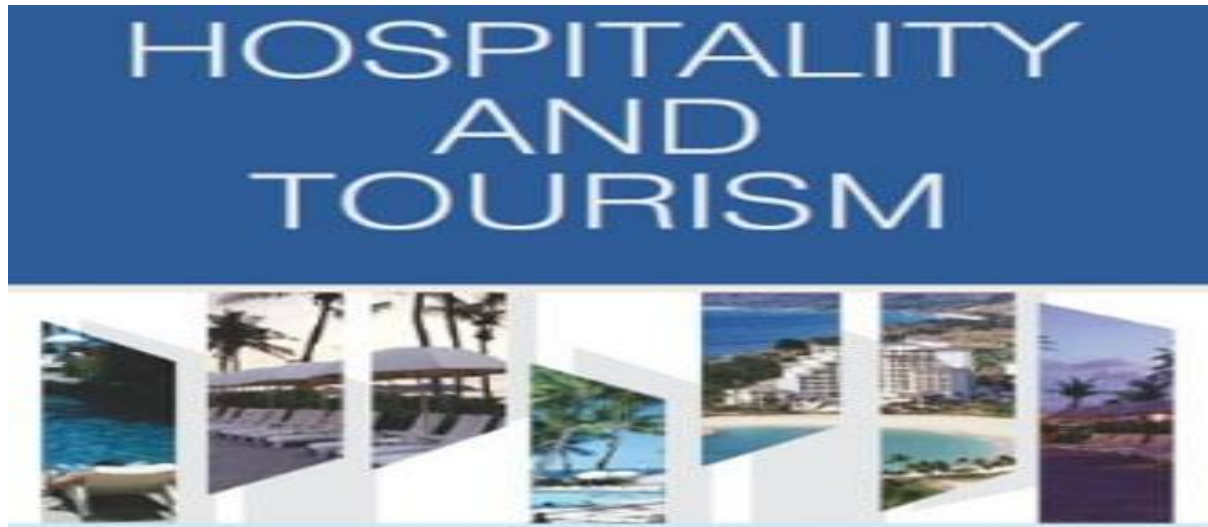


Front Office Service **Level I**

Based on March, 2022, Curriculum Version I,



Module Title: Basics of Hospitality and Tourism
Industry Services

Module Code: FOS1 03 1021

Nominal duration: 60 hours

Prepared By: Ministry of Labor and Skill

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Page I of 111	Ministry of Labor and Skills Author/Copyright	Basics of Hospitality and Tourism Industry Services	Version -1 December, 2022
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Acronyms

LAP: Learning Activity Performance

WTO: World Tourism Organization

AWS: Amazon Web Service

UN: United Nations

HACCP: Hazard Analysis Critical Control Point

IT: Information Technology

LAN: Local Area Connection

AI: Artificial Intelligence

IoT: Internet of Things

NFC: Near Field Communication

CAD: Computer Aided Design

Introduction to the Module

This module describes the knowledge, skills and attitude required to acquire information on the hospitality and tourism industry by updating personal and organizational knowledge of the hospitality and tourism industry. It also helps to update and apply information on hospitality and tourism industry technologies which are applicable with in the current range of technology. The module will also help the trainees in searching the sources and applying information on legal and ethical issues for the hospitality and tourism industry. The module will elaborate detailed operations, classifications, nature and more relevant concepts pertaining to the hospitality and tourism industry.

This module covers the units:

- Basics of hospitality and tourism industry
- Legal and ethical issues for the hospitality industry
- Hospitality and tourism industry technology
- Personal and organizational knowledge of the tourism industry

Learning Objective of the Module

- Acquire information on the hospitality and tourism industry
- Source and apply information on legal and ethical issues for the hospitality industry
- Source and apply information on hospitality and tourism industry technology
- Update personal and organizational knowledge of the tourism industry

Module Instruction

For effective use this modules trainees are expected to follow the following module instruction:

1. Read the information written in each unit
2. Accomplish the Self-checks at the end of each unit
3. Read the identified reference book for examples and exercises

Unit One: Basics of Hospitality and Tourism Industry

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Sources of information in hospitality and tourism
- Historical background of hospitality and tourism industry
- Information to assist effective work performance
- Use knowledge of the hospitality and tourism industry in a correct context

This guide will also assist you to attain the learning outcomes stated in the cover page.

Specifically, upon completion of this learning guide, you will be able to:

- Acquire the sources of information in hospitality and tourism
- Understand the historical background of hospitality and tourism industry
- Obtain information to assist effective work performance in the industry
- Use knowledge of the hospitality and tourism industry

1.1. Sources of Information in Hospitality and Tourism

The primary objective of this topic is the development of a broad-based understanding and knowledge of the tourism and hospitality industry. This is the foundation upon which to build employability—skills that help you succeed in your field of study. In other words, in order to be a part of the tourism industry it is essential to develop a good understanding of how the industry works. You need to determine what information you want, how that information is sought and interpreted. Here we have scientific ways as a source of information about the two industries.

1.1.1. Researching Sources of Hospitality and Tourism Industry

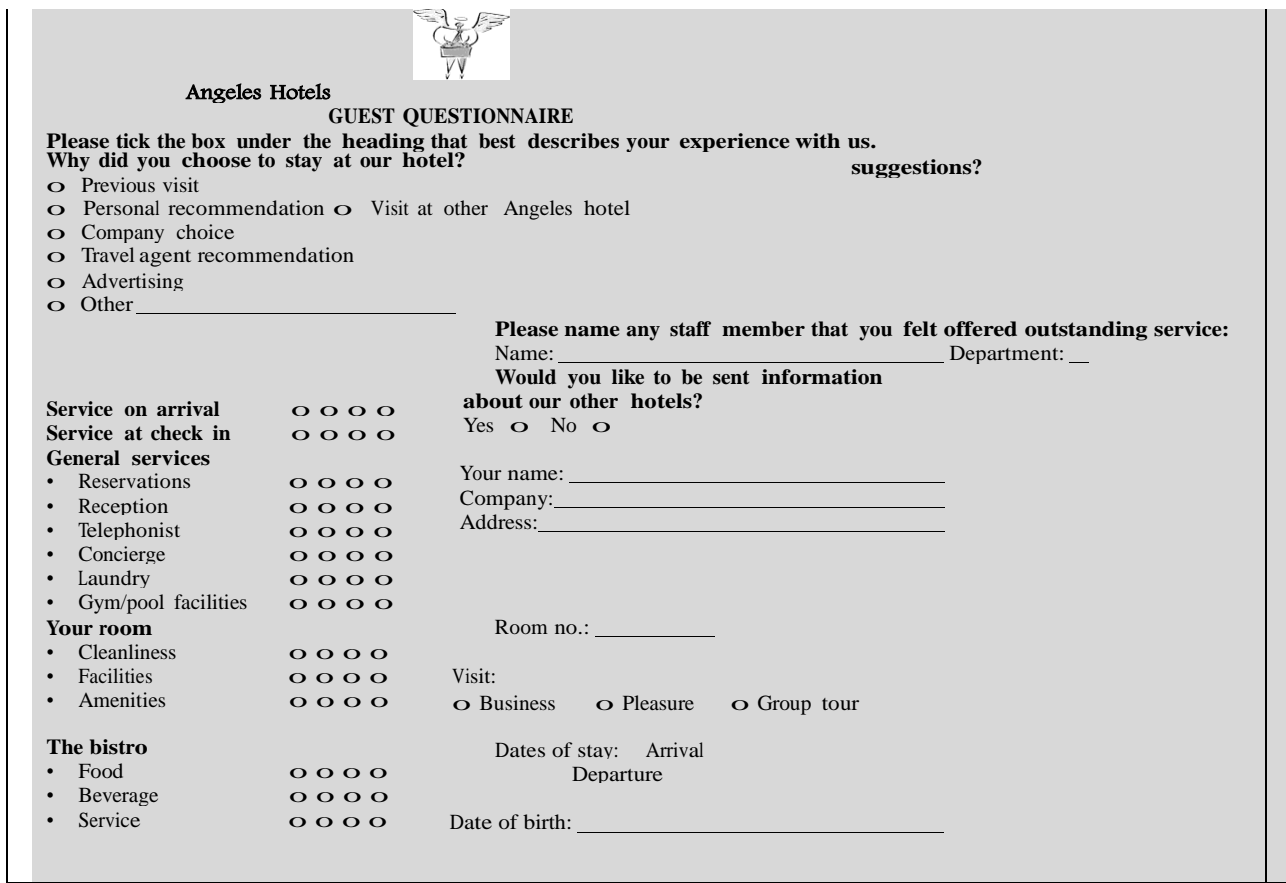
Gaining and maintaining tourism and hospitality industry knowledge requires research. Research is a set of formal or informal techniques we can use to locate and process information relevant to our needs. Relevant information in this context is researching information relating to the industry in which we will work. If you have ever searched the World Wide Web, or read a book to gain information about any topic, or asked someone a question, then you have undertaken research.

Formal research involves systematically gathering and analyzing information from primary and secondary sources relating to a product or service, or even an industry in general. Primary source information is information collected through interviewing (one-on-one or group sessions) or questionnaires (e.g. from the customers), or even through chatting to colleagues. An example of primary source information, a hotel guest questionnaire, is shown in Figure 1. Secondary source information is information gathered from already published data.

Informal research is not as structured or time-consuming as formal research. It involves collection of information from sources that have already formally researched the products and services (secondary sources). This could include reading newspaper articles, menus and wine lists used in the venue, or reading a brochure on other accommodation venues in the chain of venues.

Informal research can also include attending orientation and training sessions, talking with colleagues, reading the staff handbook, using the venue's facilities, personal observation and visiting competitors' establishments.

There are essentially two types of research: qualitative and quantitative. Which type we use depends on the information we are looking for. Qualitative research is looking for general information, exploring ideas and seeking feedback. For example, questions could include 'What did you enjoy most about the tour?', 'How could we improve our service?' and 'What additional products would you like us to offer?'



Angeles Hotels

GUEST QUESTIONNAIRE

Please tick the box under the heading that best describes your experience with us.

Why did you choose to stay at our hotel?

☐ Previous visit

☐ Personal recommendation ☐ Visit at other Angeles hotel

☐ Company choice

☐ Travel agent recommendation

☐ Advertising

☐ Other _____

Please name any staff member that you felt offered outstanding service:

Name: _____ Department: _____

Would you like to be sent information about our other hotels?

Yes ☐ No ☐

Service on arrival ☐ ☐ ☐ ☐

Service at check in ☐ ☐ ☐ ☐

General services

- Reservations ☐ ☐ ☐ ☐
- Reception ☐ ☐ ☐ ☐
- Telephonist ☐ ☐ ☐ ☐
- Concierge ☐ ☐ ☐ ☐
- Laundry ☐ ☐ ☐ ☐
- Gym/pool facilities ☐ ☐ ☐ ☐

Your room

- Cleanliness ☐ ☐ ☐ ☐
- Facilities ☐ ☐ ☐ ☐
- Amenities ☐ ☐ ☐ ☐

The bistro

- Food ☐ ☐ ☐ ☐
- Beverage ☐ ☐ ☐ ☐
- Service ☐ ☐ ☐ ☐

Your name: _____

Company: _____

Address: _____

Room no.: _____

Visit:

☐ Business ☐ Pleasure ☐ Group tour

Dates of stay: Arrival _____

 Departure _____

Date of birth: _____

Figure 1: a hotel guest questionnaire

Quantitative research measures or monitors events or performance in terms of numbers and percentages over time. For example, many tourism enterprises measure their success on satisfaction surveys: 'How satisfied were you with the service we provided?'

1. Very satisfied,

2. Satisfied,

3. Not very satisfied.

These types of question can help us determine the quantity of satisfied customers, usually expressed as a percent- age (65 per cent very satisfied, 30 per cent satisfied, 5 per cent not satisfied). Qualitative research can help us identify what was not satisfying for customers.

1.1.2. Questioning Techniques

Much of the research we undertake to increase our knowledge and obtain relevant data requires us to ask questions. We ask our colleagues, supervisors and customers questions, and we ask other tourism-based enterprises, associations and organizations questions. The questions need to be structured to provide us with the exact information we require. There are two types of question we can use. Which one to use depends on the type of response required.

Open-ended questions are questions that usually make it difficult to respond with a simple ‘yes’ or ‘no’. These types of question start with why, which, how, what and who. For example, ‘Which services are offered by your company?’ ‘How many nights would you like to stay?’ ‘How many flights depart on Tuesday?’ ‘Which departure do you prefer? 9.00 am or 1.00 pm?’

Closed questions are those questions that generally make it easy to respond ‘yes’ or ‘no’. For example, ‘Would you help me with this?’ ‘Would you like to make the booking now?’ ‘Do you have a preferred date?’ ‘Is there anything else I can do for you?’ Closed questions may also elicit a limited response, particularly if they start with do. For example, ‘Do you have a preferred departure date?’ ‘Yes, May 14th.’ ‘Do you want information on other tours?’ ‘Yes, African safaris.’

There is a distinct relationship between the questions we ask and the information outcome. That is, our questions must be structured to ensure we get the information we need. For example, if we want to know the number of people who visit an attraction each year, we would ask ‘How many visitors?’, not, ‘Do you get a lot of visitors?’ If we want

to know where a person wants to go on holiday we would ask ‘Which destination would you like information about?’, not, ‘Do you know where you’d like to go?’

1.1.3. Sourcing Information

Sourcing information is about knowing where to get the information. Fortunately, we live in an ‘information age’. That is, most of the information we need is readily accessible through a variety of channels.

- i. **Media:-** Local and national newspapers, trade magazines and journals, specialist magazines, and travel programs on television and radio provide information about destinations and the facilities and services available at those destinations, emerging trends, significant events and issues that may impact our industry.
- ii. **Reference books:** - Travel guides and textbooks can provide in-depth coverage of specific destinations, sites, costs, how to get there, places to stay, the main attractions, historical context, local identities and a raft of other information to assist us.
- iii. **Unions:** - Unions are employee industry bodies and a valuable source of information about a worker’s rights and obligations. Unions are discussed in detail later in the chapter.
- iv. **Industry associations and organizations:** - These are valuable sources of information primarily concerned with the interests of employers and organizations. They collect and compile up-to-date tourism data that they make available to their members and other industry professionals. They are discussed in detail later in the chapter. Refer also to ‘A few useful contacts’ at the end of this book.
- v. **Libraries:** - Access to newspapers, magazines, the internet, reference books and computer databases relating to the tourism industry is frequently available in local libraries, schools and academic institutions.
- vi. **Visiting attractions:** - Site visits and personal experience provide opportunities to experience at first hand the value of a tourist facility. But if we can’t physically get to an attraction, a virtual tour is often an excellent option.
- vii. **Leaflets and brochures:** - Many destinations/regions/venues/attractions provide information about the area or facility including what to see and do and places to stay. Tourism companies and organizations also advertise their own individual products through this medium.

- viii. **Tourist offices and tourism bodies:** These organizations provide up-to-date information on tourist numbers, attractions, infrastructure, strategic plans for the region and other tourism-related information.
- ix. **Internet:** Almost anything you ever wanted to know about the tourism industry can be found on the World Wide Web.
- x. **Personal experience:** Throughout our lives we participate in a range of activities and events that may be classified as tourism-based. These experiences give us a valuable insight into the tourism industry and how it operates.
- xi. **Colleagues and associates:** Our colleagues and associates are valuable sources of information and are usually willing to share their knowledge. Networking is the term used to describe meeting with colleagues and associates with the intention of finding information, making contacts and developing our careers.
- xii. **Industry contacts, mentors and advisers:** throughout our careers, we can develop a vast network of contacts. They may be people we have worked for or with, and who can help us in a variety of ways including development of our industry knowledge and career opportunities. These contacts may be in professional organizations, in the form of a mentor or someone whose advice we value.
- xiii. **Familiarization trips:** Familiarization trips are free trips offered by airlines, tour organizers and hospitality venues, and other tourism providers to industry professionals to sample (often free of charge) the products offered by those companies.
- xiv. **Industry seminars and training courses:** There are frequent opportunities to attend seminars and courses that help develop our knowledge and skills. Our employers offer some, while unions or industry associations offer others. Seminars and courses are frequently subject-specific: they focus on a particular topic, such as a change to legislation or operating procedures.

We need to know not only where to find information (sources) but, for our research time to be effective and efficient (and to ensure we eventually get the information we want), we need to identify the sort of information we want and what we want to do with it.

1.1.4. The Nature of the Hospitality Industry

Take a moment and talk to yourself about the concept and meaning of hospitality and compare it with the ideas written below.

There have been different definitions of hospitality. Broadly speaking, hospitality is the act of kindness in welcoming and looking after the basic needs of guests or strangers, mainly in relation to food, drink and accommodation. A contemporary explanation of hospitality refers to the relationship process between a guest and a host. When we talk about the “Hospitality Industry”, we are referring to the companies or organizations which provide food and/or drink and/or accommodation to people who are away from home. However, this definition of the “Hospitality Industry” only satisfies most situations. Can you think of any circumstances where the phrase “away from home” would not be accurate?

- **The Tangible and Intangible Nature of the Hospitality Industry**

The physical products of hospitality, e.g. food and drink in a restaurant or the actual hotel room, are products that are sold at a price to the guests or customers (e.g. the price a guest paid for renting a hotel room, or the price a customer paid for buying a meal in a restaurant). These are often regarded as the tangible aspects of hospitality. However, our experience of the hospitality industry does not only rely on the tangibles. Think about your experience of being a customer in a restaurant or a guest in a hotel. What else, apart from the food in restaurants and the facilities in hotel rooms, do you think can make your hospitality experience more enjoyable and satisfied? A successful hospitality business does not only count on its products and services, but also how they are delivered. The qualities of staff and the way they deliver the service are often more important than the tangible products in making a hospitality experience satisfactory or unsatisfactory. We call these the intangible aspects of hospitality. Can you think of any intangible aspects of the hospitality industry?

1.1.5. Tourism and Hospitality

Relationship between the Hospitality Industry and Tourism

As we have seen, the hospitality industry includes hotels and restaurants, as well as many other types of organizations or institutions that offer food, drink, shelter and other related services. These products and services are offered not only to people away from home, but also to local guests. A manager in the hospitality industry, therefore, must keep in mind the following three objectives:

1. Making the guests feel welcome personally
2. Making things work for the guests
3. Making sure that the operation will continue to provide service and meet its budget.

Apart from local guests, can you think of any other guests who may need services and products provided by the hospitality industry?

Scope of the Hospitality Industry “Guests” means those who are away from their homes and it therefore, has generated a perception that the hospitality industry should include or overlap with the tourism industry to a certain extent. Without a clear definition about the scope of the hospitality industry, some suggested that it should not only cover all lodging and food service operations but other tourism related operations, such as airlines and theme parks. Besides, there were also some who considered putting hospitality and tourism into one industry. One example of categorization is shown in Figure 2 below.

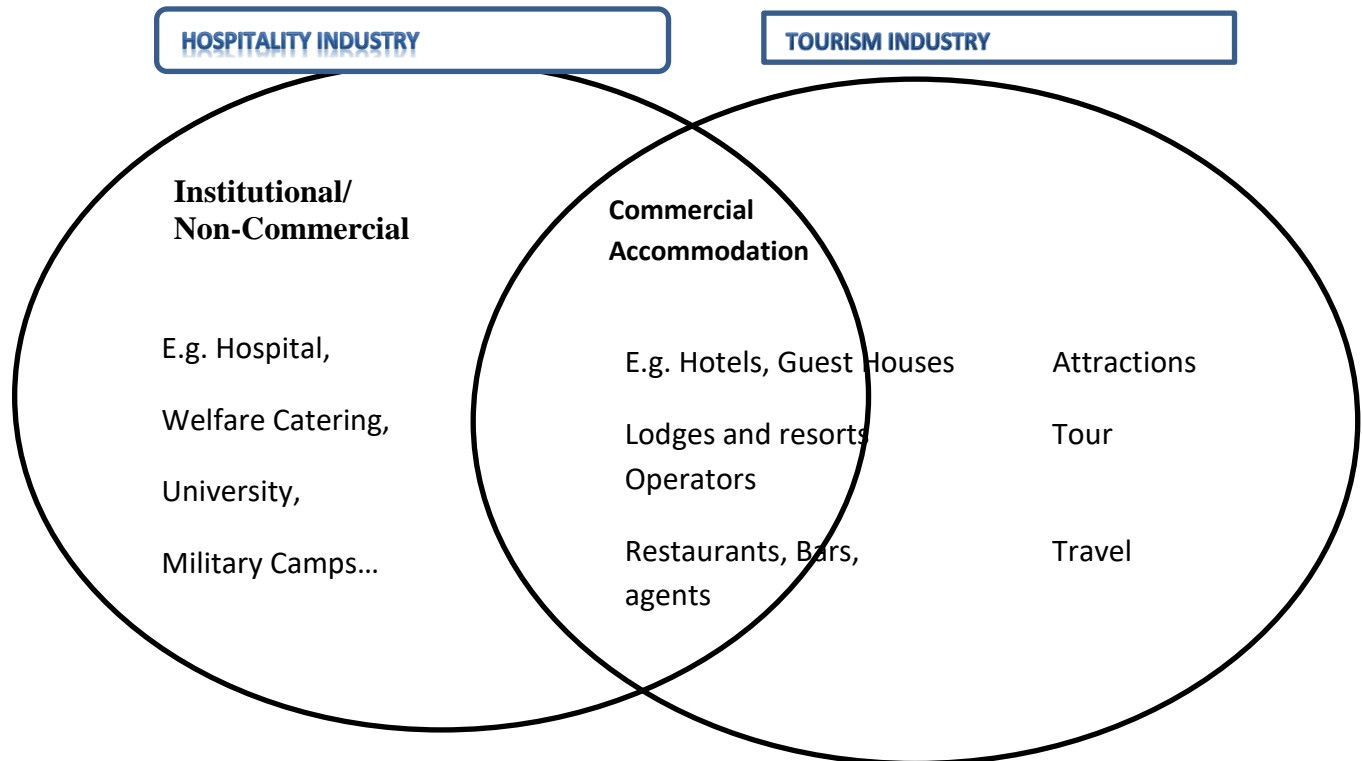


Figure 2 – Relationship between Hospitality and Tourism

When people travel away from home overnight, they need a place to stay. A large percentage chooses paid accommodation (as opposed to staying with friends or family), with the choice of accommodation depending on several factors:

- Cost
- standard or quality
- availability
- length of stay
- destination/location
- purpose of travel
- star rating standard
- types of services and facilities available

In addition, travelers also need food and drink, which they usually obtain from services in the hospitality industry. However, the relationship between tourism and hospitality does not end there. The two are intrinsically linked and need to work together to help sustain each other. For example, a travel agent may book accommodation for a client or

a package holiday, which can include travel arrangements, accommodation, meals, tours, transfers, activities and entertainment for one all-inclusive price.

While from a travel operations' perspective tourism is mainly concerned with getting people to a destination, the role of hospitality is to provide accommodation as well as food and beverages, entertainment and activities (such as in a resort) and to offer a range of other services and facilities that tourists seek.

If a client wants to travel to a particular destination, but the destination cannot offer all the hospitality services and attractions required, this may effectively stop the person from visiting that place.

Conversely, accommodation venues are dependent on tourism; without tourists, many accommodation venues would cease to exist. Only a small percentage of accommodation venues are sustainable with business travelers and the food and beverage side of their operation as the primary source of income.

1.1.6. Characteristics of Hospitality Industry

We understand that working in the field of hospitality could be quite challenging. Different from other sectors, the hospitality industry is unique in its nature which tends to be service-oriented and has a strong emphasis on human exchange in the service delivery processes. A summary of key characteristics relating to the hospitality industry are listed in Figure 1.1 below:

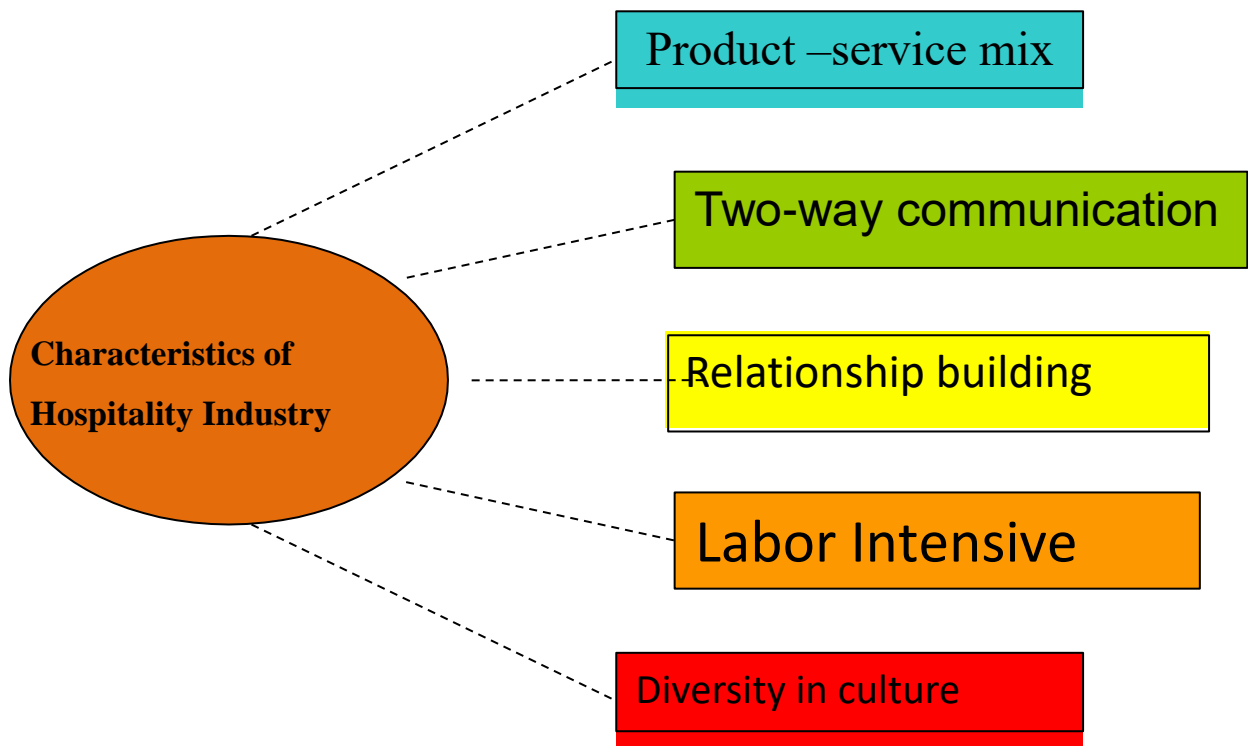


Figure 3 – Characteristics of the Hospitality Industry

I. Product-Service Mix

Think about your experience of being a customer in a restaurant or a customer in a hotel. What else, apart from the food in restaurants and the facilities in hotel rooms, do you think can make your hospitality experience more enjoyable and satisfied? In the hospitality industry, customers rarely consume pure products but a mixture of products and services. For example, one who dines in a restaurant will not only pay for the food and drinks but the services provided by the servers. The bill has covered both tangible and intangible experience.

Tangible features- for example, a steak as the main course, a glass of house wine, well groomed service staff and decoration of the restaurant.

Intangible features- are for example, a comfortable dining atmosphere or the friendly attitude of staff. A successful hospitality business does not only count on its products and services, but also how they are delivered. The qualities of staff and the way they deliver the service are often more important than the tangible products in making a hospitality experience satisfactory or unsatisfactory. Hence, the two features can contribute to the total experience in the service delivery process. As products and other tangible features can be easily imitated by competitors, hospitality operations which aimed for high-ended customers and ‘superior’ quality gradually spend more and more resources in enhancing the service standard as a strategy of differentiation.

II. Two-way Communication

In order to achieve service excellences in the hospitality industry, two-way communication is one critical factor which requires the involvement and participation of both customers and service staff in the service delivery process. Through interactions with customers, important messages about their needs and expectations can be received by service staff for their immediate actions to create customer satisfaction. Interactions between internal staff or inter-departments is also critical since total experiences of customers in using any lodging or food and beverage services usually involve team work and exchange of information within the organization.

III. Relationship Building

The hospitality industry highly depends on repeated customers for survival. Building long term relationship with customers can benefit the organizations for generating stable revenues regardless of the instability of seasons and at the same time, developing brand reputations through positive word-of-mouth of the repeated customers. In order to develop brand loyalty, different methods are currently applied by the lodging and food service sectors, such as membership programmes which give privileges and incentives to frequent customers. However, top management of organizations do believe that the informal ways of building “friendship” between front-line staff and customers through

high degree of personal attention and customization can win the loyalty of customers in long run.

IV. Diversity in Culture

As hospitality are closely related to tourism industry, it is not surprising that people involved in this sector, no matter customers or staff are experiencing a diversity in culture through interacting with others. Staff who work in a hospitality organization always have interactions with customers from different regions, or to work and corporate with other colleagues who may have different backgrounds or cultures. Due to their differences in religious beliefs and values, some conflicts and misunderstandings can be easily occurred. Therefore, staff should be open-minded, and come up with solutions together in resolving problems in their duties.

For example:

From customers' perspective, some of them abstain from meat due to their religious beliefs or habit. Therefore, restaurants should provide vegetarian food as an option in order to satisfy their needs.

From staff's perspective, eating pork or any food products with pork as ingredient should be avoided if some colleagues are Muslims in order to show respect to their religious belief. Such a cultural diversity implicates that local staff should generally understand different cultures so flexible services can be provided to customers based on their national cultures and harmony in cooperation with colleagues from different nationalities can be achieved.

V. Labor Intensive

Since the hospitality industry is service-oriented in its nature, it requires a huge supply of labors to create a memorable experience for the customers. This characteristic is especially true for those enterprises which target for high-ended customers. For example, staff-to-guest ratios are high in fine dining restaurants and 5-star hotels which aimed at providing one-on-one services to their customers. Although the advancement in technology do contribute to the replacement of some simple tasks in the whole service process, customers who concern the element of 'care' generally expect high degree of human contacts and personalized services in their consumption experiences. It

explains why the industry is always in high demand for labor and is willing to spend time and resources in training and recruiting potential candidates to join the workforce of the hospitality industry.

1.1.7. Career Prospect of the Hospitality Industry

There are always some pros and cons for working in the hospitality industry. The concern whether a position suits to you or not is mainly dependent on your own character and personal interest. Some general views, both positive and negative, about the career prospects of hospitality industry are summarized below as reference for those who may have intentions to join this unique and challenging industry.

I. Positive Views

a) Variety of Career Choices

Due to the booming development of the hospitality and tourism industry, many new hotels and restaurants are opened for catering the needs of both the visitors and locals. It facilitates a huge demand of labor in the market, especially in some developing countries. Career choices are not limited to Hong Kong but other countries offered by international chains. And the job natures are broad, ranging from different back-of-the-house to front-of-the-house positions in the hospitality industry.

b) Opportunities to Meet People with Different Backgrounds

As mentioned earlier that the success of a hospitality service highly depends on the human contact between staff and customers. Having a chance to work in the industry, particularly in some front line positions means that there would be many opportunities for one to meet and communicate with people with different backgrounds and cultures. For example, a hotel receptionist can perceive his/her position as a tourist ambassador, which can be enjoyable and challenging. The job satisfaction through winning customers' smiles, as well as its' interactive nature make hospitality industry attractive to youngsters with an out-going character.

c) Long-Term Career Development

It is common that most people have to start their careers from the entry-level. However, the career paths are always quite clear for employees and there are always opportunities for them to get promoted and proceed to management levels based on their experience and performance. Successful stories are numerous in this sector and someone starting from room attendant can finally turn into the general manager of a hotel.

d) Fringe Benefits Enjoyed by Employees

Different from other business and service operations, staff working in hotels and food service operations can usually enjoy some other benefits in addition to the basic salaries, annual bonus and insurance coverage. For example, hotel and restaurant staff are normally provided with 2 duty meals in their work days. Some hotel staff are also allowed to enjoy a discount rate or associate rate for booking rooms, which can be even applied to hotel outlets under the same brand all over the world.

II. Negative Views

a) Long and Non-Regular Working Hours

Shift works are very common in food and beverage and accommodation sectors. Despite of morning and evening shifts, some positions require staff to work overnight, such as night auditors in the front desk and security officers. As there are no such things of public holidays, staff are always required to work on weekends or special days, such as Christmas and Easter, etc. “Long working hours” seem to be the implicit norm of many positions in the hospitality industry. Over-time works due to the shortage of labors and peak seasons of businesses are frequent to both operational staff and managers. The concerns about the bad effects on one’s health and family life lead to people’s hesitation in joining the industry.

b) Work Under Pressure

In most situations, staff are expected to provide “quick” and “high quality” services without keeping their customers from waiting. The pressure of maintaining the service efficiency and consistency, especially in peak seasons could be tremendous. The need for

frequent communications with customers has especially created intense pressure to staff in front line positions. Receiving complaints or handling angry customers are resistances for people in starting their careers in this industry.

c) Low Starting Salary

Hospitality industry offers many relatively low-skilled entry level jobs. With the exceptions of management or positions which require fluency of languages or specific skills, staff with no experience generally have low starting salaries. The differences between large-scaled and small-scaled hotels or food service operations lead to further variations in staff salaries.

d) Perceptions of Low Job Status

As mentioned above that many positions are low-skilled in the hospitality industry, some people would think their job status are relatively lower when compared with other industries, such as banking and finance. The misperceptions of ‘being a servant to others’ in the Chinese culture plus other negative views introduced above have also discouraged many graduates from joining the industry.

1.1.8. The Tourism Industry

Leisure, Recreation and Tourism

- **Leisure**

It is most often regarded as: the measure of time or the time remaining after work, sleep and essential household or personal tasks have been completed. It is the time available for doing as one chooses or ‘discretionary time’.

The increase in amount of leisure time available is due to variety of factors:

1. Working hours have been reduced.
2. Now, there is a provision of holiday with pay.
3. Life expectancy has increased.
4. Technological development like washing machines, dishwashers, computers, telephone, Internet and automobiles are widely used.

- **Recreation**

Recreation is the wide variety of activity undertaken during leisure time. These activities may be participatory (like; playing sports, sightseeing, hobbies and pastimes) and non-participatory (like; watching sports, listening to radio, watching TV, home entertainment and public entertainment)

- **Tourism**

It is regarded as an extreme form of recreation, involving longer time periods, traveling long distances and often staying overnights.

- **Mathieson and Wall** in 1982 defined tourism as: “Tourism is the temporary movement to destinations outside the normal home and work place, the activities undertaken during the stay and facilities created to cater to the needs of the tourist.”
- **Mc Intosh et al. (1995)**, “ The sum of the phenomena and relationship arising from the interaction of tourists, business suppliers, host governments and host communities in the process of attracting and hosting these tourists and other visitors.”

This definition recognizes four different elements: the tourist, the business providing travel related services, government (at all levels) which exerts policy control over tourism, the people who live in an area visited by the tourist.

- **Jafari (1997)**, “tourism is a study of man away from his usual habitat, of the industry which responds to his need and of the impacts that both he and the industry have on the host sociocultural, economic and physical environment.”

According to **World Tourism Organization (WTO)** and approved by UN in 1993;

“Tourism is the activity of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business or any other purpose.”

1.1.9. Nature of Tourism

It is clear from the above definitions that conceptually tourism is a composite phenomenon involving dynamic elements, like movement of people to various places and a static one like their stay in those places. Thus, the tourism embraces the incidence of a mobile population of travelers, who are stranger to the place they visit and are a distinct

element from the resident and working population. Most importantly, tourism implies the temporary movement of people with an intention to return a few days, week or months. As such tourism is distinct from migration, which involves the long-term movement of people. Thus, tourism is essentially a pleasure activity in which money earned in the place of normal residence is spent in the place visited.

1.1.10. Forms of Tourism

In relation to a given country (say Ethiopia), the following forms of tourism can be distinguished:

- **Domestic Tourism:** It involves residents of Ethiopia traveling only within their country. E.g. From Gondar to Bahar Dar, or from Addis to Makale.
- **Inbound Tourism:** It involves nonresidents (e.g. Indians, Italians, Germans, British) traveling in Ethiopia.
- **Outbound Tourism:** It involves Ethiopian (residents) traveling in another country.
- **International Tourism:** It consists of inbound tourism and outbound tourism in Ethiopia.
- **National Tourism:** It consists of domestic and outbound tourism in Ethiopia.
- **Internal Tourism:** It comprises of domestic and inbound tourism in Ethiopia.

1.1.11. Traveler, Visitor and Tourist

- **Traveler** – Any person on a trip between two or more countries or between two or more localities within his/her country.
- **Visitor** - person who travels to a country other than that in which he has his usual residence but outside to the usual environment for a period not exceeding twelve months and whose main purpose of visit is other than the exercise of an activity remunerated from within the place visited.

Visitors are classified into two

- **Same day visitor** – Do not spend at least one night.
- **Tourist** – Stay for at least one night in the place or country visited.

- **International Visitor**

An international visitor is anyone who visits a country that is not his usual place of residence. It includes (overnight visitor) tourist and (same day visitor) excursionist. The people on holiday, visiting friends and relatives (VFR), business trip, conference, attendance, pilgrimage, educational, for international events – all falls under this definition. The only people who do not come in this preview are people who get some salary or payments in the country visited, commuters, immigrants, refugees, military men and diplomats.

Excursionist: Temporary visits staying less than 24 hours in the country visited.

- **Domestic Tourist**

Any person travels within the country where he resides to a place other than his usual place of residence for at least 24 hours or one night and the purpose of his journey can be classified under one of the heading.

- Leisure (recreation, health, study, religion and sports)
- Business, family, mission and meeting.

- **Definition of Tourist:**

League nations in 1934 defined tourism in the following way. A person visiting a country other than in which he usually resides for a period of at least 24 hours. “Temporary visitor stay at least 24 hours in the country visited and the purpose of his/her Journey can be classified under one of the following.

- Leisure (Recreation, health, study, religion and sports)
- Business, family, mission and meeting.

The 19th century dictionary defines ‘tourist’ as “a person who travels for pleasure of traveling out of curiosity, and because he has nothing better to do.” The term tourist, the oxford dictionary tells us, was used as early as 1800. According to the dictionary universal, the ‘tourist’ is a person who makes a journey for the sake of curiosity, for the fun of traveling, or just to tell others that he has traveled.

League of Nations in the year 1937 gave the definition of foreign tourist as, “Any person visiting a country, other than that in which he usually resides, for a period of at least 24 hours.”

‘**Tourist**’ is a temporary visitor staying at least 24 hours in the country visited and the purpose of whose journey can be classified under one of the following headings:

Excursionist: Temporary visitor staying less than 24 hours in the country visited.

1.1.12. The Basic Components of Tourism

Tourism does not exist in isolation. It has the following basic components:

- **Accessibility or transportation:** It is a means by which a tourist can reach the areas where attractions are located. Modes of transportation like an aero plane, a motorcar, a coach, a ship or train enables a person to reach his place.
- **Accommodation:** While away from home, the tourist needs a place to eat and sleep. Therefore accommodation is required. It can range from **homes of friends and relatives**, to campgrounds and hotels of international standards.
- **Locale:** Locale or locality is the geographical space where attractions and other facilities are located. The attractions could be area’s archeological interest (Hadar), historical building (gondar fort, Menelik’s and Haile sesais palace), monuments (like obelisks at Auxum), mountains (Ras Dashen peak in Semiens mountain, 4620 meters), River(Nile and Omo), Lake (Tana), Waterfall(Blue Nile falls), monasteries(Domo monastery, Tigray), Flora (Blue and white lotus). Fauna (giraffe, elephant, lion, cheetah), national parks like (Awash, Gambella, Mago,Omo, Simien mountain, Lake abiata- Shala), costumes, art and music(massinko, negarit, atamo), food (injera, doro wat, Tej wine), festivals (timket, meskel, ephiphany, Irrecha and Chambalala).

In addition to the basic components, there are certain basic elements, which are also fundamental attraction of tourism. These include;

- **Pleasing Weather:** For holidaying good and pleasing weather like sunshine, cool breeze, moderate temperature.

- **Scenic Attractions:** Scenery or landscapes consisting of mountains, lakes, waterfalls, forests, etc. are strong forces for attracting people.
- **Historical or cultural factors:** Many countries are using their legacy of historical past to attract tourists e.g. Egypt, France, India.
- **Accessibility:** The distance factors play important role in determining tourist's choice of a destination. Flights availability, good roads, comfortable transportation, plays a big role in tourism development.
- **Amenities and facilities:** These are necessary aid to tourist centers, e.g. swimming facility, boating facility, dancing and recreation facility, fishing, trekking etc.
- **Accommodation:** It is very basic to any tourist destination e.g. holiday villages, camping sites, hotels and resorts, etc.
- **Hospitality:** It refers to general feeling of welcome, warm reception and appreciative attitude of host country nationals. This makes visitor feel at home and helps them to enjoy their stay.

1.1.13. Types of Tourism

Tourism attractions determine different types of tourism.

- **Pleasure Tourism:** This is concerned with leisure and rest and to recover physical and mental stamina. It includes holiday for change, to take rest, to witness folk dance, songs or to taste different cuisines.
- **Cultural Tourism:** This is concerned with learning habits, language and customs of the people in the foreign lands, visiting places rich in historical monuments, ancient civilization or paying a visit to art galleries, Museums or to participate in music, art, dance and festivals.
- **Sporting Tourism:** These are of two types

1. Visiting places to witness sports like Olympics or world cup football or
2. Visiting places that have specialized facilities such as winter sports, mountain climbing, hunting, fishing etc.

- **Business Tourism:** All tours undertaken by businessmen, industrialist or professionals to a place of their interest for selling, buying, or taking orders etc. of the products related to business.
- **Conference Tourism:** Traveling to participate in trade fair, conference, meetings and exhibitions.
- **Social Tourism:** It is practiced by the low-income group and is rendered possible by the help of third party or governments or association by means of subsidies, holiday with pay and other measures.
- **Water based tourism:** This type of tourism is based on water transportation e.g. cruises tourism, yachting tourism, river tourism.
- **Nature based tourism:** This type of tourism is based on nature related activities, e.g. ecotourism, wildlife tourism.
- **Adventure Tourism:** Here risk, danger and spirit of adventure is involved e.g. White water river rafting, mountain biking, Para sailing etc.

1.1.14. Types of Tourist Attractions

Peter's Inventory of Tourist Attractions.

- **Cultural** – Sites and areas of archeological interest, Historical buildings and monuments, Museum, moderns culture e.g., Gondar fort, St-George church – Lalibela.
- **Traditions:** National festivals; arts and handicrafts music; folklore, native life customs etc.
- **Scenic:** National parks; wild life; flora and fauna, beach resorts etc.
- **Entertainment:** participation and viewing sports; Amusement and recreation parks; cinemas e.g., world cup football, Olympics.
- **Other Attractions:** - climate, Health resorts or spa

1.1.15. Accommodation Sector

Introduction to the Accommodation Sector

Classification of Accommodation Establishment

There is no generic rule for classifying accommodation establishments globally.

One method is to divide accommodation into two main groups:

Accommodation: a room, group of rooms, or building in which someone may live or stay.

- “Hotel” means an establishment held out by the proprietor as offering accommodation to any person presenting himself who appears able and willing to pay a reasonable sum for the services and facilities provided and who is in a fit state to be received.
- A hotel is classified as a commercial establishment providing accommodations, meals and other guest services.

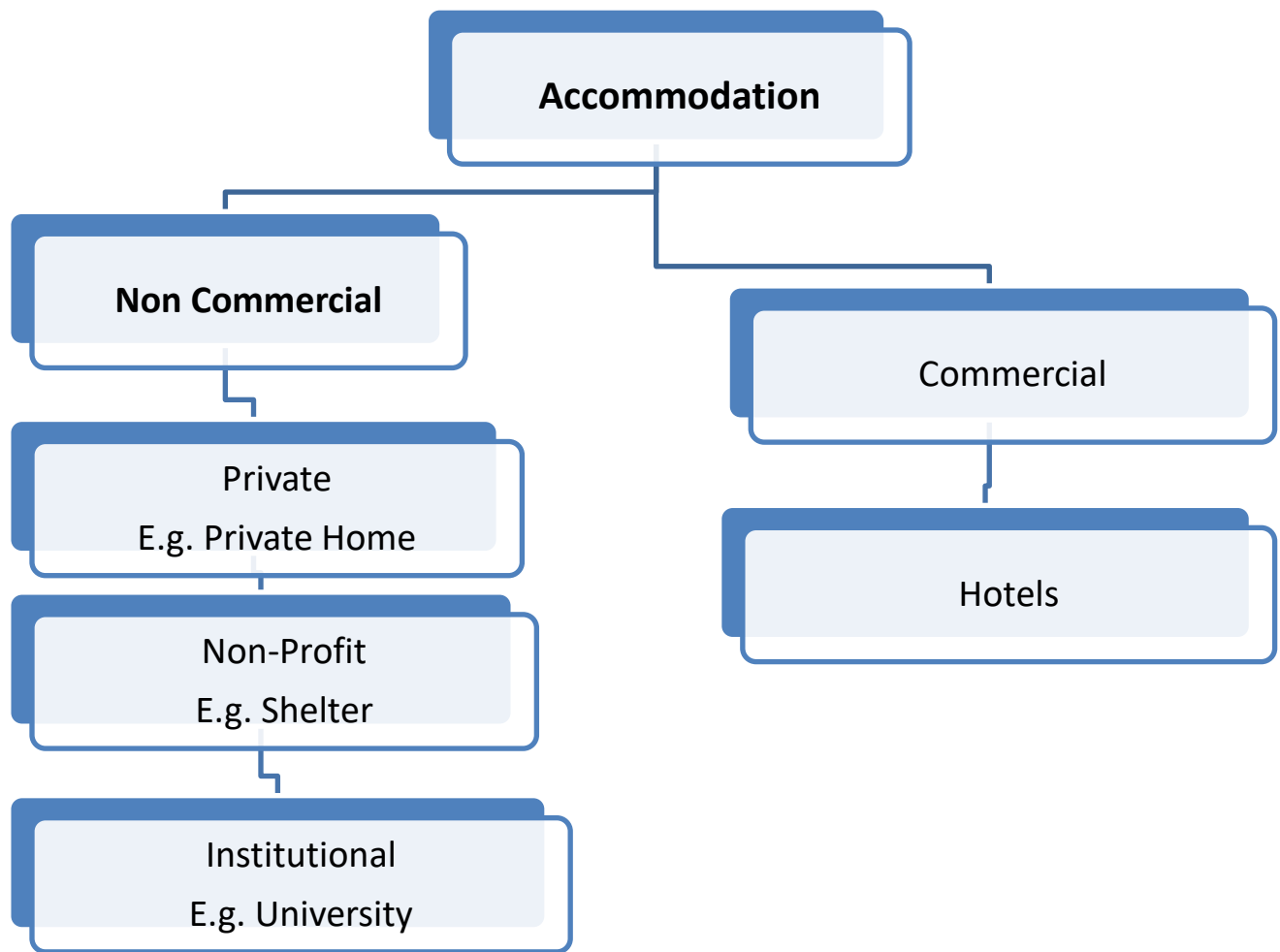


Figure 41: Accommodation structure

1.1.16. Defining the Term Hotel

Hotel means an establishment held out by the proprietor as offering sleeping accommodation to any person presenting himself who appears able and willing to pay a reasonable sum for the services and facilities provided and who is in a fit state to be received.

As Hotel is the predominant type of commercial accommodation, we, therefore, will discuss in depth about how hotels can be classified.

With so many properties offering so many services in such a huge industry, it is easy to see why people get confused about the difference between hotels, motels, inns, and other lodging establishments. The fact is that the distinctions are not always clear. The

confusion is compounded because owners can classify their properties as they deem appropriate, making it even more apparent why universally agreed-upon definitions are difficult to create. Still, despite the numerous exceptions, some general property distinctions do exist and are widely accepted.

A Hotel or Inn may be defined as an establishment whose primary business is, providing lodging facilities for the general public, and which furnished one or more of the following services, food and beverage service, room attendant service, bell and door attendant service (sometimes called uniformed service), laundry or dry cleaning, and use of furniture and fixtures.

A Motel or Motor Hotel is a lodging facility that caters primarily to guests arriving by automobile.

“Hotel” or “Inn” is defined by British law as a place where a traveler can receive food and shelter, provided he/she is in a position to pay for it and is in a fit condition to be received. Hence, a hotel must provide food and beverage and lodging to travelers on payment and has in turn, the right to refuse if the traveler is drunk, disorderly, unkempt or is not in a position to pay for the service.

1.2. Historical Background of Hotel Business

Origins of Hotel Business

Evidence of hotels and the hospitality industry have been recorded as far back as biblical times when Mary and Joseph arrived in Bethlehem during the census. As the Bible depicts, Mary and Joseph were refused accommodations because there "was no room at the inn." Since the beginning of time, people have traveled for commerce, religion, family, health, immigration, education, and recreation.

As cited by Texas Tech University, the word "hospitality" comes from the Latin root meaning "host" or "hospice." The university further noted that the first hotels were nothing more than private homes opened to the public. Most, unfortunately, had poor reputations. Under the influence of the Roman Empire, The first Inn located in America was recorded in the year 1607 and lead the way with many other first in the hospitality industry. The first publicly held hotel (the City Hotel) opened in New York in 1792.

The first modern hotel (the Tremont) opened in Boston in 1809 and the first business hotel (the Buffalo Statler) opened in 1908.

From there a surge of hotels flooded American and the rest of the world with prominent names such as Radisson, Marriot, and Hilton.

The hotel industry is perhaps, one of the oldest commercial trades in the world. It stands second in the world in generating employment opportunities and poverty alleviation. The first inns go back to the 6th B.C and were the products of the “Wheel”. The earliest inns were ventures by husband and wife teams who provided large halls on the floor. They also provided modest wholesome food, thirst quenchers like wine, and stabling facilities. Entertainment and recreation were provided by the husband and wife team and his/her family.

These conditions prevailed for several hundred years. The advent of the industrial revolution in England brought ideas, means, and progress in the business of inn keeping. The development of railways and Steam ships made travelling more prominent. The industrial revolution also changed travel. The social or government travel to business travel there was no need for quick and clean services.

The lead in hotel keeping was taken by the emerging nations of Europe especially Switzerland. It was in Europe that the births of an organized hotel industry took place in the shape of chalet (like coffee shops and café) and small hotels which provide a variety of services and were mainly patronized by the aristocracy of the day.

In early England public houses were normally called “Inns” or “Taverns” finer establishment catering to the nobility and clergy, the house frequented by the common man were known as “Taverns”.

In France a similar distinctions was made with the finer establishments known as “Hostelries” and the less pretentious houses called “Cabarets”. The word “Hostel” was used after the normal invention derived from “Host” the “Hostelry” was the head of the hostel whereas the same position was called the “Innkeeper” in England.

Hotel industry in Ethiopia

The business of inn keeping was started by the reign of emperor Menilik II. In the year 1896, after the battle of Adowa, the victory was celebrated in the new capital Addis Ababa. In connection with this historic event king Menilik started to sign a number of treaties with European countries. As a result, a number of countries sent their representatives to Ethiopia.

Foreigners who come for different purposes were served by the people free of charges. Through there were different guest houses on the gates of the trade routes, the guest houses gave service only as a shelter. The local people were ordered by the central government to feed the travelers. Travelers usually have a letter sent from the emperor.

Example 1

The holder of this letter Muses Tujar, with his two friends will go to awash through three routes. So, for these three foreigners you have to serve dinner of 15 eggs with 3 chickens. Apart from them, you have to provide dinner for their servants and animals too. Make sure that they have rested well through the night and farewell in a good condition.

May 14, 1905G.C

Later on, the Emperor realized the problem of the people and opened different butcheries at different guest houses to minimize the burden of the people.

On the inauguration of Entoto Mariam Church, the land lords and church leaders faced a problem of getting shelter. The food and drinks were distributed from the palace.

From this event and others, Taytu realized the problem and founded a guest house “Ye engida marefia”. The lodge was free for all Ethiopians coming from different corners of the country.

In the year 1907 GC, Empress Taytu built the present Taytu Hotel at the cost of 50,000 thelers. Even if the hotel has been established in the city, it faced the problem of consumers.

As mentioned earlier, the people of Ethiopia was unfamiliar with Hotels & eating out from home was taken as a shameful act. So one day Emperor Menilik himself invited the noble men and said (Taytu has opened a restaurant, let me invite you).

On other day the king said to his nobles “Listen gentlemen! In foreign countries if a person invites today, on the next day he will get invitation from them otherwise it is considered as a shameful act”

“We are afraid of you; if it possible we have the will.”

Each of them invites the Emperor and the others. In this tactful way the king trained the noble men the habit of eating outside home. Of course the business minded Empress Taytu also made a delicious food with a reasonable amount. As a guest could be offered 5 ‘injera’, two glasses of ‘Tella’ and two glass of ‘Tej’ only with 25 cents,

Long Range Progress of the Hotel Business

The real growth of the modern hotel industry took place in the United States of America beginning with the opening of “City Hotel” in New York in 1792. This was the first building specially reacted for hotel purpose. This eventually led to great competition between different cities and resulted in franchised hotel building activity. Some of the finest hotels of the USA were built in this era, but the real boom in Hotel building came in the early 20th c. this period also saw the beginning of chain operations. It involved big investments, big profits and trained professionals to manage a business.

The depression in 1930 had a disastrous effect on the hotel industry. It was felt that the hotel would never recover, but the outbreak of World War II brought a tremendous upsurge.

The property continued through the war years in to the fifties, when two new concepts emerged:

1.2.1. Classification of Hotels

Hotels can be classified by:

- **Location:**
E.g. city center hotels, suburban hotels, airport hotels and highway hotels/motels
- **Function:**
E.g. commercial hotels and convention hotels
- **Market segment:**
E.g. resorts, health spas, timeshares/vacation ownership and casino hotels
- **Distinctiveness of property:**
E.g. all-suite hotels, boutique hotels, extended-stay hotels, historic conversions and bed and breakfast inns
- **Size:**
E.g. under 100 rooms, 101-200 rooms, 201-300 rooms, more than 300 rooms
- **Rating (grading):**
e.g. one-star to five-star or one-diamond to five-diamond

Hotels may be categorized depending upon factors such as:

I. Based On Their Size

Often, it is not the size of the hotel that governs its system, but the category. Many hotels operate the same system but vary in size. For example, the number of rooms in small, medium, large and very large hotel can be estimated as follows.

- A hotel with less than 25 rooms – Small Hotel
- A hotel with rooms between 26 to 99 – Medium Hotels
- A hotel with rooms between 100 to 299 – Large Hotels
- Hotels with rooms' more than 300 - Very Large (Limitless) Hotels

II. Based on Target Market and Location

• Based on Target Market

One of the most important marketing questions facing a hospitality operation is: “Who stays at our property and whom else can we attract?” Thought marketing research, tools and strategies, lodging properties seek to identify target markets. Target markets are distinctly defined groups of people that the hotel hopes to retain or attract as guests.

A recent trend in the hospitality industry is to define or identify smaller, distinct groups or “segments” within larger target markets, and to develop products and services aimed specifically at satisfying these groups or segments. This process of market segmentation has contributed to substantial growth, particularly within hotel chains. For example, Marriott Hotels and Resorts now have many different brand names: Marriott Marquis, Marriott Hotels, Marriott Inns, Courtyard by Marriott, Fairfield Inn by Marriott, and Residence Inn by Marriott. Each brand is directed toward a specific type of guest or market segment that Marriott identified as having potential. The advantage to this approach is that a variety of properties can be located in a particular geographical market, thereby attracting a variety of guests. The disadvantage is that guests may become confused when trying to differentiate between the facilities and services of each brand in a chain.

Hotels target many markets and can be classified according to the markets they attempt to attract and serve. The most common types of properties based on target markets include group, commercial, family, airport, suite, residential, resort, bed and breakfast, time-share, casino, conference center and convention hotels. There are also several alternative types of lodging operations that directly compete with hotels.

- **Commercial hotel:**

They are situated in the heart of the city in busy commercial areas so as to get good and high business. They cater mostly businessmen.

Like their historic counterparts, today’s commercial hotels are usually located in downtown or business districts areas that are convenient and of interest to their target markets. These hotels are the largest group of hotel types and cater primarily to business travelers. Although commercial hotels primarily serve business travelers, many tour groups, individual tourists, and small conference groups find these hotels attractive. In the past, commercial hotels were referred to as transient hotels because of the relatively short length of guest stays compared with other hotels.

- **Suite Hotels:**

Suite hotels are among the newest and fastest- growing segments of the lodging industry. These hotels feature guestrooms with a living room or parlor area and a

separate bedroom. Some guest suites include a compact kitchenette with a refrigerator and in-room beverage service. In exchange for more complete living quarters, suite hotels generally have fewer and more limited public areas and guest services than other hotels. This helps keep suite hotels' guestroom prices competitive in the marketplace.

Suite hotels appeal to several different market segments. People who are relocating transform suites into temporary living quarters; frequent travelers enjoy the comforts of a “home away from home”; and vacationing families discover the privacy and convenience of non-standard hotel accommodations designed with a family in mind. Professionals such as accountants, lawyers, and executives find suite hotels particularly attractive since they can work or entertain in an area besides the bedroom.

- **Resort hotels:**

These hotels are mainly for vacationers who want to relax and enjoy with their family. The occupancy varies as per season. The atmosphere is more relaxed. These are spread out in vast areas so many resorts have solar powered carts for the transport of guest.

Guests often choose resort hotels as their planned destination or vacation spot setting resorts apart from other types of lodging operations. A resort may be located in the mountains, on an island, or in some other exotic location away from crowded residential areas. The recreational facilities and breathtaking scenery typical of most resorts are not typical of most other hotels. Most resort hotels provide extensive food and beverage, valet, and room services. Many resorts also provide special activities for guests such as dancing, golf, tennis, horseback riding, nature hikes, sailing, skiing, and swimming.

- **Casino Hotels:**

Hotels with gambling facilities may be categorized as a distinct group of casino hotels. Although the guest rooms and food and beverage operations in casino hotels may be quite luxurious, their function is secondary to and supportive of casino operations. Until recently, casino hotel guestrooms and food and beverage facilities were not expected to earn a profit. Today, most casino hotels expect all their operations to be profitable.

- **Convention Hotels:**

Convention hotels have a sufficient number of guestrooms to house all the attendees of most conventions. Convention hotels often have 50,000 square feet or more of exhibit hall space-plus ballrooms and an assortment of meeting rooms. Most properties offer dining facilities ranging from self-serve restaurants or cafeterias to elaborate formal dining rooms. Convention hotels are primarily directed toward business travelers with a common interest. Full line of business services is generally available, including teleconferencing, secretarial assistance, language translation, and facsimile (fax) machines.

III. Based on Location

- **Down Town Hotel:**

It is located in the heart of the city within a short distance of the business center, shopping areas, theatres, public buildings, etc.

Rates in these hotels are normally high due to their location advantage and also due to the fact that the rate of return on investment (ROI) computed on this capital intensive hotels are substantially high.

Normally business clientele prefer such hotels.

- **Suburban Hotel:**

Located in the suburbs, it has the advantage of quite surroundings.

Rates quoted are moderate to low. Such hotels are ideal for budget travelers and also organizations who find the quiet setting ideal for conferences, seminars, educational programs etc.

- **Resort Hotel:**

These types of hotels are located in the hills or at the beaches. It is mainly patronized by vacationers. Basic facilities are provided and the rates are often on American plan.

- **Airport Hotel:**

As the name suggests, these hotels are situated at the airport and are ideal for transit passengers who have only a few hours in the city making it impossible for them to stay in a down town hotel. Rates are on European plan.

Airport hotels are popular because of their proximity to major travel centers. More than any other type of hotel, airport hotels vary widely in size and level of services. Typical target markets include business clientele, airline passengers with overnight travel layovers or canceled flights, and airline personnel.

- **Motel:**

This term is derived from phrase, “Motor Hotels”, which are located principally on highways. They provide modest board and lodging to highway travelers. The length of stay is usually overnight, thus rates quoted are on European plan.

IV. Based on level of Service and Star Rating

- **Based on level of Service**

Hotels (as well as other forms of accommodations) are generally segmented by the services and amenities offered. These two factors, along with location, also have a bearing on the price range.

Hotels also differ in their standard of service and in the facilities which they offer. Because of this, hotel establishments can be divided in to full service hotels, budget hotels, and self-catering hotels.

- **Full-Serve Hotel (Luxury Hotels):**

Known for their lavish decor and extraordinary service they offer. With superior amenities, accommodations at luxury hotels are designed to thoroughly pamper and impress guests. According to a Business Week Online article, those in the luxury market are getting harder to please stating that luxury goods and service providers can't afford to blunder with the level of service and customer experience they provide. For this reason, many luxury hotels go far beyond the norm by providing a lifestyle experience equal to or better than what guests have become accustomed to at home.

Luxury hotels frequently offer full-service day spas, five-star restaurants staffed by world-class chefs, ballrooms, lavish pools, golf packages and guest services that are unsurpassed by any other class of hotel. In addition, luxury rooms generally include those amenities found in business class hotels plus in-room safes, goose down comforters and pillows, marble showers and tubs, larger rooms, separate sitting or living area.

- **Budget Hotels:**

Usually budget hotels are designed for travelers looking to maximize their funds and minimize expenses.

It offers a high standard by providing rooms equipped with what business travelers would consider necessities. Usually found in business-class hotel rooms are high speed Internet connections, alarm clocks, comfortable beds, irons and ironing boards, coffee makers, complimentary newspaper delivery and hairdryers.

The facility of a business hotel would also offer an in-house restaurant, bar, exercise room and shuttle service to nearby airports. Limit concierge assistance is often included as well as room service, laundry and dry cleaning and wake-up calls.

Tend to provide cheaper and more basic guest rooms with limited food and beverage services.

- **Self-Catering Hotels:**

Offer clean albeit simple rooms that provide the basics of places to sleep and shower. Guests are expected to prepare their food, clean and tidy their rooms, and also do their laundry. These types of hotels are popular in North America.

V. Based on level of Star Rating

- *** ONE STAR**

One Star Hotel: Small hotels with good facilities and furnishings; adequate bathroom and lavatory arrangements. There may be a limited range of facilities and meals may be fairly simple. Lunch, for example, may not be served. Meals are provided for residents but no to outsiders. Maintenance, cleanliness and comfort should, however, always be of an acceptable standard.

These establishments should be clean and comfortable and worth the prices charged when compared to other accommodations in the area. If they are below average in price, they may receive a checkmark for good value in addition to the one star. They offer a minimum service. There may not be 24 hours front desk or phone service; there may be no restaurant; the furniture will not be luxurious.

● ** TWO STAR

Two Star Hotel: In this classification hotels will typically be small to medium sized and offer more extensive facilities than at the one star level. Hotel offering a higher standard of accommodation, Example, with color Television and direct dial phone in the rooms. All bed rooms containing a private bath room and toilet. Reception and other staff will aim for a more professional presentation than at the one star level, and offer a wider range of straightforward services, including food and drinks.

Accommodations have more to offer than one-star and will include some, but not necessarily all, of the following; better-quality furniture, larger bedrooms, restaurant on the premises, room service, swimming pool. Luxury will usually be lacking, but cleanliness and comfort are essential.

These hotels and motels make up a very small percentage (less than 2%) of the total number of places listed; therefore they all deserve the description of “outstanding”. Furniture should be of high quality; all of the essential extra services should be offered; personnel should be well trained, courteous, and anxious to please. Because the standards of quality are high, prices will often be higher than average. A stay in a four star hotel or motel should be memorable. No place will be awarded four or five stars if there is a pattern of complaints from customers, regardless of the luxury offered.

● *** THREE STAR

Three Star Hotel: At this level, hotels are usually of a size to support higher staffing levels, and significantly greater quality and range of facilities than at the lower star classifications. It composed of Well-appointed hotels with more spacious accommodations, with all rooms containing private bathroom/showers. Full reception and fuller meal facilities provided.

Motels and hotels include all of the facilities and services mentioned in the preceding paragraph. If some are lacking, and the place receives three stars, it means that some other amenities are truly outstanding. A three star establishment should offer a very pleasant travel experience to every customer.

● **** **FOUR STAR**

Four Star Hotel: Exceptionally well appointed hotels offering a high standard of comfort and service, with all bedrooms providing a private bathroom, fridge, television, telephone, and sometimes private study.

These hotels and motels make up a very small percentage (less than 2%) of the total number of places listed; therefore they all deserve the description of “outstanding”. Furniture should be of high quality; all of the essential extra services should be offered; personnel should be well trained, courteous, and anxious to please. Because the standards of quality are high, prices will often be higher than average. A stay in a four star hotel or motel should be memorable. No place will be awarded four or five stars if there is a pattern of complaints from customers, regardless of the luxury offered.

● ***** **FIVE STAR**

Five Star Hotel: Luxury international style hotels offering a superior standard of appointments, furnishings and décor with an extensive range of first class guest services. The number and variety of room styles and suites are available in five star hotels. In this category of hotels, Choice of dining facilities, 24 hour room service and additional shopping or recreational facilities available.

The few five-star awards go to those places which go beyond comfort and service to deserve the description “One of the best in the country.” A superior restaurant is required, although it may not be rated as highly as the accommodations. Twice-daily maid service is standard in these establishments. Lobbies will be places of beauty, often furnished in antiques. If there are grounds surrounding the building, there will be meticulously groomed and landscaped. Each guest will be made to feel that he or she is a very important person to the employees.

VI. Based on Ownership and Affiliation

Ownership and affiliation provide another means by which to classify hotel properties. Two basic equity structures exist: independent hotels and chain hotels. An independent hotel has no affiliation with other properties. Chain hotel ownership may take a number of forms, depending on the association that the chain organization has with each property. This topic points out several distinct forms of chain ownership; including management contracts, franchises, and referral groups. Many chain hotel companies tend to be a mixture of several types of ownership.

• Independent Hotels

Independent hotels have no identifiable ownership or management affiliation with other properties. In other words, independent hotels have no relationship to other hotels regarding policies, procedures, or financial obligations. A typical example of an independent property is a family-owned-and-operated hotel that is not required to conform to any corporate policy or procedure. From a business perspective, some independent properties are organized as sole proprietorships or partnerships, while others are incorporated by their owners to restrict insurance risk and personal liability.

The unique advantage of an independent hotel is its autonomy. Since there is no need to adhere to a particular image, an independent operator can offer a level of service geared toward attracting a specific target market. Moreover, the flexibility inherent in a smaller organization often allows the independent hotel to quickly adapt to changing market conditions. An independent hotel, however, may not enjoy the board advertising exposure or management insight and consultancy of an affiliated property, and is unable to take advantage of the volume purchasing power of a chain hotel.

• Chain Hotels/Group

Chain ownership usually imposes certain minimum standards, rules, policies, and procedures to restrict affiliate activities. In general, the more centralized the organization, the stronger the control over the individual property. Chains with less dominant central organizations typically allow individual hotel managers to exercise more creativity and decision-making autonomy.

Several different structures exist for chain hotels. Some chains own affiliated properties, but many do not. Some chains have strong control over the architecture, management, and standards of affiliate properties. Other chains only concentrate on advertising, Marketing, and purchasing. Some chains may have only a small corporate structure and minimum membership standards and therefore would not be equipped to provide a high level of assistance to local ownership.

A chain is usually classified as operating under a management contract or as a franchise or referral group. The following discussion highlights how each type of chain operates, and how each type differs from the other.

- **Management Contract**

Management companies are organizations that operate properties owned by other entities. These entities range from individual businesspeople and partnerships to large insurance companies.

Under this type of contract, the owner or developer usually retains the financial and legal responsibility for the property. The management company usually operates the hotel, pays its expenses and in turn, receives an agreed- upon fee from the owner or developer. After operating expenses and management fees have been paid, any remaining cash usually goes to the owners, who may use this cash to pay debts, insurance, taxes, and so forth.

Management contracting is usually a means of rapidly expanding a hotel company's operations with far less investment per property than direct ownership requires. Hotel management companies are sometimes established just to manage hotel of investors. These companies appear to offer a unique advantage to property owners and managers because of their expertise in operations, financial management, staffing marketing and sales and reservation service.

- **Franchise and Referral Groups:**

There is however, an organizational distinction between these two types of chain hotels.

Franchising: is simply a method of distribution whereby one entity that has developed a particular pattern or format for doing business the franchisor grants to other entities franchisees the right to conduct such a business provided the franchisee follows the established pattern. In the lodging industry, most organizations offering franchises have first established the quality of their product and expertise in operations by developing parent company (franchisor-owned) hotels. Franchise organizations typically have established standards for design, décor, equipment, and operating procedures to which all franchised properties must adhere. This standardization is what enables franchise chains to expand while maintaining consistent, established product and level of service.

The franchisor usually provides the franchisee with other reasons for purchasing a franchise aside from a strong brand name. These include national or international central reservation networking, national advertising campaigns, management training programs, and central purchasing services. Some franchisors also provide architectural, construction, and interior design consulting services.

- **Referral Groups:**

Consist of independent hotels which have banded together for some common purpose. While each property in a referral system is not an exact replica of the others, there is sufficient consistency in the quality of service to consistently satisfy guest expectations. Hotels within the group refer their guests to other affiliated properties. Through this approach, an independent hotel may gain a much broader level of exposure.

Table 1: Different types of hotels and definitions

Name(s)	Characteristics
City center hotels	<p>These hotels are located within the heart of a city. The type may vary greatly from business, suites, residential, economy, mid-scale to luxury.</p> <p>Local example:</p>
Suburban hotels	<p>Suburban hotels tend to be smaller properties which usually provide full-service, and locate in suburban area. Local example:</p>
Airport hotels	<p>These hotels are designed especially to accommodate air travellers. They offer a mix of facilities and amenities. The majority offer guests transportation to and from the airport.</p> <p>Local example:</p>
Highway hotels/Motels	<p>They are designed for overnight stays for car travellers, often with very basic facilities. The rooms usually have direct access to an open parking lot. They are often smaller than most hotels. They are located on the outskirts of towns and cities.</p>
Convention hotels	<p>These hotels can have 2000 rooms or more. In addition to accommodation, they provide extensive meeting and function space for holding conventions. There are banquet areas within and around the hotel complex. Most of them provide an in-house laundry, a business centre, airport shuttle service, and 24-hour room service. They are often in close proximity to convention centres and other convention</p>

Commercial hotels	<p>They are located in downtown areas. They tend to be smaller than convention hotels. Meeting and function space are smaller, and there are fewer banquet areas.</p> <p>Local example: _____</p>
Resort hotels	<p>These hotels are located in picturesque, sometimes remote settings. Guests travel long distance to resorts. Usually, they tend to stay longer. Resorts typically provide a comprehensive array of recreational amenities, as well as a variety of food & beverage outlets ranging from informal to fine-dining restaurants.</p> <p>Local example: _____</p>
Spa hotels	<p>They are located in resort-type settings or as part of city spa hotels. They provide accommodations, spa treatments, programs and cuisine. Programs offered vary widely. They may include relaxation/stress management, fitness, weight management, grief/life change and pilates/yoga. Spas have professional staff that often include dieticians, therapists, masseurs, exercise physiologists, and in some cases, physicians.</p> <p>Local example: _____</p>
Timeshares/ Vacation ownership	<p>This is a type of shared ownership where a buyer purchases the right to use the property for a portion of each year. In many cases, when the timeshare is purchased, the buyer receives a deed. This indicates that the buyer can use the property each year at the time specified for the number of years based on the deed and the purchase can be handed down to the buyer's heirs.</p> <p>Local example: _____</p>
Casino hotels	<p>They have gambling operations which are the major revenue centres. They also provide live entertainment. A wide variety of luxury amenities, hotel services including fine and casual dining and shopping centres are typically available on site.</p> <p>Local example: _____</p>

All-suite hotels	<p>The guest rooms in these hotels are larger than normal hotel rooms, with separate areas for working, sleeping and relaxing. A living area or parlor is typically separated from the bedroom, and some properties offer a kitchen set-up in the rooms. The amenities and services can vary widely. They can be found in various locations such as urban, suburban, or residential.</p> <p>Local example: _____</p>
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1.2.2. Special Hotels World wide

Besides those hotels as mentioned in the previous section, there are also some unusual hotels which are unique in their features, functions or designs. Below shows some examples of special hotels located in different countries:

- **Capsule Hotels**



It is a type of hotel originated in Japan which provides small and ‘bed-only’ cabinets for its guests. The cabinet size is roughly 2m x 1m x 1.25m and they are mainly designed for local citizens who look for cheap accommodations when traveling back to their homes is not an option. Services and facilities are limited, e.g. some may not have restaurants and guests are required to share the common washrooms inside the hotel properties.

- **Ice Hotels**

As expressed in its term, ice hotels are mainly built by using snow and ice. The first ice hotel is located in Sweden and its concept has been followed by Canada and some other European countries in building their own ice hotels to attract visitors. Different from other general hotels, this type of hotel is temporary in its nature



which is always torn down and then rebuilt by artists and designers in different seasons. Due to this reason, a guest who chooses to stay in an ice hotel in different seasons would find his/ her experience entirely different once the hotel is rebuilt.

- **Cave Hotels**

Typical examples of cave hotels can be found in Turkey which are originated from residences for people in the old times who stayed in the caves to avoid the disturbance and attack of wild animals. Some of these old caves have been reused and redeveloped into different hotels which attract visitors who would like to experience in deep the culture and tradition of the host countries. These hotels are also preferred by visitors who look for environmental friendly accommodation and can provide a ‘close-to-nature’ experience in their journey. Besides, some cave hotels are also built underground, such as the Coober Pedy in South Australia which are restructured from an opal mine.



- **Tree House or Treetop Hotels**

These kinds of hotels are mainly located in countryside, especially in forests. Hotel rooms are built in harmony with trees which mainly follow the building method of the native tree houses. The most valuable experience is not provided by the ‘no-gimmick’ in-room facilities but a variety of tours and tourist activities, such as jungle walk, nightlife animal tours and visiting to native’s houses, etc. Such activities provide visitors an opportunity to have a closer contact with the natural environment. Examples of tree house hotels can be found in Costa Rica, Kenya, Brazil and Amazon, etc.



- **Underwater Hotels**

The hotel concepts associating with water have contributed to the development of innovative hotels with their rooms being built under the water. One example of



underwater hotel can be found in Florida (U.S.) and hotel guests are required to have a diving certification so they can dive in order to get into their rooms. Some travelers, who may have negative impression of staying under the water, would prefer choosing other alternatives, such as floating ones and those which have been built above the water.

1.2.3. Departments in Hotel

i. Food and Beverage Service

- **Restaurants**

A restaurant is a commercial establishment committed to the sale of food and beverage. A restaurant may be licensed part of a hotel operation, whereby the sales of the restaurant contribute to the sales of performance of the hotel as a whole. Restaurants may also be independent business entities under individual ownership and management. Basically, restaurants provide tables and chairs for people to sit and eat food prepared by an attached kitchen. They are equipped with crockery, cutlery and linen which may vary in quality according to the standard of the restaurant, which is determined by its décor, independent bar, entertainment facilities and above all, the quality of services. There are different types of restaurants:

- **Bar**

A Bar is a commercial establishment committed to the sale of beverage (both alcoholic and non-alcoholic). it may be also licensed part of a hotel operation, whereby the sales of the bar contribute to the sales of performance of the hotel as a whole. Bar may also be independent business entities under individual ownership and management. Basically, restaurants provide tables and chairs for people to sit and drink. This is determined by its décor, entertainment facilities.

- **Food and Beverage Preparation**

Kitchen: Kitchen is a place where food is prepared. While larger kitchens may have distinctly different sections to deal with various aspects of food preparation, smaller kitchens may have different functions done by a single person.

ii. Front Office

The front office department is the main point of contact for all guests staying at a hotel, motel, resort or guest house. There are various functions performed by front office, and by the sections or departments within it, such as reservations, check in, guest information and check-out. The switchboard is also a front office responsibility. In smaller operations all functions are generally performed by one or two staff members who answer the phones, provide information, take reservations and perform all the duties associated with front office.

Generally, the services offered by front office department include:

- Reservation for advance booking
- Check-in on arrival
- Room and key allocation
- Porter and providing information
- Security for valuables(safety deposit boxes)
- Recommendations for hotel/motel/resort facilities and services
- Recommendations for transport , attractions, entertainment activities and events, as well as all types of other information
- Onward reservations for travel and accommodation
- Telecommunications , messages and newspapers
- Business services such as word processing
- Account settlement and departure

iii. Housekeeping and Laundry

The housekeeping department is often the largest department in the establishment

The housekeeping role, creating a stylish environment and maintaining high standards of cleanliness, is an essential part of any hospitality operation, including restaurants, clubs, trains, and serviced apartments.

Housekeeping is responsible for meeting requests for irons and ironing boards, laundry, babysitter, extra linen or towels, and numerous other items. Guest liaison is a key aspect of work in housekeeping as staff are asked many and varied questions by guest.

Housekeeping is also responsible for décor, the selection of furnishings and wall coverings being very important.

The housekeeping department is also responsible for the image of the establishment, and as much it plays an important role in selling the organization to the public. The housekeeping role is also performed in hospitality operations other than those that offer accommodation since clubs, restaurants, pubs and casinos all have to ensure that their premises are kept clean and highly presentable.

Generally, the housekeeping department in the hospitality industry performs the following tasks,

- Ensuring that guest accommodation is clean and hygienic
- Making sure that all fittings are in good working order
- Checking that all supplies (such as toiletries and mini bar stock) have been replenished
- Ensuring that public areas (such as the lobby) are clean and polished
- Making sure that furnishings and fittings, including light fittings, are clean and in good condition.
- Ensuring that windows are cleaned regularly.

iv. Engineering and Maintenance

This department ensures the smooth running of all of all equipment's, including plant and refrigeration.

Although it works most closely with housekeeping, this department is responsible for all building maintenance, including air-conditioning and fire systems, energy management and repairs. Painters, electricians, refrigeration mechanics and carpenters all work in this department. Energy and waste management are important environmental issues. Lights which can detect movement have been a great boon for security, at the same time saving electricity.

v. Security

Security is another support department for the whole establishment and its role is to monitor customer safety and security. Prevention is the main focus, achieved through regular patrols and early intervention.

vi. Recreation

Resorts offer recreational activities in addition to accommodation and food and beverage service. These include daily activities suitable for a wide range of ages and cultures. Guests in resorts rely on staff to quickly build relationships for social interaction and to break down nervousness. Cocktail competitions, trips, walks and other activities help people to make new friends while on holiday and to enjoy their stay. Organized sports often include tennis, aerobics, sailing parasailing, and adventure tours.

vii. Marketing and Sales Department,

The primary responsibility of the sales managers who make up the marketing and sales department is sales, or the selling of the hotel Facilities and services to individuals and groups. Sales managers sell Rooms, food, and beverages to potential clients through advertising, attendance at association and conference meetings, and direct contacts. The marketing and sales department is also removed from most of the Day-to-day operational problems faced by other departments. The division of work among the sales managers is based on the type of customers a hotel is attempting to attract. Individual sales managers often specialize in corporate accounts, conventions, or tour and travel markets. The sales staff of the largest full-service Hotels usually does not exceed a dozen or so.

viii. Human Resources Department:

Serves no customers, books no business, and prepares no meals, yet it plays a vital role in a hotel's efficient Operation. The three functions of the Human resources department are employee recruitment, benefits administration, and training. The director of human resources is also expected to be an expert on federal and state labor laws and to advise Managers in other departments on these topics. The human resources Department's major challenge is in its interactions with other hotel departments. Although the human resources department recruits, interviews, and screens prospective employees, the final hiring decision rests within the department in which the potential employee will be working. The same is true of promotion and disciplinary decisions; the human Resources department's input is, in most cases, limited to advice and interpretation of

legal questions. The human resources department's Effectiveness depends on its manager's ability to form effective Working relationships with managers of other departments.

ix. Accounting Department

Combines staff functions and line functions, or those functions directly responsible for servicing Guests. The accounting department's traditional role is recording financial transactions, preparing and interpreting financial statements.

1.3. Obtaining Information to assist effective work performance

There are certain things that you will need to know; and attributes that are required if you are to work effectively in the hospitality industry .These include:

- **Excellent personal presentation:** you should ensure that your clothes are clean, well ironed and always worn neatly. You should make a good impression and portray a positive image of your place of work.
- **Being able to communicate with people from all walks of life:**

In hospitality establishments you will meet people from diverse backgrounds. They may speak different languages, have disabilities or just be rude and impatient. You should be able to communicate with these persons in a clear and polite manner at all times.

- **Handling pressure and responding appropriately to complaints:** You may find yourself under a lot of pressure, and you will have to learn to work under this pressure while maintaining a professional attitude. You will also need to be able to handle complaints. You should listen to your customers and handle all complaints in a manner that encourages good will and trust.
- **Working as part of a team:** In order to be an effective team player, you need to develop:
 - A willingness to work as a team member
 - Openness
 - The ability to be tolerant of other team members
 - The ability to be supportive of other team members
 - The ability to work toward a common goal
 - The ability to communicate effectively

- A willingness to show commitment and dedication to a particular establishment or project being honest, reliable and punctual.

Employers are looking for persons who are honest, reliable and punctual, who can meet deadlines and show a real dedication to service. If you want to be a success in the hospitality industry you need to display a real understanding of the term ‘work ethic’.

- **Quality Assurance:** Quality assurance is a very important part of hospitality. In order for your establishment to operate successfully, it has to provide quality products and services. The term quality is subjective, and can mean anything from freshness of ingredients, to the way meals are cooked and served. However, you can provide an assurance that certain standards or quality are present in your establishment. Your establishment may have systems and controls in place, and train staff to provide products and service to the standards they have set as an absolute minimum. In addition to ensuring the maintenance of quality standards, establishments work on a principle of continuous improvement in their performance. The quality assurance process is designed to develop a culture of quality throughout the establishment. It is important that you maintain quality at all times, regardless of the task you are performing
- **Understanding cultural diversity** – The hospitality industry is a multi -cultural and diverse industry so it is important to recognize the significance of different cultural and ethnic values and associated traditions, religious beliefs and customs. By understanding other people’s views of the world you can enhance customer and staff relations and it might also help to prevent possible allegations of discrimination. You should take account of differences in language, gestures and mannerisms.
- **Understanding the Geography, History and Culture of your country:** Knowledge of your country’s history, geography and culture is very important if you are to do well in the hospitality industry. This knowledge may include:
 - Cultural practices - music/folklore/dance forms/religious practices
 - Significant dates
 - National symbols and their meaning
 - Locating places on a map

- Parishes and their capitals
- Rivers and mountains
- Traditional foods

1.4. Use Knowledge of the Hospitality and Tourism Industry in the Correct Context

In order for what you have learned to be of some use, you have to put it into practice you have to change what you do, based on the new knowledge you have acquired. This is a critical aspect of being diligent in the work you do customers expect it and employers expect it. In some circumstances, it may be relatively simple and easy for you to implement changes based on new knowledge, but in other cases it may be harder.

Scope of authority

Most staff are given guidelines as to what action they can take in the workplace without having to get special permission from management. This is referred to as their „scope of authority“. The scope of authority may relate to:

- Their ability to act on behalf of the venue
- Their authority to spend money on behalf of the venue
- Their authority to act in given situations – such as when there is a complaint (as well as in emergencies, accepting bookings, making special deals).

It is a standard industry and workplace requirement you only function within your allocated scope of authority.

Examples of how your industry knowledge can be used to enhance workplace performance

It will be up to you to determine exactly when and how your product and industry knowledge can be applied – the following are some representative examples:

- To advise customers of up-coming events and specials the venue is planning to offer
- To make recommendations and suggestions when asked for your opinion
- To provide additional information which will enhance the customer’s appreciation of their stay, the product they have bought or the service they have booked

- To demonstrate the professionalism of the business and your individual level of professionalism and expertise
- To help make sales – employers want staff to be order makers not just order takers and the use of relevant, accurate and current product knowledge greatly assists in these efforts
- To generate repeat business from customers – these repeat customers are the ones who come back and spend more money in your establishment simply because of your knowledge and/or the service you have given them
- To generate referral business – referral business comes when satisfied customers tell others about how great your service is and recommend they also do business with you
- To comply with general operational requirements – which includes meeting all internal policy and procedure requirements as well as all legally imposed statutory obligations
- To entice the customer/guest to spend an extra day with you – where your customers are visitors/tourists, your product knowledge about the local area and local attractions can encourage them to extend their stay by an extra day (or two) meaning a substantial increase in revenue from accommodation, food and/or drink as well as flow-on benefits to local communities, jobs and economies
- To answer routine questions customers and guests expect you to be able to answer.

1.5. Share Knowledge of the Hospitality and Tourism Industry in the Correct Context

When you have managed to gather updated information, knowledge or skills you must be prepared to share that information and incorporate it into your day-to-day work activities.

Remember, knowledge is only power if you actually use it.

1.5.1. How to share the knowledge?

Sharing knowledge with colleagues

The basic ways to share information with fellow employees are to:

- **Tell your colleagues about what you have learned** – on a one-to-one basis, or at staff briefings or meetings
- **Demonstrate** – a new technique, methods, procedure, machine or skill
- **E-mail co-workers with the information you have discovered** – prepare a useful sheet/handout with the necessary, new or revised information
- **Prepare a short handout** – put this on the notice board and/or photocopy it and distribute it.

Sharing information with customers

Customers include guests, friends of guests and visitors generally – they can be individuals, families or groups of business people or tour groups.

Ways to share new knowledge with customers depending on the type of information involved can include:

- Verbally providing advice that includes the new information – supplementing information with hard copy materials such as maps, brochures and handouts
- Preparing posters to share the information – and placing these posters in high-traffic/high visibility areas such as reception and elevators or in information areas located near reception/in the foyer area
- Producing handouts – perhaps of recipes, local events, sample/free itineraries for local trips/tours (it is a good idea to develop a series of trips/tours of this nature focusing on two-hour trips, half-day trips and full-day trips).

1.5.2. Incorporating knowledge into everyday practice

The basics of this include:

- Working in accordance with new/revised requirements – actual practice must reflect the changes/new knowledge
- Using new knowledge to modify personal work practices – such as using new information to devise a better, safer or more effective way to do traditional tasks

- Updating printed materials – such as checklists, standard operating procedures, training materials, service standards, manuals
- Supplying information to customers that incorporates the new knowledge – this can include:
 - Responses to customer questions
 - Being proactive and offering information you deem will be of interest/important to individual customers without waiting to be asked for it.

1.5.3. Knowledge Management and its importance

A knowledge management solution is a system that allows your establishment to store and organize the collective knowledge of your workforce. This enables you to preserve workers' knowledge even if they eventually leave your organization. In addition, it creates a centralized source of knowledge that employees can access to learn company policies, procedures, best practices, and other relevant job information. The role of knowledge management in the service industry (which includes hospitality) is to provide employees with easy access to up-to-date, specialized knowledge. This is especially important in hospitality because the success of an establishment depends on providing guests with a great experience. If employees are slow to provide accurate information or solutions, the customer may be less likely to return and may even demonstrate their dissatisfaction with a negative online review.

With a solid knowledge management framework, you can empower your workforce to respond to guests' questions and issues with prompt, accurate information. Further, you can gain insight into customer data and trends so you can make fact-based organizational decisions to give your establishment an edge in a highly competitive environment.

1.5.4. Knowledge Categories in the Hospitality Industry

Understanding different types of knowledge can help you determine the best knowledge management strategy for your organization. Hospitality industry knowledge generally falls into the following categories:

- **Task-specific knowledge:** This encompasses any knowledge that is required to complete a particular task, including specific procedures, actions, or strategies. For

example, a staff member uses task-specific knowledge when following the steps to check in a guest, make a reservation, or answer the phone with a standardized greeting. Generally, this information is included in training materials, like videos or handbooks.

- **Tacit knowledge:** Tacit knowledge is less by-the-book. Rather, it is knowledge that's gained over time through personal experience and usually difficult to articulate. This could include understanding the phrases and mannerisms to use to de-escalate a frustrated guest. While you may have a documented protocol for this type of situation, it's usually only through experience that staff members can expertly finesse these difficult interactions.
- **Customer-related knowledge:** Thanks to technology, hotels and other hospitality-related businesses today have a wealth of insight into customer data. Customer-related knowledge could include historical data (such as frequency and length of stays), demographic data (such as socio-economic status, age, occupation, etc.), and even preferences and behaviors.
- **Network-related knowledge:** In addition to customer data, your company can also gather knowledge about others in your network, such as competitors, vendors, and partners.
- **Market-related knowledge:** Market-related knowledge goes one step broader than network-related knowledge. Equipped with market-related knowledge, organizations can better understand the market that it is operating within—such as size, population, culture, and habits. This can inform decisions about what products, services, and experiences to offer.

1.5.5. The Benefits of Knowledge Management in the Hospitality and Tourism Industry

Every type of knowledge in the hospitality industry can provide value to both the company and its customers. However, to truly see the benefits of that knowledge, organizations must have a system that employees can use to effectively access, document, share, and leverage it. With effective knowledge management in hospitality industry, your organization can realize the following benefits:

- **Exceptional customer service**

To provide superior service to guests, staff members and customer service representatives must be able to quickly access guest information, policies, procedures, and best practices. A knowledge management platform allows all staff to quickly find the information they need to assist guests. The most efficient knowledge sharing solutions include advanced search features which makes it even easier to find the right information at the right time.

- **Consistent, up-to-date, and accessible knowledge across the organization**

Without a knowledge management system, employees may use the company intranet, email archives, or simply word-of-mouth to seek out information. Often, they end up finding outdated information and using it to address guests' questions or issues, which leads to customer frustrations or dissatisfaction. With a modern knowledge management system, your employees will always know where to find information—and be confident that the knowledge they find is accurate and up to date.

- **More informed organizational decisions**

Knowledge management systems give organizational leaders access to a centralized source of customer insights. Equipped with that knowledge, they can make more informed decisions about how to improve the customer experience. For example, you may determine that your customer base values particular amenities—so to stay competitive, you may decide to offer more of those services.

- **Insight into new opportunities**

With a centralized source of market research, organizational leaders can easily identify new challenges and opportunities in the broader market, empowering you to be innovative in your future plans. These insights could reveal, for example, opportunities to expand to new locations or partner with other local organizations. With this insight, you can strengthen your company and power future business growth.

In the competitive hospitality industry, rising above the competition requires you to empower your staff and leadership with accurate, up-to-date company information and market insights. With a knowledge management platform, you can offer a centralized

source of trustworthy information and equip your workforce to provide an exceptional customer experience.

Self-check I

Written Question

Part 1: Choose the correct answer from the given options

1. Hospitality Industry includes the following sectors except one.
 - A. Hotels
 - B. Small guest houses
 - C. Mining
 - D. All
2. Which one is true about tourism
 - A. It is a temporary visit of peoples outside their normal residence area.
 - B. It is smokeless industry.
 - C. It is phenomena in which people stay permanently away from home
 - D. A and B
3. From the given options, which one is first globally?
 - A. The beginning of hospitality industry
 - B. The first publicly held hotel
 - C. The first modern hotel
 - D. The first business hotel
4. Which one of the following is an international brand of the hotel business in Ethiopia?
 - A. Hyatt
 - B. D'Afrique
 - C. Jupiter
 - D. Hilton
 - E. A and D
5. What was the main motive initiated Empress Tayitu to build a hotel?
 - A. The opening of Embassies in Addis Ababa
 - B. The inauguration of St. Mary's Church at Entoto
 - C. Victory of Adwa
 - D. The constructions of Ethio-Djibouti railway
 - E. All
6. _____ is providing Name & Association and marketing resources in the hotel business.
 - A. Franchise
 - B. Management contract
 - C. Partnership
 - D. Chain operation

7. A hotel which provides accommodation to guests who stay for a long time is _____.

- A. Transient hotel
- B. Tourist hotel
- C. Residential hotel
- D. Commercial hotel

8. All statements are true except

- A. Bell Attendants: Ensure Luggage service between the lobby area and guestrooms
- B. Door Attendants: Ensure parking services for guest's automobiles
- C. Transportation Personnel: Ensure transportation services for guests from and to the hotel
- D. Concierge: Assists guests by making restaurant reservations, arranging for transportation, and getting tickets for theater, sporting, or any other special events
- E. All of the above

9. Housekeeping department is responsible for except

- A. Entertaining of guests
- B. Cleans occupied and vacant rooms
- C. Inspects rooms before they are available for sale
- D. Communicates the status of guestrooms to the Front Office Department
- E. Cleans and presses the property's linens, towels, and guest clothing (if equipped to do so, free of charge or for a pre-determined fee)

10. Some of the duties of the human resources division are the following except

- a. Calculates employees' salaries, compensation, and tax withholding...
- b. Administrates employees' paperwork, monitors attendance...
- c. Maintains good relations with Labor Unions
- d. Distributes unpaid statements
- e. All

11. Which one of the following is true classification of hotel according to location?
- A. Suburban hotels centers of city or town.
 - B. Down town hotel away from a city.
 - C. Motels situated main roads
 - D. All of the above
12. A type of hotel offering comfortable accommodating and uniformed bell staff.
- Limited service hotels
 - Mid-market hotel
 - All-suite hotel
 - Executive hotel
13. Hotel ownership basics and do not have any affiliation or contract through any other property.
- A. Chain hotel B. Franchise C. Independent hotel D. All.
14. Which one of the Following is the well-known franchisor in USA.
- A. Ramada Inn B. Sheraton C. Marriott Inn D. all except A E. ALL
15. Which one of the following true about management contract hotel
- Owner retains the legal and financial responsibility.
 - Operator pays for operating expenses.
 - Owner is responsible for paying taxes
 - All answer
16. On the basis of their size hotels can be classified medium with a room number between
- hotels with rooms between 100 and 200 C. hotels with 300 - 400
 - hotels with rooms between 201 and 300 D. hotels with less than 100 rooms

Part II: Write the correct answer

- What does it mean by hospitality industry?
- What does it mean by tourism industry?
- List both commercial and non-commercial organizations that provide Hospitality services.

4. Define the term Hotel.
5. List and explain the classification of hotel.

Part III: Activity

Activity 1

Get a map of your country and with the assistance of your peers identify the resort and lodge and hotel and tourism service providing areas in Ethiopia. Put these areas in categories based on location as follows:

- Areas at North
- Areas at South
- Areas at East
- Areas at West

Record this information with your peers, role-play giving directions to different places in your country; remember to alternate roles.

Activity 2

Design an informative brochure for the benefit of visitors to the establishment in which you work. In this brochure you will be required to provide information about your country; such information should relate to:

- Local heritage
- Local cultural practices display

Remember to make the brochure as creative and visually appealing as possible.

Unit Two: Legal and Ethical Issues of Hospitality Industry

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Legal and ethical issues in the hospitality and tourism industry
- Ethical and legal industry practices.

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Obtain information on legal and ethical issues of the industry
- Conduct ethical and legal industry practices

2.1. Legal and ethical issues in the hospitality and tourism industry

Hospitality law covers a wide range of legal issues which include contracts, hotel liability, duty of hotels toward guests, employment laws, antitrust legislation, alcohol licensing and food safety to name a few. Industries such as transportation, hotels, bars, motels and other various leisure establishments and services must comply with all laws set forth by the various governing authorities of this area of practice.

2.1.1. Hospitality Law

Hospitality law is the body of law relating to the food service, travel, and lodging industries. That is, it is the body of law governing the specific nuances of hotels, restaurants, bars, spas, country clubs, meeting and convention planners, and more. Hospitality law doesn't just involve one area of law. It encompasses a wide variety of practice areas, including contracts, antitrust, tort law, and more.

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Hospitality law doesn't just involve one area of law. It encompasses a wide variety of practice areas, including contracts, antitrust, tort law, and more.

A hotel faces potential legal consequences for all of the following:

- Negligence in the maintenance of its premises
- Failure to comply with the Fair Labor Standards Act (minimum pay, overtime pay, equal pay, child labor)
- Discrimination against employees based on minority status
- Denial of services to guests perceived as illegal discrimination
- Contending with internet reviews, disagreements with a franchisor
- Overstepping bounds with unions
- Misapplying tip pools
- Eradicating bed bugs and other pests
- Dram shop violations

- Food issues
- Security concerns
- Insufficient insurance
- Trademark and copyright violations
- Securing and maintaining necessary business licenses
- Tax obligations
- Sanitation issues in spas
- Contract disagreements with suppliers
- Guests' rights to privacy
- Managing employees to ensure *compliance with all of the above, and much more.*

2.1.2. Legislation and Hospitality Industry

The major concern to all employers is legal and regulatory compliance. But not only must employers comply with laws that affect their enterprise, so too must the employees in that workplace. The implications of this are that we must all be knowledgeable about compliance, and work in a manner that does not breach any law or regulation affecting our workplace. It is important to note that ignorance of the law is not a defense.

2.1.3. Legal Issues

Law in Ethiopia is made in several ways: Acts of federal or regional parliament and the legislative assemblies of the territories; common law as applied and modified by the courts; and by-laws, regulations. Multiple federal, regional and local government laws and regulations govern the operation of every hospitality-based operation including the sale of alcohol, managing a gaming facility, venues' hours of operation, occupational health and safety, hygiene, workplace relations, consumer protection and trade practices.

The laws bind employers and employees, which means that penalties can be imposed on both the organization and an employee of that organization for breach of any law.

2.1.4. Duty of Care

A duty of care is the responsibility one person has for the safety and wellbeing of another. Where an employer has a duty of care towards the public, their liability is extended to the actions of their employees. This is called vicarious liability. In other words, the employer is responsible for employees' behavior and therefore ensuring that the actions of employees meet legal requirements and are in no way detrimental to the safety or welfare of, or discriminatory towards, guests, customers or colleagues.

Listed below are the most common laws and regulations that impact on tourism-based enterprises and employees working in those businesses. For more specific information, please refer to the relevant legislation and regulations.

- Building and construction
- Food & beverage liability cases
- Franchise disputes and resolutions
- How to avoid negative publicity and liability by learning what "not to do"
- Fair labor standards act (minimum wages, overtime pay, child labor, equal pay for equal work),
- Tip pool issues
- Contract disputes
- Insurance matters
- Trademark and copyright violations
- Licensing requirements
- Spa lawsuits and more
- Occupational health and safety
- Public health
- Equal opportunity and anti-discrimination
- Other legislation
- Industrial relations.
- Consumer protection
- **Industrial Relations:** refers to the management of relationships between employers and employees.

- **Consumer Protection** - a consumer is someone who uses (consumes) a good or service for non-commercial purpose (personal use). Consumer law is concerned with protecting the rights of consumers.
- Fair trading and sale of goods legislation has as its main purposes:
 - to promote of fair trading practices and competitive fair market
 - to provide for the safety of goods and services supplied and for the information that must accompany goods and services
 - To regulate trade practices.
- **Equal Opportunity And Anti-Discrimination** - Equal opportunity legislation takes many forms. The legislation affects industry on two levels: in employment and in the provision of goods and services.

Equal opportunity (EO) is designed to ensure people are not discriminated against because of irrelevant characteristics. In other words, employment opportunities must be granted on merit, irrespective of gender, race, sexual preference, disability, nationality or other irrelevant characteristics. Similarly, in the provision of goods and services, we cannot discriminate against people based on these characteristics.

- **Anti-discrimination legislation** - This legislation extends to the provision of goods and services and makes it illegal to **discriminate** based on factors such as race, pregnancy, physical and mental impairment, marital status, gender, sexual preference, political convictions and religious beliefs, except where allowable under legislation.
- Racial Discrimination
- Sex Discrimination
- Disability Discrimination.

In many states discrimination on the basis of age is also illegal (except, of course where alcohol cannot be sold to minors).

- **Other Legislations** - There are a number of other related laws and regulations about which we need a broad understanding. E.g. **Liquor controls** - Legislation for the control of liquor sales, disposal and consumption.

2.1.5. Industry Working Conditions

Depending on the sector in which we work, we may find our business operates every hour of every year. This is particularly true of many hospitality-based enterprises and travel operations (e.g. airlines). This means it's unlikely we'll be working Monday to Friday, 8.30 am to 5.30 pm and Saturday 8.30 am to 12.30 pm. Shifts and start times will vary. There is weekend work, night shifts and public holiday roistering, all of which suit many, but not everyone.

This shouldn't come as too much of a surprise. Think of every time you frequented a hospitality venue—bar, restaurant, nightclub—and think of the hour you were there; someone was serving you, someone cooked for you and someone cleaned up after you. Now think about the times you have travelled—on a plane, a coach, a train— timetables are rarely convenient to us.

The advantage of the flexibility of hours, in our industry, however, lies in the freedom it gives us to do things when others are working—shopping, studying, socializing, sleeping or sunbathing!

The working conditions in the various tourism sectors are as diverse as the industry itself; however, controls do exist for some consistency in terms of minimum wages, occupational health and safety, hours, leave entitlements and so on. These are usually covered by industry awards and enterprise or individual agreements.

Employers are bound by legislation that dictates the working conditions but there will still exist variances in how this is observed or enforced. All employees have rights (and duties) and just as there exist industry bodies that aid employers, there is also a body that supports the employee—the trade union.

2.1.6. Industrial Relations

The diverse nature of the tourism industry and its various sectors has seen a proliferation of tourism industry organizations and professional associations.

Many of these organizations provide employers (and businesses) in the hospitality industry with industrial relations representation, legal advice, operational support, training initiatives and so on, and are commonly referred to as employer groups because they specifically represent employer interests. Others are industry bodies whose aims are to provide support for the industry as a whole or for a sector of the industry. These bodies frequently offer membership to both employers and employees. A third group is primarily concerned with the workers' rights. These organizations are known as trade unions.

2.1.7. Trade Unions

A **trade union** is an organization that represents its members (employees of a trade or industry) and aims to protect and improve their working conditions.

As an employee representative body, the union's role is far-reaching and comprehensive. The union is actively involved in industry consultation in areas such as award negotiation, enterprise agreement negotiations, superannuation, curriculum and training, and will represent members on occupational health and safety committees and a range of other activities aimed at protecting and aiding employees' working conditions.

It is not compulsory to be a union member, and although many of the union activities represent industry or sectors collectively, employees must be a member for the union to represent them individually.

The many benefits gained from union membership include:

- assistance with grievance procedures
- assistance with and advice on unfair dismissal, redundancy and other termination issues
- legal advice relating to working conditions and non-work-related issues

- legal representation in the event of a work-related dispute
- assistance with workers compensation claims

2.1.8. Liquor licensing legislation

This legislation generally covers the age of drinkers, the venues and situations (e.g. with meals) in which alcoholic drinks can be served, and the legal hours of alcohol service. Liquor must be correctly labeled and sold in legal measures. A sign must be displayed to say that is an offence to sell or supply or obtain liquor on behalf of a person under the age of 18 years.

- **On-License**

On-license describes an establishment where alcohol must be consumed at the point of sale, such as a pub, bar, nightclub or café.

The name derives from the distinction between types of license which could be granted—a distinction now repealed in England and Wales, and repealed in Scotland in 20 an "off" license permitting the sale of intoxicating liquor for consumption only off the premises, or an "on" license permitting sale for consumption on the premises—which permitted, to a limited extent, off sales too: many public houses were permitted off sales, to sell sealed alcoholic drinks (e.g., unopened bottles of wine) for consumption elsewhere. When restaurants refer to themselves as fully licensed, they have a premises license permitting only on-sales, often subject to a condition that the alcohol may only be sold with a meal. In this context fully licensed simply means that, the establishment is authorized to serve liquor in addition to beer and wine.

- **Off-License**

Off-license (sometimes known as off-sales or office) is a term used in the United Kingdom and Ireland for a shop licensed to sell alcoholic beverages for consumption off the premises, as opposed to a bar or public house which is licensed for consumption at the point of sale (on-license). The term also applies to the license granted to the establishment itself.

Off-licenses typically are specialist shops, convenience stores, parts of supermarkets, or attached to bars and pubs. Prices are usually substantially lower than in bars or pubs.

In the United Kingdom, the "off-license" status of a shop could once be used as a device to circumvent restrictive trading laws, particularly those concerning Sunday trading. Depending on local by-laws, shops might be either required to close at 12:00 once a week, or else not be allowed to trade in the evening. Shops with an *off-license* made their hours similar to those of public houses, opening during lunch hours and from early evening to the mandatory closing time, usually 22:30 or 23:00. The Sunday Trading Act 1994 altered the situation somewhat.

2.1.9. Food Hygiene and Related Legislation

The legislation covers the preparation and storage of food, the composition of food and food handling practice generally. It also covers the places where food can be prepared and sold.

Under this legislation adulteration of food (where it is filthy, decomposed, deteriorated or perished) is a criminal offence. The guidelines are very detailed and very strict covering, for example, personal hygiene of food handlers, recommended temperatures for washing glasses and plates, the necessary for discarding chipped or cracked crockery and the provision of appropriate serving utensils for salad bars. Food safety systems are an important component of recent legislations in this area HACCP (hazard analysis critical control points) is the name given to the guidelines' for storing, preparing and handling food.

2.1.10. Trade Practice

This is the legislation which ensures that the goods sold or the services provided are those advertised. Accommodations must be of the standard advertised are those advertised, ocean views match those on the brochure and services, such as tours and entertainment promised as part of the package, must be provided. If a hotel calls to find out the current rooms rate and occupancy of another and uses this information to reach agreement

between operators on pricing, this is in conflict with trade practices legislation, and it is known as price fixing. Under trade practices the following are not acceptable:-

- Merging companies to form monopolies and restrict trade
- Agreement on pricing and restrictions of competition
- False and misleading advertising
- Deceptive selling
- Misleading or deceptive conduct or statements. Consumer rights are also protected by sale of goods.

❖ **Innkeepers ‘Acts**

The act limit liability for prosperity lost or damaged on the premises unless it is handed in for safe keeping or the damage is due to the negligence of the hotel or motel staff.

❖ **Building and Safety Regulations**

Fire exit must be clear to comply with this legislation. Night clubs which admit these regulations are not complied with, there is an increased danger of accident facilities and signs are covered by local council regulations.

❖ **Gambling Legislation**

Gambling laws deal mainly with fair returns on gamblers’ investments, access to gambling facilities (customers must be over 18) and property of management and staff in gambling establishments. All betting staff s have to apply for licenses and these will not be issued if the person has a criminal record.

❖ **Rights to Refuse Entry**

A proprietor has the right to refuse entry, or to ask customer to leave, the premises. This is generally in the interests of other customers. Dress codes are often the basis for refusal of entry to supports clubs and night clubs.

❖ **Licenses**

Are required to play recorded music (for example, Australian performing Arts Association), to sell cigarettes, small goods and the likes.

Employer associations are use full source of legal advice and keep up to date with legal requirements and changes to legislation, and keep members informed through newsletters.

Conduct day-to-day hospitality industry activities according to legal obligations and ethical industry practices

Obligations: The employee is obliged to up hold the law , despite any instructions’ to the country being asked to get the airport in hurry to pick up VIPs is no excuse for speeding .The resulting fine would be paid by the employer but the employee would get warning at the very least. In the interest of all concerned, employer, employee, customer and supplier, it is important that all obligations under the law are meet.

2.2.Ethical issues

In addition to running a business legally, here is also the issue of ethics. "Ethics" is the study of right and wrong.

Ethics are a code of conduct, a way of doing things. It is both illegal and unethical to substitute flathead for barramundi if that what is advertised on the menu. It is also illegal and unethical to pour a sprit into the wrong bottle and pretend it is the labeled variety.

Employees in the hospitality industry are expected to behave in an ethical manner in their relationships with customers, suppliers and other employees in the daily performance of their duties.

While the subject of ethics is one that is being taught in business schools, its translation into everyday workplace practices remains contentious. When we speak of ‘**ethics**’ we generally are referring to a system of principles and values that govern the way we behave and act. Thus, we may think a person is ethical or unethical by the way they conduct themselves.

Unlike other behaviors, the source of our ethical behavior may not just be determined at the individual level (influenced by our family, culture, education and friends) or by the

work environment (the culture of the workplace and, indeed, individuals with whom we work). Indeed, it is clear that we each make different ethical choices even if we have similar backgrounds. For the purpose of this discussion we suggest that ethical behavior constitutes the proper following of legal and accepted moral imperatives in our daily lives.

Unethical practices may have legal implications. For example, a business may substitute a cheaper quality product for a higher quality product but sell the product at the higher quality price. An example of this is selling cheap whisky in a Johnnie Walker Black Label bottle. This is generally considered unethical and is a breach of the Trade Practices Act.

Perhaps the most common unethical behavior is lying—to customers, colleagues and supervisors. Some might rationalize that they are only telling small lies, perhaps to keep the customer happy, but this is lying nonetheless.

While there are many ethical issues we encounter in the hospitality environment, here are some of the more common ones that raise ethical consideration.

- **Confidentiality:** In the hospitality industry we frequently come into contact with high profile people or overhear things that may or may not have been meant for public airing. In addition, how the business operates and how well it is or isn't performing is generally no-one else's business. What we see and hear in the workplace should, arguably, remain in the workplace. When you get information about customers, what do you have to keep confidential?
- **Money matters** • Large sums of money are handled every day in many hospitality environments. In addition, many hospitality-based enterprises maintain substantial physical assets in the way of fixtures and fittings, and food and beverage supplies. Some businesses have good systems of control while others do not. The temptation to steal (from the organization, colleagues or suppliers) raises not only ethical issues but also has legal implications.
- **Overbooking:** Overbooking is accepting more bookings than you have space, because some of them usually cancel. But what about when so many people cancel and people

don't get the place you've booked them for. The practice of overbooking has its foundations in maximizing occupancy. The enterprise can counter potential losses resulting from late cancellations, early departures (in accommodation venues) and no-shows. Both customers and employees may view the practice of overbooking as unethical.

- **Product Recommendations:** the practice of recommending certain products over others is generally thought of as promoting and selling businesses' services and facilities. It raises potential ethical concerns when product recommendations favor one to the detriment of another because of the potential to earn greater revenue and because it may not be done in such a way that leaves the buyer with all the information needed to make an informed and unbiased buying decision.
- **Pricing:** particularly during high demand periods a venue can be tempted into pricing products higher than usual. For example, a motel's usual room rate is \$100. An unexpected demand for rooms on a particular weekend may tempt the venue to increase room rates to \$150 when the operators know that there is no alternative for the guest but to stay at that venue and pay the increased price. Of a more serious nature is the practice of price fixing. **Price fixing** occurs when a business enters into an agreement with its competitor(s) to fix the price of a good or service. This practice is anti-competitive and therefore unfair for consumers. It is also a breach of the Trade Practices Act.
- **Familiarization:** How close should you get to customers? Shouldn't you maintain a professional attitude? What about friendship with customers outside work?
- **Gifts, services free of charge:** some venues and/or suppliers lure customers or buyers with gifts, free services in an attempt to attract their business. The gifts and free services may be considered bribes with the purpose of self-promotion, resulting in anti-competitive behavior.
- **Codes of conduct:** Many hospitality organizations develop codes of conduct, practice or ethics as a guide for employee behavior, thus attempting to ensure an ethical, appropriate operating environment. The fact is that a code of conduct is not necessarily a legally binding requirement and cannot compel an employee to behave in a way desired by the company. But failure to comply may have employment

implications. Codes of conduct often relate to how we interact with customers and colleagues, truth and honesty in the dissemination of information, the provision of services promoted (may have legal implications under trade practices law), commission procedures, familiarization, pricing and so on.

- ***Tipping:*** Tipping is quite common in hospitality (particularly in food and beverage outlets). Where a point of ethics may arise is when the standard procedure for the distribution of tips is not followed. For example, in some restaurants tips are pooled (all tips earned throughout the shift are added together and then divided evenly among the staff at the end of the shift). One employee may secretly keep the tips they receive and take a share of the pooled tips. While there are no legal implications here, there are ethical implications: is it fair to steal from your colleagues in this way? Many people who have behaved unethically (and been caught) have argued that others did it so why shouldn't they? Why not indeed! It is for our own conscience to decide what is appropriate behavior when tempted by unethical practices, but it is important to keep in mind that when caught, careers are put in jeopardy and there may be other more far-reaching consequences (such as legal proceedings) to our actions.
- ***Product Recommendations:*** When can you recommend products? When is it wrong to do so? What about being paid to recommend particular products? if the products are inferior?



Self - check-2

Written Question

Part I: Multiple Questions (2 pts. each)

- _____ is an obligation that a person has when acting towards others colleagues, customers and the general public.
A. Consumer protection B. Duty to care C. legal obligation D. treatment
- It is against the law to discriminate people against the following except
A. race B. language C. age D. none of the above
- The specific legislation in the hospitality industry does not include one of the following?
A. Customer number B. Hygiene C. liquor D. smoking
- Identify the incorrect statement
A. Every industry has activities that are the subject of specific legislation.
B. Customers must be fully informed of all costs before they purchase a product or service
C. Tipping is compulsory in customer service
D. It is very important to remain ethical in your work
- A -----is an organization that represents its members (employees of a trade or industry) and aims to protect and improve their working conditions.
A. Industrial Relations B. Trade Unions C. Consumer Protection D. All

Part II: Match column “A” with the appropriate answer under column “B”

<u>A</u>		<u>B</u>	
1. Code of Conduct		<u>A</u>	act of providing service
2. Work place relations		<u>B</u>	keeping information
3. Confidentiality		<u>C</u>	Govern working relationship
		<u>D</u>	rules and regulations

Part III True False Items

- Unethical practices don't have any legal implications.
- There are tipping implications by the law rather than ethical implications.
- Recommending product with respect to its true nature is appropriate.

Unit Three: Hospitality and Tourism Industry Technology

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Emerging technologies in hospitality and tourism industry.
- Applications of current and emerging technologies in the industry
- Effects of technology in hospitality and tourism

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Access information on emerging technologies in hospitality and tourism industry
- Apply current and emerging technologies in the industry
- Identify effects of technology in hospitality and tourism

3.1. Emerging Technologies in Hospitality and Tourism Industry.

Hospitality technology describes a wide range of IT, e-commerce, and similar technology solutions within the hospitality industry. The use of this technology is typically intended to either make life easier for a business's employees, or to improve the overall experience for hospitality customers. This can be achieved in several different ways. For example, hospitality tech may help to increase automation and ease the workload for staff. Likewise, it could make processes faster, potentially saving money and time. Alternatively, it could help customers at numerous points along the customer journey.

3.1.1. Information Technology (IT)

Is the application of computers and telecommunications equipment to store, retrieve, transmit and manipulate data, Whereas information Systems are combinations of hardware, software and telecommunications networks that people build and use to collect, create, and distribute useful data, typically in organizational settings”

Information Technology has played an important role in the hospitality and tourism industry over the last decade. Technology has helped reduce costs, enhance operational efficiency, and improve services and customer experience. Both customers and businesses can benefit from improved communication, reservations, and guest service systems.

Hospitality Industry Technology

Technology has helped tourism and hospitality industries replace expensive human labor with technological labor. This helps reduce labor costs, but also helps avoid customer service issues. Here are some examples of the ways that IT continues to improve the hospitality and tourism industry.

The hospitality sector is extremely competitive, making it essential to keep up with the latest hospitality technology trends. Technology can help businesses streamline their processes, reduce costs, lower staff workloads, increase revenue generation potential, and improve customer experience delivery.

Using the latest technology may improve the accuracy of work to a level that would be difficult for human staff to achieve on their own. Technology solutions can also make work more manageable and may make it easier to live up to the increasingly high expectations that today's customers have.

Perhaps the single biggest reason why it is crucial to keep up with the latest hospitality technology trends is that many other businesses will. Failing to keep up could provide rival companies with a significant competitive advantage, especially if they adopt technology that appeals to customers, while you continue as normal.

As new trends emerge and technology becomes widely used, the customers within that industry will start to expect to see certain things. This makes hospitality tech essential for living up to customer expectations. Meanwhile, you can also gain a competitive edge over rivals who have not adopted the new tech.

Adopting the latest trends also makes this progress a continuous feature. If you fall behind current trends, upgrading technology later on may become more difficult because training requirements may be more extensive.

3.2. Applications of Current and Emerging Technologies in the Industry

3.2.1. Internet Marketing

The internet has a powerful impact on hospitality and tourism. A customer's first experience with your business is a visit to your website. This includes looking at pictures and reviews from past guests. It is vital for a business to effectively utilize online advertising, social media, blogs, and online purchasing to help convenience their customers, especially when your competitors are doing the same thing.

3.2.2. Computer Systems

Computer systems allow communication between larger hotel chains with multiple locations to connect easier. They also help keep staff on the same page and make it easier to access information, making your guests experience much better. Guest requests, housekeeping information, and reservations can all be found on one system.

3.2.3. Mobile Communication

Mobile tablets and smartphones have replaced large desktop computers, making them virtually extinct. This is helpful, because many travelers take some type of mobile device with them on a trip. This helps hospitality businesses keep customers advised of changes and delays to their reservations, offer deals, and advertise by using GPS tracking. The use of Technology in the hospitality and tourism industry has helped speed up operations and helped the traveling process much more enjoyable and efficient. Technology not only helps large chain hotels, but can also be useful to B and B's and other smaller companies in the industry.

3.2.4. Automation in The Industry

The travel and hospitality industry are no longer run using traditional methods anymore. Travel and hospitality business owners have long been automating their processes to improve productivity and customer satisfaction. The outcome has been a massive improvement in efficiency in service delivery across the world and a more standardized way of dealing with clients. Technology has impacted these sectors in the most positive ways as outlined below.

3.2.5. Business Automation Operation

More businesses have turned to automation to improve production and services delivery with little to no human participation. Everything from organization, coordination, communication can be and is automated across businesses in the travel and hospitality industry. Customers can reach out to hotels or travel agencies anytime, night or day and there will always be someone to attend to their needs. Systems that facilitate self-service are available and easy to use. Reservations can easily be made without human interaction. This has reduced cost and labor for the businesses while improving customer service delivery.

3.2.6. Improved hotel and travel technology

The whole point of improving travel and hotel accommodation conditions is to appeal to the customers who will use these services. Technology has helped make that even more achievable. Travelers can expect a much safer, reliable, and comfortable transit from their service providers. While in hotels, guests want to stay connected to the world. A strong and reliable Wi-Fi takes care of these. Guests can work online from the comfort of their rooms. They can also relax in their rooms, enjoying hi-tech amenities, streaming their favorite shows and play online casino games on sites like Novibet, if they prefer not to go down to the game rooms that the hotels typically provide. A cleaning system also ensures that the guests feel safe Health wise, especially during this pandemic. It all makes for a rich and relaxed experience.

3.2.7. Check-in convenience

Checking in, whether at travel stations or hotels has been greatly improved with technology. People like the idea of being able to check-in by themselves without having to encounter so many people to do so. Digital platforms are now available in airports, restaurants, and even hotels that enable people to have an easy and contactless experience as they use their services. The convenience of these systems makes it so much easier to enjoy themselves.

3.2.8. Improving staff services

Technology has also impacted the way employees in the travel and hospitality industry carry out their duties. Staff can use automated systems to execute certain tasks like laundry, cleaning, and even cooking. Automatically saved customer information helps them cater to the needs of specific customers ensuring they get the best and most satisfactory services.

3.2.9. Improved communication

This applies to both staff and customers. Technology has provided more efficient methods of communication between a member of these two sectors and their clients. Information is more easily accessible and transferred between them and this often limits

or even eliminates the chances of mistakes and errors in customers servicing customer's needs.

In many airports, it's no longer necessary to stand in a queue to check in and people are expecting the same kind of easy, technology-driven check-ins at hotels. Guests want to be able to do everything from checking in at a venue's automated kiosk to ordering room service with a digital device instead of standing in queues and moving around the hotel premises to order food.



Thanks to digital innovation and social media, guests also expect digital interactions with the hotel to be personalized. When investing in digital apps for check-ins, room service and other customer-oriented digital interactions, hotel operators are investing in systems and technologies that can personalize the experience for guests, including a guest's name being displayed on the welcome desk at a digital check-in station; their food preferences or past purchases being displayed in a digital room-service order system; and similar.

In addition, the 'concierge in your pocket' concept is fast gaining popularity due to its ability to allow operators to include useful information such as surrounding entertainment venues; medical facilities; and similar services.

Like many of the other technology trends in the hospitality industry, investing in a check-in/cocierge app requires a small initial investment and can lead to greater efficiency and savings as hotel staff are able to focus on customer service and property developers don't have to create large static reception desks at each entrance and hotel location.

3.2.10. NFC technology

Near field communication (NFC) technology is the next-generation short-range high frequency wireless communication technology that gives users the ability to exchange data between devices. Communication between NFC devices can transfer data at up to 424 kilobits/second and the communication is enabled when two devices touch each

other, which makes mobile payments (by touching the smart phone to a credit card) an instant, secure process. This technology is also ideal for self-check-ins by guests at hotels as well as smart room keys.

Besides payments and an easier way to gain entry to hotel rooms, NFC technology can also be used to personalize a guest's experience at a hotel or resort. For example, advertising can be targeted based on gender and age (so if a child walks by a digital sign in the lobby, the advertisement can change to promote a local theme park or the hotel's kids club) and this technology could also be used to track loyalty points from a guest's use of the conference facilities or room service. This opens many doors for hotels who want to offer a more personalized experience at their establishment.

3.2.11. Robots and infrared sensors

Some hotels are already offering more futuristic experiences, with robots delivering any items ordered through room service to a guest's door. A boutique hotel that is nestled between Apple's headquarters and other tech companies, called Aloft Cupertino, has a robot butler called Botlr that is able to move between the various floors of the hotel in order to take items such as toothbrushes, chargers and snacks to guests. These types of digital systems not only make it easy for hotel staff to deliver items to guests, but it also offers a forward-facing digital experience to people who stay at the hotel.

Infrared scanners are now also used to minimize disruptions relating to housekeeping (which is a common complaint from customers). Instead of hanging a 'Do Not Disturb' sign on doors or having cleaning staff wake up traveling guests with knocks and phone calls, hotel staff can take a more innovative approach by using infrared scanners that will detect body heat within a room and tell cleaning staff that they should rather come back later if the room is currently occupied.

3.2.12. Smart room keys

Hotels will increasingly install smart room access systems that allow guests to unlock their doors by simply swiping their phones across a keyless pad on the door. Starwood (owner of the Sheraton, Weston and "W" hotel chains) has already upgraded 30,000 room locks across 150 hotels with this system and Hilton will be implementing a similar system at 10 of their US properties this year. In 2016, they will be deploying the smart

room key technology globally. This technology will mean that guests don't have to worry about picking up keys and front desk staff won't have to issue new keys in the event that a guest loses their room key.

Another innovative way to offer a keyless experience is through fingerprint-activated room entry systems and retina scanning devices. Retina scanning is even more accurate and secure than fingerprint scans and hotels like the Nine Zero Hotel in Boston have already installed an iris scan system in place of key cards to control access to the hotel's presidential suite.

3.2.13. Entertainment on tap

According to a Smith Micro Software trend report entitled *The Future of Hotel In-Room Entertainment*; people are increasingly plugging in their own devices for in-room entertainment. The hotel room's television, radio and clock are taking a backseat as travelers use their own technology to keep themselves entertained. An earlier survey by Smith Micro Software showed that 81% of respondents wanted access to mobile video content at hotels and 55% said that mobile content availability at a hotel would influence where they choose to stay.

3.2.14. Cloud services

Cloud computing is when you use programs, store files, or access data via the internet rather than on your hard drive. If you've ever edited a Google Doc or uploaded files to Dropbox, then you've leveraged cloud computing. When an application is "cloud based" it means that it lives on third party servers. For example, a cloud based hotel Software Company like Cloudbeds might choose to rent space with a company like Rackspace or AWS to host their application.



Being able to provide entertainment on tap and mobile content has led to the trend of hotels investing in cloud services. While hotels want to be able to offer digital content, they don't necessarily want to invest in IT infrastructure and IT staff, making cloud computing the ideal solution.

Not only is the initial capital investment lower than IT infrastructure and servers, but it gives hotels the flexibility to expand and adjust their IT needs along with business

growth, invest in upgrades without causing a complete IT system overhaul and it removes the administrative burden of managing an IT system in-house. Cloud computing is becoming the norm and we will continue to see hotel groups replacing their legacy IT infrastructure with cloud solutions.

3.2.15. Feedback on social media

Technology has infiltrated almost every aspect of our lives and hotel developers need to realize that almost any person checking in at a hotel, resort, spa or lodge, will have a smartphone in their pockets.

Many companies in the hospitality industry are already using social media to their advantage as guests check-in on location-based social media apps, tweet about their experience on Twitter and share their holiday photos with friends and followers on Instagram and Facebook. This trend will continue and hotels can expect to see even more social media engagement from guests who use these platforms to give feedback about their experience, complain and give compliments about their stay. Hotel staff are also expected to provide feedback and address and complaints or queries from guests in real-time.

From an online, reputation management perspective, this is a trend that marketers and hotel management need to manage proactively. Consumers don't make decisions about where they're going to travel to or book a stay in a vacuum – they turn to community-developed content and rating systems such as Trip Advisor and social media to make decisions about holiday destinations, hotels and leisure. This shift has led to many hotel and leisure groups developing active social media monitoring and communication strategies in order to stay on top of what's being said about them online and making sure that both marketing and operational staff address feedback that has been given online.

An additional way in which operator can take full advantage of technology in this space is using it to communicate how well they are doing (in real time) with respect to their various environmental initiatives (such as real time electricity/water usage reporting, etc.)

3.2.16. Converged LANs to support multiple services

Converged local area networks (LANs) will also help hotels to create more intelligent buildings. A variety of computer-based building services can be automated in order to control lighting, refrigeration, air-conditioning and heating. Besides reducing energy consumption, converged LANs can also be set up to provide a smarter, more personal experience. If a guest is known to prefer his or her room temperature at 18°C with the lights dimmed to 65%, for example, this can be programmed before the guest checks in at the hotel.

3.2.17. Integrated, seamless experiences

Technology doesn't mean that customer experience can only happen online and through devices, check-ins and online comments. All of these experiences need to be part of an integrated, dynamic system so that the guests' experiences are at the forefront of the marketing and operational team's mind. If a guest leaves a comment about their stay when they check-out of the hotel, for example, the right people need to reply and acknowledge this type of communication. If a guest leaves a complaint about not being able to stream mobile content during their stay, then processes should be put in place to ensure the right person follows up by communicating with the guest and solving the problem at the hotel.

3.2.18. Artificial Intelligence/AI

Intelligence

Here are some definitions:

- the ability to comprehend; to understand and profit from experience
- a general mental capability that involves the ability to reason, plan, solve problems, think abstractly, comprehend ideas and language, and learn
- is effectively perceiving, interpreting and responding to the environment

Artificial Intelligence – should we define this in terms of human intelligence?

- Does AI have to really be intelligent?

- What is the difference between being intelligent and demonstrating intelligent behavior?

Artificial Intelligence

The study of how to make programs/computers do things that people do better and the study of how to make computers solve problems which require knowledge and intelligence. The exciting new effort to make computers think ... machines with minds\ the art of creating machines that perform functions that require intelligence when performed by people.

- So AI as a field of study
 - Computer Science
 - Cognitive Science
 - Psychology
 - Philosophy
 - Linguistics
 - Neuroscience
- AI is part science, part engineering
- AI is a belief that the brain is a form of biological computer and that the mind is computational.
- Here are some definitions:
 - *the ability to comprehend; to understand and profit from experience*
 - a general mental capability that involves the ability to reason, plan, solve problems, think abstractly, comprehend ideas and language, and learn
 - is effectively perceiving, *interpreting and responding to the environment*

Artificial Intelligence – should we define this in terms of human intelligence?

- Does AI have to really be intelligent?

- What is the difference between being intelligent and demonstrating intelligent behavior?
 - Intelligence can be defined as the ability for solving problems
 - Problem solving is to find the “best” solution in the problem space.
 - Reasoning is to interpret or justify solutions or sub-solutions.
 - Planning is to find ways for solving the problem.
 - Thinking abstractly is to simulate the problem solving process inside the system (brain).
 - Idea/language comprehension is a way (or means) for data/problem/knowledge representation;
 - Learning is the process to find better ways for solving a problem (or a class of problems).

3.2.19. Internet of Things (IoT)

- The term is more typically used to refer to everyday physical devices, appliances and other ‘things’ that have been fitted with internet connectivity, making them capable of sending and receiving data.
- The Internet of Things is a broad term used to describe *devices, sensors, and everyday items which are not ordinarily considered to be computers but which have Internet connectivity and computing capability.*
- The IoT involves adding internet connectivity to everyday devices and appliances, allowing them to communicate with one another; this effectively turns them into ‘smart’ objects, capable of ‘talking to’ or interacting with one another.
- These objects collect data from their surroundings which are then transmitted and remotely analyzed to create new insights, deliver services, and control other items. It is projected that there will be 100 billion connected IoT devices by 2025.
- The technology allows devices to be controlled or monitored remotely, and to perform actions automatically.

Examples might range from smart energy meters, through to driverless cars.

Benefit of the IoT to the Industry

While many industries can benefit from IoT technology, the travel and tourism sector is particularly well-placed to reap the rewards, because the IoTs can enable further automation, more personalization, and a greater customer experience.

- It can also streamline day-to-day tasks that go into running a hotel or tourism industry.

i. Personal Control

One of the most widespread uses of IoT technology within the travel industry so far has been to enable a greater degree of personalisation within hotels, and on flights. This is primarily provided by enabling customers to control more appliances or services through a centralised device, such as a tablet or even their own phone. By implementing internet-enabled heating, lighting and television, customers can turn them on and off from one place. They may even be able to choose a specific temperature and light level, and have the devices maintain those levels automatically. Similar technology can also be used on flights, regulating seat temperature or air conditioning.

ii. Seamless Travel

Involves streamlining as much of the customer experience as possible, across all areas of the travel industry. In airports, this may mean using sensors and sending information to passengers' smartphones, alerting them when their baggage is nearby and allowing them to locate it faster. In hotels, the check-in process can be made seamless, with hotels sending electronic key cards to guests' phones which, when used, automatically check them in without them ever having to stop at the front desk. Sensors might also be used to alert restaurant staff when a guest arrives, and automatically send them the right table number.



iii. Smart Energy Saving

While the IoT can enable personalisation, it can also offer businesses financial benefits through automated or smart energy saving. In a hotel, for instance, internet-enabled

devices and sensors can allow for the room temperature to be adjusted continually. Similarly, some hotels are using IoT technology to control its power. Sensors automatically detect the levels of natural light in the room.

iv. Location Information

Companies operating in the travel industry can also use the IoTs to send location-specific information to customers, and to gather valuable data too. For instance, this might mean sending messages about local attractions and times when they are least busy, or to point out nearby public transport services. The IoT can also be used to gather accurate data about the number of people using specific hotel facilities at different times, so that staffing levels can be optimised.

v. Maintenance & Repairs

IoT provides valuable, real-time information about the IoT device current status and working order. This can be vital for many of those operating in the travel and tourism industry, allowing essential devices to be repaired or replaced before they stop functioning. For example, hotel staff can be alerted if a radiator or light bulb starts to deteriorate. Away from hotels, the IoTs can also be deployed to allow airlines to fuel aeroplanes more efficiently, or replace parts at the right time.

Self - check-3

Written Question

Part I: Multiple Questions

- One is **not** the importance of IoT
 - Privacy Control
 - Location Information
 - Smart Energy Saving
 - Seamless Travel
- One of the following terms is more typically used to refer to everyday physical devices, appliances and other '*things*' that have been fitted with internet connectivity, making them capable of sending and receiving data.
 - Internet of things
 - Applications
 - Computer Systems
 - Artificial Intelligence
- _____ is the study of how to make programs/computers do things that people do better and the study of how to make computers solve problems which require knowledge and intelligence.
 - Internet of things
 - Applications
 - Computer Systems
 - Artificial Intelligence
- In the hospitality and Tourism industry Information Technology has played an important role over the last decade. One is not correct about this statement.
 - helped reduce costs
 - enhanced operational efficiency
 - improved communication
 - Replaced expensive human labor with technological labor.
 - None
- _____ is when you use programs, store files, or access data via the internet rather than on your hard drive.
 - Cloud computing
 - Artificial Intelligence
 - Location Information
 - None
- One of the following statements is different from others concerning the application of technology in the hospitality and tourism industry.
 - Express check-out using electronic devices
 - Opening guest rooms using electronic key cards
 - Reserving air tickets using airline applications

- D. None
7. One of the followings, ____ the best platform example for the exchange of feedback about accommodation and other hotel services.
- A. Trip advisor B. Galileo C. Opera PMS D. All
8. The maintenance and repair importance of IoT is related to all except,
- A. real-time information about the IoT device current status and working order
B. allowing devices to be repaired or replaced before they stop functioning
C. Allow airlines to fuel aeroplanes more efficiently, or replace parts at the right time.
D. None
9. AI as a field of study but one is not
- A. Computer Science D. Psychology
B. Cognitive Science E. Philosophy
C. Linguistics F. None

Part II: True False Items

1. IoT/Internet of Things involves streaming the customers experience to better level of using electronic devices in the 21st century.
2. Feedback on social media will help improve customer service in the hospitality and tourism industry.
3. Technology has brought very less insignificant importance in check-in and check-out services of hotels.
4. Near field communication is the next generation short range high frequency wireless used to exchange data between devices.

Part III: Essay Type

1. Explain the fields of study of AI
2. Why AI is in both natural and social fields of study?

Unit Four: Personal and Organizational Knowledge of the Tourism Industry

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Identify and use a range of opportunities to update knowledge
- Current issues of concern to the industry
- Sharing updated knowledge with customers and colleagues

This guide will also assist you to attain the learning outcomes stated in the cover page.

Specifically, upon completion of this learning guide, you will be able to:

- Identifying and using a range of opportunities to update knowledge
- Monitoring current issues of concern to the industry
- Sharing updated knowledge with customers and colleagues

4.1. Identify & Use a range of Opportunity to Update Knowledge of Tourism Industry

It is important to be up-to-date with the ever-changing industry in which you work. This might mean you have to find out information about an individual venue/property, a particular sector, or about the industry in general. Always remember having information about the industry and applying it to your daily practices can boost your career opportunities in the future, and enhance the experience of guests/visitors. Also remember information is worthless if it is not applied and shared so it is important to incorporate it into your daily work.

4.1.1. Updating general industry knowledge

To keep learning you must source the most recent and relevant information about what is happening in the industry in general, your sector of interest and your workplace especially.

Issues to monitor

You should seek to identify a wide range of issues such as:

- **Changing and emerging trends:** relating to visitor patterns; needs, wants and preferences; spending; mode of travel; selling prices; products and services
- **New techniques and practices:** as they apply to the industry, other venues and your workplace
- **New equipment and technology:** being integrated into the workplace/industry
- **New recipes:** for meals and drinks
- **Initiatives relating to advertising, marketing and promotion:** in-house and in the general media
- **Market research information** – as it applies to your guests: this may be gathered as a result of in-house research or may be obtained through a third-party such as an industry association/peak industry body

- Activities the opposition is undertaking – to attract customers or to meet competition in the marketplace.

4.1.2. Learning opportunities

Learning options enabling you to update your general industry knowledge may include:

- On-the-job opportunities – using personal observation of guests and feedback from customers to gain knowledge
- Staff meetings and briefings – these are common ways for management to share relevant information: staff notice boards, staff e-mails, staff newsletters are also used
- Undertaking advanced formal studies – to obtain formal qualifications and learn more about specific areas of interest
- Participating in training courses and seminars – as organized by industry associations, government departments, or by suppliers
- Keeping tuned in to TV, cable, electronic media and the Internet – your efforts should be targeted to specific industry sites and articles: it useful to bookmark relevant sites and visit them regularly
- Subscribing to hospitality journals, newsletters and periodicals – these are industry publications and always carry articles of interest, interviews with industry personnel and relevant industry facts and trends
- Becoming a member of an industry association – and actively participating in meetings, reading their publications, contributing to any research they undertake
- Attending industry functions, product launches or promotions – not only to network but to learn about the products and services are on show, being presented and/or currently emerging into the marketplace
- Trying something new – always let management know you are eager to learn and volunteer for different jobs/roles in your workplace so you can gain a diversity of experience and skills: this is beneficial for becoming multi-skilled

and gaining useful experience which can be of benefit when applying for new/higher positions

- Taking time to visit the opposition – to see what they are doing, to check out their levels of service, to identify the advertising/promotions they are running and to determine if anything they are doing can be effectively transferred to your venue.

Changes to legislation, regulations, codes of practice, accords and licensing requirements that apply to your work role and to the next position you intend occupying in terms of career advancement

4.2. Monitoring current issues of concern to the industries

Knowledge is power, if that knowledge is acted on and staff should actively monitor current issues of concern to the industry (and their particular venue) so they can plan their response to what is happening, about to happen or expected to happen

As they say ‘If you fail to plan, you plan to fail’.

Ways to monitor these issues

In order to keep up-to-date with industry issues, and events and issues within your workplace:

- **Attend all meetings you are required to attend** – meetings are often called at work, but all too often staff elect deliberately not to attend and consequently miss out on vital information
- **Read the memos** – many workplaces will use memos to notify staff of emerging or on- going issues, and again, many staff ignore these at their peril: if you receive a memo/e-mail.
- **Monitor the media** – keep an eye on the media, and make it your business to read, listen and watch as the case may be: this often provides an indicator of an emerging local, current concern
- **Fine-tune your own personal radar** – whenever you hear or see anything, anywhere relating to any aspect of the industry, focus on it for a moment to

identify whether or not you should spend more time monitoring, following up or questioning

- **Form your own informed opinion** – discuss and debate issues with colleagues and management [note: discuss and debate does not mean argue!] with a view to understanding the total picture so you can develop your own views
- **Talk to supervisors and management** – to identify what they see as issues affecting the industry and the venue
- **Talk to customers** – to identify what they regard as issues for the industry as they impact on users
- **Read the newsletters and updates from industry groups and government agencies** – these are another prime source to identify industry issues.

4.2.1. Causes of issues of concern

By definition, issues of concern will change over time. The marketplace, and the industry, is dynamic and all the factors at play are constantly interacting with each other and creating new problems and new opportunities.

For example, the business environment you are experiencing and operating in today is hugely different from a decade ago – or even last year – and these differences are caused by individual factors or a combination of factors such as:

- **The state of the economy** – interest rates, currency exchange rates, levels of employment/unemployment
- **Environmental considerations and/or concerns** – „sustainability“ and „eco-tourism“ are major factors today
- **Terrorism** – this impacts on every venue in both visible ways and many „behind the scenes“ ways
- **Weather** – there is always a strong relationship between weather and travel patterns of visitors
- **Technological changes** – especially the introduction of new systems and facilities driven by improvements/initiatives in technology
- **Legislative changes** – introduced to govern the hospitality and travel/tourism industries: the government always has the potential to change laws impacting on the local industry as well as potential overseas/international visitors.

Issues of concern

Given that issues of concern will vary over time, the following are examples of things commonly giving rise for concern – some of these initiatives can pose threats to a business and others may open up opportunities.

Government initiatives

Governments sometimes create initiatives in response to industry pressure, or in order to redress what they see as negative factors impacting the industry and/or society.

Examples include:

- Creating advertising campaigns to promote certain locations/destinations or industry sectors
- Funding training initiatives in certain trades or where there is an identified need or staff shortage
- Encouraging workers from certain countries to come to the country to fill long-term job vacancies
- Amending or introducing legislation to address specific problems or encourage certain activities – such as changes to laws relating to liquor, fire safety, food handling, OHS requirements, and employment.

4.2.2. Emerging markets

Most businesses are interested in identifying and capitalizing on emerging markets. Market research (by industry bodies, government agencies or individual establishments) may underpin these opportunities. Examples include:

- Spa resorts and the emergence of the well-being industry – a rapid growth industry/sector
- Fast food – with changes occurring regularly in relation to the type of foods available
- Recognition of the economic benefit to many countries of ageing tourists – and their capacity and potential for spending

- Increase in the demand for „action“ holidays – where young/young-at-heart seek experiences such as bungee jumping, white water rafting, safaris, trekking and similar pursuits
- Emphasis on domestic travel as opposed to internal travel – many countries are experiencing a growth in people travelling within their own country rather than travelling/holidaying internationally.

In addition, most establishments will also have one or more new or emerging niche markets they are seeking to exploit as a result of a deliberate new direction taken by the venue.

4.2.3. Environmental and social issues

Issues of concern in this regard relate to:

- **Waste management**- with an emphasis on recycling of materials and a reduction in energy and resource consumption
- **Noise, water and air quality** – focusing on reducing environmental noise and pollution caused by the operation of the business
- **Sustainable tourism activities** – with an emphasis on environmentally aware tour activities as opposed to activities which adversely impact the environment
- **Respect for indigenous people** – so local communities are treated properly with awareness for their land and culture
- **Responsible advertising** – of hospitality products and services so (for example)
 - alcohol, gambling and cigarettes are not promoted or provided to young people
- **Freedom from discrimination** – highlighting the need to ensure discrimination in the provision of hospitality and travel services does not occur
- **Accommodating local concerns into the standard operating procedures of a venue** – to demonstrate respect for the community and a desire to work cooperatively within that local environment
- **Changes and/or requirements in relation to planning requirements and the need**, for example, to minimize the impact of a building on the landscape and/or conform to heritage requirements.

4.2.4. Labor issues

Labor issues are a constant concern in the industry. Issues commonly causing concern include:

- Pay rates – there always seems to be a push by workers for higher rates of pay, and (at the same time) reasons why employers are unable to pay their employees more money
- The ability to recruit sufficient and properly trained and/or experienced staff – to enable the manufacture of products and the delivery of services expected by visitors and required by employers
- Working conditions – which include issues such as working hours, penalty rates (for things such as split shifts, early starts, late finishes, overtime) and the classification of positions/staff
 - Training – taking into account:
 - Mandatory training – training that is made compulsory by government for certain personnel/jobs
 - In-house training – this is the training provided on-the-job by employers
 - External training – provided by an outside agency, school or institute
- Mandatory licensing and certification requirements imposed on businesses by legislation and government agencies – such as requirements in some instances for people to hold a local licence./qualification before they can work in areas (for example) relating to food, liquor or gaming
- Superannuation – this is money paid by an employer towards an employee's retirement: where countries do not have superannuation there may be a push for it to be made compulsory. Where it is already compulsory, there is often a push for employers to contribute more
- Workers' Compensation insurance – where there is no national scheme there can be issues associated with implementing such a scheme; where it already exists there are often attempts to change how and when it applies, and the amount of money involved
- Disciplinary and dismissal procedures – used by employers to control/regulate staff and govern the way in which they can be dismissed from their job

- Complaint resolution protocols – these deal with the way employers and employees are expected (or are compelled by law) to deal with workplace issues, conflict or problems.

4.2.5. Industry expansion or retraction

Operators are always interested in monitoring the direction in which their industry – and their individual premises – is moving.

This knowledge can be used to determine whether or not:

- The business remains in the sector it currently occupies – or elects to move into or out of a sector
- The venue decides to set new directions for itself – in terms of new (or different) target markets and revised goals for the business
- To quit the industry – and move into an altogether new industry other than hospitality, travel or tourism
- To invest – in additional buildings, plant, stock, training and advertising
- To recruit new staff or to begin staff reductions – to meet/keep pace with the level of trade being experienced or anticipated
- To alter the focus of their training programs – to accommodate new directions, identified changes in the workplace and/or legal requirements for the training of venue staff
- To change its advertising and promotional campaigns – in order to (for example):
 - Meet what the competition is doing
 - Exploit an opportunity
 - Generate extra revenue/profit
 - Improve market share
- To vary its products and services – to better meet the identified needs of new/changing markets
- To vary prices – in response to marketplace and economic factors.

4.3. Share updated knowledge with customers and colleagues

When you have managed to gather updated information, knowledge or skills you must be prepared to share that information and incorporate it into your day-to-day work activities.

Remember, knowledge is only power if you actually use it.

4.3.1. Sharing knowledge with colleagues

The basic ways to share information with fellow employees are to:

- Tell your colleagues about what you have learned – on a one-to-one basis, or at staff briefings or meetings
- Demonstrate – a new technique, methods, procedure, machine or skill
- E-mail co-workers with the information you have discovered – prepare a useful sheet/handout with the necessary, new or revised information
- Prepare a short handout – put this on the notice board and/or photocopy it and distribute it.

4.3.2. Sharing information with customers

Customers include guests, friends of guests and visitors generally – they can be individuals, families or groups of business people or tour groups.

Ways to share new knowledge with customers (depending on the type of information involved) can include:

- Verbally providing advice that includes the new information – supplementing information with hard copy materials such as maps, brochures and handouts
- Preparing posters to share the information – and placing these posters in high-traffic/high visibility areas such as reception and elevators or in information areas located near reception/in the foyer area
- Producing handouts – perhaps of recipes, local events, sample/free itineraries for local trips/tours (it is a good idea to develop a series of trips/tours of this nature focusing on two-hour trips, half-day trips and full-day trips).

4.3.3. Incorporating knowledge into everyday practice

The basics of this include:

- Working in accordance with new/revised requirements – actual practice must reflect the changes/new knowledge
- Using new knowledge to modify personal work practices – such as using new information to devise a better, safer or more effective way to do traditional tasks
- Updating printed materials – such as checklists, standard operating procedures, training materials, service standards, manuals
- Supplying information to customers that incorporates the new knowledge – this can include:
 - Responses to customer questions

Being proactive and offering information you deem will be of interest/important to individual customers without waiting to be asked for it.

Key Terms and Concepts

Term	Definition
Ethical issues	Relate to the moral principles of right and wrong which govern behavior and in hospitality include complying with codes of conduct, truth and honesty regarding information given to customers and confidentiality.
Hospitality industry knowledge	An understanding of the hospitality industry, its sectors and the issues which affect employers, employees and customers.
Industry sectors	The main areas which make up the hospitality industry and include accommodation, gaming, food and beverage.
Issues of concern	Issues which directly affect the hospitality industry, including, emerging markets, environmental issues, labor issues and government initiatives.
Legal issues	Issues concerned with the law e.g. anti-discrimination, equal employment opportunity, work, health and safety.
Sources of information	Documents and resources which provide the hospitality industry with the information it needs to run effectively and efficiently. This includes the use of the internet, legislation, codes of practice and training documents.
Technology	In hospitality technology refers to the technologies such as e-business, project management systems and computer aided design systems (CAD).

Self - check-4

Written Question

Part I: True False Items

1. Providing advice to customers can be seen as sharing of information.
2. Fast food outlets cannot be seen as emerging markets in the hospitality and tourism industry.
3. Preparing short handouts and telling your colleagues what you have learnt can be seen as Sharing of Knowledge.

Part I: Essay Type

1. What are the ways to get updated information in the hospitality industry?
2. What are the factors responsible for the change of the issues of concern in the industry?
3. Mention environmental and social issues of concern to tourism and hospitality industry?

Part III: Multiple Choice Questions

1. One of the following has a relationship to the moral principles of right and wrong which govern behavior and in hospitality
 - A. Issues of concern
 - B. Ethical issues
 - C. Social Issues
 - D. Environmental Issues
2. In hospitality technology refers to the technologies except;
 - A. e-business
 - B. project management systems
 - C. computer aided design systems
 - D. None
3. An understanding of the hospitality and tourism industry, its sectors and the issues which affect employers, employees and customers.
 - A. Hospitality industry knowledge
 - B. Tourism Industry Knowledge
 - C. A and B
 - D. None

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