

Table 7.5 Hotel Terminology

Single	Room with one twin bed
Twin	Room with two twin beds
Double	Room with one double bed
Double double	Room with two double beds
Murphy	Room with a Murphy bed (a bed that folds out of a wall or closet)
Suite	Room with one or more bedrooms and a living area
Connecting	Rooms that are side by side and have a door connecting the two rooms
Adjoining	Rooms that are side by side but do not have a connecting door between the rooms
European plan (EP)	Rooms only, no meals
Continental plan (CP)	Continental breakfast (juice, coffee, roll, pastry) included in the room price
Modified American plan (MAP)	Continental or full breakfast and dinner included in the room price
American plan (AP)	Continental or full breakfast, lunch, and dinner included in the room price

The three time-honored standbys for rating lodging properties are the Michelin Guide (started in 1900), the Forbes Travel Guide (started as the Mobil Travel Guide in 1958), and the AAA Guide (started in 1963). All of these rating organizations use standardized rubrics and annual visits by anonymous inspectors to classify properties.

Lodging Lexicon

Some lodging terminology (see Table 7.5) is very specific and may sound almost like a foreign language the first time you hear it. For example, terms such as *occupancy rates*, *average daily rates*, *RevPAR* (revenue per available room), and *RevPAC* (revenue per available customer) carry specific meanings and are frequently used to measure financial performance and make comparisons among similar classifications of lodging properties. However, other lodging terminology is more variable and at times causes some confusion. Therefore, it is always advisable to seek clarification when using these terms to ensure effective communications. Figure 7.1 illustrates how some of the more typically used terminology can be applied to a guest room.

Operating Structures

Lodging facilities are typically marketed and managed under one of the following ownership patterns: independent properties, franchise properties, management contract properties, or chain properties. With the possible exception of very small **independent properties**, some type of formalized management structure, training programs, property management systems, and standard operating procedures will be found in most lodging properties. Property management systems, as introduced in Chapter 5, manage all of a property's financial reporting and a variety of other tasks such as pricing and travel agent commissions. These tasks are often offered through an Internet platform.¹⁹

At first, most hotels and motels were operated as independent properties. However, between 1960 and 1990, the trend moved toward **franchise** affiliations and **chain operations**. Today, the trend is for larger properties operated under **management contracts**, although it appears that more and more property managers are once again deciding to go it alone.²⁰ This trend of lodging corporations moving away from owning real estate assets to franchising or operating under management contracts has continued to accelerate and shows no signs of abating.²¹