

Applying the Concepts

1. Although several hotel pioneers were mentioned in this chapter, there are many other individuals who have had a significant influence on the lodging industry. After selecting or being assigned one of these pioneers, briefly describe the contributions that person made to the industry.
2. Arrange to visit a lodging property and schedule an interview with the manager. Your interview should include questions about how the property is marketed, what types of standard operating procedures are followed, and how financial performance is measured.
3. Select one of the hotel management companies listed in this chapter. Using your local library or other sources, list the sizes (number of rooms) and brand names of properties this company manages.
4. Choose four different lodging properties in your area. Based on your knowledge of these properties, assign a classification or rating based on the standardized system described in this chapter. Provide a brief rationale for why you arrived at each of your decisions.
5. Visit a B&B or a boutique hotel in your area. Alternatively, do a virtual visit online. Summarize your impression of the property and differences from a traditional hotel.
6. Identify someone who owns a timeshare through your family connection, or neighbors and friends. Talk to the person and find out why he/she purchased the timeshare, and identify his/her usage patterns.

Glossary

Accommodations Loosely defined as establishments engaged primarily in providing lodging space to the general public.

Amenities Goods and services provided with accommodations that contribute to guest comfort.

Benchmarks Performance measures that are used by similar types of businesses to monitor key operations.

Best available rate (BAR) A guaranteed price that the guest is quoted the lowest available rate for a night's stay.

Booking A reservation.

Break-even The level at which total sales equals total costs.

Chain operations Groups of properties that are affiliated with one another and have common ownership and/or management control and oversight.

Concierge services Services provided by employees who specialize in meeting the special requests of guests and provide guest services such as making reservations and supplying information.

Cost per key Cost to construct and furnish each hotel room.

Fee simple Right of ownership evidenced by the transfer of a certificate of title. The buyer has the right to sell, lease, or bequeath the property or interest (as in a timeshare).

Franchise A contractual agreement providing for the use of a recognized brand name, access to a central reservation system, training, documented operating procedures, quantity purchasing discounts, and technical assistance in return for royalties and fees.

Independent properties Facilities that are owned and operated as single units with no chain affiliation or common identification.

Lodging Facilities designed and operated for the purpose of providing travelers with a temporary place to stay.

Management contracts Operating agreements with management companies to conduct day-to-day operations for a specific property or properties.

Occupancy rate Ratio comparing the total number of rooms occupied for a given time period to the total number of rooms available for rent.

Overbooking Confirming more reservations for rooms than can be provided during a specified time period.

Pension A small inn or boarding house similar to a B&B.

Per diem Maximum travel expense amount that will be reimbursed on a per day basis.

Properties Individual accommodations and lodging facilities.

Rack rate The standard quoted rate for one night's lodging.

Referral organizations Associations formed to conduct advertising and marketing programs and generate reservations and referrals for member properties.

Rental pools Groups of condominium units that are released by their owners for rental purposes and are managed by lodging companies.

Right-to-use A type of lease in which legal title does not pass to the buyer. The buyer has the right to occupy and utilize the facilities for a particular time period.

Royalties Payment (usually a percentage of sales) for the use of a franchiser's brand name and operating systems.

Timeshare Either ownership or the right to occupy and use a vacation home for a specific period of time.