



DTA10143

FUNDAMENTALS OF HOSPITALITY INDUSTRY

DTA10143

Fundamentals of Hospitality Industry

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PREFACE

This book is specifically intended to facilitate the teaching and learning activities for the Fundamentals of Hospitality course among Diploma in Resort Management (DHR) students in the Department of Tourism and Hospitality at Politeknik Tuanku Syed Sirajuddin, Perlis. First and foremost, praises are to Allah, the Almighty, the greatest of all, on whom ultimately we depend for sustenance and guidance. We would like to express our gratitude to Almighty Allah for giving us the opportunity, determination, and strength to write this book. A million thanks to colleagues, collaborators, and the Head of the Department of Tourism and Hospitality for the support given throughout the process of writing this book. To wonderful readers, we hope this book will be beneficial as a starting journey to explore tourism & hospitality marketing and hope you have as much fun learning marketing through this book.

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Table of Contents

Introduction to Hospitality Industry

Explain the nature of hospitality industry

- Define hospitality industry
- Outline the importance of hospitality industry
- Discuss the characteristics of hospitality industry
 - a. Product - service mix
 - b. Two - way communication
 - c. Relationship-building
 - d. Diversity in culture
 - e. Labor intensive
- Discuss the interactions between hospitality and tourism industry

Introduction to Hospitality Industry





HOSPITALITY INDUSTRY



WHAT IS HOSPITALITY INDUSTRY ?



Hospitality Industry

The hospitality industry can be defined as the business that offers lodging, meals, and all other associated services to tourists and travelers for their comfort and enjoyment.

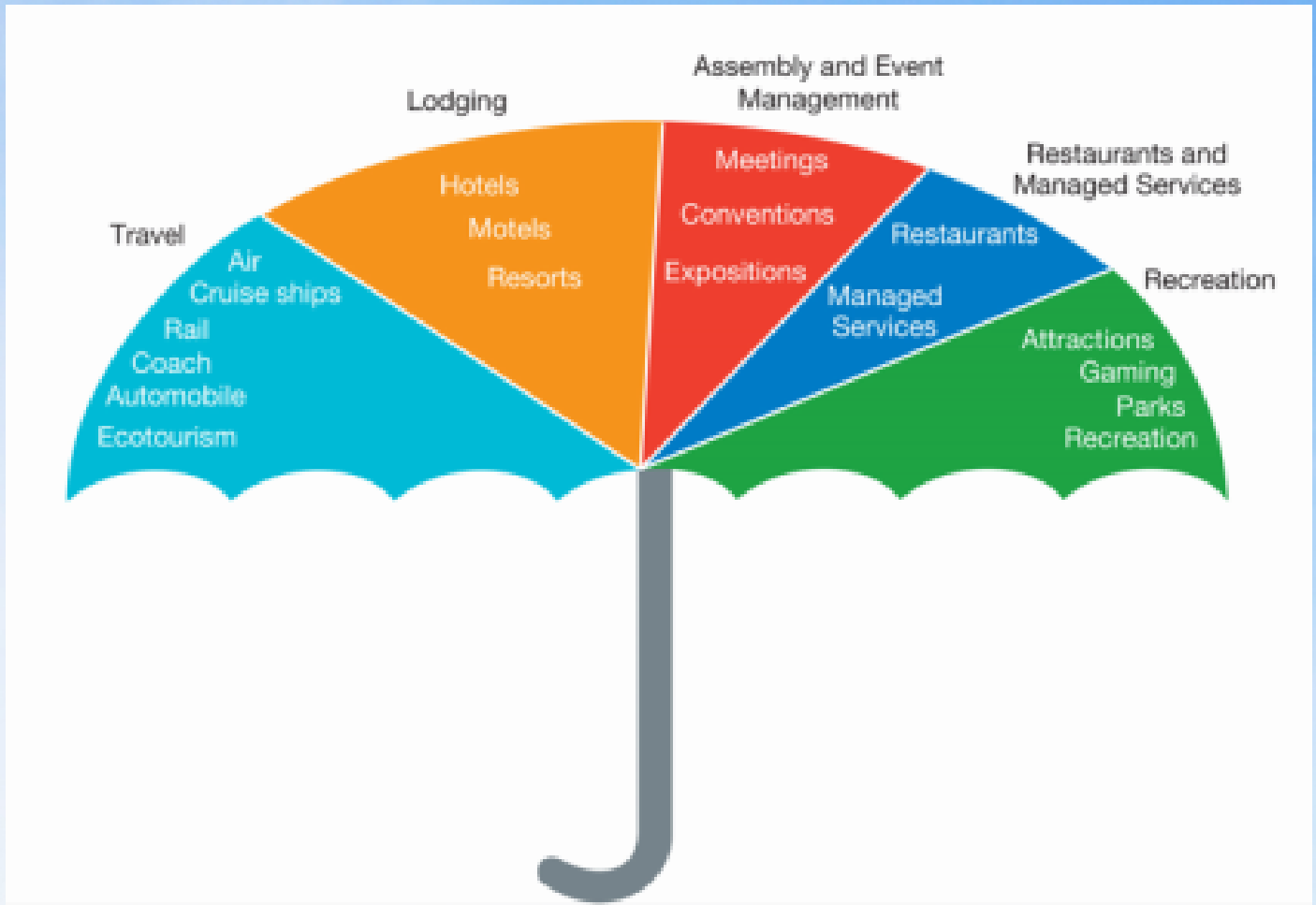
The hospitality sector, which is a subset of the service sector, includes food and beverage service, events, tourism and transportation, entertainment, and accommodation service (hotels, B&Bs, resorts, hostels, motels, etc.).

Fundamentally, the hospitality industry is focused on offering goods and services that promote people's wellbeing and help them have fun. It involves a variety of tasks, with the primary objectives being service delivery and customer satisfaction.

Definition of Hospitality Industry

- French word “Hospice” which means to provide care or shelter for travelers
- The cordial and generous reception of guests
- “Service spirit”, who are happy to do something extra to make a guests’ experience memorable.
- Wide range of business, dedicated to the service of people away from home

Scope of Hospitality & Tourism Industries



The Interrelated Nature of Hospitality, Travel & Tourism



Describe the Importance of Hospitality industry

Economy

Through attracting tourists who spend money at hotels, restaurants, and entertainment venues, tourism directly stimulates local economies.



Hotels play an important role because they offer amenities for business meetings, conferences, entertainment, and leisure.



Employment (Job Opportunities)

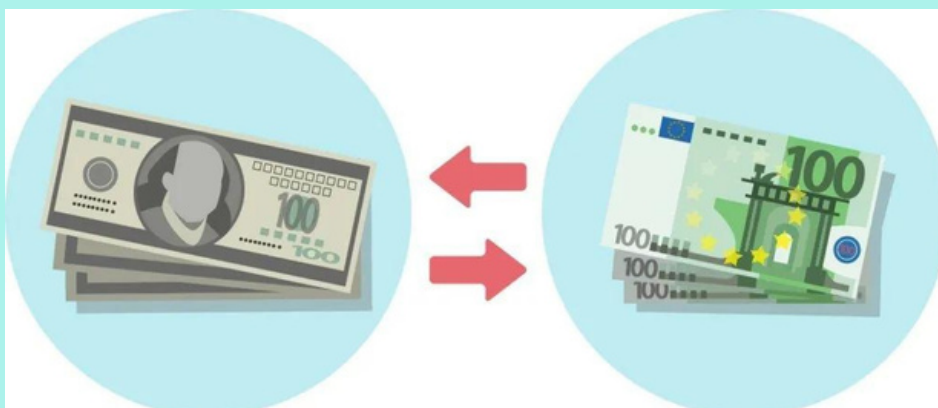
A number of new hotels will open through the period of the next ten years, boosting employment throughout the world. The hospitality industry encompasses a wide range of businesses, including restaurants, banquet halls, in-room dining, accounting, human resources, sales & marketing, front desk, tour operators, event planners, and wedding coordinators. Its main sectors are housekeeping and food production. There will be lots of options for those looking for work in their field.



Foreign Exchange Earnings

India is now the third-largest earner of foreign exchange in the world thanks to the hotel industry, which has not only expanded the travel and tourism sector but also generated foreign exchange transactions. The industry is made more enjoyable by hotels.

The economy may gain from this industry directly or indirectly. Economic support to hotels, retails price, travel price and others. One of the most important industries for earning foreign currency is the tourism and hospitality sector. Enhanced foreign exchange leads to a rise in tourists' desire to travel overseas, which in turn increases their spending and has a positive impact on the duration of their stay. The economy is significantly impacted by this loop.



Quality of Life of Local Community

In order to meet the needs of guests, hospitality requires not only a positive outlook but also first-rate & excellent services that contribute to a warm, comfortable, and enjoyable stay.

The hotel restaurant consistently serves a quick, hygienic, and healthful breakfast. Consequently, a positive outlook is subtly ingrained in our cultures and leads to the development of better generations.



Infrastructure Development

Governments are forced to take the necessary actions to improve roads and transport services in tourist-oriented areas as the industry expands, which opens the door for additional capital investment and development.

Indirectly, the infrastructure and amenities for travel and hospitality will strengthen and elevate the reputation of our nation.



activity

Seat in a group, write down in piece of paper **THREE (3)** importance of hospitality industry.

In **10 minutes**, you need to discuss the answer among your team members.

Characteristics of Hospitality Industry

Product - Service Mix

A business which involves both tangible goods and intangible services where the quality of the service can be considered more important than the physical product. Examples: hotel accommodation (rooms & lodging).



Two-way Communication

Interaction between visitors and staff is provided by hospitality (service provider). The staff will greet and amuse a guest personally.



Relationship Building

“The word relationship conjures up thoughts of feelings that two people have for one another: mutual attraction and respect, consideration, dependency and the like.”
(Peelen & Beltman, 2013).

The hotel industry places significant emphasis on building relationships to achieve the best possible win-win situation.



Relationship Building

Pyramid of relationships



(Peelen & Beltman, Description of customer-supplier relationships, 2013)

Because the best situation for hotels would be to get them in, move them up and keep them in the top. The higher their customers come, the more worth they will be. The relationship starts with the supplier and prospects.

Prospects are essentially people that have not bought with the supplier yet or used its services. When the prospect does buy with the supplier, they move up to being customers. At this point it is essential that the hotel gives excellent service that will meet the customers expectations and maybe even exceed them. This will help make sure that the customer will return or buy again with the hotel. If they do so, they become clients of the hotel.

The next step for the clients would be to become supporters. This entails the clients to have feelings for the hotel in a passive manner. To develop this feeling with the supporter even more, it has to be a mutual investment from both parties. The key element in this step is reciprocity.

Reciprocity is the practice of exchanging things with others for mutual benefit. This is when the supporter becomes an ambassador. However, the win-win situation would be for the hotel to co-create with their customers which means they have become partners who assist with the creation of mutual value.



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Reciprocity is the practice of exchanging things with others for mutual benefit. This is when the supporter becomes an ambassador. However, the win-win situation would be for the hotel to co-create with their customers which means they have become partners who assist with the creation of mutual value.



The hospitality industry highly depends on repeated customers for survival. Building long term relationships 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 foodservice sectors, such as membership programs that give privileges and incentives to frequent customers.

However, top management of organizations does believe that the informal ways of building "friendship" between front-line staff and customers through a high degree of personal attention and customization can win the loyalty of customers in the long run.



Diversity in Culture

Cultural diversity is based on the knowledge that society is made up of multiple groups with a range of needs, interests, abilities, and skills. It also shows that you understand that not everyone in society will share your sexual orientation or your religious beliefs.



Intangibility

Service cannot be seen, tasted, heard, or smelled and measured before they are received. Therefore, personalised service etiquette and hospitality conversation should be a top priority for hospitality service staff. service equipment's quality. both the quality of the products and the welcoming environment. Customers only feel and experience the services offered by service stalls in this instance.

Functional services are referred to as intangible when they are valued higher than technical or tangible services. Our service is defined as either tangible or intangible, depending on the context. When customers are happy with the goods and services they receive, they return time and time again.

Variability

Services are incredibly variable. Different customers receive varying levels of satisfaction from the same room or food at different times, allowing for a variety of experiences for the guests. At different times, the same guest experiences distinct emotions.

Not only does the quality of our service depend on what we serve, but it also depends on how we serve. Additionally, it relies on how the client receives it.

Heterogeneity

Within the hospitality industry, different establishments may have different product and service offerings. This is what hospitality is all about. The guests can select from a variety of options as a result.

Hotel A may serve a different version of the same soup than hotel B. Hotel A and Hotel B may provide different amenities for the same kind of guest room. The amenities and the ways of getting ready. The brand, the personnel providing service, and the complimentary item all have a significant impact on the guest's response.

Perishability

In the hospitality industry, service cannot be stored because they are highly perishable.

As an illustration, we have 1400 rooms in stock that are ready to be sold, but we only sell 1200 of them. With the 200 unsold rooms, what are we going to do? Nothing at all.

We will never again have the chance to recoup the money from these 200 room nights. The inventory of rooms available for sale has vanished, but as hoteliers, we can try to make up the lost room revenue in other ways.

The same holds true for unoccupied restaurant seats during a shift, unsold airline seats on a departing flight, and vacant cruise ship berths as a ship leaves port.

Labor Intensive

Due to the service-oriented nature of the hospitality sector, a large labour pool is needed to provide patrons with an unforgettable experience. This attribute is particularly applicable to businesses that cater to wealthy customers.

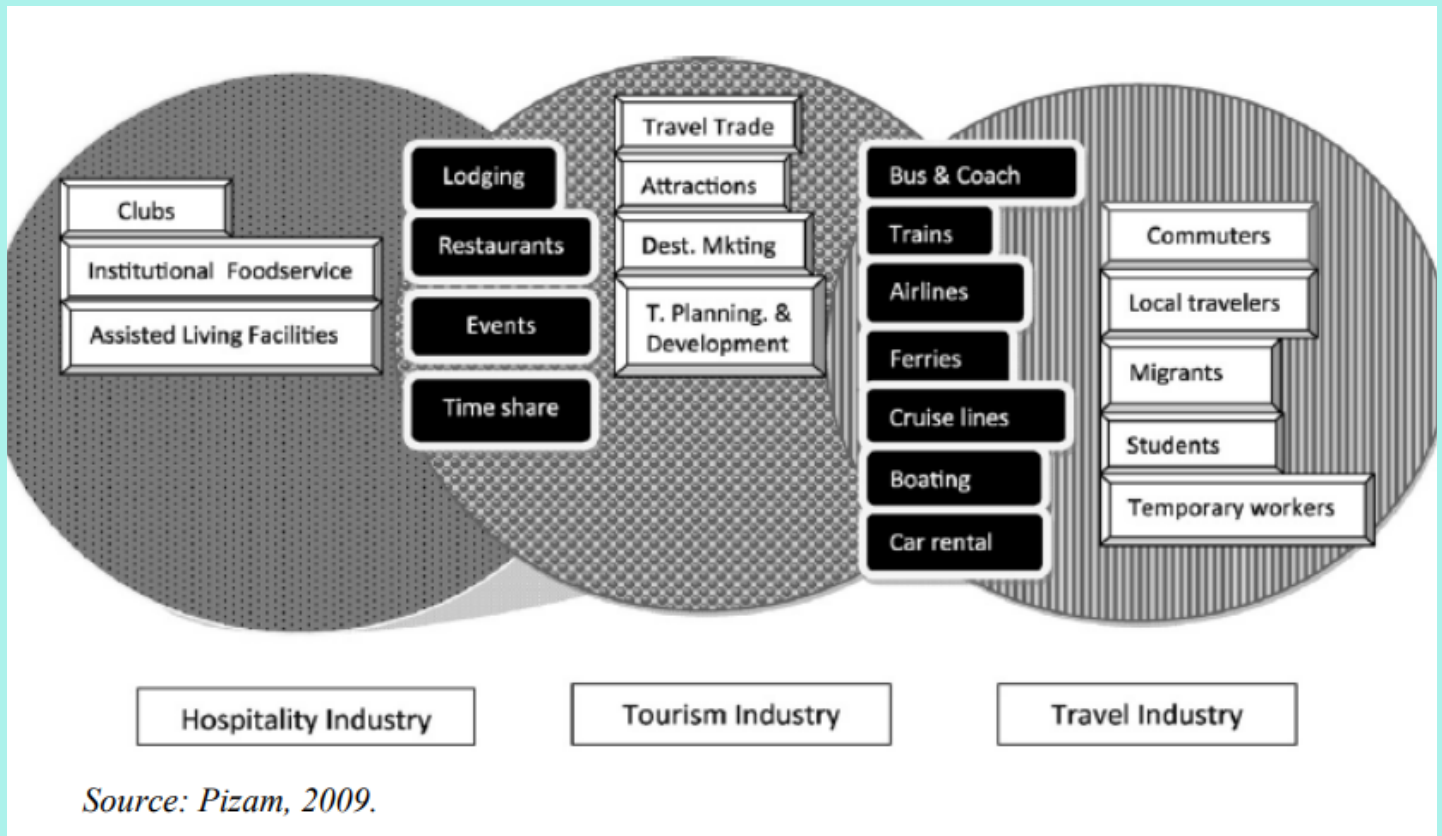


For example, staff-to-guest ratios are high in fine dining restaurants and 5-star hotels which aimed at providing one-one services to their customers. Although the advancement in technology does contribute to the replacement of some simple tasks in the whole service process, customers who concern the element of 'care' generally expect a 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.



INTERACTIONS BETWEEN HOSPITALITY & TOURISM INDUSTRY



Pizam (2009) argues that travel, tourism, and hospitality industries are separate yet interrelated, with the former providing transport and the latter providing accommodation.

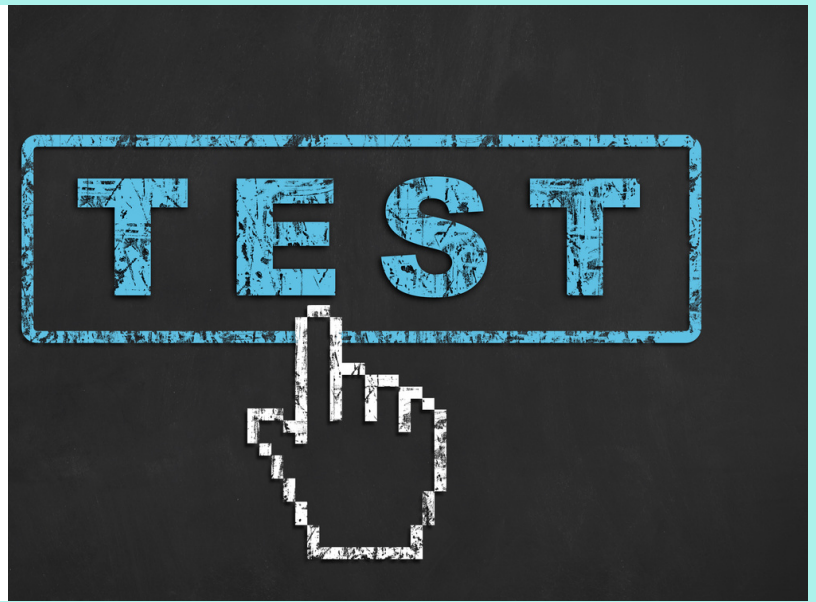
Tourism and hospitality are neither identical nor interchangeable, as tourism includes goods and services provided by hospitality enterprises, while tourism entails many non-hospitality businesses, tourist attractions, and passenger transport companies.

The hospitality industry is both wider and narrower than the tourism industry, with the two overlapping in numerous ways. Despite the differences, sustainable development principles should be applied to the hospitality sector, as it constitutes one of the most resource-intensive branches of tourism.

Many hotel companies have started to mention environmental concerns, corporate governance, and social responsibility in their mission statements, but few have integrated these principles into a holistic sustainable development strategy.

Successful implementation of sustainable practices in the hotel industry depends on active support and cooperation from all stakeholders, as well as the willingness of management to advocate environmentally and socially responsible behavior.





QUESTION 1 :

On your opinion, what is your understanding on hospitality industry?

QUESTION 2 :

Give THREE (3) explanation on characteristics of hospitality industry.

QUESTION 3 :

What you understand the scope of the hospitality and tourism industry? Briefly explain based on your own word.

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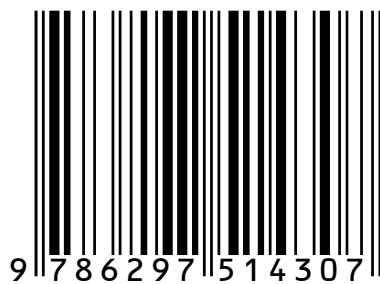
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