

Hotel Management School Maastricht

General information about the hotel industry

An introduction for students: what the industry is, how a hotel is organised and managed, the role of brands, and the challenges and trends shaping the sector.

What is the hotel industry?

The hotel industry is part of the service sector. This means that hotels primarily provide services, such as overnight accommodation for people who are travelling. These may be tourists, but also people travelling for work.

There are various kinds of places that offer overnight stays; we also call these accommodations. They may be hotels, motels, hostels or bed & breakfasts, but also serviced apartments and short-stay apartments.

What characterises the hotel industry?

Types of hotels

First, there are many different types of hotels. One difference, for example, is the price they charge for a night: there are budget hotels, but also luxury five-star hotels. The price depends, among other things, on the facilities and service the hotel offers its guests. Does the hotel have a swimming pool, or perhaps a wellness centre? Is there a gym for guests? Do they offer only a simple breakfast, or can you dine within the walls of the hotel in a restaurant with a Michelin star? Do you check in online, or is there a concierge who gives guests all sorts of tips on what to do in the city? Location also influences the price: a three-star hotel in a small remote town is priced differently from a three-star hotel in Amsterdam. The season and events also determine the price; for example, when famous violist André Rieu performs in Maastricht, hotel room rates go up.

Secondly, a hotel may target different kinds of guest. Some hotels focus on tourists, others on business travellers. Hotels may also focus on groups and/or on individual guests. Finally, there are hotels that specialise in organising meetings, events and/or conferences. All sorts of combinations are possible too; for example, a hotel that caters for groups of business travellers attending conferences during the week and for tourists at the weekend.

Tourism and hotels go hand in hand

When people travel, they often need a place to sleep. Hotels play an important role in this and provide employment.

Just like the rest of our society, hotels make use of technology. Guests often book online, via the hotel's own website or via a platform such as Booking.com. Hotels use apps and systems to make the guest's stay as pleasant as possible.

In addition, people are increasingly looking for new, unusual or sustainable experiences, such as an eco-hotel or a stay in a former monastery.

Whether people travel depends on the economy. Is the economy doing well? Then people travel more. In hard times, they book a hotel less often. The seasons matter too: when people are on holiday, they often want to go somewhere with good weather. When planning their trip, they take the hurricane or rainy season into account.

How is a hotel organised?

A hotel consists of several departments. Together, they ensure that guests have a good stay. These are the main departments:

1. Front Office:

- > *Reception*: handles check-in and check-out and answers guests' questions.
- > *Concierge*: helps guests with taxis, excursions or restaurant tips, for example.

2. Housekeeping:

- > Cleans rooms and communal areas.
- > Keeps track of the stock of cleaning supplies.

3. Food & Beverage:

- > *Restaurant*: serves breakfast, lunch and/or dinner.
- > *Room service*: brings food and drink to the room.
- > *Bar*: sells drinks and snacks.
- > *Banqueting*: function rooms where meetings, celebrations and parties are held.
- > *Kitchen*: the area where the food is prepared.

4. Maintenance:

- > Makes sure everything in the hotel works (for example the air conditioning and heating).
- > Carries out repairs when something is broken.

5. Sales & Marketing:

- > Promotes the hotel, for example via social media.
- > Works with companies on meetings or events.
- > Handles revenue management by steering towards the best possible occupancy and rates.

6. Human Resources:

- > Recruits staff and arrange training.
- > Ensures compliance with employment and staffing regulations.

7. Finance:

- > Keeps track of the finances, such as the budget and the hotel's actual income and expenditure.

8. Security:

- > Ensures that guests and staff are safe.

9. Other services:

- > Wellness
- > Gym
- > Golf
- > Casino

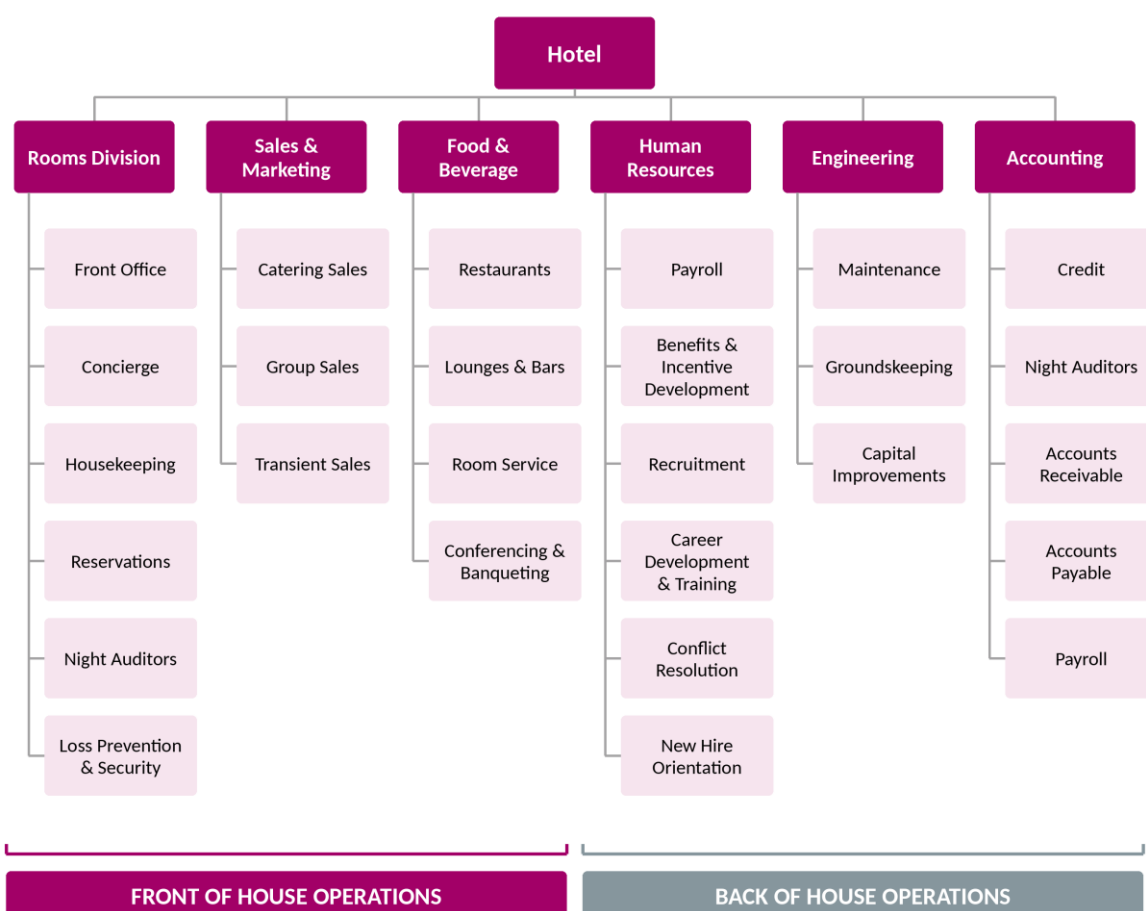


Figure 1 · Typical organisational structure of a hotel, with front-of-house and back-of-house operations.

How is a hotel run?

A hotel's brand

Branding is about how a hotel presents itself to the outside world. Think of the name, the logo and, above all, the feeling guests get from the hotel.

In the hotel industry there are several major brands, also known as hotel chains. The largest hotel chains in the world include Marriott, Hilton, IHG, Accor and Wyndham. There are also large hotel chains in the Netherlands, such as Van der Valk and Fletcher. Hotels can join such a chain and make use of its strengths. Marriott, for example, has a successful loyalty programme for its regular customers, who receive all sorts of benefits when they book regularly at one of its hotels. If you join the Marriott brand as a hotel, you are therefore likely to receive many guests who use this programme. But when hotels join a chain through a franchise arrangement, for instance, they have to pay for it. A hotel sometimes pays as much as 8% of its room revenue for the right to use the brand.

Top 10 Most Valuable Hotel Brands 2024



Brand Finance®

Source: Brand Finance Hotel 50 2024

brandirectory.com/hotel

Figure 2 · The ten most valuable hotel brands in 2024. Source: Brand Finance Hotel 50 2024.

A strong brand makes guests more likely to choose a particular hotel, so the hotel stands out from its competitors. If guests have had a good experience at the hotel, they are more likely to return; in this way the hotel gains regular customers who recognise the brand. Guests then expect a certain quality from that brand. They want their expectation, the promise the brand conveys, to be fulfilled; only then are they satisfied. It is even better if guests have an experience that exceeds their expectations.

At some point, guests may develop an emotional bond with a hotel brand. The brand has become more than just a name. It can then stand for certain values, such as sustainability or hospitality.

A well-known brand can earn money through collaborations, events or products, for example.

Finally, it is important that a hotel is also visible online. Nowadays a good website and social media are very important. A strong brand helps with this.

Challenges for hotels

What are the problems and challenges that hotels face?

- 1. Finding good staff:** it is sometimes difficult to find people who do good work and want to stay. One of the problems is that the hotel industry also operates outside office hours; not everyone wants to work when other people are off.
- 2. Cleaning:** guests expect everything to be clean. That requires a great deal of attention, planning and staff.
- 3. Handling payments:** hotels must accept many different payment methods and keep everything secure.
- 4. Online reviews:** many people choose a hotel based on reviews. Hotels therefore need to keep a close eye on their reputation and try to manage it.
- 5. Day-to-day organisation:** everything must run smoothly, from reservation to breakfast. That requires good systems.
- 6. Demanding guests:** guests want ever more luxury and convenience. A hotel must respond to this.
- 7. Keeping up with technology:** think of contactless check-in or digital room keys. Hotels must keep investing in these.
- 8. Sustainability:** more people want to stay in a sustainable hotel that makes a positive contribution to our society, both environmentally and socially.

Trends in the hotel industry

There are all sorts of developments in the world, and what people want is changing too. Hotels must respond to this if they want to survive.

Here we highlight several trends in the hotel industry.

- 1. More technology:** many hotels use apps and systems for check-in, as a room key and for customer service, but technological developments go further than this. Consider, for instance, the possibilities offered by Artificial Intelligence.
- 2. Personal service:** guests want personal attention, for example a room with their favourite pillow or a special welcome gift. But a hotel can go further here too, by organising a unique personal experience for a guest, such as a backstage ticket for a concert.
- 3. Sustainable business:** more hotels are paying attention to the environment: less plastic, solar energy and local produce. These are good first steps, but how could hotels make even more of a difference? For example, by giving people who struggle to find work an opportunity.
- 4. Health and wellness:** spas, gyms, yoga and healthy food are becoming increasingly popular in hotels.
- 5. Local and authentic:** guests want to experience the local culture. Hotels therefore often work with local businesses. A next step could be to work with the local community as well, and to give something back to them as a hotel.
- 6. Longer stays and working:** people combine holidays with work (workation). Hotels therefore offer workspaces. Think also of so-called 'digital nomads', people who work for long periods in beautiful places all over the world.

Something to think about

Which of these trends do you think will have the greatest impact on hotels in the coming years, and why? How might a hotel in Maastricht respond to it?