

## Chapter 1 – Hospitality Industry

### Outline of Content:

1.1.1. The Nature of the Hospitality Industry	1.1.3. Relationship between the Hospitality Industry and Tourism
1.1.2. Characteristics of the Hospitality Industry <ul style="list-style-type: none"> <li>- Product-service Mix</li> <li>- Two-way Communication</li> <li>- Relationship Building</li> <li>- Diversity in Culture</li> <li>- Labor Intensive</li> </ul>	1.1.4. Career Prospect of the Hospitality Industry <ul style="list-style-type: none"> <li>- Positive Views</li> <li>- Negative Views</li> </ul>

## 1.1 Introduction to the Hospitality Industry

### 1.1.1 The Nature of the Hospitality Industry

What is the meaning of HOSPITALITY? There is no one single and simple definition to explain the term of hospitality in this stage. Many people have tried to describe the hospitality industry in different ways. Some tried to summarize the scope of the industry and its characteristics of involving both tangible and intangible features in the service delivery process. Others attempted to describe the industry by exploring the stakeholders involved, mutual benefits generated and the industry's impacts to the society and economy.



Broadly speaking, Hospitality is the act of kindness in welcoming and looking after the basic needs of customers or strangers, mainly in relation to food, drink and accommodation. A contemporary explanation of Hospitality refers to the relationship process between a customer and a host. When we talk about the “Hospitality Industry”, we are referring to the companies or organisations 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.

In this chapter, a brief summary about the characteristics and scope of the hospitality industry would be provided.



*Resort hotel*

**ACTIVITY 1.1**

In groups, consider the hospitality industry in Hong Kong. Discuss the different sectors in the hospitality industry. (*Hint: A sector of hospitality industry can be profit-making or non-profit-making.*) You may also give the names of some enterprises in the hospitality industry. One example has been given in the table below. Work on the table to see which group in your class comes up with the most appropriate examples.

<b>Hospitality industry in Hong Kong</b>			
<b>Sector</b>	<b>Products/services provided</b>	<b>Example</b>	<b>Name of enterprise/organisation</b>
Food and Beverage	Food and drink	Fast food	McDonald's

## **ACTIVITY 1.2**

### **A. Look at the table that your group has just completed and compare the answers with other groups.**

1. Have you been to any of the above enterprises or organisations?
2. What services did you receive from them?
3. Were you satisfied with the way you were treated by the enterprise or its staff?
4. Did they understand what services you wanted?
5. Did they provide what you wanted quickly and accurately?
6. Was the staff member friendly or rude?

### **B. Based on the discussion above, suggest five qualities or traits that a successful staff member in the hospitality industry should possess.**

1. Do you or your group members possess any of these qualities or traits?

**ACTIVITY 1.3**

**Now work in pairs and follow the instructions below:**

**Tourist A** – You are an 18-year-old student from Beijing. You visit Hong Kong for the first time with your cousin who is also from Beijing this summer. As you are a student, you travel on a budget and are planning to come to Hong Kong round trip by train. You plan to stay in Hong Kong for 5 days/4 nights.

**Tourist B** – You are a businessman from Sweden. Your enterprise is a car manufacturer. You come to Hong Kong for an international automobile exhibition. You will fly to Hong Kong and stay for two nights before you fly to Singapore for another business meeting. You will stay in Singapore for two nights before going home.

In two minutes, write down as many as possible of the products and services you would require from the different sectors of the tourism industry for your trip. Compare your answers with those of your partner. Do you have different or similar answers? How many of the points you jotted down are similar to those of your partner?

**Fill in the following table:**

A young student (Tourist A)	A business traveler (Tourist B)

In Activity 1.3, we learned there are different kinds of tourists. Regardless of what type of tourist they are, they all need shelter and food and drink – the basic hospitality services – at ALL points of the tourism cycle, not just at the destination. This is why hospitality can be referred to as one of the principal dimensions in tourism, along with transportation, specialist shops and leisure activities

### 1.1.2 Characteristics of the Hospitality Industry

We learned about different types of products and services provided by the hospitality industry and explored some key attributes of being a professional staff in the hospitality industry through completing Activity 1.1-1.3. 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 as below:

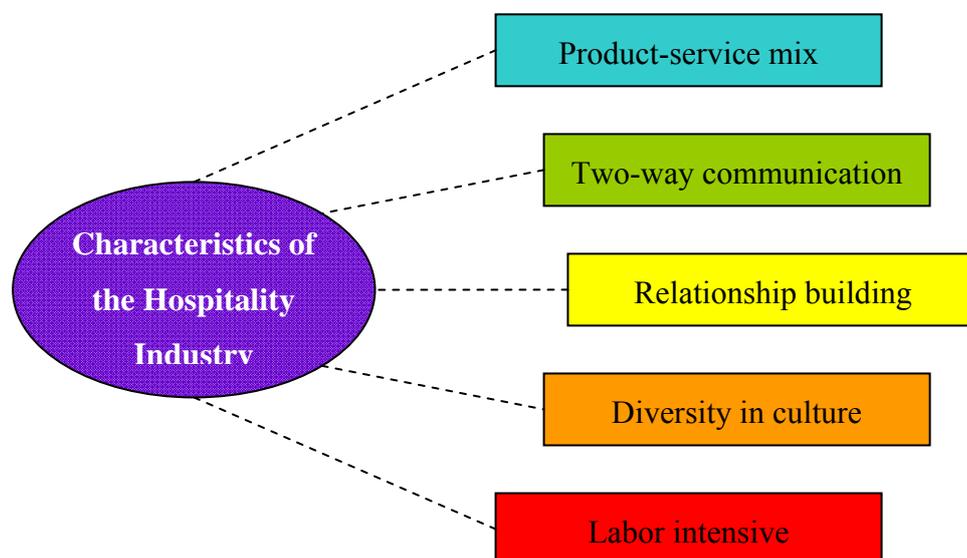


Figure 1.1– Characteristics of the Hospitality Industry

## 1. 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- 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.

## 2. 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.

### 3. 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.



### 4. 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.

## 5. 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 spent time and resources in training and recruiting potential candidates to join the workforce of the hospitality industry.

**ACTIVITY 1.4 – Problems Relating to Cultural Differences**

Assuming that you are now working as a waiter/waitress in a resort hotel and you have been informed by your manager that a new colleague coming from India will report duty and join the team in this morning.

**Instructions:**

- Refer to curriculum support material (part 4) – “Customer Relations and Services” – p.36, about the customs of India.
- State 3 situations that you may encounter when working together with the new colleague.
- Suggest 3 “do’s” and “don’ts” in communicating with the new colleague and put your answers in the table below.

Examples of Situations	Don’ts	Do’s
1.		
2.		
3.		

### 1.1.3 Relationship Between the Hospitality Industry and Tourism

#### 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 1.2.

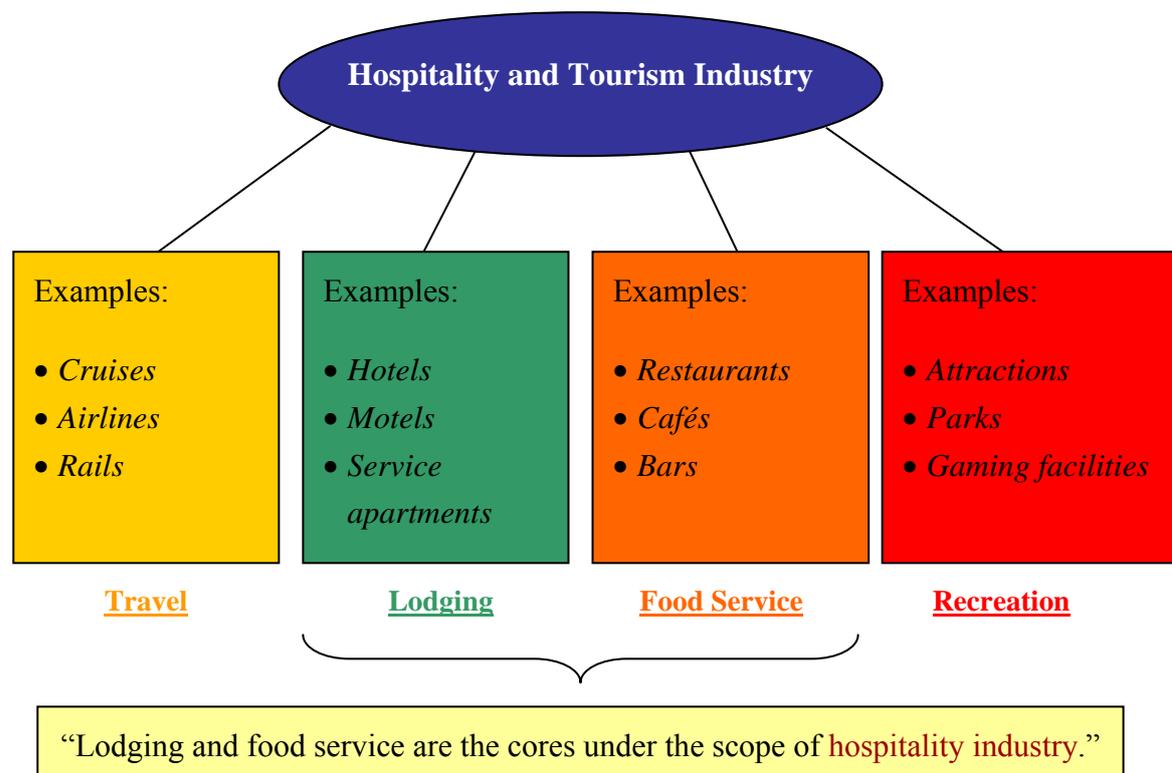


Figure 1.2– Scope of the Hospitality and Tourism Industry

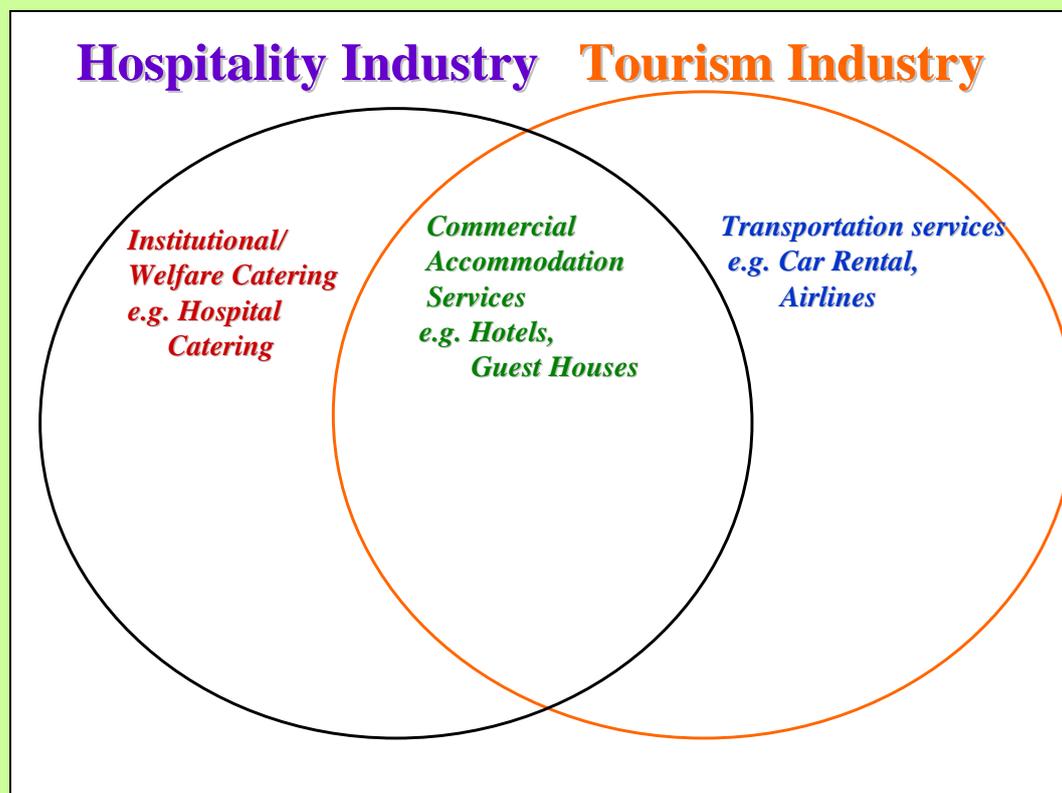
**ACTIVITY 1.5 – Service Experience in the Hospitality Industry**

Based on your past experience in using the services in accommodation or food service operations, try to discuss with your classmates (in a group of 4) and suggest 4 important requirements for being a professional staff in the hospitality industry.

Unlike tourism, hospitality, however, serves both tourist and non-tourist needs. To enhance your understanding of the relationship between the hospitality and tourism industry, complete Activity 1.6.

**ACTIVITY 1.6**

The following diagram shows the relationship between the hospitality and tourism industry. Can you think of more services with examples to add to the diagram ?



In Activity 1.6 we learned the hospitality industry is a part of a wider group of economic activities called tourism. In addition, not all hospitality businesses are profit-making business.

In this Unit, we have learned that there are two main business sectors in the hospitality industry:

- **Accommodation** – To provide accommodation (and usually food and drink) to people who for whatever reason are away from home
- **Food and beverage** – To provide food and beverage to local, commuting, transient customers and tourists

These two sectors will be covered in more detail in Units 2 and 3 respectively.

As we have seen, the hospitality industry includes hotels and restaurants, as well as many other types of organisations 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 customers. A manager in the hospitality industry, therefore, must keep in mind the following three objectives:

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

### **1.1.4 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.

## 1. 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. Some positions that can be selected by graduates with their certificates or diplomas relating to hospitality are highlighted in Table 1.1 below:



Accommodation Sector	Food Service Sector	Other Related Sectors
<ul style="list-style-type: none"> <li>• Front desk receptionist</li> <li>• Room attendant</li> <li>• Telephone operator</li> <li>• Reservation</li> <li>• Concierge</li> <li>• Bellman/Doorman</li> <li>• Business center associate</li> </ul>	<ul style="list-style-type: none"> <li>• Waiter / waitress</li> <li>• Host / hostess</li> <li>• Cashier</li> <li>• Food runner/Busser</li> <li>• Bartender</li> <li>• Apprentice</li> <li>• Commis</li> <li>• Banquet server</li> </ul>	<ul style="list-style-type: none"> <li>• Tour guide</li> <li>• Tour escort</li> <li>• Travel agent</li> <li>• Theme park crew</li> <li>• Event sales</li> <li>• Other“customer service” positions</li> </ul>

Table 1.1 – Career Opportunities of Graduates Studying Hospitality Programs

**ACTIVITY 1.7 – Your Preferred Job in the Hospitality Industry****Instructions:**

- Work as a group of 4 to 5.
- Suggest 2 different positions in the hospitality industry, which you and your classmates would have interest to experience in the future.
- State the advantages that can be provided for choosing the selected positions as your future careers.
- What are the requirements or disadvantages of the selected positions?
- Among the 2 choices, which one is more preferable and suitable to you?
- Share and compare your results with other groups in the class.

**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. Figure 1.3 shows a sample career path provided to employees by a famous fast food chain available in Hong Kong.

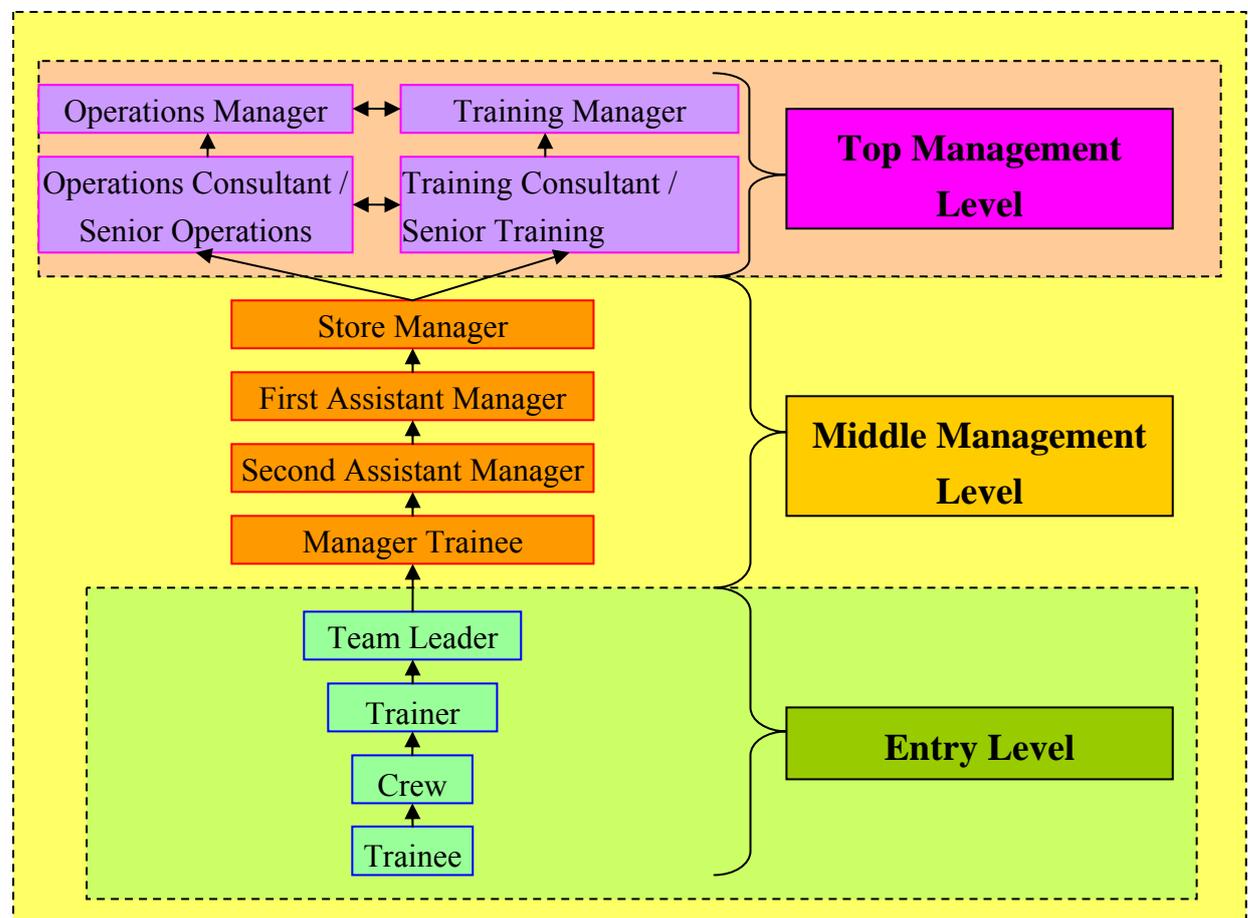


Figure 1.3 – Sample Career Path in a Fast Food Chain

#### 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.



## 2. 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.

**ACTIVITY 1.8 – Is It Worth to Start Your Career in the Hospitality****Industry?****Case:**

Mary is a university student who is now studying a degree in hospitality and tourism management. In this summer, she has been assigned to start her internship as a waitress in a hotel for 3 months. Expecting to be an event planner in the future, Mary had a strong feeling that what she did in her internship seemed to be irrelevant to her career objective. She disliked being a waitress because of the long working hours, low pay and heavy physical workloads involved in this position.

**Instructions:**

- Work as a group of 4 to 5.
- Discuss with your classmates and comment about the internship experience of Mary through answering the following questions:
  - Based on your dining experience in restaurants or hotels, do you think the workload of being a waiter/waitress is heavy? How much do you expect a full-time waiter/waitress can earn monthly? For how many hours should a waiter/waitress work per day?
  - If you are the internship supervisor of Mary, how would you convince and encourage Mary to treasure her internship opportunity in this case?