

General information about the hotel industry

What is the hotel industry?

The hotel industry belongs to the service sector, meaning it mostly provides services, like overnight stays, for travelers. These can be tourists or business travelers.

There are different types of accommodations that offer these stays. Such as hotels, motels, hostels, bed & breakfasts (B&Bs), and guesthouses.

What makes the hotel industry unique?

Hotel types

First, there are many different types of hotels. One of the main differences is the price they charge for an overnight stay. For example, you have budget hotels, but also luxurious five-star hotels. The price depends on things like the facilities and the level of service the hotel offers its guests.

Does the hotel have a swimming pool or maybe even a wellness area? Is there a gym available for guests? Do they only offer a simple breakfast, or can you dine in a Michelin-starred restaurant within the hotel? Do you check in online, or is there a concierge giving guests personalized tips about things to do in the city?

A hotel can also focus on different types of guests. Some hotels focus on tourists, while others cater to business travelers. Hotels may target groups, individual guests, or both. Some hotels also specialize in hosting meetings, events, or conferences. Many combinations are possible—for example, a hotel that focuses on business groups attending conferences.

Tourism and hotels belong together

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

Just like in the rest of our society, hotels make use of technology. Guests often book their stay online, either through the hotel's own website or platforms like Booking.com. Hotels use apps and systems to make the guest's stay as pleasant as possible.

More and more people are also looking for new, unique, or sustainable experiences, such as staying in an eco-hotel or in a former monastery.

Whether people travel or not often depends on the economy. If the economy is doing well, people travel more. During tough times, they book hotels less often. Seasons also play a role—when people have holidays, they often want to go somewhere where the weather is nice. When planning their trip, they also consider things like the hurricane or rainy season.

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How is a hotel structured?

A hotel is made up of different departments. Together, they make sure that guests have a pleasant stay. These are the most important departments:

1. Front Office:

- > Reception: Handles check-in, check-out, and answers guests' questions.
- > Concierge: Helps guests with things like taxis, trips, or restaurant tips.

2. Housekeeping (cleaning)

- > Cleans rooms and shared areas.
- > Keeps track of cleaning supplies.

3. Food & Beverage (food and drinks)

- > Restaurant: Offers breakfast, lunch, and/or dinner.
- > Room service: Delivers food and drinks to the room.
- > Bar: Sells drinks and snacks.

4. Maintenance

- > Makes sure everything in the hotel works (such as the air conditioning or heating).
- > Carries out repairs when something is broken.

5. Sales & Marketing

- > Promotes the hotel, for instance by social media.
- > Collaborates with companies for meetings or events.
- > Handles revenue management by aiming for the best possible occupancy and pricing.

6. Human Resources

- > Hires staff and arranges training.
- > Ensures rules around work and staff are followed.

7. Finance

- > Manages finances, such as the budget and actual income and expenses of the hotel.

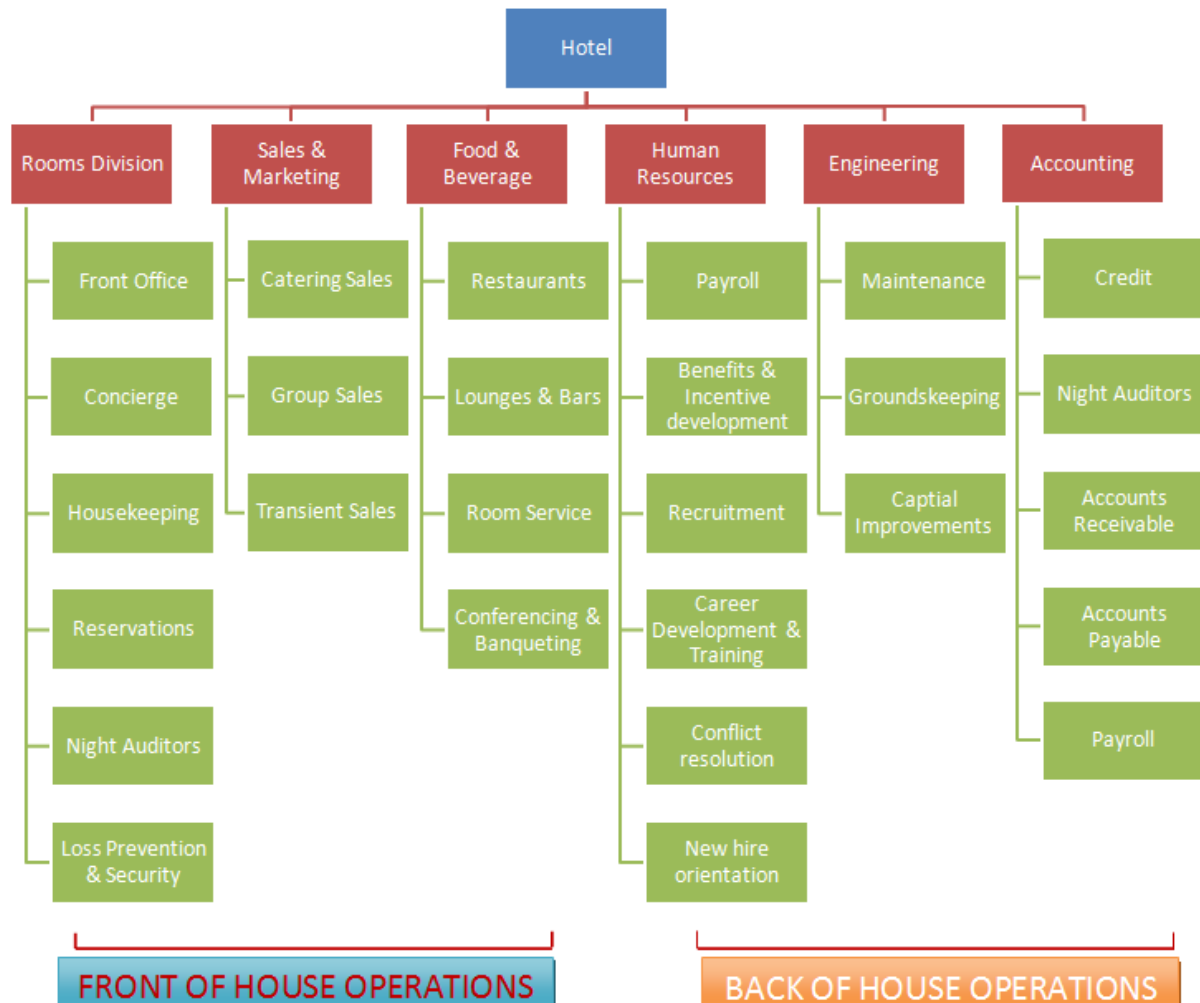
8. Security

- > Makes sure that both guests and staff are safe.

9. Other services

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

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How is a hotel managed?

The company or person managing a hotel (this is called hotel management) is often different from the owner of the building (which can also be a person or a company) and may also be different from the company that owns the brand of the hotel. This can make things a bit complicated.

But in this chapter, we'll focus on hotel management. The goal of hotel management is to ensure the hotel makes a profit, has satisfied guests, and takes good care of its staff. Some hotels also aim to have a positive impact on their surroundings, such as the environment or the local community. In the end, to stay in business the hotel must reach these goals.

To do this, a hotel is organized in a specific way, this is called the organizational structure. There are different ways to organize a hotel. One structure many people recognize is the pyramid shape. At the top is the general manager, who decides what the team needs to do to meet the hotel's goals. Below the manager are the department heads, and below them are the employees. However, in many modern hotels, employees work across different departments and have more say in the decisions made by managers.

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The staff working in a hotel uses various information systems. One important system is the Property Management System (PMS). This system helps hotels manage reservations, payments, and room assignments. There is also a Point-of-Sale system (POS) for payments and a Customer Relationship Management system (CRM) to store information about guests.

Good staff are essential for a hotel. That's why the management ensures employees can develop their skills through training or courses. They also make sure the work environment is pleasant and that everyone follows the rules.

In the end, it's all about happy guests. Guests have a good experience when the staff is helpful, booking is quick and easy, and any issues are solved quickly and properly. But also, the building, the facilities (like a comfortable bed or a nice shower), and the quality of the food and drinks affect the guest's experience. Everything in the hotel needs to work properly and safely, this ensures both comfort and safety for the guests.

Hotels want to attract new guests and keep regular ones coming back. They do this through advertising, special offers, or social media. The management also tries to sell as many rooms, meals, drinks, and other services as possible at the best possible price at that moment, this is called revenue management.

To survive and earn back the money invested in the hotel, they need to make a profit. That's why they carefully track all expenses and income

The brand of a hotel

Branding is about how a hotel presents itself to the outside world. This includes the name, the logo, and most importantly, the feeling that guests associate with 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 major hotel chains in the Netherlands, such as Van der Valk and Fletcher. Hotels can choose to join such a chain and benefit from the chain's strengths. For example, Marriott has a successful loyalty programme for regular customers, offering them various benefits when they book frequently at one of their hotels. If a hotel joins the Marriott brand, it is likely to attract many guests who participate in that programme.

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Top 10 Most Valuable Hotel Brands 2024

Brand Finance 

Source: Brand Finance Hotel 50 2024

brandirectory.com/hotel

A strong brand helps a hotel stand out from its competitors and makes it more likely that guests will choose that hotel. When guests have a good experience, they are more likely to return, turning them into loyal customers who recognize and trust the brand. These guests expect a certain level of quality from the brand. They want their expectations, the promise the brand makes, to be fulfilled. It is even better when their experience exceeds those expectations.

Over time, guests may develop an emotional connection with a hotel brand. The brand becomes more than just a name; it may come to represent certain values, such as sustainability or hospitality.

A well-known brand can also earn money through partnerships, events, or products.

Finally, it is essential for a hotel to be visible online. In today's world, having a strong website and active social media presence is very important, and a strong brand helps with that.

Challenges for hotels

Hotels also face issues, such as:

1. Finding Good Staff

It can be hard to find people who deliver good work and want to stay. One of the problems is that the hotel industry often requires working outside office hours, and not everyone wants to work when others are free.

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2. Cleaning

Guests expect everything to be clean. This requires a lot of attention and planning.

3. Managing payments

Hotels need to accept many different payment methods while keeping everything secure.

4. Online reviews

Many people choose a hotel based on reviews. Hotels must closely monitor their reputation and try to adjust.

5. Daily operations

Everything must run smoothly, from reservations to breakfast. Good systems are needed for this.

6. Demanding guests

Guests increasingly expect luxury and convenience. Hotels must adapt to this.

7. Keeping up with technology

Think of things like contactless check-in or digital room keys. Hotels need to keep investing in these technologies.

8. Sustainability

More and more people would like to stay in a sustainable hotel which contributes positively to our society, environmentally and socially.

Trends in the Hotel Industry

There are various developments happening in the world, and people are changing in terms of what they want. Hotels must adapt to these changes if they want to continue to exist. Here are some trends in the hotel industry

1. More technology

Many hotels use apps and systems for check-in, for the key to the hotel room, and customer service, but technological advancements go beyond that. For example, think about the possibilities that Artificial Intelligence offers.

2. Personalized service

Guests want personalized attention, such as a room with their favorite pillow or a special welcome gift. However, hotels can take this further by creating a unique personal experience for a guest, like providing a backstage concert ticket.

3. Sustainable business practices

More and more hotels are focusing on the environment: less plastic, solar energy, and local products. These are great first steps, but how could hotels make an even bigger difference? For example, by offering opportunities to people who struggle to find work.

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4. Health and wellness

Spas, fitness centers, yoga, and healthy eating are becoming increasingly popular in hotels.

5. Local and authentic

Guests want to experience the local culture. Hotels often collaborate with local entrepreneurs. A next step could be working with the local community and giving back to them as a hotel.

6. Hygiene and safety

Since COVID-19, clean rooms and safe services have become even more important.

7. Longer stays and working

People are combining vacation with work (workation). Hotels are therefore offering workspaces. This also includes digital nomads, people who work for long periods from beautiful locations around the world.