several organizational processes, including marketing, financial, operations, and information technology. Lack of understanding of the breadth, substance, and significance of CRM is likely to lead to issues rather than the advantages it promises.

Participants in the lodging business deal with an increasingly competitive market. Additionally, the foundation of competitiveness is evolving. Location, a crucial commercial factor, is set in the short and medium term, making it harder to draw in and keep clients based on amenities and services as they become more standardized across rival businesses. Price rivalry is undesirable, made more so by the ease with which customers may compare costs online. As a result, customers are showing less brand loyalty, and hotel companies are becoming more interested in CRM as a strategy to set themselves apart from rivals. The hospitality industry is well suited to using CRM ideas. There are just a few other industries where it is possible to get such a complete and precise image of the customer. The quantity of information that clients reveal while making a reservation and when staying at a hotel is uncommon in other businesses. Every interaction between the visitor and the customer provides a chance to learn more about them and develop their connection.

Hotel chains have the potential to gain a thorough understanding of each customer's needs and preferences, significantly improve service levels, individually tailor the customer experience, and generally provide more personalized service by methodically gathering, combining, and analyzing both guest preferences and transactional data. Outstanding personal service is certainly not a new idea in the hotel industry. In the past, businesses like Ritz-Carlton and the Savoy group had extensive manual guest-history systems that recorded visitor preferences in an attempt to better serve their most valuable clients. However, when manually operated, such systems are costly to maintain, usually incorrect, and only useful for tracking a small number of customers at specific locations. Modern information and communication technology have made it possible to automate and streamline these procedures, which has decreased costs, improved accuracy, and allowed for the worldwide sharing of full consumer knowledge. As a consequence, a lot of businesses are using technology to enhance customer service by putting in place extensive CRM systems. Analysis of the lodging industry reveals that many of the leading hotel chains are building or have already implemented the technology infrastructure to enable CRM, pushed in most instances by demand from the marketing department.

Over one-third of American hotel chains had a data warehouse in 2000, and another 50% planned to set one up soon, according to recent research by Arthur Andersen and New York University. Information systems have been used by several chains to enhance the targeting of marketing and sales activities. These systems may assist the business in marketing to each

consumer individually by helping it determine the worth of each client as well as their tendency to react to different offers. As was previously said, although being significant, such activities do not mean that the business has implemented CRM. Such developments often only have a marketing-focused emphasis and lack the functional area integration that distinguishes a CRM project. A firm can only be considered to be using CRM if it reconfigures its operations to provide a thorough perspective of the customer and to provide consistent, highly customized service at every point of contact with the client. Few businesses in the hospitality industry seem to have developed to this level of development [6]–[8].

Large-scale CRM initiatives seem to be most justified at the brand level given the geographic dispersion of hotel locations and the importance of brands in marketing and distribution. CRM implementation at this level would improve uniformity and personalized service throughout the supply chain and at each point of contact with the client. To do this, however, consistent and thorough data must be gathered from all locations under the brand, then compiled, evaluated, and interpreted before being broadcast to each property in time to affect the future consumer contact.

There are now two obstacles that prevent that from happening: the absence of IT system integration and uniformity inside each franchise, as well as the possibility of up to three parties the owner, management firm, and brand having an interest in the operations of a certain property at any one moment. The two problems are essentially related since IT's structural qualities have made the industry's often reactive approach toward it worse. Recent technological advancements, such as the rise of the application service provider ASP model, are reducing the technical hurdle.

Software applications offered through the ASP approach do not need installation on the property's PCs. Instead, faraway users may access them over the Web. Therefore, under the ASP model, IT resources are not purchased but rather obtained as a service. Beyond the scope of this article, a description of these technologies is not appropriate. Note, however, that even if there are no technology difficulties, we think that the hotel industry's structure poses significant challenges to effective CRM. The rest of the essay concentrates on these difficulties.

The organization of the lodging sector the lodging business plays a significant role in the tourist sector by providing passengers with lodging as well as related auxiliary services while they are away from home. There are many different types of lodging establishments, from little bed & breakfasts in outlying areas to enormous hotels with thousands of rooms in big cities. An overview of geographic dispersion is shown in figure 2, which demonstrates that the majority of hotel properties worldwide are situated in Europe 55 percent and North America 22 percent.

The display also shows that chain-affiliated properties are more prevalent in North America, where the average property size is greater than that of Europe 56 against 28 rooms. Hotel chains dominate the lodging industry despite only holding a small percentage of the room supply about 30% of the total room supply and often having a disproportionate impact on business operations and performance. Chain facilities often produce trading profit per room seven times more than their independent counterparts, in addition to typically having higher occupancy and average daily rate. As a consequence, it is anticipated that the sector will continue to consolidate, with an increase in mergers and acquisitions leading to the dominance of a few major corporations in the market. Hotel ownership, hotel branding, and hotel operations need to be distinguished from one another.

	Total Revenue (10⁹) US\$	Number of Hotels	Percentage of Total Hotels	Total Number of Rooms	Average Size of Hotel (Rooms)
Africa	6.3	10,769	3.5	343,347	32
Caribbean	7.9	5,290	1.7	155,253	29
Central America	1.2	1,160	0.3	41,221	35
North America	62.1	66,943	21.7	3,738,977	56
South America	9.8	14,576	4.7	487,787	33
Northeast Asia	23.7	10,192	3.3	719,480	71
Southeast Asia	12.8	13,211	4.3	453,657	34
South Asia	3.1	3,663	1.1	159,417	44
Australia and Pacific Islands	6.6	10,082	3.2	229,319	23
Middle East	9.2	4,735	1.5	162,178	34
European Economic Area	87.5	151,945	49.4	4,242,193	28
Other Europe	22.5	19,178	6.2	676,631	35
<i>Total</i>	<i>247.8</i>	<i>307,683</i>	<i>100*</i>	<i>11,333,199</i>	<i>37</i>

Figure 2: Representing the overview about the International Hotel Industry [Research Gate.Net].

In the US, Real Estate Investment Trusts REITs led to a scenario where many owners were unable to run their own hotels. To manage day-to-day operations, they must instead hire a separate management firm, which separates hotel ownership from hotel management. The growing use of marketing contracts and franchises, which provide a consumer brand and demand adherence to brand standards, further complicates the problem. A property's operations may be influenced by up to three parties at once:

1. The owner, who is in charge of maintaining ownership of the assets, paying the mortgage, and providing the necessary funding.
2. The brand, which brands the property and offers standards, distribution services, marketing, technology, and other services. and
3. The management company, which provides management talent and oversees day-to-day operations.

With the exception of Wyndham International, Table shows how the big brand corporations own less than one-third of the branded properties they operate, with the other properties being managed by different management firms on behalf of the owners. Additionally, as Table demonstrates, the brand portfolios of each management business are highly diverse, with each organization operating under a number of competing flags in various geographic regions Figure 3. The statistics corroborate our assertion that there are several stakeholders in the U.S. hotel business that have, sometimes conflicting, interests in the operations of the facility.

Parent Company	U.S. Brands	Total Properties	Company Owned	Franchised, Licensed	Management Contract
<i>Cendant Corp.</i>	Days Inns	1,943	0	1,943	0
	Ramada	1,005	0	1,005	0
	Super 8	1,933	0	1,933	0
	Howard Johnson	425	0	425	0
	Travelodge	475	0	475	0
	Knights Inn	226	0	226	0
	Villager Lodge	118	0	118	0
	<i>Total</i>	<i>6,125</i>	<i>0</i>	<i>6,125</i>	<i>0</i>
<i>Six Continents</i>	Holiday Inn Hotels	1,056	5	1,004	47
	Holiday Inn Express	1,083	0	1,078	5
	Crowne Plaza	77	6	51	20
	<i>Total</i>	<i>2,216</i>	<i>11</i>	<i>2,133</i>	<i>72</i>
			<i>3%</i>	<i>98.6%</i>	<i>1.2%</i>
<i>Hilton Hotels Corp.</i>	Hampton Inns	1,094	1	1,081	27
	Hilton Inns/Hotels	230	40	171	15
	Doubletree	153	10	49	59
	Embassy Suites	155	6	75	57
	Homewood Suites	89	14	59	16
	<i>Total</i>	<i>1,721</i>	<i>71</i>	<i>1,435</i>	<i>174</i>
			<i>4.4%</i>	<i>81.3%</i>	<i>9.8%</i>
<i>Marriott International</i>	Marriott Hotels	277	4	39	234
	Courtyard	493	1	236	256
	Fairfield Inn	464	0	412	52
	Residence Inn	362	0	242	116
	Renaissance	53	0	22	31
	<i>Total</i>	<i>1,649</i>	<i>5</i>	<i>951</i>	<i>689</i>
			<i>.5%</i>	<i>60.8%</i>	<i>38.5%</i>
<i>Starwood Hotels and Resorts Worldwide</i>	Sheraton	189	40	105	44
	Westin	57	22	10	25
	Four Points	105	6	84	15
	<i>Total</i>	<i>351</i>	<i>68</i>	<i>199</i>	<i>84</i>
			<i>18.9%</i>	<i>58.8%</i>	<i>16.7%</i>
<i>Hyatt Hotels Corp.²</i>	Hyatt Hotels and Resorts	120	18–36	4	80–98
	<i>Total</i>		<i>15–30%</i>	<i>3%</i>	<i>67–82%</i>
<i>Wyndham International</i>	Wyndham Hotels and Resorts	114	81	13	20
	Wyndham Luxury Resorts	6	3	0	3
	Summerfield Suites by Wyndham	38	27	11	0
	<i>Total</i>	<i>158</i>	<i>111</i>	<i>24</i>	<i>23</i>
			<i>70.2%</i>	<i>15.2%</i>	<i>14.6%</i>

Figure 3: Representing the overview about the Portfolio Composition of Major U.S. Brands [Research Gate. Net].

In this paper, we show how industry structure may provide substantial barriers to the effectiveness of CRM projects. The effectiveness of CRM, as was previously noted, depends on its capacity to gather, analyze, and distribute vast volumes of timely and relevant information for customer-service initiatives to act on in order to enhance the experience at each point of customer interaction. As a result, a CRM project cannot succeed without support from a significant number of suitable ties. Unless client information can be collected from the majority, if not all, of the connected properties, sorted and synthesized in one central place, and then redistributed to each property as required, hotel chains cannot consistently provide a high degree of personalized service. We contend that despite its seeming simplicity, this theoretical claim is difficult to implement in the hotel business because of a struggle over

data ownership that exists amongst the main players in the sector notwithstanding. The primary difficulties that the brand, the management business, and the owner are dealing with are discussed in the sections that follow. The Name. Because it would enable the development of a deep understanding of customer needs and preferences, potentially leading to a high level of personalization, and potentially improving service levels across the brand as a whole, the development of an effective CRM initiative is deemed an important competitive move for brands.

Consequently, visitors would have a compelling motive to support affiliated locations and remain brand loyal, boosting the value proposition for owners and operators via gains in financial performance. Standardized information systems must be developed throughout the franchise network to enable data to be gathered from all branded properties—a issue in the past that is less significant as a consequence of recent technological advancements. This is required for the CRM advantages to materialize. Furthermore, the brand must be prepared to communicate with those who may act on it at each point of consumer interaction the customer knowledge created by the chain-wide consolidation of customer data. This data sharing creates the first conundrum. In certain instances, the brand could be reluctant to share detailed consumer information with the property out of concern that owners or operators would use it to snare valuable clients and divert them to rival brands in their portfolios. Consider a management business that runs a hotel and uses one brand Brand A in certain markets and a rival brand Brand B in others. In areas where it doesn't have Brand A hotels, this corporation could be inclined to direct high-value clients toward its Brand B hotels.

Therefore, Brand A must make a decision: either share the data it gathers across the company to benefit from large-scale CRM and run the risk of having some of its partner management companies operating individual properties poach its high-value customers, or keep its customer information private to avoid conflicting interests with multi-flag owners and operators and forego the full benefits of CRM. The Management Firm. Management firms don't seem to have many incentives to start a CRM program on their own. According to Table, these businesses often manage a diverse portfolio of assets for many owners, each flying a distinct flag. By definition, a cross-flag CRM program is unlikely to foster brand loyalty and is thus of little interest to the majority of management businesses. However, it is debatable if management organizations need to actively assist brand-level CRM activities in gathering operational guest data. Since the majority of businesses run a diverse portfolio of brands, the properties where the management company engages in a brand-based CRM program will be the only ones where it will benefit. Participation, on the other hand, will put one at a competitive disadvantage in places where it goes up against the brand.

As a consequence, management firms have little motivation to provide consumer information about guests who stay at their properties in support of brand-level CRM activities. They would really be harming their own operations in areas where the company running the CRM project is a rival rather than a partner if they did this. The management firm also recognizes the significance of customer data that enables it to develop customer-value models and more effectively target high-value prospects, especially with regard to group business, even though it may not be interested in comprehensive client data for branding reasons. As a result, management firms have an incentive to restrict data sharing and resist brand-level CRM activities. The Owner. Owners have a different emphasis on profitability, even if they often have numerous flags in their portfolio of properties, much like operators do. Many people have a tangential interest in the subject of Who owns the data? since they mainly see hotel ownership as an investment in real estate. They may be at an advantage over rival properties when their properties fly the flag of a successful CRM campaign. yet, they may be at a

disadvantage when their properties carry the flag of a competing initiative. As a result, the owners seem to be faced with the same choice as the management company: whether to take part in brand-level CRM programs or to object to the gathering and aggregation of consumer data. The owners could also have interests other than just using the information for operational needs. The brand and management business may utilize customer data for marketing and research that isn't in the owner's best interests, including determining if it would be feasible to develop more properties in the same region [9], [10].

DISCUSSION

Challenges and Opportunities in Implementing Customer Relationship Management CRM in the Hospitality Industry explores the complex landscape of integrating CRM practices within the context of hospitality, examining the underlying challenges and potential growth avenues. As a strategic strategy, customer relationship management seeks to reorganize an organization's activities around the customer, creating unique and lasting relationships. Given the focus on customer service and the wide variety of touchpoints where interactions take place, the hotel industry is a good fit for this notion. CRM adoption in the sector is not without its difficulties, however. The predominant organizational structure in the hotel industry is one of the key obstacles. Owners, management corporations, and brands are only a few of the many parties involved in this framework, all of whom have somewhat competing interests. This dynamic often leads to a data-ownership dilemma, where the conflicting interests prevent the exchange of consumer information, which is necessary for efficient CRM. A flawless CRM installation is significantly hampered by this conundrum.

Despite these obstacles, the hotel sector has a number of excellent chances to use CRM. CRM adoption is made possible by the industry's increased embrace of and integration with technology. Due to the industry's growing dependence on digital platforms for interactions, reservations, and reviews, it is well-positioned to use CRM analytics to improve customer happiness and experiences. The advantages of CRM go beyond guest relations, too. CRM's cross-functional nature promotes full corporate integration and calls for cooperation amongst several departments, including marketing, operations, information systems, and accounting. Along with fostering stronger client ties, this integration also simplifies internal procedures, which improves operational effectiveness. Collaboration amongst stakeholders is essential to addressing the data-ownership conundrum and realizing the full potential of CRM. This partnership calls for a mentality change where the united objective of improving client experiences takes precedence above just individual objectives. The difficulties brought on by competing interests may be resolved by creating standards for data exchange and by finding common ground.

CONCLUSION

The conversation has highlighted the challenges and possibilities involved in adopting CRM in the hotel sector. Even if there are issues like the data ownership conundrum, the sector is becoming more digital, and CRM's intrinsic advantages provide a strong argument for its adoption. The future of the industry may be shaped through improving visitor experiences and enhancing income generation, which can be accomplished via collaboration among stakeholders and a common commitment to emphasizing customer relationships. CRM's capacity to improve client retention and loyalty is also advantageous to the hotel sector. Hotels may provide individualized experiences that encourage patron loyalty and advocacy by acquiring in-depth data about visitor preferences and behavior. CRM has the potential to be a critical difference for hospitality businesses in an age when client loyalty drives revenue development.

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CHAPTER 7

AN EXPLORATION OF INDUSTRY DEMAND AND INNOVATIONS: SOME INSIGHTS

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ABSTRACT:

Due to changing customer tastes and new trends, the spa and wellness business has undergone substantial changes. This research explores the dynamic environment of spas and wellness, providing insights into the market's changing needs and cutting-edge techniques. This study examines the variables affecting spa visitor patterns, the fusion of Eastern and Western wellness concepts, and the incorporation of holistic health methods by analyzing data from different sources and relying on case studies. The research emphasizes the importance of tailored visitor experiences and the connection between body, mind, and spirit in contemporary wellness programs. The inclusion of complementary and alternative medicine, dietary concerns, and educational initiatives are discussed as ways to extend health beyond conventional therapies. The report emphasizes the expansion of wellness spas and facilities serving a variety of clientele, including families, couples, and males. The report also looks at how customer tastes, data-driven insights, and technology improvements may affect the direction that the spa and wellness industry take in the future. This research adds to a fuller knowledge of the problems and possibilities that form the spa and wellness industry by illuminating the dynamics of the sector and the changing wellness environment.

KEYWORDS:

Eastern IHRSA, Industry Demand, Innovations, Spa Dynamics, Trends, Western Philosophies.

INTRODUCTION

Spas are increasingly playing a large role in resorts' and full-service hotels' service menus, making their absence, particularly in resort settings with plenty of amenities, painfully evident. Spa-related revenues came in at number four in the leisure industry in 2003, behind only golf fees and dues \$19.7 million, cruise line sales \$14.7 million, and health club revenues \$14.1 million. Spa sales exceeded amusement park sales \$10.3 million, movie office receipts \$9.5 million, and sales of vacation ownership \$5.5 million, all of which came in at \$11.2 million. In this part, we first look at patterns that point to a radical shift in North Americans' views on spa visits. We discuss the sorts of spas that are now popular in the market, development and operating considerations, the components of a spa experience, pay difficulties, and developments in the spa sector after examining spa demand demographics. SPA DEMAND According to study from the International SPA Association, 11% of the country's adults over 16 visited a spa at least once between 2002 and 2003. One in ten Americans attended a spa during that time, according to this statistic [1]–[3].

Additionally, a bigger demographic is adopting spa use as 41% of those who went there were doing so for the first time. According to age demographics, 14% of customers are between the ages of 16 and 24, while more than 50% are between the ages of 25 and 44. The number of male spa visits is a growing national figure. In 2003, males made up 29% of spa visitors

and 23% of spa patrons, reflecting a global trend toward the opening of spas that cater exclusively to men. A variety of things influence the selection criteria for spas. The choice is often influenced by the atmosphere, the quality of care, and the friendliness of the personnel, as well as by an established and well-known setting, such as one that is a part of an established resort, club, or destination spa. Nine out of ten respondents who said they have visited a spa also said they would return for a similar experience. The majority of spa patrons think they got excellent value for their money. On a scale of 1 to 10, services were given an average value rating of 8, with massage receiving an 8.8. Weekends saw the biggest and heaviest demand for spa treatments, followed by weekday evening appointments.

Demand for spa services is also influenced by gender demographics since males are more likely to come on a weekly basis after work hours or when traveling for work. However, women often go to spas during normal work hours. Branded resort spas like Canyon Ranch are reportedly entering in the day spa sector, putting fresh competitive pressure on the independents, according to the International Hotel Resort Spa Association IHRSA. A supply of products is also being added by unconventional players. For instance, businesses are setting up internal spas, medical spas with an emphasis on cosmetic surgery are integrating the spa industry as a new revenue stream, and hospitals are incorporating wellness into their service offerings. Spa services are being added by health clubs as they compete for market share. The one-stop-shop concept for exercise and wellbeing appeals to customers who are time-constrained, but the health club operator also leverages the spa to persuade people to join the fitness facility. Each operator will need to set themselves out from the competitors in order to survive as the day spa and resort spa sectors grow saturated. The key to success in the maturing spa market will be the requirement for market segmentation to ensure clear communication with consumers. Another element of success will be a branding strategy that the consumer can immediately identify with regard to spa performance and the consumer's level of personal comfort.

Health Issue And Spa Demand

Spa visitors are increasingly seeking to achieve sustained wellbeing that unites and reenergizes body, mind, and soul. In order to do this, Eastern and Western lifestyle concerns pertaining to philosophy, health, and spirituality are becoming a staple of many spa/wellness experiences. The wellness spa placed in day, destination, or resort environments serves client demands by creating an experience rather than merely a list of treatments in order to best achieve this. An individually personalized guest experience must smoothly combine all of the guest amenities, facilities, treatments, and activities. Couples, parents of young children, and teens should be the target demographic for these events. Early spas, which focused mostly on treatments for physical wellbeing, were seen as a natural extension of fitness centers. The body-mind link drew consumer attention as consumer demands increased in market sophistication. Spas and marketers are openly addressing the linkages between the body, mind, and spirit at the start of the twenty-first century in order to meet new market sensibilities. Services pertaining to:

1. Complementary and alternative medicine in mainstream lifestyles.
2. Traditional Western medical and Eastern lifestyle/wellness practices.
3. A proactive approach to overall health and the quality of one's life Body.
4. Action spas are drawing a higher percentage of men who are looking for a way to unwind and keep active. Due to this tendency, a wide range of activities, such as cardio-circuit courses, squash, racket ball, and tennis, free and set weights, jogging and biking trails, treks, and water locations, is still a fundamental prerequisite for spas and wellness centers.

5. As part of the wellness experience, medical personnel are sometimes on hand to answer questions and provide tests on things like bone density, blood pressure, and heart issues.
6. Almost every dietary need or desire may be met with exceptional cuisine.
7. Keep in mind that salt glows and electro-luminous treatments are about four times more popular than any other kind of body treatment when deciding which ones to include. These supplies are essential to providing quality spa treatments.
8. Visitors must have the option to improve their experiences with extras like mineral-enhanced hydrotherapy soaks and eye-firming treatments. Additionally, it's crucial to provide services in a variety of time slots so that visitors may choose the ones that best suit their schedule and financial situation. Classes and clinics are part of educational programs at various levels for the body and mind. These initiatives provide each visitor a sense of personal empowerment, increase demand for the wellness facility, and encourage return visits. Cardiovascular health, holistic childrearing, the fusion of Eastern and Western medical practices, reverent spiritual practices, aging, impending death, vitality, strength training, cooking classes macrobiotic, vegan, vegetarian, indigenous, women's issues, and other topics fall under the category of health and wellness. Historically, educational activities in spas have mostly focused on concerns relating to personal health.
9. Instruction in spirituality and culture may be included in mind-body practices. Tai chi, visualization, progressive muscle relaxation, biofeedback, traversing a labyrinth, chanting and meditating, sweat lodges, and storytelling are a few examples.
10. Comprehensive yoga programs should incorporate Iyengar yoga for balance and alignment, Hatha yoga for body control, Ashtanga yoga for cardio fitness, and Kundalini yoga for breath practice. Body, Mind, Spirit
11. A vital part of any wellness clinic is comprehensive touch/alternative manual treatments, such as chiropractic care and deep tissue massage Roling, myofascial release, neuromuscular massage, acupressure/shiatsu, watsu, Trager massage, etc.. The standard massage that is provided at all spas and wellness/healing facilities is extended by this approach. Practitioners who provide manual remedies must to have further training in subtle energy work techniques like chi gung, reiki, and chakra balancing. It may speed up market adoption to include alternative touch/energy treatment into standard massage.
12. Ayurvedic treatments are well-liked and provide a further connection to the East-meets-West aesthetic shown in many day spas.

Most touch therapies may combine aspects of ayurvedic medicine. In a well-known survey conducted by David Eisenberg in 1993, it was shown that one-third of all patients had recently spent \$13.7 billion on visits to practitioners of alternative medicine. This sent a message to the medical community that the high out-of-pocket costs represented more than just lost income for conventional allopathic physicians. They also suggested widespread discontent with conventional care. The rise of proactive wellness programs was facilitated by the fact that many individuals were putting their health and wellbeing into their own hands. Eisenberg revised his research in 1997. He calculated that there were 600 million visits to different local medical providers overall, costing more than \$27.1 billion. In 1997, there were more visits to alternative care doctors than there were to conventional primary care physicians as a whole [4], [5]. The aging of the population, the health of the economy, and the rising popularity of alternative wellness treatments all contribute to the expansion of this trend. It seems to be growing as of this writing. From 33.8 percent in 1990 to 42.1 percent in 1997, more people used at least one of the 16 treatments over the preceding year Figure 1. Herbal medicine, messaging, megavitamins, self-help groups, traditional medicines, energy

healing, and homeopathy were the treatments with the fastest growth rates. The likelihood of consumers consulting a practitioner of alternative medicine increased from 36.3 percent to 46.3 percent. Alternative treatments were used most commonly between 1990 and 1997 for chronic conditions, including back issues, anxiety, depression, and headaches. Overall, it can be said that expenditures for alternative medicine significantly grew between 1990 and 1997.

Ailment	Alternative Therapy	
	Primary	Secondary
Back problems	Chiropractic	Massage
Allergies	Herbal	Relaxation
Fatigue	Relaxation	Massage
Arthritis	Relaxation	Chiropractic
Headaches	Relaxation	Chiropractic
Neck problems	Chiropractic	Massage
High blood pressure	Megavitamins	Relaxation
Sprains or strains	Chiropractic	Relaxation
Insomnia	Relaxation	Herbal
Lung problems	Relaxation	Spiritual healing/herbal
Skin problems	Imagery	Energy healing
Digestive problems	Relaxation	Herbal
Depression	Relaxation	Spiritual healing
Anxiety	Relaxation	Spiritual healing

Figure 1: Most Frequently Reported Principal Medical Conditions [Research Gate. Net].

Rather than more visits per patient, a rise in the percentage of the population seeking alternative therapy. Table lists the primary medical issues that were sought alternative treatments for most often. Spa development and the ensuing popularity have a long history and enormous potential for the hotel sector. Traditionally, European vacation resorts with spas were the only places where travelers could take the waters and go back to living a balanced, healthy life. However, the phrase is increasingly used to refer to a wide range of services and facilities in the hotel sector in the United States.

The devoted destination resort spas at one end of the spa range are mainly designed for those looking for a specialized blend of health, fitness, and pampering. Modalities and treatments include massages, unusual therapies, specialized diet programs, lectures, and excursions that might involve a variety of activities from nonsurgical facelifts to helicopter skiing, among others.

Destination resorts with locations in the Massachusetts Berkshires and the Arizona desert, such Miraval's Life-in-Balance and Canyon Ranch, garner demand due to its amenities and reputation. The main goal of visiting a destination spa is to take use of the spa's amenities and scheduled activities. The location itself generates demand. The amenity spa is closely tied to a destination resort spa. Resorts and full-service hotels may get services from amenity spas. The breadth and complexity of spa treatments distinguish a destination spa from an amenity spa as their main distinction. While sometimes fairly large, amenity spas serve to support the resort environment, while destination spas serve as the resort area's focal point. The spa may function as both an amenity spa to the hotel and a day spa to the surrounding population when a full-service, high-end hotel is situated in an urban setting and includes a sizably substantial spa component. In a later section of this chapter, we examine the 35,000-square-foot Spa Mystique in the Westin Los Angeles Century City.

In addition to serving the hotel's conference and leisure guests, this spa also sees a lot of local day spa use. Due to financial and real estate constraints, many middle-market hotel properties feel obligated to add a spa as an amenity. However, they are frequently unable to offer a full-service location. As a result, this industry has seen an explosion in poorly planned and executed spa additions that give the owner the opportunity to add a spa after the company name. These usually amount to nothing more than hiring a massage therapist on the side and converting the guest room nearest to the swimming pool into an exercise space. These spas often cast a negative image on the whole spa business while seldom surprising and delighting their clients. Fortunately, the industry's complexity is making it more difficult for the as time goes on, for it to be successful. Some development tendencies are developing as the spa business becomes more established. With a 26 percent growth rate from 2002 to 2004, the spa business was regarded as the travel, hotel, and leisure market's fastest-growing sector in 2005. Spas are no longer seen as a niche sector, but rather as a distinct industry. The following segments make up the spa industry, each with unique characteristics and business opportunities:

1. Destination spas.
2. Resort hotel spas.
3. Day spas.
4. Medical spas.
5. Mineral springs.
6. Club spas A destination spa is one whose sole objective is to offer facilities and programs that support lifestyle enhancements and guest health.

Fitness, education, and lectures on healthy living, nutrition, and illness prevention are among the professionally handled services provided. Destination spas often provide programs that assist postoperative conditions, treat different addictions, and give strategies to deal with significant, chronic sickness because of their healthy approach. According to the International Spa Association's business Study, the destination spa business only accounts for 1.6 percent of the overall spa market. However, the market's move toward wellness and health as a significant component in spa menus is shown in the expansion in the construction and usage of destination spas. Spas on Vacation Resort Property Spa treatments for the mind, body, and spirit are provided at resort spas to complement other resort activities including golf, tennis, horseback riding, skiing, and water sports. The menu offers healthy spa food as an alternative to the standard selections. Visitors may participate in resort activities including dancing and live entertainment in the evenings.

There are also children's programs available. The resort spa accounts for 14% of spa sites in North America but for roughly 41% of overall industry revenue, 27% of all spa visits, and 26% of industry workers, according to the ISPA Spa Industry Study. On the grounds of a top-notch resort, a luxury resort spa provides the ambiance of a quiet hideaway. These resorts are often located in stunning settings and boast top-notch golf courses and other top-notch recreational amenities. Gourmet food and first-rate spa treatments are not only desired, but also anticipated. Day Spas A therapeutic, beautifying, or pampering experience may be had in a day spa in a short amount of time. Visitors have the option of scheduling hour-long single sessions or daylong packages of treatments. Day spas may be found freestanding or housed in hotels, department shops, and health clubs throughout North America. According to the International Spa Association's 2004 Spa Industry Study, the day spa sector accounts for 72.2% of total industry sales. The high number of day spas and their development trend are indicators of how time-constrained spa visitors are [6]–[8].

Day spas may be independently owned or part of a chain. The ISPA's 2004 survey's preliminary findings indicate that industry growth is continuing strong. Nationally, there were 12,000 spas as of the middle of 2004, of which 8,700 were day spas. These figures represent a 25% rise in the sector as a whole and a 20% growth in this market alone. There were 81.2 million visitors to day spas worldwide in 2003. However, just 13% of the general population has visited a spa in the previous three years, showing that there is still significant room for expansion in this sector. **Medical Spas** Medical procedures performed in a variety of spa settings reflect a major trend in the breadth, depth, and inclusivity of many spas. Medical spa treatments may vary from elective reconstructive surgery to noninvasive Eastern modalities that rely on the link between the body, mind, and spirit to produce positive, quantifiable changes in the client or patient. In North America, 26% of medical spas have a doctor on staff, and slightly more than half 51% have a collaboration with a medical professional. The remaining options include being situated in a medical office or having qualified personnel on staff.

The two most common procedures are Botox and microdermabrasion, followed by chemical peels and laser hair removal. In medical spas in North America, allopathic or Western medical methods sometimes include Eastern-based therapies. Medical treatments are now available in day, vacation, and resort/amenity spas. This rise may be partially explained by market demand and partially by health insurance policies that pay for particular procedures. Medical spas are the spa segment that is expanding the quickest in terms of site count, according the ISPA 2004 report. Since 1999, the average yearly growth rate for medical spas has been over 45%. 205 percent of growth occurred cumulatively from 1999 to 2004 and 109 percent from 2002 to 2004. In 2003, 1,900,000 visits to medical spas were estimated, or 1.39 percent of all spa visits. However, this visitation percentage represents around 2.1% of the entire industry sales, reflecting the profitable nature of this economic sector.

Mineral Springs Spas By definition, mineral springs spas are located at naturally occurring mineral springs, and by number of locations, they represent 2.8 percent of the total spa industry, or 1.3 percent of the total industry revenues, making this one of the more modest income producing segments of the spa industry. Many mineral springs spas are regarded as the original spa prototype, where visitors go to take the waters. The total expansion of mineral springs spas from 1999 to 2004 increased by 143%, which reflects their growing popularity. Only 15% increase was seen between 2002 and 2004, suggesting that the number of sites accessible had a direct bearing on this segment's development. **Club Spas** Club spas are designed primarily to support regular exercise activities. they do not have a housing component. By providing sports massage deep tissue, chiropractic care, physiotherapy, and other rehabilitative procedures that address concerns with pain management, flexibility, and mobility, many club spas complete the main fitness component of the facility. Club spas account for around 3.7 percent of the industry's sales and 5.8 percent of all spas in North America, according to location.

The lowest rate of growth among all spa categories is seen in the club spa sector. Only 3% of cumulative club spa development occurred between 2002 and 2004. Historically, management handled spa operations similarly to other revenue-generating departments, such as catering and restaurants. These divisions were just seen as a facility required to attract visitors to the hotel. The potential of the department to increase occupancy was judged sufficient justification for their existence as long as they broke even or didn't lose too much money. However, hotel spas changed from being support services to profit centers in the late 1990s, following the example of other operational departments. This significant tendency is still there today. Only 30 hotels in the United States have comprehensive spa facilities when

PKF Consulting identified thousands of hotels in the country in 1999 and studied their financial performance. Due to an inadequate sample size, dedicated destination spa resorts were excluded from the research. Even while spa revenues for the sample properties were not very significant, they increased quickly. Just 3.3 percent of all sales in 1999 were made by the subject sample representative's spa income.

However, spa income increased 16.6% from 1998 to 1999. In contrast, revenue growth rates for the hotel's rooms, food, and communications were all up by 5.2%, 12.2%, and 3.2%, respectively, while the business's beverage division saw a 0.3 % fall in revenue. The sample of hotels' spa divisions had an average departmental profit margin of 30.7% in 1999. However, from 1998 to 1999, spa department revenues did expand strongly by 51.3 percent. Spa trends complement and reflect those in the hospitality sector. The designers and operators of hotels develop a spa experience that:

1. Complements the lodging experience.
2. Drives occupancy levels.
3. Enhances average daily rate.
4. Offers a distinctive marketing advantage.

North American spas are rapidly becoming more segmented, pursuing market niches well outside the traditional ladies-who-lunch demographic. A new generation of spa facilities, spa programs, and, most importantly, spa enthusiasts has emerged. It includes adventure spas, fitness spas, children's spas, family spas, and even pet spas. Today, a far broader demographic, including men, women, couples, families, young children, and teens, use spas. Spas have been expanding their menus to include stress reduction and treatments that focus on outcomes since the beginning of the twenty-first century. They not only respond to current market demands, but also help to build spa programs that can be introduced into almost any leisure-oriented atmosphere or quality of accommodation by emphasizing the social advantages of hanging out in a safe, soothing area. Particularly, full-service resorts and destination spas provide venues with the necessary infrastructure and economies of scale to accommodate cutting-edge spa treatments, often known as spa modalities.

Spas now provide more than just opulent treatment and hedonistic self-indulgence. They are now being reassessed and repackaged with a greater focus on self-care, stress alleviation, emotional balance, and preventive as opposed to reactive wellness techniques. Baby boomers who are becoming older are embracing this approach as an addition to standard medical treatment. Hotels and resorts have identified and prepared for the need for full-service spas as part of their amenities and services as a result of this trend in health care. A well-integrated spa might provide more and profitable opportunities for sales and marketing. On the other hand, the absence of a spa facility may exclude a property from consideration. Ironically, a lack of a spa may lead many hotel customers to discard a property out of hand not because they need a spa's services, but rather because their assumption may be made that the hotel's other amenities are likewise inadequate in comparison to standards set by the market. Then, is it reasonable to assume that all full-service hotels and resorts without a spa should become so without delay? Obviously not [9], [10].

When constructing or repositioning a spa, several elements must be taken into account, particularly in chain contexts where the hotel brand is already well-known. Due to their high personnel and capital costs, spas must significantly increase the property's income stream in order to be deemed profitable. A spa facility must not only increase spa income but also length of stay, hotel rates, shoulder and low-season demand, food and beverage revenues, and market share in new areas. A uniform level of processes and a prioritized attentiveness to

client demands are the foundation of successful spa operations. Profitability is crucial in the hospitality industry, as it is for all departments or business models in the realm of freestanding day spas and medical spas. A dynamic balance is necessary to satisfy both the owners' financial interests and the customers' physical wants, especially in a spa setting. A wise spa manager continuously monitors the operations of the spa and hotel to make sure that everything is being done to maximize the synergy between the two establishments. Constant monitoring also gives the spa owner a heads-up if sales are declining or if costs are out of line with projected earnings or planned sums.

The manager may take effective, proactive action to guarantee that favorable trends are reinforced and bad ones are controlled by recognizing these patterns early. Continuous monitoring establishes a benchmark of performance and is a great tool for motivating and training employees. Additionally, it informs staff members that the spa is a well-managed company with great attention to detail, which should deter any behavior that may not be in the best interest of the spa's reputation and profitability. Customer service training the caliber of a spa's customer service may easily make or break the spa's reputation. If the quality of service is great, customers will overlook an occasional flaw.

Because of this, it's crucial for every spa to have an integrated quality management program that offers ongoing training to help staff members meet client expectations. In order to ensure that visitors' expectations are fulfilled, customer service training CST is used. Expectations are often quite high in a spa setting, so if staff members are attentive to clients' requirements, a trusting relationship may be built fast. The spa ritual that transports the spa client to a state of trust, relaxation, and rejuvenation is started by the guest's arrival sequence, which begins at the front desk. CST is pro-active and gives staff members the resources they need to fulfill or beyond guests' expectations. A never-ending, all-inclusive procedure called guest CST connects theoretical training situations with practical reality. Because spa staff in the hospitality business often have a high turnover rate, CST must be taught as part of the orientation process and periodically reinforced.

When compared to costs associated with staff turnover, poor service, unhappy clients, and eventually a loss of business and reputation, nonproductive training time that does not immediately create income for the spa is really a small price. Budgets must account for CST as an employee expenditure that is not voluntary. When margins are thin, commerce is sluggish, and turnover is significant, CST is essential for long-term success. Low CST and high staff turnover are strongly correlated. The training program should be seen as an investment in the employees. The ability to understand what is expected of them as a representative of the business and what visitors anticipate from their visit is provided to employees by CST. Employees may better meet or exceed customers' expectations by considering the process from their perspective. This lessens the need to provide discounts or compensation when there are issues with service delivery. Discounting or comping products and services is a reflexive reaction to subpar service and is to be saved for the last stage of service recovery, CST should emphasize. The engine that drives exceptional customer service and repeat business is a comprehensive training program. While CST primarily caters to the demands of the visitor, it also includes training on profitability and yield management, so catering to the needs of the owner as well. Customer service must be provided in a way that is both financially responsible and meets or exceeds profitability objectives. Employees are expected to comprehend customer service inside the operational framework of the establishment where they work. The right employee choice is the first step in lowering the cost of a CST program. Although there is no absolute assurance that a prospective employee will pan out in the long run, first impressions, past job experience, references,

and most importantly attitude and passion are clues as to whether it is wise to hire and spend time and money on a candidate. The management's standards for providing guest service should be clearly stated, incorporated into company culture, and consistently reinforced at all levels and in all departments. No matter what their role, title, or length of service, employees must be treated with the same respect and decency that management demands of its customers.

The corporate culture's reinforcement of customer service principles gives staff members the means to act morally, i.e., to question, What do I need to do to make a spa visitor happy? How can I go above what they expect? Sometimes the smallest efforts pay up the most. One important element of CST is employee empowerment. Levels of empowerment should be expanded proportionally as an employee's experience and skill set expand and as management gets at peace with an employee's performance. A sign of trust in a worker is empowerment, which is also a means of solving issues as they come up. Spa managers claim that this circumstance boosts staff ownership of their roles as well as work happiness. CST also needs a solid grounding in the operational technical abilities of a department. Routine practices, suitable channels for oral and written communication, and expectations for each employee throughout the usual course of their shift all contribute to reducing issues. When issues do arise, having a solid technological base makes it simpler for the employee to come up with workarounds for the visitor. Employees' EQ emotional quotient and IQ intelligent quotient are both used in the training process. Employees must use their capacity for empathy while doing CST. Employees need to be taught how to listen intently, defer judgment, and ask the appropriate questions as a starting point. They are able to identify the real issue as a result. Employees that get training in this kind of customer care delivery are better able to concentrate on the important problems and come up with solutions.

Employees may learn from their colleagues' experiences since CST is continuous. Role-playing and round-table discussions are two casual but effective ways to disseminate this kind of knowledge, as are staff newsletters, which are more official. The training program incorporates incentives, acknowledgements, and prizes for good customer service delivery. A trained and cohesive workforce is supported by effective CST, and this leads into lucrative operations. Property owners just cannot afford not to invest in CST. Spa enthusiasts are intelligent. They want to be indulged, pampered, and nourished, not ripped off. Provide value, create value. Pricing decisions based on market sensitivity may greatly increase consumer loyalty. Due to the fact that spas are now a lifestyle option rather than a one-time pleasure, it's critical to charge reasonable prices for treatments and provide promotions to encourage frequent visits from clients. The creation and management of a spa that is a component of a hotel or resort involves a number of different factors. Success depends on doing one's homework. A spa may be profitable and satisfying to operate when it is built or relocated properly. When improperly developed, it may become a financial problem that haunts the spa director and endangers the hotel's position in the market. Spas and their programming might be lost as a key competitive advantage if they are not included into the hotel's future development. Hotels without spas or those are badly managed already have a competitive market disadvantage. They often lose market share in addition to having a harder time breaking into the market.

DISCUSSION

The spa sector is going through a major shift as a result of changing wellness habits and active market factors. The spa industry has emerged as a hub for customized experiences that combine Eastern and Western concepts as people value holistic health and well-being. This debate digs into the changing dynamics of the spa market, emphasizing the rising demand for

wellness-related services and technological advancements that are redefining the business. There has been a fundamental change in how people see and treat their health as a result of wellness trends. People are looking for holistic treatments that address their physical, mental, and emotional well-being in addition to conventional medical procedures. Spas, which provide a variety of services beyond standard treatments, have emerged as significant actors in addressing this need. The desire for tailored experiences that are catered to particular requirements, interests, and lifestyles is growing in the sector.

The integration of complementary and alternative medicine with conventional techniques is stressed by emerging wellness trends. In order to establish holistic health programs, Eastern concepts like Ayurveda, yoga, and meditation are being smoothly incorporated with Western medical techniques. This mixing of viewpoints not only responds to various client requirements, but it also provides a chance for innovation in spa services. Spa owners are investigating new service facets in response to the demand for wellness-focused experiences. Technology improvements are being used to improve consumer results and experiences. Technology is driving innovation that satisfies a digitally connected clientele seeking holistic well-being, from cutting-edge relaxation methods to digital wellness platforms. Furthermore, health is not only about getting physical therapies. It includes spiritual activities, eating habits, mental wellness, and even schooling. Workshops, seminars, and programs that provide people with information to improve their general well-being are becoming more and more available at spas. By portraying the spa as a place of learning and progress, the educational component of wellness adds value to the whole experience.

CONCLUSION

In conclusion, the spa business is going through a significant revolution that is being driven by shifting dynamics in consumer demand and wellness trends. Spas are perfectly positioned to provide customized experiences that meet a variety of demands as people look for full well-being solutions that combine multiple facets of health. Innovations are transforming the sector and placing it as an essential part of contemporary lifestyle choices, driven by technical breakthroughs and a holistic approach to wellbeing. Spa sector innovations are reshaping the market environment as well as adapting to changing customer tastes.

The need for spa services is no longer seen as a luxury but as a vital investment in one's health as wellness becomes a lifestyle. This change in view has broadened the pool of potential customers for spas, spurring business expansion and promoting service diversity.

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CHAPTER 8

STRATEGIC SPACE PLANNING AND REVENUE GENERATION IN HOTEL SPAS: TREATMENT ROOM RATIOS AND MARKET TRENDS

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ABSTRACT:

This research explores the crucial connection between strategic space design and income creation in hotel spas, providing insightful information about treatment room ratios and recent developments in the field. It looks at the different aspects, such as return on investment, regional considerations, and spa type, that influence the distribution of space for treatment rooms in hotel spas. The research examines the ratios of treatment rooms in various types of spas, including resort spas, day spas, and medical spas, to give insight on how spa revenues are distributed in these establishments.

The research also looks at how different treatment modalities affect revenue creation, highlighting the value of treatment innovation and variety in boosting spa profitability. The study also sheds light on the changing trends in the spa sector, with a focus on the impact of anti-aging treatments, the creation of retail products, and the increase in gift card sales. This research adds to a greater knowledge of efficient spa management methods in the hospitality industry by offering thorough insights into the complex balance between space planning and revenue optimization.

KEYWORDS:

Anti-Aging Treatments, Hotel Spas, Industry Trends, Spa, Revenue Generation, Treatment Room Ratios, Treatment Diversity.

INTRODUCTION

Hotel spas the ratio of guest rooms to treatment rooms depends on a number of variables, such as the expected return on investment for the owners, the geography of the location, and the size and theme of Day Spas. The ratio of spa income to treatment room space is somewhat closer at day spas because they often lack the opulent equipment associated with resort spas.

Day spa revenues, measured in square feet, make up around 52 percent of the entire day spa sales and 43 percent of the overall spa area. The visitor flow, check-in desk, shop, back-of-the-house support, and sometimes food and beverage age sections make up the remaining 57% of the day spa setting. Health spas in the past, medical spas have prioritized the treatments offered above the aesthetics of the spa experience.

Therefore, it is not unexpected that 63 percent of medical spa income comes from the area occupied by just 45 percent of medical spas. Medical spas have a limited capacity for retail sales since there are few chances for branding outside of cosmetics and prescription drugs. While visitors to resort spas are eager to flaunt a hoodie or ball cap that shows the globe where they most recently vacationed, the majority of patients at medical spas do not have the

same requirement or excitement about their most recent microderm abrasion or rhinoplasty. A business model may classify medical spas' usage of pharmacies to fill patients' prescriptions as part of their treatment-related retail sales [1]–[3].

Type of Treatment and Revenue We have so far assessed the economics and use trends of several spa kinds. The majority of spas base their space planning and revenue generation decisions on their primary areas of interest. Spas should strive to have at least 50% of their overall space, which is their premium real estate, generate direct income. The support and public spaces required for the ambiance and supporting activities that help offer the spa treatments are referred to as secondary real estate. Areas where customers may prepare for or unwind after receiving spa services are considered secondary spa real estate. These auxiliary facilities are crucial to the expansion strategy for the spa since they provide visitors more time to enjoy themselves, which raises the perceived value.

The illusion that has been established may be suddenly broken if clients are ushered out of the spa after their massage or facial and back into the street, compromising the whole spa experience. The cost of a body wrap, however, is emotionally amortized throughout the full spa experience rather than simply for the time the customer enjoyed the body wrap in the spa's prime real estate if a visitor is permitted to soak and rest for hours after a body wrap is finished. A revenue proportion earned from these spaces is difficult to anticipate due to the variety of treatments available in combination rooms, which make up around 36% of spa spaces in North America. Combination rooms enable the spa to react to spikes in demand for certain treatments while also being adaptable and responsive to changes in the worldwide market. In North American spas, massage rooms occupy around 27% of the total floor area yet generate 47% of the business.

Given these elements, a spa operator would need a solid justification to exclude massage from the spa menu. 19% of the total spa area is dedicated to facial treatment facilities, which also generate around 33% of the business for the spa. Wet rooms make up 7% of the spa's space and income yet are often the least used areas. Wet rooms are important, even if they appear underutilized, according to many spa developers and operators since many spa treatments require water therapy. Wet rooms are among the priciest parts of a spa. Thus, it is crucial that they be used to their greatest potential. One strategy for making better use of the area and adding value for the spa is to package wet room treatments with other spa services.

On-Site Industry Trends in the SPA A large portion of spa menu and retail development is being driven by anti-aging treatments and goods.

For outpatient medical operations, a treatment room must be designated. Sun damage treatments, chemical peels for skin regeneration, and other methods of rejuvenation that build on repeated operations are included in programming and spa menu items. Spas are already creating retail product lines so that customers may continue their health regimens at home. Sales of gift cards are bringing in more people to spas. Day spa gift vouchers are generating demand that is not directly driven by users in both the friends and family market and the corporate gift-giving market. Third-party buying draws consumers to spas who may not typically choose the venue or service, generating a sizable yet illusive market need. Local specialties that are influenced by climatic and indigenous factors continue to develop distinctive spa experiences based on site-specific supplies. For spa operators trying to differentiate their product matrices in highly populated locations, this offers tremendous leverage potential. Vascular treatments, microderm abrasion, and body sculpting. It is crucial that spa operators fully research the liabilities and legal repercussions of being an associated medical care provider before establishing these kinds of agreements. Places that are green. By implementing environmentally friendly aspects into its operations, a spa may be ecologically

conscious. The spa helps the environment, provides a service to the community, and develops a competitive advantage and a unique selling point that may generate significant returns, especially in a highly competitive market, by proactively supporting eco-friendly programs and products. Industry Trends Worldwide Day spa, destination spa, and amenity spa trends all affect one another. Spa usage is anticipated to increase in popularity in 2005 and beyond, according to Susan Ellis 2004, president of Spa Finder, a spa marketing organization, after the growth of the medical spa and expanding spa involvement by males and teenagers. The next trends identified by Spa Finder are summarized below:

- a. The unique characteristics that make a spa experience unique will be included into the layout of private houses' interiors.
- b. Similar to golf and fly-in communities, exclusive, gated housing communities will grow up around central spa facilities.
- c. Some spas will compete at the very edge of luxury, offering more and more exclusive, uncommon items and services.
- d. Spas will visit clients at home. Spa technicians will go to a client's home, office, or hotel room with the necessary equipment and people as part of legitimate spas' out-call services.
- e. Destination spas and resorts will create market niches centered on clients' own objectives, such as spiritual awareness, healthy sex, and detoxification.
- f. The spa vacation market will expand as more customers make reservations online.
- g. Medical spas will remain well-liked, and they'll include alternative treatments as well as combine conventional medical care with spa elegance and innovation.
- h. Destination/resort spas will be the companies that experiment with more exotic treatments and products, while day spas will continue to increase their traditional menus.
- i. Specialized food created for spa visitors to eat will appear on normal supermarket and specialty food menus. Healthy spa food may also be included on a restaurant's menu.
- j. Eco spas, or spas that are built and run according to environmentally friendly management principles, will expand as a market.

Spas will likely continue to have a significant place in the inventory of hotel services, as shown by the debate and description of the service and amenity possibilities of various kinds of spas that has just taken place. Any spa service, no matter how basic, may improve a hotel visitor's stay. One day, even reasonably cost accommodation establishments may be able to arrange for basic spa treatments. Increased control over stress. Positioning services for stress relaxation is important, especially for male business travelers [4], [5].

This is possible with spa programming that needs little in the way of extra hardware and infrastructure modifications. spontaneous appointments. Although life is unpredictable, I urgently need a massage or reflexology appointment, yoga session, etc.. This tendency can lead to the creation of supplemental staff resources initiatives. The program's as-needed component places restrictions on a hotel's fixed expenditures for payroll and other expenses. This naturally assumes that there are already core programs in place, along with locations where they may be developed and supported. Modification of viewpoint. Self-care, stress management, and emotional balance are now being placed with a new, larger focus on self-indulgence, pampering, and luxury. This is mirrored in the spa's programs, service menu, dining options, and spa-related merchandise.

There are a ton of undiscovered income potential in the store positioning and spa programming components. changes to the user demographic profile. According to statistics, women between the ages of 35 and 55 made up the largest group of spa visitors. As a

substitute for other social and recreational activities, more families and couples are anticipated to attend the spa together. This pattern has the potential to prolong business-related stays, fill busy hotels on the weekends, and spur demand for travel destinations. When considering how to increase market penetration in a down market, it is crucial to comprehend this pattern. affiliations in medicine. To deliver treatments like acupuncture, nutritional assessments, laser therapies hair removal and wrinkle reduction, Botox injections, collagen treatments, chemical peels, and laser resurfacing in certain markets, an association with a local medical facility or organization might be created. A 35,000 square foot spa called Spa Mystique isn't making money. It is a brand-new, cutting-edge spa complex that is next to a hotel with a full-service convention center and 728 rooms. The property has easy access to major surface arterials and highways and is situated in a wealthy commercial and residential district in West Los Angeles.

The Westin Century Plaza is a hotel with 728 rooms that caters to business travelers. The largest hotel ballroom in Los Angeles. Breeze Restaurant. Where U.S. presidents stay in Los Angeles since President Ford began using the hotel during his term. Formerly known as the West Coast White House due to President Reagan's patronage. Occupancy level: 55-58 percent average weekends 30-40 percent average. Facilities of the Westin Century Plaza's Spa Mystique include a 35,000-square-foot café, a state-of-the-art workout facility, a salon, and a store. 28 treatment rooms, four outdoor massage cabanas, a valet entry reserved for members, a tranquil lounge, separate locker rooms for men and women, signature massage, facial, and body treatments, and spa memberships are all offered. The spa was designed by Silvia Cipieli. Data on Guest Utilization: Hotel Guests: 22%. Local Visitors: 77%. Group Visitors: 6%. Hotel Employees: 1%

1. The marketing money was diverted to local day spa patrons based on the distribution of the visitor types.
2. Additional internal marketing has been undertaken to boost use inside the company.
- The Issue
3. A review of the profit and loss statement and the general ledger served as the foundation for many of the conclusions made in this article.
4. Permitted industry average comparisons.
5. Retail sales were below average, according to the analysis. The cost of sales was excessive. Payroll was excessive. There was around \$150,000 in breakeven. Without \$330,000 in sales, it would be impossible to achieve the industry average profit.
6. Following a sales and marketing evaluation, marketing efforts were redirected at local day spa patrons.
7. Made a marketing budget for the department.
8. Printed ads in regional publications and newspapers.
9. Completed updated initiatives for house visitors.
10. Longer hours. Sunday operating hours have been extended to include two more bookable hours in order to boost income and satisfy demand. More recently, therapy hours were increased to 8:00 every night of the week, adding 50 more services each week. The extra hours should result in a yearly income of \$260,000.
11. Sought after corporate endeavors. promoted to nearby business offices by giving workers discounts throughout the workweek. a corporate membership contract was signed with workers at the MGM building.
12. A revamped spa menu. 25-minute services were created. filled 30-minute intervals to the greatest extent possible. provided services for the hotel's group visitors and transitory business travelers.

13. Developed therapy improvements that permitted pricing increases without longer treatment times.
 14. Memberships at corporate spas were added.
 15. Create a restricted number of spa memberships that were used when demand was low.
- Evaluation of the Price Structure of Competitors
16. Conducted a study on competitive pricing.
 17. A survey found that spa costs were lower than the competitors.
 18. As a result, all spa rates were raised by 20–25 percent.
 19. During times of low demand, promotions and reduced prices were used.
 20. Package price changes. Adaptive Staffing
 21. Reduced the overstaffing of the exercise and locker room staff.
 22. Created a job for a spa sales coordinator or group organizer.
 23. The technicians' schedules were realigned to eliminate conflicting shifts. The usage of treatment rooms was inefficient due to overlapping shifts. Treatment rooms may be used entirely without colliding. Maximum usage peaked at 70% prior to this adjustment. conducted a wage audit
 24. Restructured spa technicians' compensation since paying them an hourly rate during periods of low demand led to an adverse payroll load.
 25. A flat rate commissionable wage system has replaced hourly pay.
 26. Aligned compensation structure with norms used in the spa industry.
 27. Atop the competitive set, a system was established.
 28. Offered the chance to provide yearly pay raises based on performance.

DISCUSSION

In hotel spas, the efficient use of space is crucial to determining revenue creation and overall company performance. Planning a space effectively requires striking a careful balance between functional sections, industry trends, and treatment room ratios.

This talk digs into the complex interrelationships between these components and identifies significant takeaways that spa owners and managers may use to maximize the financial performance of their facilities. Ratios of treatment rooms play a crucial role in spa operation and design.

These ratios establish the fraction of the overall area devoted to treatment rooms, which has a big impact on how much money is made. Based on its unique objectives, target clientele, and available space, various spa types, including hotel spas, resort spas, and day spas, may have differing treatment room ratios. Treatment room ratios for hotel spas must match the quantity of guest rooms and the expected demand for spa services. A proper treatment room ratio makes sure that the spa can manage high demand times, provide a range of treatments, and respond to client preferences without feeling cramped. Revenue and profitability at spas are significantly impacted by industry developments. With shifting customer needs, innovative treatments, and growing consumer tastes, the spa sector is dynamic. The kinds of services that visitors want, for instance, are influenced by trends like anti-aging therapies, wellness plans, and holistic therapies. Spa owners must be aware of these changes and modify their treatment options appropriately. Spas may draw in a larger clientele and target new market niches by using cutting-edge treatments and wellness strategies. Spas may also expand their income streams beyond on-site treatments by creating retail product lines based on market trends, allowing visitors to continue their wellness journeys at home [6], [7].

Strategic space design also entails striking a balance between sectors that generate income and supportive spaces. While ancillary sections like lounges, leisure areas, and amenities

improve the overall visitor experience, treatment rooms directly contribute to income. These auxiliary areas are crucial for promoting a feeling of calm, relaxation, and wellbeing. It's crucial for supportive places and locations that generate money to interact. For instance, relaxation rooms after treatments raise the perceived value of the spa experience, increasing the likelihood that clients would return and refer others to the facility [8]–[10].

CONCLUSION

In conclusion, hotel spa strategic space design involves more than just physical architecture. It also considers treatment room ratios, market trends, and the interdependence of income generating and customer happiness. To design a facility that ideally balances treatment options, supporting spaces, and income sources, spa managers and operators must research their target market, spa objectives, and regional industry trends.

Spa professionals may position their businesses for success in a market that is continually changing by knowing these factors. Spa Mystique more than doubled its sales after putting the aforementioned approaches and ideas into practice. The adjustments were deemed a success, and the spa is now in the black.

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CHAPTER 9

HOTEL ORGANIZATIONAL: FROM TRADITIONAL EUROPEAN MODELS TO CONTEMPORARY LINE AND STAFF FUNCTIONS

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ABSTRACT:

This chapter explores the development of hotel organizational structures historically, charting the shift from conventional European patterns to contemporary line and staff roles. The research illustrates the long-lasting significance of these phrases and notions by first examining the early 20th-century European influence on American hotels, where the positions of the chef and maître d'hôtel acted as essential features. In order to react to adversity and change, hotel organizations have adopted specialization and developed. The typical functional chart of large hotels serves as an example of the trend towards modern organizational structures in the article. It is thoroughly addressed how staff roles, which support operations behind the scenes, differ from line jobs, which include direct visitor connection. This research offers insights into the dynamic nature of hotel management by revealing the persistent relevance of organizational principles and their adaptation to shifting situations.

KEYWORDS:

Evolution, European Models, Hotel Organization, Organizational Adaptation, Staff Functions.

INTRODUCTION

At the start of the 20th century, the traditional European hotel organization model predominated in American hotels. The chef and the maître d'hôtel, two key hotel administrative figures, served as the foundation for this organization. The chef served as the kitchen's head or monarch. In many respects, he served as the equivalent of a feudal lord, ruling over all aspects of the hotel's food production and selection. This structure acknowledged the significant part that food and its preparation played in the period's hotels. Similar to that, the maître d'hôtel oversaw all aspects of service at the establishment. It was his duty to oversee how the hotel's personnel interacted with customers so that they were always attended to swiftly, courteously, and in accordance with hotel rules. Even the names chef and maître d'hôtel, which are respectively translated from French as chief and master of the hotel, point to a significant European influence [1]–[3].

Although the roles have altered and developed, the fact that these terminologies are still in use today attests to their ongoing influence. We look at how individuals, organizations, and professions have evolved in the hotel business at various points throughout this book. The organization structures of hotels have evolved for many of the same reasons listed in the Introduction as to why hotel management has changed. Specialization within the hotel organizational structure increased the efficacy with which the organization managed and provided its services as we gained more understanding about our customers and the markets they represent. Since hotel organization structures are not immune to the effects of the economy and business cycles, they are also affected by the challenges faced by businesses as

a whole during economic downturns. Hotel industry transformations have been referred to as downsizing and reengineering. To flatten the organization in the early 1990s, several hotels abolished whole management levels or consolidated managerial tasks. The executive assistant manager was often removed from the standard functional chart, like the one shown in Figure 1, making division heads solely accountable to the general manager GM. Some hotels eliminated distinct division-level managers in favor of department managers who all reported directly to the general manager. Organizations are still built on concepts like those articulated by Stoner and Wankel 1986, regardless of how the reorganization may seem. They claimed that a company's desire for both stability and change must be balanced throughout the organizational process. They continue by making the following observations on organizing as a multi-step process based on Dale's 1967 theory:

1. Organizing outlines every task necessary to achieve the organization's objectives.

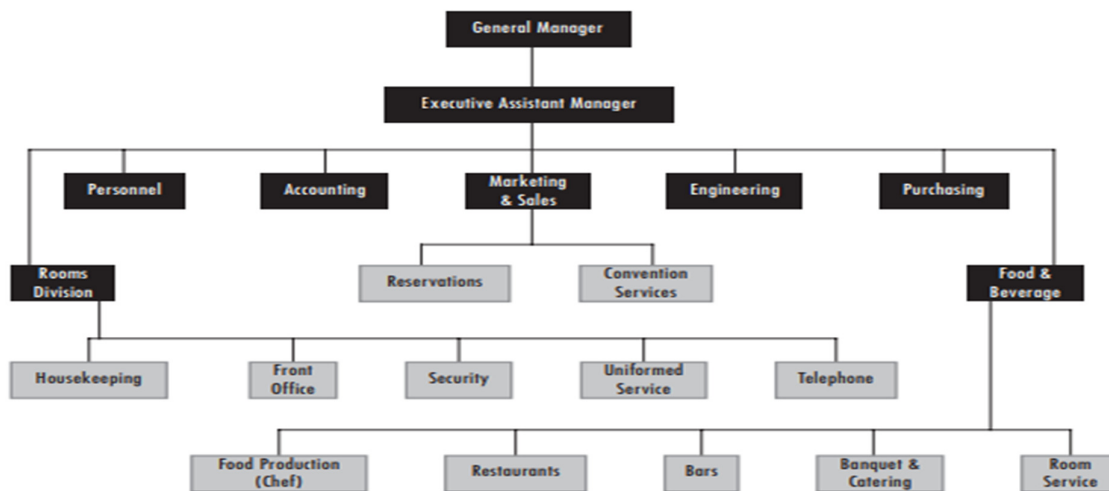


Figure 1: Representing the typical Hotel Organization Chart [MDPI].

2. Organizing breaks down the overall amount of work to be done into groupings of tasks that can be completed by a single person or group of individuals.
3. Organizing is the process of logically and effectively combining the work of an organization's members.
4. Organizing creates a system to coordinate members' efforts so that it functions as a single, well-coordinated whole.
5. Organizing creates a system to track how well an organization is doing at achieving its objectives.

A linear staff structure has developed in the contemporary hotel organization, even in reengineered ones, to represent this theoretical organizing approach. A major hotel's typical organizational structure is shown in Figure. With the exception of senior managers, it should be noted that departments are identified by function rather than title. This serves as a reminder that job descriptions and related responsibilities differ from organization to organization and, as indicated, may be consolidated or deleted to match current circumstances. An industry-wide perspective may be gained by viewing an organizational chart by function as opposed to job title since the services a hotel provides stay the same even during difficult financial times. Also take note of the fact that the two main operational divisions in this chart are designated as the Rooms Division and the Food and Beverage Division. Once again, individual functions may have different homes depending on the firm, but in general, hotel organizations are set up to provide their customers with these two core

services: rooms and food and drink. The arrangement of the other departments may vary depending on the hotel company. This organizational chart's departments should be seen as typical and representative of a general hotel organizational plan. The line and staff roles are specified as follows for illustrative purposes. The responsibilities given to hotel staff members in organizational units known as line functions put them in frequent or sporadic interaction with visitors. The Rooms Division and the Food and Beverage Division are the line operations of a hotel corporation. Naturally, certain departmental tasks within each line division interact with guests more or less than others. The fundamental similarity among line workers is that they participate actively in the assembly and delivery of the hotel's services. For instance, hotel security personnel often do not interact with guests on a regular basis. However, cleaning personnel may interact with guests more frequently, and housekeepers are unquestionably key players in the provision of the hotel's services.

The bulk of the very visible face-to-face interactions with guests in the Rooms Division, however, are handled by the front desk employees. Similar to this, the personnel of the restaurants, bars, room service, and banquet departments engage in a lot of direct visitors contact in the Food and Beverage Division. Like the cleaning crew, the hotel's food production team only interacts with visitors in unusual and extraordinary circumstances. They nonetheless unquestionably fit within the line definition due to their significance in the service production process. Staff Functions Staff functions are often those behind-the-scenes tasks that assist line functions and, in most cases, involve little to no guest interaction, despite the fact that a main goal of the job is to improve the quality of a visitor's stay. For these reasons, engineering is included as a staff function in this diagram [4], [5].

The performance of the engineering department has a significant impact on the quality of the guest's stay, and it also helps practically every other department in the hotel carry out its duties. For instance, the engineering division maintains and fixes machinery essential to all of the hotel's line operations, including the kitchen's machinery for producing meals.

The dining room's tables and chairs, the lobby's furnishings, and the baggage trolleys used by the bellhops may all be repaired by engineering personnel upon request. Thus, the engineering department may be seen as a genuine staff department that supports and services any and all of the other departments in the hotel at any one moment.

The engineering division is positioned under the Rooms Division in several hotel organizational charts. This might be due to the hotel's organizational structure favoring that location for engineering, or it could just be a matter of custom. Other departments that are often considered of as performing Rooms Division duties could also be in this predicament.

Security is a top priority. Because housekeeping by definition keeps the whole home, this job has been modified in certain organizations from being limited to rooms. Organizations are obviously more than simply boxes and charts in the modern day. Since the Roman Catholic Church initially created the pyramidal structure as a visual representation of organizational relationships with which we are so acquainted today, the most current corporate organization structures have not evolved much in shape. If you give it some thought, almost every business, government agency, and educational institution uses the same framework. Analyzing a few of the readings provided here and those that are recommended for additional study at the conclusion will show what does impact organizations not so much in their graphical image but in the way they react to external and internal stimuli. The C.B. at the time of Professor Eddystone C.

Nebel III's tragic passing was. At Purdue University, Smith Professor of Hotel Management. He had just returned from a sabbatical vacation where he had studied and observed 53

important subordinates as well as 10 excellent general managers. Nebel's study provided her with crucial knowledge about how hotel organizations operate. In numerous chapters of his book, *Managing Hotels Effectively: Lessons from Outstanding General Managers* 1991, Nebel mixes organizational theory with the GMs' observations before discussing the growing importance of committees in corporate settings. In his article on how successful leadership may influence a hotel's organization, Mark Conklin offers another perspective on the specific dynamics of hotel organizations. He is qualified to remark because of his role as Marriott Hotels and Resorts' vice president of market management. He puts up a radical new viewpoint in this case, one that neither the Catholic Church nor the military would find acceptable. It does, however, seem to be a good fit for hospitality. The research and views offered here reflect contemporary thinking regarding the link between organizational structure, interdepartmental relationships, and the organization's personnel, even though there is no shortage of literature and discussion on hotel organizations. Suggestions for further reading are provided in this part, which discusses broad management concepts of organizational design, including the crucial but sometimes overlooked subject of a hotel's committee and meeting structure. People in organizations must be provided structure in order for their efforts to be directed toward beneficial goals. There are five ways that managers provide organizations structure, according to Aldag and Stearns 1987:

1. Workplace specialized.
2. Depth organization.
3. authority-related patterns.
4. Control spans.
5. Ways of coordination a manager often has to take these five factors into consideration while making an organizational change.

Specialization. If there are several ways to do a job, management must decide how to distribute the labor among the employees. One extreme is the situation with little or no specialization, when a single employee is in charge of all the duties necessary to do a project. A small-town rural restaurant's chef, working alone to cook the whole dinner for 20 diners, is an excess. The issue, however, is that as the demand for goods or services increases, it becomes more and more challenging for individuals or small groups to increase their output without changing the way they are organized. It's rewarding to have complete control over a project and inspiring to see the results of one's efforts. Determine the degree to which labor and employment should be specialized is one of management's responsibilities. Generally speaking, specialization offers the prospect of increased worker productivity and administrative oversight of duties. The requirement for coordinating the efforts of several people who are engaged in various, specialized tasks tends to increase as whole projects are divided into smaller components.

Additionally, overspecialization may produce occupations that are so constrained that employees lose interest, motivation, mistake rates rise, and quality degrades. **Departmentalization.** Managers must categorize specific roles as companies become bigger in order to maintain effective coordination and control of activities.

The majority of restaurants departmentalize, with distinct functional sections for food preparation and food service. This is a sensible and useful answer. Food preparation and serving need quite different sorts of labor. The two tasks have unique processes and functions. The most typical way to organize a firm is to create departments based on functional distinctions. **Authority.** Every time a job or group is reorganized into separate departments, managers must decide how much decision-making power to give to certain employees,

supervisors, or departments. When it comes to decision-making, organizations are never completely centralized or decentralized. Instead, they trend in one way or the other.

When determining what structure of authority is ideal for an organization, a variety of considerations must be taken into account. The experience and personality of subordinates, the work environment is it stable or changing quickly?, the business plan to be used, and the management style with which they are most comfortable are all factors that managers must take into account. Line executives are in charge of the business divisions that provide goods or services to clients and generate revenue for the company. The most profitable areas of a hotel are the rooms and food & beverage divisions. On the other side, staff divisions are created because the concepts of task specialization and departmentalization imply that such an organizational structure would be efficient. A hotel's engineering and personnel departments are two examples of staff units. However, when they are established, staff departments may occasionally generate organizational issues.

What degree of control ought functional staff executives to have over line executives? Line executives can be granted complete power as a last resort. On the other hand, line executives could be given control over staff executives in their respective fields of expertise. First, line executives must speak with staff experts before making a choice. Second, line and staff executives must come to decisions together. Top executives like GMs must mediate disagreements amongst line workers when they arise, regardless of the circumstance. **Area Under Control.** The number of subordinates who answer to a supervisor is referred to as the span of control. Some management researchers in the past recommended an ideal span of control of precisely seven subordinates. That naive viewpoint is no longer prevalent. Task similarity The more similar the responsibilities of subordinates, the broader the range of control may be determined the appropriate span of control [6]–[8]. Training and professionalism are important factors because they affect a subordinate's ability to exert more control with less monitoring.

1. **Task certainty** The range of control may be increased in proportion to how regular and predictable a job's duties are.
2. **Interaction frequency** If relationships need regular communication, the range of control must be restricted.
3. **Task integration** A supervisor's scope of control must be more constrained the more he or she must integrate and coordinate the responsibilities of subordinates.
4. **Physical dispersion** A manager can effectively oversee fewer subordinates the more widely distributed.

Some of these variables could operate in the other way. For instance, fast food restaurants operate relatively similarly to one another, indicating a wide range of control. However, their physical dispersion has the opposite effect, reducing control range. **Activities coordination.** When organizations do not adequately coordinate their actions, problems occur. Coordination is often not a key challenge in basic groups with just a few members. But when companies get more complicated, issues arise. Work specialization and departmentalization are organizational responses to a company's expansion, as was previously described. Coordinating the efforts of people and organizations toward shared objectives becomes more crucial when responsibilities are split. The kind of coordination needed depends on how tasks and activities are connected. Different types of interdependence between persons and organizations are produced by these links. Activities that may be carried out with minimal contact between people or groups are referred to as pooled interdependence.

Let's say a hotel employs three phone operators. Similar to how room attendants and cashiers at restaurants are able to do their tasks alone, without interacting with the others, each can typically complete theirs. Since these workers do not need to communicate with one another, the best way to coordinate their actions is to set forth uniform guidelines for them to follow, as well as provide them with intensive individual training and direct supervision. The purpose of coordination is to ensure that every activity that is carried out separately is completed with the same degree of effectiveness and quality. When the outcome of one job is the input of another task, this is known as sequential interdependence. This is characteristic of assembly-line activities, when goods are gradually put together. The check-in procedure at a hotel is an example of this. A visitor billing record or folio serves as the output of the front desk and an input to the accounting division. For this operation to run successfully, a well-planned system between the rooms department and the accounting department is essential. Detailed planning, scheduling, and standards provide proper coordination. Identification of the connections between tasks is another need for coordination.

When there is a high degree of interaction between work units, they are said to display reciprocal dependency, and even more coordination is needed when the output of Unit A is an input for Unit B and the output of Unit B is an input for Unit A. The cooperation required to hold a significant convention is one example. The utilization of function rooms necessitates communication between convention services, engineering, food & beverage, and accounting. Front desk choices about rooming must be coordinated with accounting, sales, cleaning, and reservations. Mutual adjustments are necessary because the production and activity of one department affects several other departments. Only via direct communication and cooperative decision-making amongst the involved entities is close coordination feasible. Standardized planning and procedures are beneficial, but they are unable to address all of the issues brought on by such intense departmental contact. When activities include reciprocal dependency, open communication and group meetings are required to maintain appropriate coordination.

Over the course of many centuries, knowledge has collected regarding the best ways to structure organizations like governmental bureaucracy, the military, religions, sizable trade firms, and, since the industrial revolution, sizable manufacturing concerns. This experience is refined into a handful of recognized concepts. Even if these rules are not always applicable, it is nonetheless crucial to know them and use them when necessary. Command & Control. The chain of command is shown in a hotel's organizational chart. This idea states that every employee in a company should have a superior to whom they are accountable. Any employee should be able to follow the chain of command all the way up the organizational chart to the general manager. The previously described concepts of the chain of command and the breadth of control are what lead to the traditional pyramid form of an organizational chart. The chain of command is a potent idea. It establishes a framework of subordinate-superior responsibility for everyone, giving an organization structure.

Communication within businesses is impacted by the line of command for both superiors and subordinates. Chain-of-command rules dictate that a general manager should communicate with the manager of the rooms department before approaching the director of housekeeping with any changes they wish to make to cleaning. In a hotel, the chef reports to the food and beverage director, and the baker to the chef, according to the customary order of command. Accordingly, the baker should speak to the chef rather than the food and beverage director directly. However, a rigid devotion to this idea might eliminate spontaneity within an organization. Experienced hotel general managers sometimes violate this rule, but do so in a manner that is beneficial to the property. Because of the urgency of certain issues in hotels,

hotel executives may have to give commands to subordinates who are two or more levels below in the organization.

GMs may also decide to forego their direct reports in order to keep personal control over a particular project or component of the property. As long as everyone is aware of what is happening and the organizational atmosphere is generally positive and trustworthy, this does minimal damage. a unified command. According to this theory, each employee has a single manager who they are ultimately accountable to. A safety officer who reports to the personnel director may scold a food server whose employer is the restaurant management for a safety violation. The server feels as if she has two bosses and, in fact, she does. Unity of command is often breached in most businesses. As businesses expand in size and tasks become more specialized, this recurrent issue arises. Safety experts or those who specialize in accounting, human resources, data processing, etc. often do have control over employees who do not directly report to them via the chain of command. Conflicting orders from more than one supervisor might create problems. The answer is to make sure that order, not chaos, rules by tightly coordinating operations, rather than necessarily doing rid of specialty and staff roles.

The hotel's general manager is crucial to cooperation. Delegation. Delegation is a skill that new managers often struggle to grasp. The legibility of a delegate's superior's delegation instructions has a role in how well they can complete an assignment. Delegation may be anything from giving a subordinate a little assignment to assuming full responsibility for a big project. It's critical that the superior and subordinate understand and agree on the degree of accountability, the scope of discretion, and the degree of authority that accompany a work that has been assigned. Every degree of delegation has a place in certain situations [9], [10]. Here are some instances of commands that lead to various levels of delegation:

1. Gather data for my decision.
2. Present me with two or three options, and I'll decide.
3. Submit a suggestion for my approval.
4. Decide, but let me know before moving on.
5. Do something, but let me know before you do it.
6. Do something about this on your own.you don't need to talk to me about it.

The degree of authority delegation depends in part on the subordinate's level of experience. Young, inexperienced subordinates should only anticipate a little amount of delegation until they have gained confidence. As confidence between a superior and subordinate is developed, the amount of authority given typically rises. It's been suggested that a person gives up making a good livelihood when they become a manager. Typically, hotel managers don't serve guests personally, prepare meals, or clean beds. Instead, it is their responsibility to ensure that the firm they supervise offers appropriate guest services. Hotels are often set up along functional lines, with departments grouped in accordance with the specific tasks they are responsible for. A 500-room hotel's typical organizational hierarchy is shown in Figure. Five administrative divisionsRooms, Food and Beverage, Accounting, Sales, and Personnelare functionally separated inside the hotel. The GM receives direct reports from the five department heads. Each department is broken up into smaller organizational divisions.

These divisions show improvements in the job done as well as in the knowledge and abilities of each subunit's personnel. The Department of Rooms. The hotel's accommodation operation is carried out by the rooms department. Reservations must be honored, visitors must be greeted warmly and given clean rooms, the availability and occupancy of rooms must be kept up to date, guests must promptly receive phone and mail messages, security must be

maintained, public areas like lobbies must be kept clean, and questions from visitors must be addressed. These are only a few of the rooms department's crucial duties. The rooms department is broken up into many subdivisions, each of which performs duties that are somewhat specific. These subunits are also referred to as an in several instances.

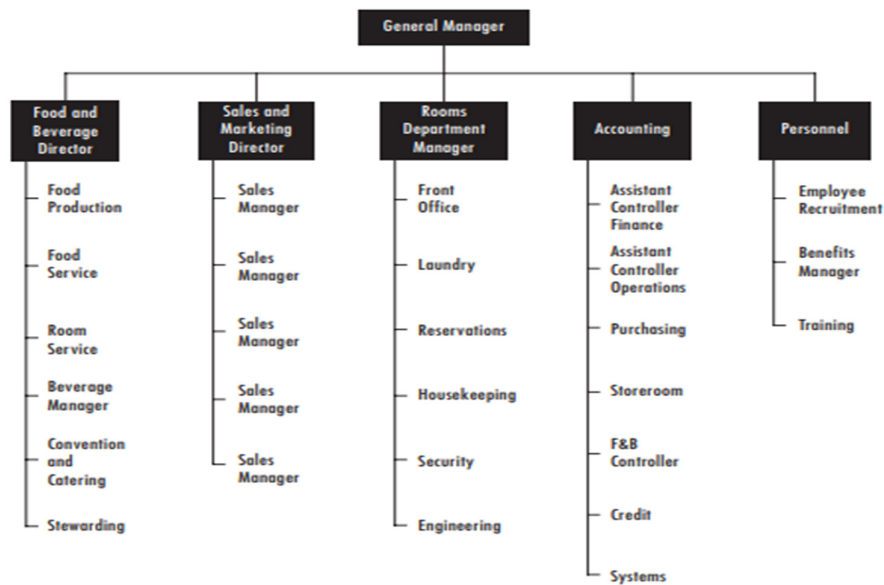


Figure 2: Representing the typical organization of hotel staff [Research Gate. Net].

For instance, the laundry department, which is rather vast in a hotel with 500 rooms, is in charge of doing both guest laundry and washing and pressing all the hotel's linens and staff uniforms. It performs a very specialized function. Less than half of the information and abilities needed to run a laundry operation may be applied to other hotel activities. When visitors arrive at the hotel, they are welcomed, registered, and given a room assignment at the front office. The front office section is often responsible for telephone operators and other visitor contacts. The bellhops at the hotel are also a member of this division.

Future hotel reservations are taken and tracked via reservations. Both guest rooms and public areas must be kept clean by the housekeeping division. Guest safety is the responsibility of security (Figure 2). The hotel's whole physical plant, including the electrical, mechanical, heating, air conditioning and ventilation, structural, and plumbing, is operated and maintained by the engineering department. It also carries out little renovations and repairs.

The rooms department's components have a large lot of interaction, necessitating careful activity coordination. There are connections between the front desk and the reservations division. To make sure that there is always a current inventory of rentable rooms available, reservations must notify the front office of the quantity of presold rooms each day. When walk-in customers those without reservations are registered, the front desk must notify reservations. There are connections between the front desk and housekeeping as well. Both parties must be informed about the condition of the room: The front desk must notify housekeeping when a visitor checks out so that the room may be cleaned. Housekeeping must notify the front desk after the room is cleaned in order for it to be put up for sale. Both of these are examples of reciprocal interdependence, in which independent entities feed information to one another. Other connections seen in the rooms division serve as illustrations of sequential dependency, which happens when one unit's output becomes another unit's input. An example would be housekeeping's inability to adequately stock a

guest room if the laundry does not have enough clean bedsheets or towels available. The transfer of information from one department to another is a less evident example. For instance, if housekeeping fails to notify a broken light switch in a guest room, engineering will be unable to fix it. These illustrations show the reciprocal and sequential interdependence between the rooms department's subdivisions. Under these circumstances, consistent strategies, processes, timetables, and deadlines are necessary for effective management. Regular direct contact between executives is also necessary for coordination between units. the Department of Food and Beverage. Of course, the main responsibility of the food and beverage department is to provide food and beverages to hotel guests. This was a lot easier chore in the past when an inn just had one dining room. Providing food and water is considerably more difficult nowadays. In this case, the 500-room hotel may offer a coffee shop, a fine dining establishment, a poolside snack bar, room service, two banquet halls, and 10 different function rooms where food and drinks might be provided. Additionally, it could feature a nightclub, a lobby bar, and a piano bar and lounge. With room service excluded, that's a total of 19 food and beverage establishments! Each of these outlets is likely to be in use on a busy day or night.

Frequently, an outlet hosts many events throughout the course of a 24-hour period. A food and beverage department performs a wide range of jobs, and the talents required also come in a wide variety, thus the department is divided into several functional subunits with specialized functions. The food manufacturing, or kitchen, section comes first. This division is run by the former executive chef, a prominent figure with authority at a high-end hotel with 500 rooms. A number of culinary specialists who specialize in various parts of food preparation work under the executive chef. Typically, a distinct department, which in a major hotel is led by an assistant food and beverage director, is in charge of serving meals at the hotel's restaurants and food outlets. The management of each restaurant and outlet, the maître d's, the waiters, waitresses, and bus staff are all part of the food service division. Many major hotels have a distinct division that is entirely in charge of room service due to the unique issues that come with this service. Hotels create a distinct department to manage its bars, lounges, service bars, and other alcoholic beverage outlets due to the high value and profit margins connected with alcoholic drinks. Most full-service hotels generate a substantial amount of revenue from catering and conventions. Small function rooms are used for individual meetings during a conference, bigger rooms are used for public sessions, and even larger facilities are used for banquets. Local parties, wedding receptions, business meetings, and other gatherings hosted by local organizations are examples of catered events. Hotels often set up distinct catering and convention departments that focus on this kind of business to provide for the specific demands of these clientele. Finally, a different subgroup known as the stewarding department is often assigned the task of cleaning the areas of the food and beverage department, dish- and ware washing, and general food and beverage expediting. marketing and sales. Because of its tiny size, this department makes interdepartmental coordination very simple. Additionally, the department is not affected by the majority of ongoing operational issues experienced by other departments. Nevertheless, there is a division of labor among sales managers, often depending on the kind of guests a hotel hopes to attract. Corporate clients, conferences, or the tour and travel markets are popular areas of specialization for individual sales managers. There are many levels of geographic division among sales managers, such as regional and national accounts. However, even for a hotel with 1,000 rooms, the sales team is often limited to a dozen or so people. Sales managers in each market sector mostly operate freely. As a result, issues with intradepartmental dependency are often not serious Pelletier 1988.

Personnel. The personnel department of a hotel is a staff unit created to perform a specific task. While it does not serve guests, take reservations, or make meals, it is essential to the effective operation of a hotel. Employee recruiting, benefits management, and training make up the three subfunctions of the personnel department. The director of people must be knowledgeable about labor law and qualified to counsel managers in other areas. Despite the fact that these three subfunctions are connected, there are few issues with their dependency. Instead, interacting with other hotel departments presents the people department with its biggest problem. Although personnel may seek, screen, and interview potential employees, line departments have the ultimate say in who is hired. The personnel department's opinion is merely advisory when it comes to promotions and disciplinary actions. The effectiveness of the personnel department as a staff department is primarily based on the manager's capacity to establish productive working relationships with other departments.

Accounting. The accounting division often mixes staff and line duties. Its typical responsibilities include keeping track of financial transactions, creating and analyzing financial statements, and delivering timely reports on operational performance to management. Payroll preparation, accounts receivable, and accounts payable are additional responsibilities. The assistant controller for finance is in charge of these duties. The accounting division does, however, have another component that links to operations, cost accounting, and cost management across the hotel. Because of this, the department is often referred to as the controllers' department instead than the accounting department. The two main issues in accounting control are lodging and food and drink. The front office cashier of the accounting department keeps track of each charge to a visitor account. All guest invoices are compared against the charges from the different hotel departments by the night auditor. These workers are part of the accounting department and report to the assistant controller for operations, despite the fact that they work at the front desk and sometimes have direct visitor contact. The accounting department's food and beverage controller and the cashiers who work in that division monitor the revenue and outlays for that division. The assistant controller for operations receives reports from the food and beverage cashiers, and the hotel controller receives reports from the food and beverage controller. While food preparation and serving may fall within the purview of the food and beverage department, revenue collection falls under the purview of the accounting department! All food and beverage revenues are checked by the food and beverage controller for correctness and validity. The accounting division is in charge of keeping track of and creating daily reports on the price of the meals and drinks consumed in the hotel. In many circumstances, buying and stock room management fall within the purview of the accounting department. Last but not least, the hotel's accounting and management information systems are created by the director of systems. This discussion illustrates how the accounting department is directly involved in the hotel's daily operations. Two last remarks concerning the accounting division. First off, the majority of the operational and financial figures for a hotel are collected and reported by accounting. As a result, it serves as a crucial data source for budget planning and decision-making throughout the whole hotel workforce. Second, in addition to the hotel's general manager, the head of the accounting department may also report to the owner of the hotel or the financial vice president of the hotel chain. In order to provide the hotel company an independent verification of the authenticity of the financial and operational results of the hotel that is, independent from the GM this dual reporting relationship ship was established. As a result, hotel controllers often break the principle of unity of command.

DISCUSSION

The hospitality sector is dynamic, adaptable to changing consumer preferences, market needs, and organizational efficiency, as seen by the development of hotel organizational structures

from classic European models to modern line and staff roles. This development is a result of changing management philosophies, as well as the incorporation of external influences, technical improvements, and a growing focus on customer satisfaction and operational excellence. American hotels were greatly impacted by European hotel designs around the turn of the 20th century. The significance of food and service in hotels was emphasized by the hierarchical organization with the chef and maître d'hôtel as the major roles.

The substantial distinctions between these professions reflected feudal structures and highlighted the importance of certain hospitality-related characteristics. The terms chef and maître d'hôtel, which are still in use today, reflect the long-lasting influence of European culture on hotel administration. The organizational systems of hotels changed throughout time as a result of numerous reasons. It became crucial for these institutions to specialize in order to effectively manage the variety of services provided and meet changing client demands. Reengineering and downsizing initiatives within the sector have also been influenced by economic shifts, business cycles, and industry trends. The constant necessity for adaptation in organizational design is highlighted by the balancing act between stability and change, as described by management theorists. The shift to modern line and staff duties is a key component of this progression.

The jobs in line functions, such as those in the rooms division and the food and beverage division, include direct guest interaction and support for the execution of key services. Despite having various degrees of involvement with guests, these professions are crucial to the delivery of hospitality services. For instance, front desk staff are crucial to contacts with guests in the rooms division, but staff in the food and beverage division are in close proximity to customers when they are eating. On the other hand, staff duties are mostly concerned with background chores that support the overall visitor experience. The engineering department, which is in charge of maintaining the equipment and physical infrastructure, is a prime example of how staff members may improve the quality of a visitor's stay. This hotel's extensive support network spans several divisions and offerings, emphasizing how interwoven employee duties are.

CONCLUSION

Hotel organizational structures are anticipated to see significant adjustments as the hospitality industry continues to change, embracing digitization, sustainability, and shifting customer habits. Knowing how hotels have adapted to change historically may be quite instructive, and it will continue to influence their operational excellence, future initiatives, and relationships with guests. The flexibility of the business and its dedication to delivering outstanding guest experiences are reflected in the growth of hotel organizational structures. The trip represents the industry's capacity to change while remaining entrenched in its essential ideals, from the conventional hierarchical structures inspired by European norms to the modern line and staff roles that prioritize customer pleasure and operational efficiency.

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CHAPTER 10

HOTEL FUNCTIONAL ORGANIZATION AND DEPARTMENTAL COORDINATION: ISSUES AND SOLUTIONS

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ABSTRACT:

Operational effectiveness is achieved in hotels via job specialization and efficiency, which is based on grouping staff with comparable abilities and responsibilities. This layout makes training simpler and increases productivity by encouraging the development of specific information and abilities. However, the success of a hotel as a whole might be hampered by the effectiveness of functional units working alone. The benefits and drawbacks of functional hotel organization are explored in this article, which emphasizes the need of interdepartmental cooperation to match departmental aims with the hotel's overarching goals of customer pleasure and profitability. The study highlights the crucial position that leadership plays in setting strategic direction and handling interdepartmental disputes, particularly when department head specialization rises. Across specialized divisions, the executive operational committee EOC develops as a vehicle for fostering cooperation and decision-making. The research also highlights the communication and coordination roles played by EOCs in various hotel contexts, examining their diverse nature and effect. In the end, the essay clarifies the dynamic interaction between effective leadership, interdepartmental collaboration, and functional organization within the challenging hospitality industry.

KEYWORDS:

Employee Specialization, Functional Organization, Hotel Management, Hotel Challenges, Organizational Structure, Operational Effectiveness.

INTRODUCTION

Employees that do comparable jobs or have similar abilities are grouped in a workplace according to function. The effectiveness that results from a hotel's functional organizational design in each department or subgroup. The execution of routine activities enables job specialization, which boosts total productivity. Because identical activities are carried out across functional units, individuals quickly acquire specialized knowledge and abilities. Due to job similarity and the abundance of possibilities for new employees to learn from experienced workers, training is made simpler. This aids in the rapid acquisition of successful behavioral and skill patterns by new workers. A functional organization is the most sensible method to set up your workplace since it encourages productivity, collaboration, and cooperation across departments. However, the functional design's greatest asset simultaneously serves as its worst weakness. A hotel's success is determined by its whole performance, not just that of a single department [1]–[3].

The capacity of a functional department to focus on its own responsibilities and activities is a key asset. Although this is unquestionably crucial for departmental success, it does not always guarantee a hotel's overall effectiveness. Functional departments may struggle to understand how their success relates to the hotel's overall performance and objectives because

of their specialization. Instead of concentrating only on their own concerns, each department must bear in mind the hotel's overall aims of customer satisfaction and profitability. To establish hotel-wide plans and goals and to coordinate the operations of many departments, a means must be established. Individual departments are unlikely to be able to do this on their own. Departmental and sub departmental specialization leads to a need for leadership at the top of an organization. The hotel's overarching strategic direction, hotel-wide objectives, activity coordination across departments, and interdepartmental disputes must all be determined by someone above the departments. A hotel needs excellent leadership at the top to maintain a functioning company. Functional departments do generate experts in a certain skill area, but they do not produce executives with extensive hotel experience.

Think about the directors of the food and beverage and marketing departments of a hotel. It's possible that these two CEOs know very little about one another's specialties. Their backgrounds and professional experiences are probably so dissimilar that neither would function well in the other's field. The director of sales may have a degree in marketing or general business and specialize in the sales industry. On the other side, the food and beverage director can have a culinary diploma, a degree in hospitality, substantial expertise in food preparation and service, and little to no sales experience. One in ten sees people with degrees in personnel administration controlling the personnel department, people with various educational backgrounds among the room managers, and accountants in command of the controller's office, engineers in charge of engineering and maintenance. Most department head positions may be filled by managers who have received training in hotel administration. More managers become highly specialized the longer they work in a single area. While a manager may excel in one area, he or she may not be equipped to handle issues that call for expertise and perspective from throughout the hotel. Specialization in one field may cause prejudice, distrust, and conflict amongst departments if upper management does not take action to prevent it. Instead of more generalized overall aims and objectives, each department can follow their own very specialized interests Dann and Hornsey, 1986.

Due to the need for strong interdepartmental coordination in delivering guest services, hotels are particularly affected by this issue. In hotels, there is a lot of room for service failures. A well-designed set of standard operating procedures and systems may reduce the likelihood of many common errors. However, tight collaboration is essential due to the degree of reciprocal reliance that occurs across departments. The department head level is the place where disparities in functional expertise are the greatest, making it especially crucial Dann and Hornsey, 1986. The executive operating committee EOC is a tool often used to promote collaboration across functionally specialized divisions. a committee called the executive operating. The GM and other top hotel executives make up the EOC. There is no secret to become an EOC member, although often such executives are individuals that report directly to the GM. Therefore, the most senior members of a hotel's management team the heads of the functional divisions who answer directly to the general manager and are in charge of the hotel's main budgetary units make up the EOC. The general manager, rooms manager, sales and marketing director, food and beverage director, and comptroller make the hotel's annual estimates for occupancy, revenue, and profit. These projections serve as the foundation for the hotel's entire yearly budget, and executive compensation are based on whether annual budget targets are met. The precise responsibilities of an EOC differ from hotel to hotel. The tasks of organizations might be outlined in great detail or kept vague. The EOC of a hotel might be lightly or firmly organized. How much power GMs want to give the EOC is a crucial topic that needs an answer. Depending on the situation, one EOC may be set up to make specific group decisions, another may serve as the GM's powerful but unofficial advisor, and a third may have no or little decision-making authority. EOCs in hotels serve a

crucial communication function apart from decision-making. This happens as a result of the frequent meetings the EOC members have to discuss the hotel industry. Every time a meeting is conducted, communication occurs. According to Scott and Mitchell 1976, communication serves four purposes.

1. To give data that aids decision-makers in the executive branch.
2. To encourage a commitment to corporate goals while motivating.
3. To exercise control by settling questions about what an executive's job, responsibilities, and obligations.
4. Giving people the chance to express their thoughts and emotions It's crucial to remember that meetings might include all four of these communication roles.

There are several variables that affect the EOC's meeting schedule, agenda, and level of decision-making authority. The likelihood that the EOC participates in collaborative decision-making increases with the GM's level of participation in management. Authoritarian GMs don't see much need to promote a robust EOC. EOC meetings are more likely to occur often in hotels where there is a higher demand for change. Frequent EOC meetings are more beneficial for hotels with department heads who are less experienced since they may be used as a learning and teaching tool for more experienced managers. The EOC may be influential when a good GM is in charge. To promote top-down, bottom-up, and horizontal communication.to assign duties, assess progress, and control activities.to foster group problem-solving and decision-making.to build a sense of shared responsibility for overall hotel performance.to help instill common attitudes and beliefs among top executives.to foster interdepartmental cooperation.to teach, coach, and develop a responsive senior executive team.and to enforce. Other hotel meetings and committees. The demand for activity coordination is addressed by well-managed hotels via a complex system of committees and meetings.

These committees and meetings are an official component of a hotel's organizational structure, much as the organization chart. The format of a hotel's committees and meetings is often dictated by the GM. The duties of each group are specified often in considerable detail, meeting hours are promulgated, and minutes are frequently recorded and sent to participants and higher-level executives, including the GM. A hotel's official organizational structure needs to have a well-thought-out committee and meeting structure. The objectives of committees and meetings in hotels change depending on how complicated the hotel is. They handle a variety of difficulties, such as routine business operations, intra- and interdepartmental problems, hotel-wide problems, and financial, personnel, and marketing problems.

The regularly planned meetings for a typical big hotel are listed in Table. Even if it isn't the meeting calendar for a real hotel, it may be. It will be beneficial to thoroughly read through this list. What it takes to run a hotel may be gleaned from the meetings it hosts. The quantity and variety of meetings is one of the first things to be observed. Undoubtedly, there wouldn't be much time left over to do any work if all of these meetings were held at a hotel. In actuality, regular meetings are necessary for good hotel administration [4], [5].

They contribute to the hotel's work. Interdepartmental concerns are the subject of an average of 249 planned meetings annually, according to Table. Additionally, the GM participates in 295 regularly planned meetings annually. This is indeed the situation at many hotels. There is no getting around the fact that meetings may be time-consuming and ineffective. However, it doesn't seem that there is a more efficient method to run a hotel Conlin 1989. In hotels with a dearth of meetings, one often encounters disappointed, disgruntled executives. These execs

gripe about not being brought up to date on events. As simple as it may sound, it is simple for a hotel to neglect to appropriately educate its management and employees. This flaw might have a terrible impact on the attitudes and morale of hotel employees. The second concern is about service lapses brought on by insufficient meetings. Hotels are susceptible to regular modifications, which often occur daily. In such a setting, meetings must be held often to maintain their effectiveness. The aims and objectives of a hotel become unclear when there are too few meetings. People should be aware of the hotel's priorities.

What does it prioritize? What does it represent? What really makes for excellent performance? Hotels provide a variety of intangible services, thus there must be a continuous effort made at all levels to respond to these inquiries. Meetings are a useful tool for carrying out this crucial management task. To deliver excellent guest service, hotels are companies that need very high levels of interdepartmental cooperation. Although the functional organizational structure utilized in the majority of hotels encourages efficiency within each department, it is inadequate when it comes to cooperation across departments. A formal meeting structure created to promote interdepartmental collaboration is one of the organizational techniques used to solve this issue. Therefore, creating an efficient meeting structure that both offsets and complements a hotel's functionally decentralized organization is a crucial component of management's organizational role.

Structure of Hotel Organization

A graphic I use in our new-hire orientation class is one approach to depict the atmosphere at our hotel. As you can see, the GM is at the bottom of the hierarchy in what I refer to as a reverse organizational chart, which is also known as an organizational pyramid. The client is at the top. We are here because of our customers.

This attention to our visitors brings about alignment across the hotel. Our goal is for every visitor to feel happy and want to return, ensuring consumer loyalty. The guiding principle of Marriott is that if you take good care of your employees, the employees will take good care of your customers. This conviction is at the heart of who we are as a business and what we stand for.

I claim that we have two different kinds of clients: external clients, or our visitors, and internal clients, or the employees of the hotel. The word employee, which I don't use, has been replaced with associate. Employees work for you, while associates collaborate with you. Associate conveys a subtle yet powerful message of cooperation and teamwork. Employees suggest a hierarchy in which one person is always organizationally superior to another. Because they serve the client, I think the front-desk employee is the most vital member of the hotel staff. The responsibility of the leadership team, supervisors, and managers is to:

- a. Support the front line and eliminate obstacles to doing quality work.
- b. Act as a leader and assist others in doing their duties more effectively.

This implies that managers may help the front line by:

- a. Showing genuine care for their employees.
- b. Finding timely, equitable solutions to their issues.
- c. Most importantly, treating coworkers with respect, compassion, and decency.

To do this, leaders need to build trusting working connections with their team members. Very simply. My core conviction is that our employees won't treat our clients any better than we do. This philosophy serves as the foundation of our culture, and maintaining it as the business expands is a problem. Therefore, it is our responsibility as leaders to set the tone and develop

the climate so that everyone is concentrating on our clients. We set the standard for exceptional service, which requires a lot of mentoring and direction. Placing the GM at the base of the pyramid demonstrates that the leader really serves the interests of the subordinates. I see it as my responsibility to go above and beyond to attract and retain consumers. I've attempted to embody the major operational concepts listed below in order to establish this environment: Choose the Right Persons

We put a lot of effort into choosing the best candidates utilizing predictive screening methods. We search for individuals whose skills make them more likely to provide excellent service and who have the best chance of blending in with our culture. We incorporate our hourly employees in the hiring process since they will be interacting with the new hires. as a result, managers and line associates share responsibility for the success of a newly recruited colleague. Invest in Training Marriott's corporate culture is reflected in our focus on training. To provide associates with the resources they need to succeed, we invest in developing their knowledge and abilities. Additionally, we provide them access to a set of standard operating procedures SOPs that serve as the basis for our training. Create Empowered Associates [6]–[8]

- a. The aforementioned training and standard-setting process results in empowered associates who are capable of doing their tasks and who are held accountable for their actions. We had a hurdle in the past of managing our hotels with fewer management.
- b. These systems and standards and this attention to detail help us deliver a consistent product and reliable service, which gives customers confidence and trust in our brand name.
- c. To accomplish this and to improve customer service, we had to have trained, empowered, and involved associates running the business. Promote and Honor
- d. In order to foster a healthy workplace culture, recognition occurs in many different ways. Promotion is one of the best methods to express gratitude.

More than half of our managers began as hourly employees. Our coworkers respect us, believe in us, and work to our advantage. A recent company-wide poll of associate opinions found that 95% of our employee's thought Marriott was an above-average or average place to work. 15 points more than the average for the service sector. Finally, I really believe that our management should be involved. The hands-on manager maintains tight relationships with both customers and employees, and they never lose sight of the people who are responsible for their success.

DISCUSSION

The functional organizational structure, which divides workers into distinct divisions according to their tasks and talents, has been a pillar of the hospitality sector. Numerous benefits come with this approach, including increased job specialization, increased productivity on repetitive activities, and efficient training for new hires. The functional structure's advantages might, however, create problems with interdepartmental cooperation, overall performance, and alignment with hotel objectives. The possibility for silos to develop within departments is one of the main issues hotels with functional structures must deal with. Each department might lose sight of and understanding for the needs and activities of other departments as it gets preoccupied with its own duties and responsibilities. This silo mentality might make it difficult for staff to work together and see how their individual contributions affect the hotel's overall performance.

To deal with these issues, agencies must effectively communicate and coordinate their efforts. Hotels must put in place procedures that promote information exchange, cross-functional comprehension, and cooperative problem-solving. Regular interdepartmental meetings, cross-training initiatives, and cooperative projects may help different departments feel more connected and united. Additionally, it's crucial to match departmental goals with the overall hotel objectives. It is important to let each department know how its performance affects the overall hotel's success.

This may be accomplished by having a goal and vision that are both clearly stated and place a strong emphasis on collaboration and customer satisfaction [9], [10]. It is impossible to overestimate the importance of leadership in overcoming these obstacles. The required direction and coordination may be provided by strong top-down leadership, notably via an Executive Operating Committee EOC. Senior representatives from several departments that make up the EOC may act as a decision-making body and a forum for ongoing communication. It guarantees that departmental choices are in line with the hotel's overarching aims and financial objectives.

CONCLUSION

In summary, the functional organizational structure has many advantages for efficiency and specialization, but it also has drawbacks for interdepartmental collaboration and overall performance.

A unified, customer-focused, and high-performing hotel environment is dependent on the successful integration of techniques including effective communication, leadership support, and alignment of departmental and hotel objectives. Creating a culture of cooperation where recognition and incentives are related to both individual and group accomplishments is another strategy for overcoming functional organization issues and improving interdepartmental coordination. Cross-functional collaboration is celebrated via recognition programs, which may strengthen employee motivation and camaraderie.

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CHAPTER 11

PERSPECTIVES AND INSIGHTS ON THE FUNCTION OF HOTEL GENERAL MANAGERS

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ABSTRACT:

By offering a variety of viewpoints and views from seasoned individuals in the hospitality sector, this research dives into the complex function of hotel general managers GMs. Hotel general managers GMs play a key role in organizing the many hotel operations, shaping visitor interactions, and ensuring organizational performance. This investigation presents a complete grasp of the difficulties, tactics, and professional growth paths that determine the function of hotel general managers via a combination of perspectives and real-world experiences. The story covers from the development of the GM's role historically to the potential and difficulties of managing modern, dynamic hotel settings. This research provides light on the complex duties, leadership traits, and operational issues that characterize the role of the contemporary hotel general manager by using the distinctive knowledge of industry professionals. The perspectives provided in this collection help us understand the crucial part general managers GMs play in reshaping the hospitality industry better and provide insightful advice for both experienced and prospective professionals looking to succeed in this challenging and rewarding job.

KEYWORDS:

Hotel Operations, Hotel General Managers, Management Strategies, Operational Insights, Professional Development.

INTRODUCTION

In most businesses, the organization is led by someone who has earned the position of general manager GM or a title of a similar kind. Most of us in the hospitality industry see this position as the pinnacle of one's career. The position sometimes acts as a stepping stone towards corporate positions or bigger, more prominent properties in hotel consultancies. I have written about how remarkable it is that there has been so little written on hotel general managers in earlier editions of this book. Their professional development and the abilities and talents they bring to their employment received little formal attention. Oddly, this is still the situation. A statistical profile of hotel general managers was provided in a 1981 paper by Arnaldo. Arnaldo depicted the demographics of his sample and noted that despite regularly changing positions, GMs reported high levels of work satisfaction.

Additionally, he offered a conceptual framework for analyzing how these GMs prioritized and assigned time to other traditional management tasks. Six other managerial rolesfigurehead, liaison, spokesman, disturbance handler, resource allocator, and negotiatorwere deemed to be of lesser importance see also Mintzberg, 1973. The most crucial managerial roles, according to the GMs, were leader, entrepreneur, monitor, and disseminator in descending importance. Readers of Arnaldo's piece may be surprised by the parallels that

Nebel and Ghei's contribution to this discussion draws. Reading Arnaldo's work with David Ley's 1980 might provide yet another insightful contrast [1]–[3].

This study, which was based on a small sample of seven general managers GMs of locations that were similar within one hotel chain, tracked how much time each GM dedicated to doing the identical management tasks Mintzberg, 1973. The distinction in this instance was that Ley requested a corporate office evaluation of each GM's efficacy. He compared the GMs' observed time allocations to leadership and entrepreneurial activities to their effectiveness assessments very effective, effective, and less effective. Ley came to the conclusion that the most successful managers in this small sample spend more time engaging in entrepreneurial pursuits than leadership pursuits. Arnaldo's far bigger team of GMs, on the other hand, spent much more time on leadership than entrepreneurship. The reader should be left with some intriguing questions regarding the kinds of activities that would best train future general managers for their positions. The Nebel and Ghei article is all the more intriguing as a result since, despite being a small sample, their GMs were well examined, and the authors provide a structural framework from which to evaluate the role of GM.

If you will, it is a general manager theory for hotels that may be used to explain, forecast, or manage general manager positions. Rutherford and Wigenstein 1985 examined the effect of mentorship as it might be quantified to influence the success and satisfaction of a contemporary hotel GM's career, which is a key part of career development among GMs. The aim of the study might still be helpful to people who want to the top position in a hotel or organization, even if the demographic, income, and operational statistics in that piece are outdated. The insights gathered from the managers analyzed in this example also provide body and tone to the work of the other writers included in this part since there is so little literature on hotel general managers. A GM's career may benefit in a number of ways by seeking out and cultivating mentoring connections, according to Rutherford and Wigenstein's analysis of the mentoring literature. Pavesic and Brymer 1990 present a different perspective on the professional and personal aspects of the GM's role. They have recently examined the effects of stress and work satisfaction on management careers in a number of research.

The writers analyze the behavioral aspects of the GM's career, work values, and personal obstacles in an assessment of this technical study. These studies emphasize that although hotel occupations are demanding, they don't have to be laborious. In the study that Woods, Schmidgall, Sciarini, and I have published, we looked for answers to questions on the significance of different operational parameters and simultaneously solicited GM recommendations for the curriculum of a hotel-related course. Since the sample for the research was mostly made up of upmarket and luxury hotels with more than 500 rooms, students reading this article will discover sound advice from experienced general managers. Despite the fact that much of the financial statistics are outdated, many of the findings are still valid. Beth Chung Herrera and her colleagues examine the particular competences and talents shown by successful hotel CEOs in an intriguing new report. The model they create may be helpful to hotels, educational institutions, and people building successful careers. Speaking about success, each of the three professionals who provide their opinions on the position of GM has acquired that status in a different region of the nation and for a different kind of firm. Each of their job situations have altered since the last issue.

Emilio Fabico, formerly the general manager of the Rosen Centre Hotel in Orlando, Florida, is currently a member of the management team at the nearby Disney World Resort. His views as a member of a management team and as the general manager do not necessarily diverge. Mr. Fabico imparts his ideas on management in this intriguing business via his writing, as if he were a visitor in your class. Rob Balmer discussed his experiences as the general manager

of a DoubleTree Club Hotel in Las Vegas in the third edition of this book. The Hilton family of hotels includes DoubleTree. Since that time, he has overseen another DoubleTree in California. Most recently, he was elevated to General Manager of the Hilton Burbank Airport and Convention Center Hotel, a position with more complexity and accountability. His vantage point is instructive. Bob Peckenpaugh, who was the operations manager at the Westin Innisbrook Resort close to Tampa, Florida, when we last read about him, is another contributor from the previous issue. He is now the general manager of the Rancho Bernardo Inn in the San Diego area. His observations on running a small but excellent resort are different from those from his prior experience, yet both contribute to his success. From a theoretical perspective, the work of Nebel and Ghei, together with the one by Chung-Herrera et al., may be seen as outlining the main principles governing the hotel general manager's position.

Fabico, Peckenpaugh, and Balmer provide us insider's perspectives and abundant proof that the theory is accurate in reality. My intention with this version of the book is to provide the reader the chance to recognize that there should be a link between what is learned in the classroom and what really occurs in society. Today's major hotels are dynamic, multifaceted, and fast-moving companies that participate in a broad range of operational tasks. Their size is accompanied by an increase in organizational and operational complexity. Whether a hotel is independent or a part of a chain, it may be run as a distinct, independent company. As a result, it is possible to regard each hotel as a separate profit center. The general manager GM of the hotel is the executive with overall operational responsibility for this company, even if it takes more than one person to operate a hotel properly. The general manager is the key implementer of the business strategy for the property and the behavioral role model for the entire management team. Thus, it may be claimed that the general manager GM is the key managerial figure in the hotel industry. The complexity of the general manager's work reflects the needs and difficulties of operating hotels. This essay examines how the setting in which general managers of large hotels operate impacts the nature of their employment. It is based on one of the authors' studies Nebel, 1991 on the management effectiveness of hotel general managers.

One of the goals of the study was to provide a conceptual framework for the GM's position by better understanding the nature of the position. According to Dann 1990, There is now a need to develop a conceptual framework for the better understanding of the actual nature of managerial work in the hospitality industry.

Ten very successful general managers of some of the best hotels in America volunteered to take part in the research. Each of the GMs under study had an average of 10 years of experience in the position and was a seasoned, well regarded hotel executive. Studying hotels with the widest variety of operational and managerial complexity was one research focus.

As a result, the biggest participating hotel had approximately 2,000 rooms, while the smallest was a well-known luxury establishment with roughly 400 rooms. The author stayed at each hotel as a guest, watched each general manager for three days as he went about his typical job, and chronicled every action. The study process was quite similar to that used by Kotter 1982. It used a variety of methods, including participant observation of general managers at work, in-depth personal interviews with the GMs and 53 of their key division heads, background surveys, and analysis of organizational and operational data from each hotel, in addition to 53 key division head interviews [4], [5].

Each GM's personal interview lasted four to six hours over the course of many days, while each of their division chiefs' interviews took around an hour. Additionally, at least 100

additional executives and workers from the ten hotels participated in informal interviews. Over 700 pages of field notes from the author's sabbatical leave-related field study, which included intensive qualitative data analysis, were produced. A view of the hotel general manager's job has emerged from this analysis and a thorough review of the literature on managerial work in hotels Guerrier, Figure 1 presents a model of the influences that shape the job.

The model incorporates concepts from research. The influence of relationship and work pressures on executive behavior. Management tasks are performed in 10 distinct job positions.

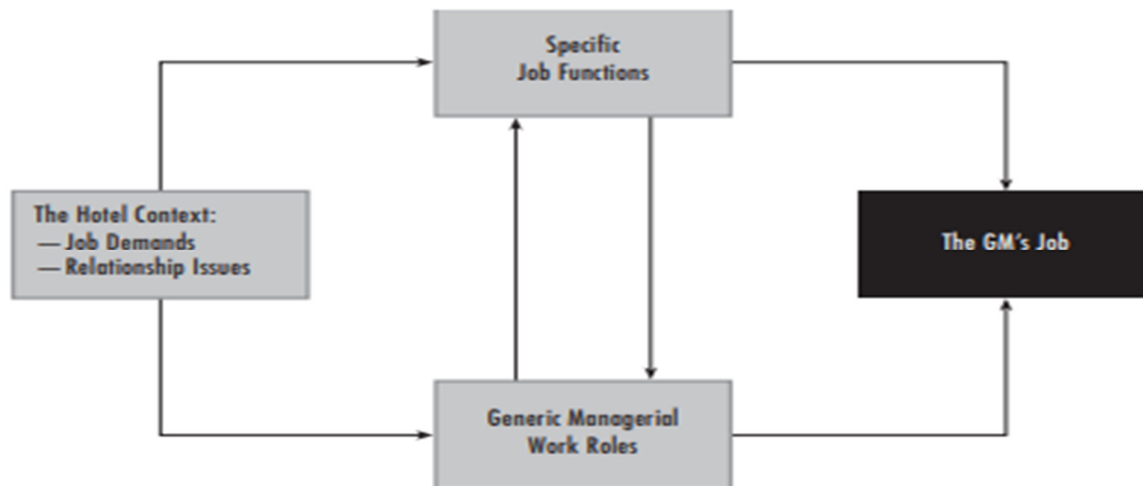


Figure 1: Influences that Shape the General Manager's Job [Semnatic Scholar].

Job demands and interpersonal concerns are the two primary contextual factors that influence both the individual job tasks and the general management work duties for the GM. These give birth to particular job tasks depending on whether they pertain to the short run, the intermediate run, or the long run time period.

They also provide broad suggestions for the numerous management tasks that general managers are expected to carry out. The GM's job is truly defined by the interplay between these particular GM job tasks and the general management work roles. We will now talk about each of the components shown in Figure 2.

According to whether they are relevant to a hotel's short-run, intermediate-run, or long-run time frame, The immediate expectations placed on hotel general managers center on the daily, continuous operational challenges of delivering excellent guest service, managing expenses, and boosting profits.

Hotel general managers are directly responsible for their properties. thus, they face enormous pressure to provide short-term results, much as operational managers in charge of profit centers anyplace. As a result, they must invest a significant amount of time and energy into exercising effective operational control. The fact that many of their day-to-day business concerns have very short lead periods is an important functional property of hotels.

Time Frame	Key Job Demands	Key Relationship Issues
Short Run	Day-to-day operational control of service, costs, and revenues. Intense pressure to earn profits and render high-quality service.	Intense and frequent downward, internal verbal communication and interaction with hotel subordinates.
Intermediate Run	Train and develop subordinates. Fine-tune hotel's service strategy to changing external environment. Develop and refine the organization structure.	Downward internal communication. Lateral communication with the external environment. Upward communication with corporate superiors and staff specialists or owners.
Long Run	Capital expenditure decisions in line with hotel's strategic service vision. Develop and sustain organizational stability and vitality.	Downward internal communication to further stability and vitality. Lateral communication with the external environment. Intense upward communication with corporate office or owners.

Figure 2: Key Job Demands and Relationship Issues of Hotel GMs [Research Gate. Net].

In addition, major hotels are operationally and organizationally complex enterprises where a wide variety of extremely diversified activities occur simultaneously and continuously. The single most difficult and demanding component of the GM's job is without a doubt keeping up with this complex short lead-time company. GMs must communicate regularly with subordinates and engage in strong verbal communication to be able to do so efficiently and pro-actively while maintaining the power to affect events. A hotel general manager might be considered to be carrying out the duties of an operational controller. The high workload of short-run operational needs cannot, however, consume all of the GMs' attention. They must also focus on long- and intermediate-run demands and challenges.

The middle distance Effective general managers must teach and develop their staff members in addition to being involved in day-to-day operational matters. They must also create strategies and programs that systematically demonstrate their operational control over the hotel. GMs must continuously adjust and fine-tune the hotel's service strategy and organizational structure to stay on top of changes in the external environment. These initiatives, which take time to implement and make up the majority of intermediate-run needs that a hotel general manager must deal with, are a proactive reaction to the operational demands of the company. Putting in place an organizational structure, processes, and team that can respond quickly and effectively to external stimuli while also assisting the hotel in meeting its rigorous daily operational obligations are therefore necessary to achieve these intermediate-run needs. Thus, in order to maintain a smoothly running company, the GM is effectively adjusting the hotel's service plan as well as refining and realigning its operational systems. All of these initiatives need strong, downward internal communication and high levels of subordinate engagement [6]–[8]. The GM must also create lines of communication and cultivate connections beyond the confines of the hotel due to the intermediate-run work requirements. These connections include the GM's corporate superiors and staff specialists, whose cooperation is necessary for the successful implementation of the planned specific plans and programs for the hotel, as well as a wide network of contacts in the hospitality

industry and the community that can help the GM better understand the hotel's external environment. The role of a hotel general manager might be referred to as that of an organizational developer in order to carry out these duties. The two significant long-term requirements of a general manager's position have to do with the hotel's financial requirements and organizational stability.

Making choices on capital expenditures is necessary to ensure the hotel's long-term survival, thus they must be in line with the hotel's strategic service strategy. The requirement to build an organizational level of stability and vitality that is in line with the hotel's meticulously planned and well stated strategic service strategy is another important long-term demand on GMs. Communications upstream with corporate executives or owners and lateral with a variety of industry and community connections as sources for knowledge about the hotel's competitive operating environment are the major relationship concerns for long-term capital expenditure choices.

Organizational stability growth relies on continual training and development programs for human resources and on sequential career progression. Numerous human resource initiatives that support short-term objectives eventually contribute to long-term organizational stability and vibrancy. A hotel can successfully manage daily operations and continuously provide high-quality service thanks to organizational stability. The hotel has the maturity and experience needed to reevaluate its fundamental marketing and service strategies in the event that market or environmental circumstances change thanks to organizational stability and vitality. Finally, stability enables the hotel to make any necessary transitions with the least possible disruption to ongoing business operations. The constant observation of the external world and intense downward communication inside the hotel are key relationship concerns related to organizational stability. The GM's role might be characterized as that of a business maintainer in light of these duties.

This section is structured on Mintzberg's 1973 research, which offered 10 general job descriptions for managers. These 10 job functions were divided by Mintzberg into three major groups: interpersonal, informational, and decisional. Figurehead, leader, and liaison were examples of interpersonal work responsibilities. Monitor, disseminator, and spokeswoman were examples of informational work roles. Decision-making positions included disturbance handler, business owner, resource allocator, and negotiator. Figure 3 provides a quick summary of these standardized management job descriptions. The studies of hotel general managers by Arnaldo 1981 and Ley 1978, as well as restaurant managers by Ferguson and Berger 1984, reflect the impact of Mintzberg's work. The preceding section described how GMs' work duties were impacted by demands of their jobs and interpersonal problems. We then suggested the three particular GM job tasks of operational controller, organizational developer, and business maintainer as a result of that conversation. In order to succeed in each of these three job tasks, general managers must take on a variety of management responsibilities. The numerous management work positions and the particular job tasks may be combined to provide a better picture of the GM's role.

Table displays these connections. The interpersonal roles of leader and liaison, the informational roles of monitor and disseminator, and the decisional roles of disturbance handler, entrepreneur, and resource allocator were found to be of particular significance. The GMs studied were effective in performing each of Mintzberg's ten managerial work roles. As GMs executed their numerous job duties, these roles were often played. We'll now go through the management tasks that general managers often carry out while carrying out their three main responsibilities. The general manager's position as operational controller is defined by a high level of involvement in the hotel's day-to-day operations. Because a hotel's

operations are so varied and numerous, general managers GMs are required to continuously monitor and provide precise information about daily operating issues. GMs contact with subordinates often during the course of the working day to remain on top of the myriad operational issues that arise.

Time Horizon	GM Job Function	GM Managerial Roles
Short Run	Operational Controller	<ul style="list-style-type: none"> • Monitor and Disseminator (of internal information) • Disturbance Handler • Resource Allocator (of own time) • Leader
Intermediate Run	Organizational Developer	<ul style="list-style-type: none"> • Liaison • Monitor and Disseminator (of both external and internal information) • Entrepreneur • Resource Allocator (of own time, programs, and funds) • Leader
Long Run	Business Maintainer	<ul style="list-style-type: none"> • Liaison • Monitor and Disseminator (of external and internal information) • Resource Allocator (of programs and funds) • Entrepreneur • Leader

Figure 3: Combining Managerial Work Roles and Job Functions in Defining the GM's Job [Research Gate. Net].

Additionally, GMs must be prepared to deal with disruptions that are not covered by standard operating procedures for a hotel or that employees believe to be beyond the purview of their training or expertise. GMs must have fast access to trustworthy internal information and be able to swiftly process and disseminate this knowledge downward in the organization in order to perform this management task of disturbance handler efficiently. While acting in the capacity of an operational controller, the GM's task as a resource allocator mostly entails allocating his or her own time to the multiple short-term needs of the position. GMs may, of course, commit a percentage of their hotel's financial and human resources to assist in resolving short-term operational issues, but how they use their own limited time is of utmost significance when discussing these issues. GMs take on the role of the leader while dealing with subordinates. Subordinates examine and interpret every action taken by a general manager GM, which means that every encounter a GM has with them gives them a chance to show leadership Hales and Nightingale, 1986.

Outstanding GMs are aware that they are always in the spotlight during the workday because of this. By selecting the operational challenges to focus on, GMs also demonstrate leadership. By choosing which operational problems to prioritize, GMs convey a clear message about what they believe to be essential to the organization's lower levels, where subordinates naturally search for cues about what GMs find vital. The management responsibilities of general managers GMs as organizational developers go beyond the immediate walls of the hotel. GMs are responsible for monitoring information about the neighborhood and the surrounding market, which necessitates that they act as a bridge between the hotel and the outside world. Additionally, the data that general managers collect from the outside world has to be evaluated and communicated to staff members within the hotel. To perform the job function of an entrepreneur, the importance of which has been emphasized by Ley 1978, GMs must digest information that has been acquired both internally and outside. As business

owners, general managers develop particular strategies and initiatives aimed at enhancing the hotel's operational effectiveness and service philosophy. Any new program or strategy adds more time commitments for the GM and subordinates. The allocation of new plans and initiatives often involves both human and financial resources.

GMs take on the decision-making function of resource allocator in the process of creating and executing these particular strategies and programs for the hotel. Finally, GMs continue in their leadership roles by selecting certain plans and programs to execute and by maintaining relationships with subordinates as an essential component of their work. As managers, GMs have the difficult task of ensuring that staff members completely support the goals and initiatives put out for the hotel and are dedicated to contributing to their successful execution. As a result, GMs must carefully observe their duties as information monitors and disseminators. The GM's ultimate job responsibility as a business maintainer is to monitor the hotel's organizational stability, long-term capital needs, and vitality. The GM's work roles as a liaison, monitor, and disseminator of external and internal information upward to corporate executives or owners are crucial, as is the work role of allocator of limited financial resources, when seeking funding and formulating a strategy for organizational stability and vitality.

Most often, the resource allocator function necessitates the thorough presentation of official budget plans with meticulous financial rationale. This is particularly true if the GM is suggesting a significant change in the hotel's service approach. The GM performs the job of disseminating important information downhill to subordinates while also serving as the principal maintainer of organizational stability. With regard to significant human resource development strategies and initiatives, the GM must take the initiative and, as with other endeavors, continue to serve as a leader in the continuous function of fostering and developing management talent. While GMs carry out three tasks with distinct time frames, it is not always the case that these tasks be carried out independently of one another. In other words, it is very conceivable for GMs to carry out two or even all three of their duties simultaneously [9], [10].

Table makes it evident that many of the Mintzberg's management work positions are shared by many different job functions. In actuality, all three of the job functions share the tasks of monitor, disseminator, resource allocator, and leader, while two of the job functions share the roles of liaison and entrepreneur. As a result, GMs tend to engage in short-term operational problems within the framework of longer-term considerations. For instance, a general manager GM may monitor and assess the efficacy of a front-desk clerk training program while reacting to a short-term operational issue of sluggish visitor check-ins serving as operational controller and organizational development. The GM may also be creating a long-term strategy to buy a sophisticated front-office computer system, serving as the manager of the business. Later in the book, we will discuss how successful GMs really manage to strike this difficult balance. By looking at the contextual factors that influence and help form it, the role of a hotel general manager may be understood better. The environment of a hotel offers general managers with a variety of obligations and interpersonal challenges that they must successfully navigate. As can be seen, these relationship expectations and employment requirements vary based on the time range under consideration. These factors give birth to certain job duties that general managers GMs do in a number of work positions.

The GM position was characterized as an operational controller in the near term. In this situation, general managers are engaged in the daily internal operational management of their company, necessitating extensive and regular verbal communication downward inside the hotel. They must be skilled at the administrative tasks of keeping track of and communicating

a broad range of internal information, managing irregular disruptions, and devoting their limited time to crucial operational problems. The GM job function was referred to in the intermediate run as organizational developer. The difficulties GMs confront in this situation include training subordinates, creating particular plans and programs to enhance their operational control over the hotel, and adjusting the hotel's service strategy in light of external environmental factors. These difficulties need strong lateral connection with the hotel sector as well as local community sources in addition to internal downward communication. This aids GM in keeping up with current market and environmental developments. For the effective execution of operational plans and initiatives, the GM also maintains upward communication with corporate superiors and staff specialists.

Here, GMs serve as a link between the hotel and the outside world since their job duties demand that they track and share both external and internal information. In the same way as entrepreneurs do, they could also start strategies and initiatives aimed at enhancing the hotel's organizational and operational effectiveness. They must devote their own time, as well as the hotel's financial and personnel resources, to these strategies and initiatives. In the long term, it was said that the GM's role was one of a business maintainer. Here, general managers GMs are responsible for ensuring the hotel's long-term viability via choices on capital investments that are compatible with the hotel's strategic service vision and by creating an organizational stability that enables the hotel to execute its strategic plan. The relationship concerns of this job function are highlighted in stressful upward communication to corporate superiors, staff specialists, and owners as well as in lateral communication with a broad range of industry and community connections. GMs are needed to act as a liaison between the hotel and its owners, corporate offices, and sources in the business and community.

This entails keeping an eye on the broadest range of information both internal and external and dispersing it laterally, downwardly, and upwardly. Additionally, while ensuring the organizational stability of the company, GMs combine the tasks of resource allocator and entrepreneur. GMs must be leaders in order to perform all three job duties. They exercise this professional function in all interactions with subordinates. Finally, it should be noted that various job duties often and not always overlap. Due to their inherent characteristics, today's big hotels provide general managers GMs with a number of obstacles that call for close consideration of short-run, intermediate-run, and long-run time frame concerns. GMs must thus be able to perform three distinct and separate job duties well. If they are to be successful over the long run as effective GMs, they must be effective as operational controllers, organizational developers, and business maintainers.

A wide range of management work tasks must be performed by GMs in order to be successful in all three job functions. GMs do all ten of Mintzberg's management job functions, but in order to be effective operational controllers, organizational developers, and business maintainers, they must excel at seven of them in particular. To perform the jobs of leader, liaison, monitor, disseminator, disturbance handler, entrepreneur, and resource allocator, they must acquire a broad range of abilities. How crucial communications are in the hotel This study makes it clear what GM's role is. Every job responsibility and management position have a communication need. GMs need to be skilled at obtaining, interpreting, and disseminating both internal and external information. They also need to be able to communicate successfully both laterally and upward. GMs cannot potentially perform any of their three job tasks well if they lack effective communication skills Worsfold, 1989. Major hotels nowadays are multifaceted businesses involved in a broad range of operations. The complexity of the GM's position reflects the difficulties of managing these enterprises. Hotel general managers GMs need to be aware of the major obligations placed on them and the

interpersonal challenges that arise. They are required to complete three distinct work duties by three different deadlines. Depending on the job function they are executing, individuals must master a variety of managerial work responsibilities in order to accomplish this. Finally, in order to successfully handle the diversity of challenges they encounter, hotel general managers must develop their communication skills.

DISCUSSION

The success, effectiveness, and overall guest experience of a hotel are greatly influenced by the general manager GM of that establishment. This conversation dives into the viewpoints and revelations that clarify the voluminous obligations and difficulties experienced by hotel general managers. The comments from different hospitality industry experts give insightful looks into the nuances of this position and a thorough grasp of the skills needed to succeed as a GM. General managers of hotels have a special place in the hierarchy of the industry. They are not only in charge of running the hotel on a daily basis, but they also significantly influence its strategic orientation. The opinions shared by seasoned experts throughout this conversation indicate how this job is changing from standard management responsibilities to more strategic and leadership-oriented duties.

One of the most important things to remember from this talk is the broad range of abilities and knowledge needed to be a great GM. They must perfect the skill of balancing customer happiness with operational effectiveness.

The variety and adaptability needed of general managers GMs in meeting the particular demands of their specific properties and marketplaces are shown through perspectives from various geographies and hotel kinds. The necessity of leadership and people management abilities is emphasized throughout the conversation. In addition to serving as administrators, general managers of hotels also serve as role models for the rest of the staff. The GMs' observations shed light on the value of mentoring, mentorship, and good communication in the hotel environment.

CONCLUSION

In conclusion, the study of hotel general managers' viewpoints and ideas offers a thorough examination of the complexities of this significant position within the hospitality business. The contributions from seasoned experts give priceless insights into the shifting world of hotel management, providing advice for those hoping to succeed in this exciting and gratifying role on everything from strategic leadership to operational excellence. The topic of difficulties GMs experience in their jobs is also covered in the conversation. While acknowledging the pressure and expectations of the work, the contributions also highlight how these difficulties might be lessened by using strategic techniques, encouraging teams, and personal growth. The discussion's ideas help to close the gap between theory and practice. Real-world examples and stories support theoretical frameworks about the role of GMs. This synthesis is a useful tool for educators, industry executives, and aspiring hospitality professionals who want to learn about and be ready for the potential and difficulties of the GM position.

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CHAPTER 12

A FRAMEWORK OF FUNCTIONAL COMPETENCIES: HOTEL GENERAL MANAGERS AND OTHER POSITIONS

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ABSTRACT:

The need for successful leadership and other essential skills is more critical as the hospitality sector is constantly changing. This essay offers a futuristic solution to this problem by creating a dedicated functional-competency framework specifically for hotel general managers and beyond. The framework, which was created to include a wide range of competencies necessary for future industry leaders, can be used by organizations to create their own leadership models, to help staff members understand the abilities required for career advancement, to help hospitality schools improve their curricula, and to give aspiring professionals the power to map out their career trajectories. This debate digs deep into the complexities of competence models, illuminating the key characteristics regarded as critical for promoting leadership and competency. Additionally, the possible uses of this extensive industry-wide model are examined, emphasizing how they might improve the hospitality industry's hiring, training, performance assessment, coaching, incentive programs, and career advancement. The essay promotes a creative and proactive approach to building leadership skills and provides insights that close the knowledge gap between current industrial expectations and the potential of future leaders.

KEYWORDS:

Career Advancement, Hospitality Industry, Hotel General Managers, Industry-Wide Model, Leadership Enhancement, Leadership Skills, Professional Growth.

INTRODUCTION

Companies that want to stay competitive must be able to recognize the competencies and abilities needed by tomorrow's industry leaders. Finding leadership qualities is a top concern for several businesses, like Marriott International and Choice. Senior managers may plan management succession, career routes, and development of future leaders with the aid of identifying appropriate capabilities. In this article, we provide an industry-specific, future-based leadership competence model. This model was developed with the intention of giving the hospitality industry a functional-competency framework that can be used by organizations to create their own models for leadership development, by employees to comprehend the competencies required for advancement, by hospitality schools to develop curricula, and by students to create career paths. Prior to describing our investigation, we first discuss the nature and use of competence models. We look at the crucial traits that we discovered to be crucial and some that, surprise, are not as crucial [1]–[3].

Finally, we analyze the potential applications for the industry-wide model we have created. According to Lucia and Lepsinger 1999, a competence model is a descriptive tool that describes the knowledge, skills, abilities, and behavior required to function successfully in an organization. Competency modeling has existed since the 1970s, beginning with the initial

models produced by David McClelland, and is intended to assist an organization in achieving its strategic goals via the development of human resources competence. Late 1980s saw a rise in the adoption of such models, which are still in use today. Because personality qualities are sometimes difficult to assess accurately, competency models place more emphasis on conduct than on personality traits. ACA's Competencies Research Team. For a competence model to be successful as a human resources tool, it must not only specify the skills required for effective performance but also provide guidance on how to recognize when a specific competency is being displayed. This calls for the expression of desired attributes in behavioral terms. Since behavior is the visible manifestation of personality traits and characteristics, most competence models portray traits and characteristics in behavioral terms. When competencies separate superior workers from subpar performance, they are considered crucial for inclusion in a model. Competency models may include an entire family of professions and are less precise than the job analyses that are generally conducted for single roles. For each of the top four levels of the organization: senior vice president, vice president, senior director, and director. Choice Hotels International, for instance, created competence models. As a result, the business discovered that the skills required for a senior vice president to succeed were identical to those required for the other three roles.

A uniform language for describing skills and performance is provided by competency models. The creation of a competence model may aid in offering direction for a variety of various HR procedures and guarantee consistency in those processes. Competency models in particular may be used as a base to create standards for a wide range of HR systems. McLagan, Lucia and Lepsinger. Eight HR-related actions, for instance, are described below that may be improved or directed by the implementation of a strong competence model. Selection and recruitment. Competency models may assist in defining what is necessary to function successfully at work by expanding beyond skills to performance characteristics like collaboration. With this knowledge, businesses may concentrate their recruiting efforts on attracting the biggest number of candidates with the ideal combination of skills for the open position. The core competencies and, therefore, the whole set of required skills and abilities can be targeted by the content of suitable selection instruments, such as structured interviews and role plays. Competency models are helpful in enhancing selection tools, but they also provide applicants a clear, realistic image of what is expected of them.

Instruction and advancement. In order to create a long-term strategic plan for leadership training and development, it may be quite helpful to evaluate the gaps between the abilities of current employees and those highlighted by a competence model. It is simpler to guarantee that the design and delivery of training are in alignment with the organization's objectives when the skills required to perform well are identified. Individual leadership gaps may be identified and a training plan developed to fill up inadequacies when a competence model is utilized as the basis for training goals. Evaluations of performance. A competence model that offers a clear understanding of what is significant and what will be tracked and assessed helps improve performance management systems. Competency models provide managers a tactical tool for comprehensive and meaningful assessment by assisting managers in focusing performance-appraisal talks on important behavioral factors.

Guidance, mentoring, and coaching. 360-degree feedback, in which a manager gets performance information from all relevant sources including supervisor, subordinates, self, peers, and customers, if appropriate, often uses competency models as the foundation. The data thusly acquired may be used by coaches and advisors to help the employee create a development plan and enhance important skills. Coaches and mentors may reinforce desirable behavior and link performance-management systems to essential capabilities thanks to the

clarity and precision of competence models. Incentive programs. Employee salary makes up a significant portion of a hospitality organization's operating costs. Reward systems must be fair and connected to desired behavior in order to draw in, retain, and motivate people. For identifying the conduct that will be rewarded, competency models may be quite helpful.

Advancement of a career. A competence model acts as a road map for workers who want to advance in their careers. Employees are made aware of the behavior and abilities required to progress and succeed via competency models, enabling them to make the necessary preparations. **Planning for succession.** By outlining the requirements for the position and offering a way to gauge a specific candidate's preparedness, competency models may be used to find potential successors for essential occupations. It is difficult for a company to assess its bench strength that is, to determine whether the business has individuals with such talents and, if so, who they are without a clear grasp of the competences required by future leaders. By developing competency models that are based on both the competences required for present operations and the abilities that may be required for future leaders, organizations may prepare for an unpredictable future. An integrated framework for creating a company's human resources system may be built using a competence model, to start. Such a methodology, when used consistently, ought to result in enhanced and reliable performance standards. More importantly, the model may serve as a crucial reference point during times of instability and transition. Additionally, basing HR choices on adequately constructed competence models lessens the likelihood of legal challenges to those choices [4], [5].

The ability of a corporation to communicate with its workers about the behaviors associated with success is improved by well-developed competence models, which increases the organization's capacity to meet its business goals. We set out to create a leadership competency model for the hospitality sector with point number eight in mind. Given the lack of an industry-focused model that functions across numerous firms, we see this project as being crucial. Our search turned up no models for hospital leadership that are currently in use. An industry-wide model is significant because it may enlighten both students and workers about what senior-level managers expect from future leaders. Additionally, an industry-wide model aids senior managers in hotel companies in designing and implementing their recruiting, selection, and development processes by providing a thorough picture of the important skills required by the whole sector. thinking about the future. Our competitive strategy was centered on management practices that business leaders believed will be necessary in 10 years.

Building competence models often involves asking leaders to concentrate on the future, albeit the final model may not identify all essential abilities given that one cannot predict the future. We used the linkage systems method, which involves asking participants to predict future important behaviors. The key drawback of asking current leaders to predict future trends is that they might not be able or willing to define the future differently from the present. However, many smart executives are able to see and make plans for a future that is not just a continuation of the present, spotlighting behavior that they view as becoming more crucial. We built a provisional behavioral-competency model that captured the most crucial aspects of leaders' behavior across a variety of industries using a number of different competency studies as a starting point.

<i>Factor</i>	Self-Management			
	Ethics and Integrity	Time Management	Self-Development	Flexibility and Adaptability
<i>Characteristics</i>	<ul style="list-style-type: none"> • Acts in an ethical manner. • Treats people fairly. • Treats people with respect. • Displays consistency between words and actions. • Considers ethical implications prior to taking action. • Protects confidential information. 	<ul style="list-style-type: none"> • Effectively handles multiple demands and competing priorities. • Manages time to ensure productivity. • Spends time on the most important issues, not just the most urgent ones. 	<ul style="list-style-type: none"> • Deals constructively with own failures and setbacks. • Seeks feedback from others. • Adjusts behavior in response to feedback and experience. • Pursues continual learning and self-development. • Demonstrates awareness of own strengths and weaknesses. 	<ul style="list-style-type: none"> • Adapts to changing circumstances. • Works constructively under stress and pressure. • Works effectively in ambiguous situations. • Views problems as opportunities and mistakes as progress.

Figure 1: Representing the Self-Management Dimensions of a Competency Factor [Research Gate. Net].

By refining the components of this early model in response to comments from hotel managers, we were able to construct the competitive model using the customized generic model technique. We surveyed participants in Cornell University's senior executive education programs from all around the world to get their feedback on the program. In our pilot survey, participants had the option of adding additional competencies they believed to be becoming more relevant and removing those they considered were unsuitable. We changed the competence model to incorporate behavior unique to the hotel industry in response to input from the pilot research. In this way, we came up with a final competence model that included 99 particular behavioral competencies, 28 dimensions, and 8 overarching variables (Figure 1). The dimensions and determinants came from comments from hotel managers as well as research on competence models. Communication, critical thinking, implementation, understanding of the industry, interpersonal skills, leadership, self-management, and strategic positioning are the eight guiding principles. These variables each had up to six dimensions that each recorded a different feature of the factor.

For instance, leadership consists of the following six dimensions: generating motivation, developing others, embracing change, fortitude, leadership adaptability, and a focus on collaboration. Table which displays the behavioral items and dimensions for the self-management component, provides another example.

We compiled a list of the 99 hospitality abilities Respondents were asked to rate the significance of each of the 99 competencies or skills for a senior-level manager ten years from now using a five-point Likert-type scale ranging from 1 not at all important to 5 extremely important.

A total of 137 industry leaders responded either online or via return fax, yielding a response rate of 18.6%. The participants held positions in multinational firms and hotel networks, ranging from director to CEO or chair. Executive-level personnel sometimes have low response rates, although our sample's response rate was average for this cohort. The

overarching component that received the greatest ratings from our respondents was competence in self-management, which was followed by understanding of strategic positioning, execution ability, and critical thinking. The self-management feature received a mean relevance value of 4.32 out of 5.

This element is made up of four behavioral dimensions: self-development, time management, flexibility and adaptation, and ethics and integrity. When we looked at the behavioral aspects under each competence category, we discovered that the responding senior leaders placed the highest value on behaving morally or with integrity. This behavioral component of self-management was scored significantly higher than the other three dimensions, according to post-hoc Scheffe tests from a variance analysis. Six particular behavioral skills are included in the ethics-integrity dimension, including Treats people with respect, Displays consistency between words and actions, and Considers ethical implications prior to taking action. Prior competence models created by managers outside the hospitality sector agree that ethical conduct is of the utmost importance. The other specific competencies that fall under the self-management factor are Works constructively under stress and pressure, Seeks feedback from others, and Spends time on the most important issues, not just the most urgent. Overall, self-management skills compass actions related to the following: The overriding aspect deemed to be second in significance for future leaders was competency in strategic positioning. This component is made up of the following four dimensions:

- a. Customer needs awareness.
- b. Dedication to quality.
- c. Stakeholder management.
- d. Community care.

This component effectively depicts the service orientation of the hospitality industry. Examples of activities that come under these dimensions are Influences and shapes owners' and stakeholders' decisions, Promotes quality initiatives, and Considers customer needs when making decisions. Future hotel industry leaders, according to the senior managers we polled, should be attentive in their dedication to both quality and the requirements of several diverse stakeholders, including owners, Wall Street, staff, and guests. Additionally judged extremely important by top managers were implementation, critical thinking, and communication abilities. Future leaders will need to have a strategic mindset and decision-making process that enables them to both plan and remodel their enterprises. Additionally, managers who want to advance to senior leadership roles will need to possess the abilities of persuasive communication, active listening, and empowering others.

Although important, industry expertise, leadership, and interpersonal skills received lower rankings from our respondents than the other characteristics. The comparatively low score for industry knowledge appears to indicate that the significance of sector-specific information for leaders is waning with time. One explanation for this is that, unlike the capacity for flexibility in a changing business environment, which may be difficult to learn and is often ingrained in an individual's personality and skill set, industry knowledge can be learned by a skilled leader. Additionally, interpersonal and leadership abilities received lower scores than other variables. We found it especially fascinating that some of the least important abilities for the future were considered to be the dimensions of developing others, accepting diversity and change, and leadership adaptability. Community concern was a particularly undervalued strategic positioning factor. This dimension was ranked much lower than the other three strategic-positioning dimensions, according to Scheffe post-hoc testing. Despite the fact that this component is often not taken into account in competency-modeling research, we erroneously believed that hospitality executives may find it to be crucial given their

substantial links to local community events and activities. Contrary to what we expected, the results showed that these three were among the lowest-rated of all 99 items on the survey. This dimension consisted of three items: Commits organizational resources for community events, Considers the impact of decisions on community well-being, and Builds partner ships and alliances with community organizations. A concern for and interaction with the community in which the firm works do not seem to be a key ability required for future hospitality executives when compared to other activities. On the other side, ethics, customer awareness, time management, speaking with impact, commitment to quality, and team orientation seem to be the qualities that will likely make up the key characteristics of future leaders. Competency models, in our opinion, may be crucial in creating a successful human resources system. By assisting university faculties in developing curriculum that address the demands of the business in the future, they may also aid in educating future generations of leaders [6]–[8].

In an attempt to better educate students for a particular sector, an increasing number of university programs are putting a strong emphasis on competence development. For instance, Cornell University's Master of Management in Hospitality MMH program evaluates incoming students on three basic competences that are considered essential for graduation. These talents include leadership, collaboration, and group processes, as well as written and verbal communication. As they begin the MMH program, students are assessed in an assessment center, and they get feedback at the conclusion of the assessment center as well as after each succeeding semester. The students must develop strategies to strengthen their abilities if they have any shortcomings in any of the three criteria. Special modules that faculty members give to improve important skill sets boost students' competency development further. These modules include both lecture and experiential components. Students may choose jobs and career paths that will provide them plenty of opportunities to build necessary skills by using industry-specific competence models. The model described here offers a thorough framework to teach future managers what will be required of or expected of them to run future hotel businesses. An effective competence model acts as a road map and a blueprint for success.

Employees in the hospitality industry may find this model valuable as a general self-development tool. A competence model may be utilized by an individual to construct and plan their own career choices in the absence of an institutional program to assist in the development of a prospective manager. Finally, individual hotel businesses may create their own unique models using this industry-wide paradigm. An organization may utilize the model in a number of ways after it has been customized to meet its unique requirements. For instance, Choice Hotels International currently conducts a leadership readiness evaluation on managers using its competence database. The foundation for the company's selection, promotion, and succession planning are the skills in Choice's model. Current top managers at Marriott may strengthen their leadership skills by using the Bench strength Management System, a system-wide program for leadership development. Marriott's top managers are in charge of identifying potential leaders and making sure that those people acquire the skills and competences necessary to move the firm ahead using the tools and measurements provided by this system.

In order to help senior managers fill key roles that are stretch assignments for high-potential managers, targeted development plans are developed. The Bench strength Management System gives Marriott a standardized method for assessing its leadership potential and guarantees that the business concentrates on core competencies that are essential to future success. When I think about the work I perform as a manager in the hospitality sector, it is

obvious that there are certain duties I must do and then there is everything else. There are always a ton of tasks that we're accountable for doing and that are crucial to our company throughout our careers. These procedures are often required by operational requirements, fiduciary obligations, or governmental regulations. Almost all of these duties are often handled in a rigid way that demands little to no innovation. It's unlikely that one's capacity for carrying out these tasks properly will determine their level of professional achievement. A 3 Musketeers bar's swirling, chocolatey outside is similar to that of any other candy bar. It is the fluffy inside that sets it apart. Although we are unsure of what it is specifically, it is nice and sets it apart from the competition. The other thing is that. I mostly concentrate on it and continually want to become better at it. There are many people who are brighter than me who have published books on this issue, so I surely do not claim to have any answers.

That other thing is leadership. What I can impart to you is what my career's ups and downs have taught me. Instead of maintenance, it is termed leadership. To lead is to be a leader. Instead of reacting, it is being proactive. It involves anticipating difficulties rather than trying to catch up to them. It involves really enjoying and being enthusiastic about your profession. It's about striving to be the best and having the desire to be. I make an effort to be aware of the difficulties that each of the operations is experiencing as I go throughout the resort and speak with our staff and visitors.

What do they take pride in and deserve praise for? What obstacles are keeping them from advancing further? What may be coming our way that we don't yet know about? What matters most to our visitors? What can we do for our visitors and staff to outperform the competition? How can we support the developmental needs of our staff? People individuals with unique histories, differing viewpoints, and diverse needs are woven throughout all of these issues and should always be taken into consideration while coming up with answers.

As a leader, I must be able to identify these distinctions and react to each one correctly. Just as crucial as leadership is effective listening. Without understanding the questions, how can one respond? In a field that operates around-the-clock like ours, these interactions and inquiries never end. When I was a shift manager early in my career, there was a distinct line separating work time from free time.

The hotel and I parted ways after my ten-hour duty until I returned for my subsequent shift. This divide becomes less distinct in more senior leadership positions. Particularly in the BlackBerry era, that line might completely vanish. This is where I make my case for balance. That is also a crucial leadership trait. There is no doubt that a brilliant leader can still maintain balance. This is significant for both the leader and those under their direction since followers often feel motivated to emulate the leader. Throughout one's career, this should continue to be a top focus.

I've discovered that a lot of the challenges I experience on a daily basis can be attributed to a single factor: respect. I must respect the fact that I work for a publicly traded firm and make sure that business expansion and success are always at the forefront of my choices and deeds. I have to appreciate my direct reports' talents. I have a responsibility to encourage, influence, and help people achieve their objectives. I can't control them all the time. I must also make an effort to recognize and applaud their accomplishments. I have to respect that people like feeling content, thus I must endeavor to provide them the resources and environment necessary for success. I have to accept the fact that our visitors have options when picking a hotel. They have chosen to put their time, money, and experience away from home in our hands. We owe it to them to provide them an experience that will make a favorable impression on them for the rest of their lives and encourage them to come back often.

Knowing that everyone wants to be treated fairly and with respect, I must take the initiative. When asked why they left their job, workers often cited a lack of respect or worth as the reason.

DISCUSSION

The hospitality sector is renowned for being fast-paced and dynamic, which calls for skillful leadership and capabilities to assure success and development. Organizations in the sector are continuously looking for efficient methods to recognize, foster, and develop the leadership skills and competences of their staff members. Hotel general managers GMs have a particularly important role, with duties that go beyond day-to-day administration to include strategic decision-making, team management, and guest satisfaction. The difficulty, therefore, comes in developing a complete framework that extends its advantages to other levels and sectors within the hospitality industry in addition to taking into account the demands of general managers. Due to its capacity to meet the complex needs of the sector, the idea of promoting competence and leadership within the hotel industry has drawn attention. The functional-competency framework for hotel general managers under discussion offers a creative means of satisfying these requirements. The paradigm also fits with how the hospitality sector is changing, which calls for leadership positions to be flexible and agile. Leaders need to have the skills to successfully manage these changes as technology, customer preferences, and market trends all continue to evolve. The functional-competency framework is intended to include both conventional leadership qualities and those that are more important in the quickly changing environment of today, including as innovation, cross-functional cooperation, and digital literacy.

The framework is created to provide a systematic model outlining the fundamental abilities, information, attitudes, and character attributes necessary for effective leadership within the sector. The framework acts as a roadmap for the development of leaders by defining these fundamental abilities. This enables businesses to construct specific leadership development programs, training modules, and performance assessment systems. This functional-competency framework's adaptability is one of its main benefits. Although it mainly focuses on the particular function of hotel general managers, it is nonetheless relevant in other contexts. The framework is applicable to people in a range of positions and levels within the hospitality industry, including department heads and executives as well as those working in adjacent fields. This universality guarantees that the focused capabilities are not restricted to one sector but can be incorporated into many circumstances, helping to improve leadership abilities as a whole [9], [10].

CONCLUSION

In conclusion, developing leadership and competence in the hospitality sector is a complex task that requires a methodical strategy. This discussion's functional-competency framework for hotel general managers provides a methodical and thorough answer to this problem. This framework has the ability to build a generation of leaders who are prepared to guide the hospitality industry toward sustained success by coordinating leadership development with the dynamic needs of the business. The debate over this paradigm also clarifies its larger ramifications for leadership growth. This concept may be used by hospitality schools to create curriculum that are in line with industry demands, ensuring that future professionals are well qualified for leadership positions. The framework may be used by those looking to enhance their careers in the hospitality industry to determine where they need to grow personally and how to best learn those things.

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