

HOTEL and MOTEL MANAGEMENT and OPERATIONS

THIRD EDITION



WILLIAM S. GRAY ♦ SALVATORE C. LIGUORI

Third Edition

Hotel and Motel Management and Operations

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Preface

In this, the third edition of our textbook, we acknowledge the strong competitive forces existing in the hotel industry today. In particular, we look at the impact of economic factors, such as an economic slowdown and the high number of hotels placed on the market by the Resolution Trust Corporation as a result of the takeover of savings and loan organizations. In the front-office and accounting areas, we review the methods and capabilities of the most advanced property management systems and the fundamental changes in hotel accounting resulting from computerization.

While most textbooks continue to approach the hotel industry from a marketing point of view (or examine only one facet of the business), we continue to strive to meet our goal, a textbook that:

- Approaches hotel and motel operations from a business and financial point of view, recognizing that the continued growth of the industry must ultimately depend on profitability.
- Covers every facet of the industry, including development, preopening, marketing, and the operation of every department, large and small.
- Examines trends and developments in new areas of the industry, such as spas and casinos.
- Is fundamentally a step-by-step textbook that students in universities and hotel schools will find easy to follow and will help them understand the organizational structure within which a hotel operates.

We have drawn freely from our experiences in a combined 75 years in the industry, while incorporating a knowledge of student needs gained while teaching courses in the hospitality field at New York University, Purdue University (Calumet), and Southern Vermont College. We have structured our textbook to meet those needs.

We continue to be grateful to our colleagues in the hotel industry for their help and advice, and, in this third edition, would like to thank Susan Thorne Thomsen, a professional spa operator, for her assistance in explaining the new developments in spa programs, and Brian Aspell, chef at The Equinox Resort, for input on the new cuisines.

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SECTION I

Hotel and Motel Development

1

The History of the Hospitality Industry

The hotel industry should not be regarded as standing separate and unrelated to other industries, but rather as forming a part of the much larger hospitality industry. It is within this framework that the history of hotel development should be examined.

EARLY HISTORY

Innkeeping is an outgrowth of man's urge to travel. Evidence exists of extensive travel over land and sea thousands of years ago. Roads used for intra-European traffic until the Middle Ages—and some that remain today—were the trails used by the courier and merchant in ancient times. Although there is no known reference to hotels or inns on those trails, there must have been places that were favorable for rest stops, probably near or accessible to water, and these may well have been used for this purpose for generations. Structures built later to accommodate travelers very probably occupied such sites.

The concept of hospitality is extremely old; it is mentioned in writings dating back to ancient Greece and Rome, and Biblical times. For example, throughout Homer's *Odyssey* and *Iliad*, there are several evidences of it. Such writings raise two possible explanations of why, in those ancient times, people felt required to be hospitable. In some instances, they felt that hospitality to strangers was necessary to their religious well-being; in others, they were hospitable only because of their own superstitious fears. Both attitudes derived possibly from the

belief that a stranger was either a god or a representative of evil spirits, perhaps even the devil himself. In both cases we find, therefore, either religion or the supernatural as the principal motivating force in the concept of hospitality.

An explanation perhaps more logical—or, at least, easier to accept in our modern-day thinking—is that the providing of hospitality was merely a result of a “give and take” philosophy; that is, if you give a stranger food and lodging today, perhaps a stranger will do the same for you at another time. However, given the circumstances in which hospitality in ancient Greece was provided, it is understandable that certain elements of religion were intermingled with the idea. Missionaries, priests, and pilgrims formed a very large part of the traveling public. Often they were journeying to holy places, perhaps oracles or temples that had a dominant position in their religion. As a result, many of the accommodations for travelers were located in the vicinity of such places.

The accommodations were meager, providing only shelter and the barest of sustenance. In the earliest of times, they were operated by slaves who belonged to the temples or holy places. Gradually, the slaves were replaced by free men, but even they were considered to be of low social prestige. In ancient Indian writings, we find that it was the duty of the priests and the holy men of the temples to arrange for accommodations and food for visitors.

Early travelers who were not on the road for religious reasons were usually on military, diplomatic, or political missions. This was particularly true during the Roman era, when the great Roman Empire extended far beyond the limits of Italy. Consuls, proconsuls, governors, and generals were constantly traveling between Rome and the many countries in the eastern Mediterranean that were part of the Roman Empire. The Bible notes that it was on such a journey that Paul was shipwrecked when, as Saul of Tarsus, he was engaged in a diplomatic or political mission.

Many military travelers disdained using the accommodations that were available along the route. Inns in the cities were of bad reputation and detrimental to travelers; outside the cities, they neither existed nor were needed. The military travelers preferred, therefore, to sleep in the tents they carried with them.

In ancient Persia, traveling was done in large caravans, which carried elaborate tents for use along the caravan routes. However, at certain points on these routes, accommodations known as *khans* were constructed. These were simple structures consisting of four walls that provided protection not only against natural enemies such as the whirling sandstorms but also against marauding enemies who attacked under cover of darkness. Within the walls, platforms were constructed upon which the travelers slept.

In the later years of the Roman Empire, taverns and inns provided shelter for traveling merchants, actors, and scholars. Accommodations were still primitive. Sometimes there were rooms for the people but no stables for the horses; more often there were stables but no rooms. The high point of that era in terms of hospitality was the development by the Persians of post houses along the caravan routes. These developed later than the khans and provided accommodations

and nourishment for both soldiers and couriers. In his writings, Marco Polo described the post houses known as *yams* as apartments suitable for a king. They were located about 25 miles apart, perhaps the equivalent of a day's ride, and supplied fresh horses for the couriers carrying messages throughout the land. By Marco Polo's estimate, there were 10,000 such post houses in existence at the time of his journey to the Far East.

THE MIDDLE AGES

During the Middle Ages, we again find the intermingling of religion and hospitality. It was considered the duty of Christians to offer hospitality to travelers and pilgrims. In many instances, monasteries functioned as inns, providing accommodations and food for the weary traveler. Some monasteries and churches, concerned perhaps with the invasion of private meditations by the traveling public, constructed separate buildings to accommodate travelers. These buildings were known as *xenodocheions*, a Greek word meaning inns or resting places.

Charlemagne, during his reign, enacted laws setting out the duty of a Christian to provide a free resting place for a traveler. However, in consideration perhaps of the possibility that a traveler might overstay his welcome, and also perhaps of the burden of providing free food for an indefinite period of time, the law limited the stay of any traveler in any one place to three nights.

Up to this point in our narrative, there has been no mention of the traveler's being charged for his accommodations or his nourishment. Indeed, the rendering of hospitality was considered a charitable donation, springing from religious beliefs rather than a business venture. But all this was to change in the year 1282 in Florence, Italy. The great innkeepers of the city incorporated a guild or association for the purpose of turning hospitality into a business. Inns became licensed and were permitted to import and resell wine. The inns themselves belonged not to the innkeepers but to the city, and they were operated under 3-year leases sold by auction. Nevertheless, they were presumably profitable; in the year 1290, 86 inns in Florence were members of the guild.

The concept was not limited to Florence for long. Shortly thereafter, the business of hospitality spread to Rome and other Italian cities. It is interesting to note that, during that period, many of the innkeepers were German rather than Italian—possibly because many of the merchants who were traveling were themselves German and were eager to find accommodations where they would find their own language spoken and food they were accustomed to.

THE SIXTEENTH TO EIGHTEENTH CENTURIES

During this period considerable improvement took place, particularly in England, in the quality of accommodations. The common mode of transportation

used then was the stagecoach. Long journeys, such as from London, England, to Edinburgh, Scotland, covered a period of several days, so the stagecoaches were forced to make overnight stops. These called for not only food and rest for the horses but also food and accommodations for the passengers. A direct result was the construction of inns or taverns at suitable locations along the stagecoach routes. Since their passengers were mainly wealthy people, accustomed to certain luxuries, the stagecoaches contributed not only to growth in the number of inns but also to improvements in their quality.

The inns or taverns also became popular meeting places for local nobility, politicians, priests, and others. Licenses for the inns were issued by the local lord or knight within whose territory the inn lay. It is reasonable to assume that the issuance of such licenses was not without some form of patronage, as might similarly be true today.

The inns were built in a relatively standard design, a sample of which is shown in Figure 1-1. As can be seen, the design was in the form of a quadrangle, with stagecoaches and people entering through a vaulted gateway. The yard

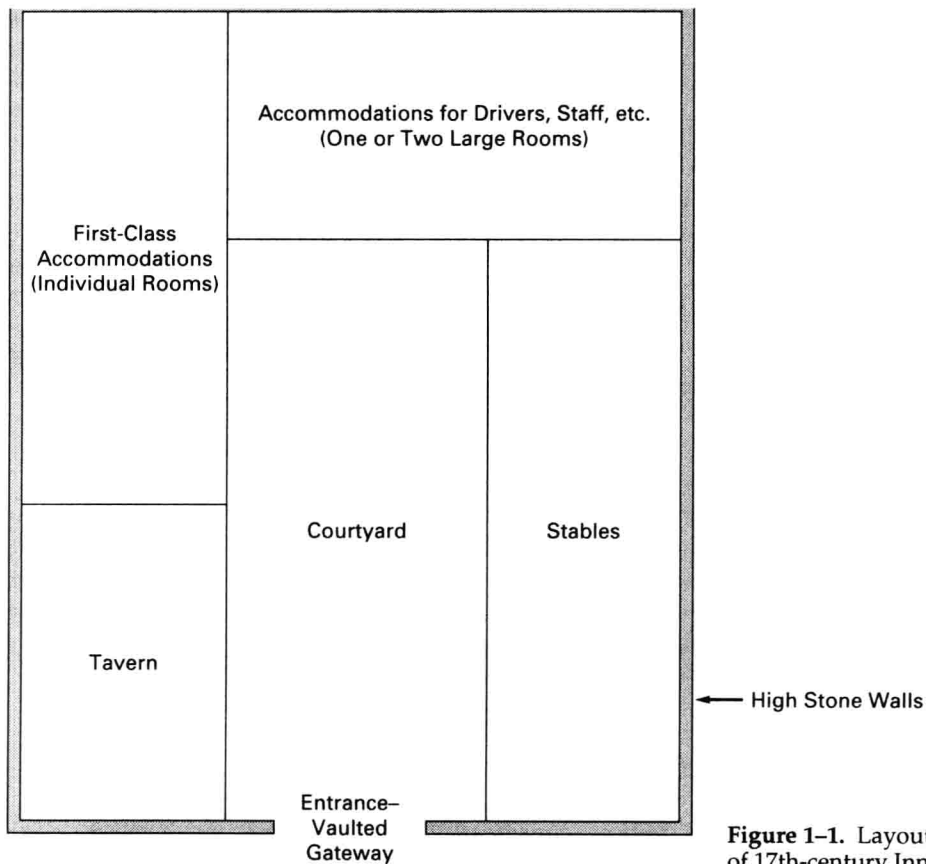


Figure 1-1. Layout of 17th-century Inn