

UNIT - II

HOTEL CLASSIFICATION AND HOTEL ORGANISATION

Classification of hotels - Need for organization- Vision, Mission, Objective Goals & Strategies - Major Departments of a Hotel – Major & Minor Revenue Generating Departments in a hotel.

HOTEL CLASSIFICATION AND HOTEL ORGANIZATION

DEFINITION OF HOTEL: -

A hotel can be defined as an establishment whose primary purpose is to provide accommodation services to a bonafide traveler & other services such as food & beverages, housekeeping, laundry & uniformed services.

CLASSIFICATION OF HOTELS AND OTHER TYPES OF LODGING							
Standard Classification (by the government committee)	Size	Location	Clientele	Duration of Guest Stay	Level of Services	Ownership	Alternative Accommodation
One star	Small	Downtown	Commercial	Commercial	Upmarket	Propriety ownership	Sarai
Two star	Medium	Suburban	Transient	Resort	Mid-market	Franchise	Dharamshala
Three star	Large	Airport	Suite	Semi-residential	Budget	Management contract	Dak bungalow
Four star	Very large	Resort	Residential	Residential		Time-share	Circuit house
Five star		Motel	B & B Hotel				Lodge
Five star deluxe		Floatel	Time-share			Condominium	Youth hostel
Heritage			Condominium				Yatri niwas
Heritage Classic			Casino				Forest lodge
Heritage Grand			Conference				
			Convention				
			Motel				

CLASSIFICATION OF HOTELS: -

The hotel industry is diverse and specialized that each hotel has to have a unique selling propositions to survive in the business and also make profit. Every hotel tries to establish itself as unique, offering best services to its guests. The classification of hotels helps tourists select a hotel that meets their requirements.

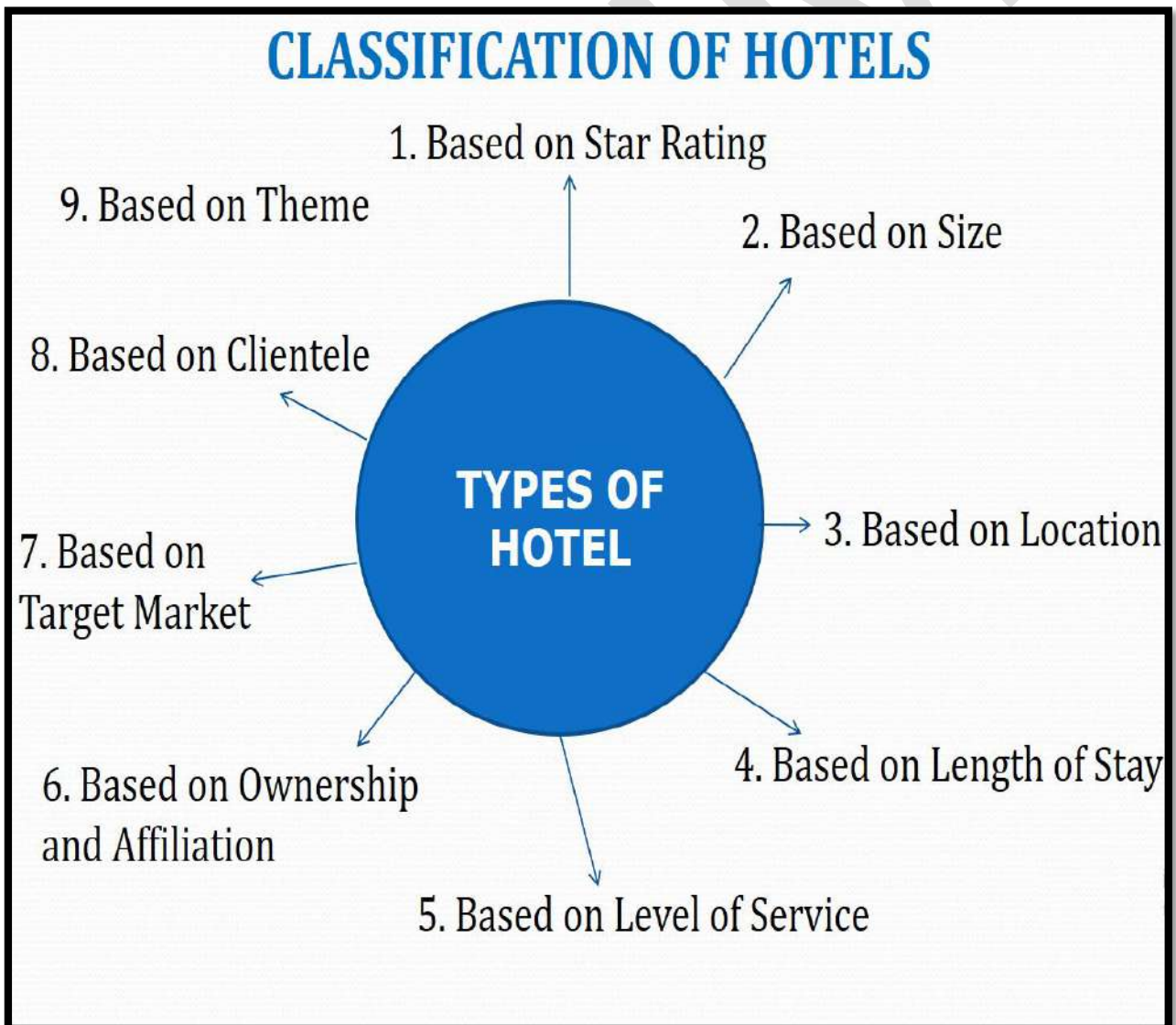
Need for classification

- Lends uniformity in services and sets general standards of a hotel.
- Provides an idea regarding the range and type of hotels available within a geographical location.

- Acts as a measure of control over hotels with respect to the quality of services offered in each category.

It is done on the basis of the following criteria: -

1. Star System /Standard Classification
2. Size / Number of Rooms.
3. Location.
4. Length of Stay.
5. Levels of Service.
6. Basis of Ownership
7. Based on Target Market
8. Basis of Clientele.
9. Based On Theme



1. STAR SYSTEM/ STANDARD CLASSIFICATION

In India the classification of hotels is done by a central government committee called the HOTEL RESTAURANT APPROVAL AND CLASSIFICATION COMMITTEE(HRACC), which inspects and assesses the hotels based on the facilities and services offered. Star categories are:

* One- star Hotels- these properties are generally small and independently owned with a family atmosphere, for example, lunch may not be served in room and may not have a bath/ shower attached. However, cleanliness standards are to be maintained

** Two-star hotels will typically be small to medium sized and offer more extensive facilities than one star hotels. Reception and other staff will have some professional presentation.

*** Three star hotels-At This level, Hotels are usually of a size to support higher staffing levels as well as a significantly higher quality and range of facilities. room dial, room service, bath and shower facility are essential.

**** Four Star Hotels—There is an Increase in degree of luxury as well as quality in the furnishings, décor, and equipment in every area of the hotel laundry, porter service 24 hr room service are included with t above facilities. There will be a higher staff to guest ratio.

***** Five-Star Hotels- Hotels offer spacious and luxurious accommodations throught the hotel, matching the best of international standards. The staff will be knowledge able, helpful and well versed in all aspects of customer care, combining efficiency with courtesy.

Heritage Hotels

Heritage hotels are properties set in small forts, palaces, or havelis, the mansions of erstwhile royal and aristocratic families. They have added a new dimension to cultural tourism.

They are of following three types:

Heritage: This category covers hotels in residences, havelis, hunting lodges, castles, or forts and palaces built between 1935 and 1950.

Heritage Classic: This category covers hotels in residences, havelis, hunting lodges, castles, or forts and palaces built prior to 1935 but after 1920.

Heritage Grand: This category covers hotels in residences, havelis, hunting lodges,



castles, or forts and palaces built prior to 1920.

2) SIZE OR NUMBER OF ROOMS: -

	HOTELS	INDIA	AMERICA
A.	SMALL HOTELS	LESS THAN 25 ROOMS	LESS THAN 150 ROOMS
B.	MEDIUM HOTELS	25 TO 100 ROOMS	150 TO 300 ROOMS
C.	LARGE HOTELS	101 TO 300 ROOMS	301 TO 600 ROOMS
D.	VERY LARGE HOTELS	MORE THAN 300 ROOMS	MORE THAN 600 ROOMS

3) LOCATION: -

The following are the various types of hotels on the basis of location: -

(A) Down Town Hotels: -

These hotels are located in the heart of the city & are very near to the shopping complexes, markets, business centers, government offices & amusement parks. These hotels normally provide a wide selection of rooms & offer many types of services. They mostly cater to the business men, tour groups, individual tourists & small conference groups.



EG: - MARIGOLD HOTEL (HYD), THE TAJ (MUMBAI)

(B) Suburban Hotels: -

These hotels are located on the outskirts of the city. Modest services are provided. They provide extensive accommodation & food & beverage facilities & have big conference rooms, which provide a wide range of conference & seminar equipment. As many corporate & business groups prefer these hotels due to their calm & peaceful surroundings, such type of hotels is expensive.

EG: - JAYPEE PALACE {AGRA}, NOVOTEL AIRPORT-HICC {HYDERABAD}.

(C) Airport Hotels: -

These hotels are located in the close vicinity of the airport. They normally cater to the airline passenger & crew members. They provide with transportation facilities for pick-up & drop. They have well attended restaurants, coffee shop & bar. The guest stay is for a very short duration.

EG: - AIRPORT ASHOKA {KOLKATA}, AIRPORT CENTER {NEW DELHI}.



(D) Motels: -

These hotels are located besides the highways & are designed to serve the needs of the motorists. The term motel is derived from the word “motor”, which provides service facilities for the vehicles & food & accommodation for the travelers at a low cost. They must provide garage & car parking facilities. Only the basic facilities are prevalent in such type. **Example: KTDC, Kerela**

(E) Floating Hotels: -

These types of hotels are located on the surface of water such as the sea/lake. Such hotels provide exclusive & exotic atmosphere. They provide wonderful experience to the tourists.

Example: The Floatel in Kolkata



(F) Boatels:

As name implies these hotels are established on luxury liners or ship. In cruise ships, rooms are generally small and all furniture is fixed down.

EG-STAR CRUISE LINES



(G) RESORTS: -

These hotels are located in exotic locations such as beach, hill stations, forests; islands & spas. People visit these places for scenic beauty & for relaxation. Creativity is critical to the success of the hotel. As the guest stay for longer durations it is to have interesting, entertaining menus. The business is dependent on season & for this reason there are “off-season” & “full-season” room rates. These hotels have informal & homely atmosphere. Recreational facilities like golf, horse riding, tennis, boating, fishing & water sports are popular. The guest room may be spread out over a vast area in the form of cottages. The staff is required to be very friendly & provide with a relaxed service.

EG: - BHAVANI ISLAND{VIJAYWADA}. HOTEL HARITA (Telangana tourism)



(H) Rotels:

These novel variants are hotel on wheel. Our very own "Palace on Wheels" and "Deccan Odyssey" are trains providing a luxurious hotel atmosphere. Their interior is done like hotel room. They are normally used by small group of travelers.

Example: Palace on wheels



4) LENGTH OF STAY: -

(A) Extended Stay Hotels: -

They are also called “residential hotels” as guests are keen to stay for a long period of time. The guest may stay for a couple of months or for even a longer duration. The guest rooms offer a kitchenette & guests are allowed to cook their own food. Its for business executives who are away from their home town.

Example: Hare Krishna Orchid Residential Retreat, Mathura



(B) Semi-Extended Stay Hotels: -

These hotels are called “semi-residential hotels” where the guests stay for 5-7 days., or upto a month.

It's ideal for people who are shifting from 1 town to another.

(C) Brief Stay Hotels: -

They are also called as “transient hotels”. The guests spend only a few hours or just a night. These hotels are located near to the airports, railway stations & bus terminals. These hotels generally give discounts, called leeway, to guests staying for only a few hours.

Example: Novotel Airport Hotel, Hyderabad



5) LEVELS OF SERVICE: -

(A) World Class Service Hotels: -

These types of hotels target the elite class of guests who include commercially important & politically important persons, dignitaries & ambassadors, as well as other famous personalities & celebrities. One of the special features of these types of hotels is the “club floor” or “tower” which has a very strict security system & has restricted entry for the staff as well as visitors.

Example: **Taj Krishna, Hyderabad**



(B) Midmarket/ Mid-Range Service Hotels (150-300 Rooms)

These hotels have the largest target market as they cater to the largest segment of the tourists. The stays at these hotels are comparatively less expensive than the world-class hotels.

(C) Economy or Limited Service Hotels: -

The demand for such hotels is increasing day by day. They cater to the budget minded travelers & groups. These hotels have some basic amenities in guest rooms. They are frequented by Family with children, vacationers and retired persons.

6) CLASSIFICATION ON BASIS OF OWNERSHIP: -

(A) Chain Hotels: -

Chain hotel ownership can take a number of forms. Depending on the association that the chain organization has with each property. These hotels usually impose certain minimum standards, rules, policies, and procedures, which is to be followed by other properties of the same chain. A Hotel Chain is an administration company, that manages a number of hotels having the same name but being located in different areas. They can be total or partial owners of the hotel and they manage their administration, marketing and promotion.

These hotels are affiliated to one another & are owned or affiliated with other properties. These hotels have the advantages of information systems, reservation system, central purchasing systems, advertising & brand promotion campaigns.

(B) Independent Hotels: -

These are family owned and operated hotels that is not required to confirm to any policy or procedure's, they also do not need to adhere to a particular image and can offer a level of service geared towards attracting a specific target market and can quickly adapt to changing market condition. However, these hotels do not enjoy the advantage of volume purchase, advertising exposure or management insight and consultancy power of a chain hotel.

Examples:-

The Manor, Friends Colony West, Delhi
Tikli Bottom, Gairatpur Bas, Haryana

(C) Franchising: -

An individual entity builds a hotel property & enters into an agreement with a hotel company. The individual entity is known as "franchisee" & the hotel company as "franchiser". Furthermore, Franchising is simply a method of distribution whereby one entity that has developed a particular pattern or format for doing business. The franchiser usually provides a strong brand name, national and international central reservation system, management training programs, advanced technology, and central purchasing services.

Example: - Hilton, Marriott, IHG etc.

(D) Management Contracts: -

It is a contract, which is signed between an individual property owner & a hotel management company to run the day-to-day administration & management of the hotel. The management charges a commission called a management fees, which ranges between 1% to 8% of the total revenue generated. The legal & financial responsibilities lie ultimately with the owner. A hotel management contract is defined as an agreement between a management company (or an operator), and a property owner, whereby the operator assumes responsibility for managing the property

(E) Time Share Hotels: -

It is also known as “vacation ownership” or “holiday ownership”. Individual guests purchase the ownership of a particular unit of a resort for a definite period of the year & will occupy that unit during that period. The owners can easily trade their ownership time with other owners in others locations.



7) BASED ON CLIENTELE

A) 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.

Example: Vivanta by Taj, Hyderabad



B) Convention Hotels:

Convention hotels are another segment of the lodging industry that has grown significantly in recent years. These hotels have 50,000 sq; feet or more of exhibit hall space plus ballroom and assortment of meeting rooms. These hotels also have sufficient no. Of guestrooms to accommodate all the attendees of most conventions. These hotels are primarily directed towards business travelers and offer business



services such as secretarial assistance, language translator, fax machines, computer room, tele- conference etc. Convention hotels usually attract the convention market from state, national and international association and other corporate houses. **Example: Novotel, HICC, Hyderabad**

C) Suite Hotels:

These hotels offer rooms that may include compact kitchenette. They cater to people who are relocating, who are away from home for a long business stay. The other name of these is service apartment hotels

Example: Marriott Executive Apartments



D) Casino Hotels:

Hotels with gambling facilities are casino hotels. Although the guest rooms and F&B operations may be quite luxurious, but their function is secondary and supportive of casino operations. Similar to resort hotels these hotels also cater to leisure and vacation travelers. These hotels attract guests by promoting gambling. A recent trend in casino hotels now days are to provide a broad range of entertainment opportunities, spas, golf, tennis court. These hotels also have specialty restaurant. Length of stay is one week or more.



Example: The Zuri White Sands, Goa Resort & Casino

E) Transit Hotels: A transit hotel is a short-stay hotel that is situated in the transit zone like airports and highways.

Example: Centaur hotel , New Delhi, KTDC, Kerala.

8) BASED ON THEME

A) Ecotels: these are environment friendly hotels these hotel use eco friendly items in the room.

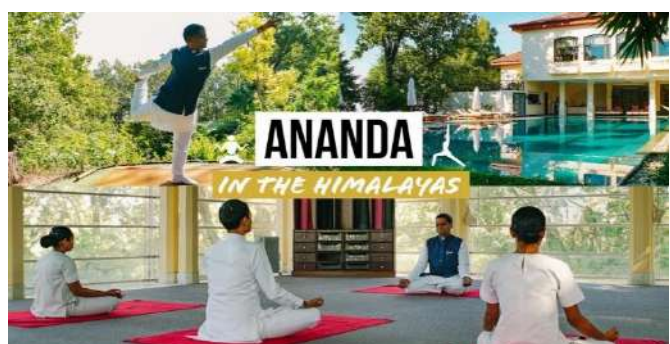
Example: Orchid Mumbai is Asia's first and most popular five star Ecotel.

B) Boutique Hotels: This hotel provides exceptional accommodation, furniture in a themed and stylish manner and caters to corporate travelers.



Example: In India the **park Bangalore** is a boutique hotel

C) Spas: is a resort which provide therapeutic bath and massage along with other features of luxury hotels in India



Ananda Spa in Himalaya are the most popular Spa.

Vision, Mission, Goals and Core Values



HOTEL ORGANIZATION

NEED FOR ORGANIZATION

The hotel clients (called guests in the hospitality industry parlance) receive a wide variety of services and facilities from the hotel. To carry out all the functions effectively and efficiently, the hotel should have a well-organized structure. Such a structure has the following advantages:

- It facilitates managerial action.
- It encourages and improves efficiency
- It makes communication easier, faster, and more effective.

Marriott's Vision & Mission

· Vision

- "To become the premiere provider and facilitator of leisure and vacation experiences in the world."

· Mission

- "To enhance the lives of our customers by creating and enabling unsurpassed vacation and leisure experiences."

- It ensures the optimal use of resources.
- It stimulates creativity and adherence to conformity.
- It creates job satisfaction in employees, thus motivating them to excel.
- It leads to quality services, nurturing brand loyalty in guests, which would ensure the growth of business.

VISION

- Corporate vision is a short, succinct, and inspiring statement of what the organization intends to become and to achieve at some point in the future, often stated in competitive terms. It concretely describes how a company sees itself in the future, and therefore must be realistic and attainable.
- Vision refers to the category of intentions that are broad, all-inclusive, and forward-thinking.
- It is the image that a business must have of its goals before it sets out to reach them.
- It describes aspirations for the future, without specifying the means that will be used to achieve those desired ends.

MISSION:

At the formation stage of a company, establishers shall come together to discuss the broad guidelines that the company will follow in the future. This is called preparing the mission statement.

- A Mission is the unique purpose that sets one hotel or motel company apart from others. Moreover, the mission statement gives meanings and directions to hotel policies. In fact, when faced with any problem, confusion, or strategic decision to be taken, managers shall, always, make sure that their decisions match the mission statement. In addition, the mission statement shall be general and broad.

According to Vern McGinnis (1981), a mission should perform the following seven functions:

- define what the organization is.
- define what the organization aspires to be.
- be limited to exclude some ventures.
- be broad enough to allow for creative growth.
- distinguish the firm from all others.
- serve as framework to evaluate current activities.
- be stated clearly so that it is understood by all.

OBJECTIVE

- As compared to mission, objectives are more precise—they are used to identify the end results that a hotel wants to achieve over varying periods of time
- Objectives help to measure the progress of a hotel vis-à-vis its mission and vision.

GOALS:

• By definition, goals are those activities and standards an organization must successfully perform or achieve to effectively carry out its mission. Moreover, goals shall be:

1. Specific & numerical
2. Observable
3. Measurable

If objectives were general and non-quantifiable, then, it would be impossible at the end of a certain period of time to see whether company actual results match with the planned objectives or not.

- The words objectives and goals represent measurable end results.
- Long-term measurable results are treated as objectives and the short-term results as goals.

STRATEGIES AND TACTICS:

- After determining departmental goals and objectives, department heads and/or managers shall design the best methods their respective departments or divisions shall use to achieve its goals. These methods are referred to as strategies.
- Later, department heads shall move one further step, as to break down each strategy to tactics (i.e. day to day methods to reach the strategies). An illustration, to one of the Front Office department goal (a registration-related goal), a strategy to reach it and a related tactic is given below :

Goal: Operate the front desk efficiently and courteously so that guests register within **2** minutes of arrival.

Strategy: Pre-register guests with reservation guarantees as room become available from the housekeeping.

Tactic: Pre-print registration cards for arriving guests and separate the cards of all guests with a reservation guarantee.

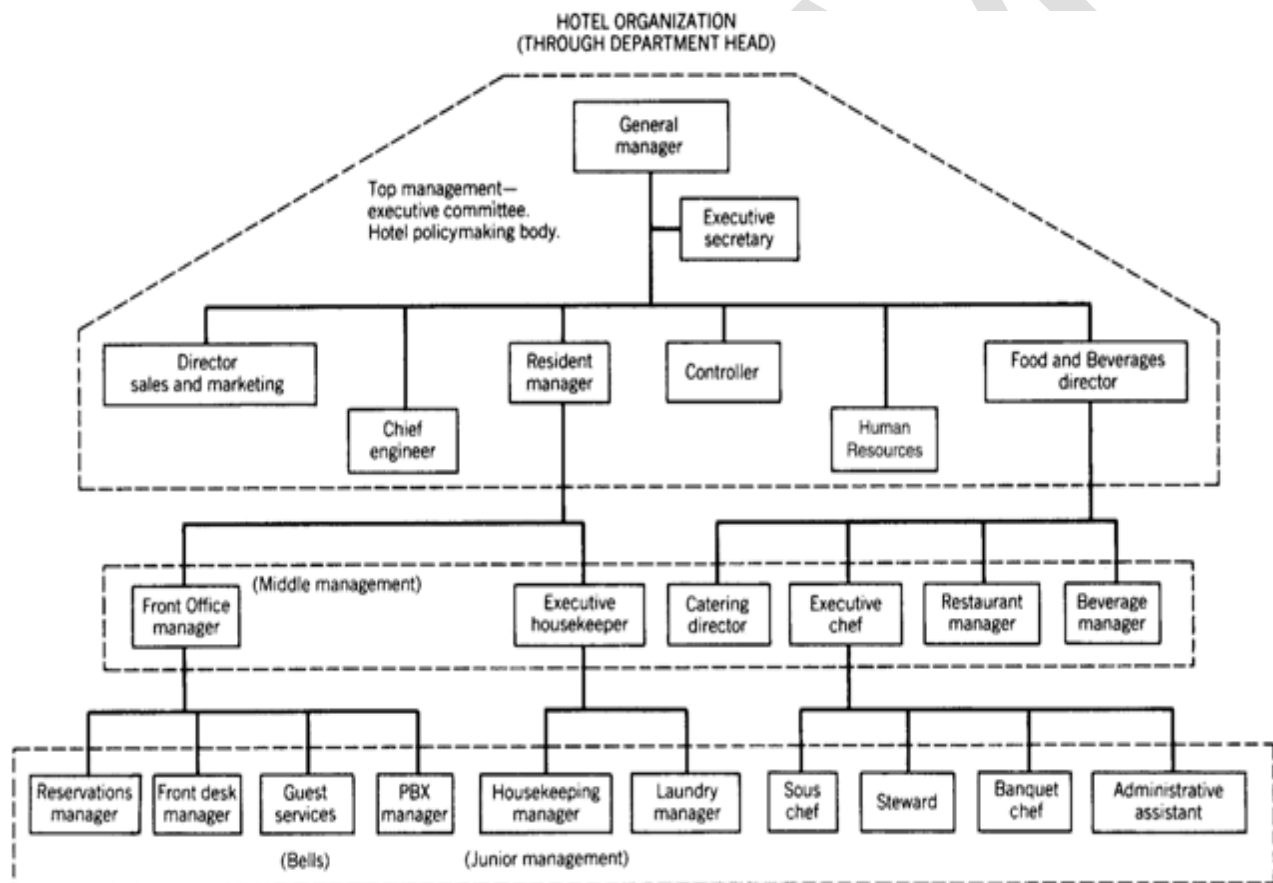
ORGANIZATION STRUCTURE

To carry out its vision, mission, objectives and goals, every hotel requires a formal structure known as organization structure. It establishes the manner and extent of roles, power, and responsibilities and determines how information flows between levels of management.

It is of extreme importance that managers shall continuously control and evaluate their strategies and tactics, and hence revise them (if necessary) so that department goals and objectives are reached fully at the end of the planned period.

Organization Chart

- An organization chart is a hierarchal, graphic representation of the structure of an organization—a list of all positions and the relationship between them.
- It shows where each position fits in the overall organization, as well as where divisions of responsibility and lines of authority lie.
- It is a visual representation of how a firm intends authority, responsibility, and information to flow within its formal organizational structure.
- It usually depicts different management functions (accounting, finance, human resources, marketing, production, research and development, etc.) and their subdivisions as boxes, linked with lines along which decision-making power travels downwards and answerability travels upwards.
- The chart indicates direct reporting relationships as well as indirect relationships, which, though not connected directly, involve a high degree of cooperation and communication.



LIST OF MAJOR DEPARTMENTS OF THE HOTEL

Front Office: This department performs various functions like reservation, reception, registration, room assignment, and settlement of bills of a resident guest.

Housekeeping: The housekeeping department is responsible for the cleanliness, maintenance, and aesthetic upkeep of rooms, public areas, back areas, and surroundings in a hotel.

Food and Beverage Service: This department looks after the service of food and drinks to guests.

Kitchen: All the food and beverages that are served to the hotel guest is prepared in kitchen

Engineering and Maintenance: It look after the maintenance of the all equipment, furniture and fixture installed in hotel

Accounts: This department maintains all the financial transactions

Security: The security department of a hotel is responsible for the overall security of the hotel building, in-house guests, visitors, day users, and employees of the hotel, and also their belongings.

Human Resource: This department is responsible for the acquisition, utilization, training, and development of the human resources of the hotel

Learning & Development Dept: Continuous learning and up gradation of all departments happens here.

Sales and Marketing: the responsibility of increasing the sales of the hotel's products and services is the major task of the department

Purchase: The purchase department is responsible for procuring the inventories of all departments of a hotel.

MAJOR AND MINOR REVENUE EARNING DEPARTMENTS OF THE HOTEL.

Major revenue producing departments:

1. Rooms departments: These are the departments concerned with the actual sale of rooms. This revenue producing section earns around 60% of the total hotel revenue. The departments under this section are Housekeeping and Front office.
2. Front office is concerned with actual sale of rooms and hence comes in direct contact with the guest. Housekeeping is concerned with keeping the guest rooms clean and in a position to be sold. Hence though Housekeeping is a behind the scene activity it is extremely important.
3. F & B Department: These are the departments concerned with the production of food & beverage items and their sale.
4. F & B Production includes all kitchens, bakery, confectionery, stores and pantry. All these are behind the scene and responsible to the total preparation of the food items right from the storage of raw material to the presentation of the final dish.
5. F & B Service includes all the service outlets where the food prepared by the production areas is sold to the guests. These areas can be listed as
 - **Restaurants** - General as well as specialty restaurants. These restaurants have fixed hours of service.

- **Coffee Shop** - A coffee shop is open 24 hours of the day & serves mainly snacks & beverages. Heavy meals are generally served only during lunch and dinner time. A coffee shop generally has an informal atmosphere and plated service.
- **Bar** - Serves alcoholic and non-alcoholic beverages along with snacks. A permit is required to operate it and there are fixed hours of operation.
- **Room Service**: 24 hours' service in most large hotels.
- **Banquets** - It is the major revenue producing department, among the F&B service departments. Some of the banquet functions are Dinners, Lunches, Wedding receptions, Cocktail parties, Conferences, Club meetings, outdoor catering, etc.

Minor revenue producing departments.

- a) **Laundry**: The hotel may have its own laundry or may have a contract with an outside laundry. In any case laundry of guest clothing is a facility provided by the hotel & is charged for.
- b) **Telephone department**: Guests are charged for the local and trunk or STD calls. Charging can be done either by the telephone operator or in case of direct billing by telephone meters. In a small hotel, there would be just a small switch board, probably operated by the receptionist. In large hotels, there exists a separate telephone department, where the board is manned by operators working in shifts.
- c) **Swimming pool**: Though hotel guests are not charged for using the pool, their guests can be charged for this facility. Many hotels offer a free swim along with a buffet lunch (charged per head) setup near pool side.

KEYWORDS

1. **HRACC** -Hotel and Restaurant Approval Classification Committee
2. **Heritage Hotels**- Heritage hotels are properties set in small forts, palaces, or havelis, the mansions of erstwhile royal and aristocratic families. They have added a new dimension to cultural tourism.
3. **Casino**- : Hotels with gambling facilities are casino hotels.. A recent trend in casino hotels now days are to provide a broad range of entertainment opportunities, spas, golf, tennis court.
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5. **Vision**- Corporate vision is a short, succinct, and inspiring statement of what the organization intends to become in future
6. **Mission**- A Mission is the unique purpose that sets one hotel or motel company apart from others. Moreover, the mission statement gives meanings and directions to hotel policies.
7. **Goals**- By definition, goals are those activities and standards an organization must successfully perform or achieve to effectively carry out its mission. They are specific, measurable, observable.

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