

# *Hospitality World!*

A N I N T R O D U C T I O N

Harold E. Lane & Denise Dupré

# *Hospitality World!*

## *An Introduction*

Harold E. Lane  
*Professor Emeritus, Boston University*

Denise Dupré  
*C.E.O., Dupré LTD.*



WILEY

JOHN WILEY & SONS, INC.

New York   Chichester   Weinheim   Brisbane   Singapore   Toronto

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Published simultaneously in Canada.

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**Library of Congress Cataloging-in-Publication Data:**

Lane, Harold E.

Hospitality world: an introduction / Harold Lane and Denise Dupré

p. cm.

ISBN 0-471-28989-2

I. Hospitality industry—Management. I. Dupré, Denise.

II. Title

TX911.3.M27L363 1996

647.94'068—dc20

96-8345

*Hospitality World!*  
*An Introduction*



## *Dedication*

*To M.E.N. for agreeing one day to intensely  
encourage me to reach my full potential.*

D.M.D.

*To Connie (Mason) Lane, who not only read the manuscript with  
discriminating and unerring eye but endured and sustained her lifelong partner  
through the throes of writing—and to our children, Steve, Hank, and Nancy, for  
putting up with it all.*

H.E.L.

# About the Authors

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*Denise Dupré* has spent her hospitality career both in the field and in the classroom. In addition to various operations assignments with both public and private hotel companies including Marriott and Seven Springs, she has worked in hospitality marketing for Leo Burnett in Chicago and as a consultant for Laventhol and Horwath in New York. She was a teaching fellow at Cornell's School of Hotel Administration, and after a decade as a professor and six years as the director of Boston University's School of Hospitality Administration, she has returned to full-time entrepreneurship as CEO of Dupré LTD. She serves on numerous boards, including those of Seven Springs Resort, Inc., the Mercersburg Academy, and the Hanover Inn.

*Harold E. Lane* is professor emeritus at Boston University's School of Hospitality Administration. Previously he was professor of Hotel, Restaurant, and Institutional Management at Michigan State University. He was originally appointed by Dean Meek as summer school instructor at Cornell University's School of Hotel Administration, where he served for twenty years. He also served as vice president of Sheraton Corporation of America, retiring in 1968 at the time of its merger with ITT.

# Acknowledgments

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It was our students, really, who first suggested this book. Why isn't there an upbeat introductory text to challenge—not bore—us? Something current? Something invigorating? A text that would make us want to learn more and work harder? (A task no text would likely achieve alone ... but in the hands of a gifted teacher, perhaps.) We offer thanks to some twelve sections of students who shared honest feedback as we “classroom tested” the book. In addition to Professor Dupré's students, several colleagues, Professors Beals, Hudson, and Oshins's students put various versions of the book to the test. Professor Oshins also lent creative insight, good humor, and true camaraderie in team teaching the text. Several students became invaluable research assistants, in particular, Iolanda Mastre and Michael Klein. Former students Kira Rukin-Forer and Gil Forer made a major contribution. They found no task insurmountable and came back with first-rate sources and ideas in response to assigned topics.

Faculty at our past universities—Boston University, Cornell University, and Michigan State University—have significantly shaped the contents of this book. We are especially grateful to our many colleagues who over the years have contributed excellent ideas about teaching materials—which we have generously drawn upon in developing this book. We were fortunate to have our manuscript reviewed by the following talented professors from hospitality management schools across the country. We incorporated their critical feedback and were encouraged by their enthusiasm:

Deborah Breiter, New Mexico State University; Edward Coon, University of South Carolina; Taylor Ellis, University of Central Florida; Marie Green, Bay State College; Susan Gregory, Colorado State University; J. Michael Hayes, Belleville Area College; Chuck Hamburg, Roosevelt University; Barbara Luck, Jackson Community College; Ruth Ann Myers, Arkansas Tech University; David Pavesic, Georgia State University; Jayne Pearson, Manchester Community Technical College; William Petersen, La Salle College; Peg Shaw, University of Guelph, Canada; Susan Sheridan, University of Houston; Fred Smith, University of Massachusetts–Amherst; Don St. Hilaire, California State Polytechnic University–Pomona.

In addition, we are deeply indebted to many helpful suggestions from:

Hugh A. Andrews, president and founder, Williams Hospitality Management Corporation, San Juan, PR

Paul Beals, professor and director, the Statler Hotel Management Program, Canisius College, Buffalo, NY

Richard Brooks, vice president, Stouffer Hotels and Resorts, Solon, OH

Robin Brown, general manager, The Four Seasons Hotel, Boston, MA



Daniel Daniele, Ernst & Young, Consultants, Chicago, IL

Gregory Delin, human resources director, Mandarin Oriental Hotel Group, Hong Kong

Gregory R. Dillon, vice chairman, Hilton Hotels Corporation, Beverly Hills, CA

Tom R. Engel, executive vice president, Hospitality Asset Management Group, Equitable Real Estate, Investment Management, Inc., Atlanta, GA

Ron Erdman, United States Department of Commerce, United States Travel and Tourism Administration, Washington, DC

Carl F. Frost, professor emeritus, Industrial Psychology, Michigan State University, East Lansing, MI

Edwin D. Fuller, senior vice president and managing director, Marriott Lodging-International, Washington, DC

Bradford Hudson, assistant professor, School of Hospitality Administration, Boston University, Boston, MA

Ann Hales, associate professor, School of Hotel Administration, Cornell University, Ithaca, NY

Mark Van Hartesvelt, senior vice president, Guest Quarters Suite Hotels, Boston, MA

Louis Kane, cochairman, Au Bon Pain, Boston, MA

Michael L. Kasavana, professor, Hotel, Restaurant and Institutional Management, Michigan State University, East Lansing, MI

Hon. Edward M. Kennedy, chairman, U.S. Senate Committee on Labor and Human Resources, Washington, DC

Michaela Larson, owner, Rialto Restaurant, Boston, MA

Saul F. Leonard, Saul F. Leonard Company, Inc., Los Angeles, CA

David A. Ley, professor, James Madison University, Harrisonburg, VA

Matt Marshall, general manager, The Hanover Inn, Hanover, NH

Robert Maxey, president and CEO, MGM Grand Inc., Las Vegas, NV

Joseph A. McInerney, president and CEO, Forte Hotels, Inc., El Cajon, CA

Lee M. Ozley, management consultant, Hilton Head Island, SC

Michael Oshins, assistant professor, School of Hospitality Administration, Boston University, Boston, MA

Allen J. Ostroff, senior vice president, The Prudential Property Co., Newark, NJ

Leo Renaghan, associate professor of marketing, Cornell University, Ithaca, NY

W. Earl Sasser, Jr., professor, Harvard Business School, Boston, MA

Robert Sage, president, Sage Hotel Corporation, Boston, MA

Bernard Seiler, Seiler Hotel-Neues Schloss, Zurich, Switzerland

Leonard Schlesinger, professor, Harvard Business School, Boston, MA

Raymond S. Schmidgall, associate professor, Hotel, Restaurant and Institutional Management,  
Michigan State University, East Lansing, MI

Horst Schulze, president and chief operating officer, The Ritz-Carlton Hotel Company, Atlanta, GA

Marc Shapiro, vice president, Facilities, Loew's Corporation, New York, NY

Gary Vallen, Northern Arizona University, Flagstaff

George J. Wimberly, Wimberly, Allison, Tong & Goo, Architects, Newport Beach, CA

We are especially grateful for profound expertise lent from the profession by Herman Dupré, chief architect of Seven Springs Resort and Engineer for Snow Economics. He represents rarely found entrepreneurial genius and has shared exuberantly his expertise, his rules of thumb and his passion for business. Mary McSwigan has shared her expertise as a great teacher and has lent compassion, a sense of humor, and Irish luck!

A special vote of thanks is also due to Lori Schwartz and Jennifer Weissman, former staff members at Boston University, whose dedication, energy, and enthusiasm kept the process moving as we "classroom tested" and revised the book. We are grateful to Jo Grandstaff, of East Lansing, Michigan, who exercised the magic of word processing in the early stages.

All the people at Van Nostrand Reinhold—Pam Chirls, Stephen McNabb, Julie Markoff, Jackie Martin, Mimi Melek, Melissa Rosati, and Amy Shipper—who have worked with us so assiduously, warrant special recognition. Each has shared our commitment to excellence and brought their own expertise to the project. We are especially grateful to Melissa for her encouragement as we entered the homestretch. Maxine Chuck, our Boston-based editor, left no comma unturned as she carefully reviewed each word of the manuscript and constantly encouraged us to achieve consistency and clarity. Andrea Mulligan and Lissa Smith at Benchmark Productions made our book real. They conceived and produced the design and shared genuine enthusiasm for the project.

We are profoundly indebted to Eileen Grabowski, without whom this book simply would not have become a reality. She lent a critical editorial eye, offered creative insight, and masterfully demonstrated research skills from the library to the Internet. Her legendary fortitude and patience in deciphering our garbled prose have benefited every page. Moreover, with uncommon dedication and engaging good humor, she kept us on track, and kept in order the numerous editions of the manuscript, charts, tables, boxes, exhibits, footnotes, permissions, idea lists, student feedback, reviewers' comments, classroom notes, and every other element that contributed to the book.

Our spouses have been patient and consistent supporters. The quality of their input has been matched only by their encouragement and enthusiasm—however many successive drafts of the manuscript required their time and effort. Our children, and children and grandchildren, respectively, were constant sources of inspiration—gentle reminders that young minds are why one goes about this effort to teach in the first place. Special thanks to Cameron, whose five-year-old mind set about to xerox hundreds of copies of a paper heart glued to a popsicle stick, that all of his Mom's readers might have a copy of her original bookmark. Special thanks, as well, to Casey, a six pound thirteen ounce miracle, for being.

As indicated in the chapter endnotes, we are deeply grateful to the many publishers who graciously granted permission to use their materials. Responsibility for any errors or omissions, however, is ours alone.

Denise Dupré  
Harold E. Lane

# Preface

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Welcome to *Hospitality World!* We are honored to share this book with students and teachers of hospitality management, for they have been instrumental in its development. Every page of the book has been “classroom tested.” Our customers —students and teachers who used earlier editions--helped us to think critically about the book and to make it more useful.

Around the world, the coming of age of hospitality has been marked by rapid movement in the closing decades of the twentieth century. The information highway, new ways of shaping service experiences and a changing technological, political and social landscape have resulted in many challenges. Though much has changed, much of hospitality has also remained exactly the same. Across centuries, some tried and true elements of a warm welcome, comfortable accommodations and good food have remained the keystones of successful hospitality management. Whether a guest is handed an old-fashioned brass skeleton key or a computer generated key card, the principles of a friendly and efficient check-in are the same. It is this picture of the old and the new, the cherished and the innovative, that the authors endeavor to bring together in this book.

The book has been designed as an introductory text. With a readable style as well as a sophisticated grasp of world-wide hospitality management, *Hospitality World!* offers an exciting approach to the study of the hospitality business. In short, this book has two primary objectives: (1) to meet students’ desire for a hospitality management text with real challenge and (2) to view the world of hospitality, quite literally, from the perspective of various nations around the globe.

## Overview of the Contents

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Part I, “An Overview,” the first five chapters, sets the stage for later discussion of managerial and operational approaches to the industry. Chapter One points out how the historical development of hospitality correlates with the development of modern society and business. Chapter Two focuses on the “big picture,” setting the framework of understanding for how the industry is structured and how it has developed. Chapter Three analyzes what is meant by the hospitality business as a service business and underscores the meaning of each “moment of truth” when a customer encounters a hospitality provider. Chapter Four examines the global dimensions of the world of lodging and foodservice, and of the world of travelers. Chapter Five offers perspectives on tourism and uses the Olympic Games as an example of the component pieces of tourism in action.

“Places to Stay,” discussed in Part II, and “Places to Eat,” discussed in Part III, are mirror images of one another as they apply to lodging and to foodservice. Thinking beyond hotels to the many different kinds of lodging operations is the subject of Chapter Six. The multitude of foodservice operations beyond restaurants is the domain of Chapter Eight. Chapter Seven covers the basic ingredients

of how things work in lodging operations, while similar ground is covered for foodservice operations in Chapter Nine. Together these two sections outline the what and how of lodging and foodservice.

Part IV, “Management Tools” embraces Chapters Ten, Eleven, and Twelve and Thirteen, which collectively focus upon four management disciplines: human resources, marketing, management information systems and accounting. Each describes the distinguishing features of the discipline as it relates to hospitality management and then sorts out the sharpest tools in the respective manager’s tool kit. Chapter Ten deals with the idea of giving individuals in organizations greater information, knowledge, power, and rewards. Chapter Eleven discloses the importance of identifying customer needs and provides vision and marketing tools to best to meet those needs. Chapter Twelve provides valuable insights on the ways in which a company’s management information system operates and the rapid evolution of technology. Chapter Thirteen aims to clarify such important accounting concepts as the Uniform System of Accounts, balance sheet, income statement, and cash flow - all of which are essential to understanding how accountants keep score of business performance in the hospitality industry.

Part V defines the “Structural Elements of the Industry.” Chapter Fourteen puts you square in the shoes of the owner of a hotel. Chapter Fifteen does the same, but for the owner of a restaurant. Decisions involving development, ownership, management, franchising, and affiliation are presented as they would be to a real owner. Similarly, an entrepreneur who dreams of opening a restaurant, is faced with decisions involving development, ownership, management, franchising and strategic alliances. In the course of the discussion of these decisions, the evolution of franchising, its advantages and disadvantages, the origin and development of management contracts and the important provisions they contain, how ownership and financing arrangements are made, and the costs and benefits associated with developing a property, are revealed.

“Issues and Trends” are the broad subjects of Part VI. Chapter Sixteen explores ethics and those activities that require “tough choices” in several areas of managerial decision making: choices about whether or not to obey the law; choices about “people values” such as promise-keeping, honesty, fairness, and the avoidance of injury to others; and choices about one’s own self-interest versus the interest of the company. Chapter Seventeen, Strategic Thinking, places emphasis upon scanning the environment to find clues and patterns which could potentially lead to a winning strategy. Like the strategic-thinking Cheshire Cat in Lewis Carroll’s *Alice In Wonderland* demonstrates, good strategic planning means knowing where you are now and where you want to go, and most importantly, finding the best way to get there.

The last part of the book, VII, is reserved “For Students Only.” Chapter Eighteen offers a comprehensive set of steps to developing and excelling along a hospitality career path. The chapter takes a hands on approach offering tactics and resources. The second element of the section is a master case which explores the world of Disney. The case offers a series of questions associated with each section of the book as well as capstone questions which challenge students to integrate Yearnings from the entire text.

## Learning Tools

---

Each chapter contains a number of elements designed to encourage an enthusiasm for learning. The tools are integrated throughout the text in a package designed to enliven discussion, organize thinking, test understanding and encourage exploration.

## Opening Quotations

The opening quotations, from a variety of sources, ancient to modern, give an unusual perspective on the chapter contents. They can be used to launch a general discussion of the subject matter. These contributions from the literary world are intended to provoke discussion from a different slant. A corresponding question or assignment directly related to the quotation can be found at the end of each chapter.

## Chapter Objectives

The chapter objectives, which precede each chapter, capture the key learnings which will follow. They serve to guide students through the major points.

## Hospitality Vignettes and Cartoons



In the spirit that a sense of humor can enliven a discussion, included are a series of vignettes and cartoons with a humorous side and a lesson. These stories and picture stories package complex learnings in a simply illustrated fashion and can be identified by the pineapple icon.

## International Boxes



An increasing focus on the globalization of hospitality are reflected in the international boxes, identified by an international stamp icon. Events related to each chapter's subject are drawn from around the globe and explored in a way which lends focus to a particular country or region. These boxes are current in thinking and shed light on just how international the hospitality business is.

## Chapter Summaries

The chapter summaries reinforce the learning objectives and synopsise the main topics covered in the chapter.

## Discussion Questions

To test learning and to encourage critical thinking a series of questions follow each chapter.

## *Assignments*

The assignments require investigation beyond the contents of the book, though the chapter will serve as a springboard for the additional research. Often the assignments involve interacting directly with some facet of the hospitality business.

## *Mini Cases*

The mini cases draw from numerous kinds of situations that can be found in hospitality operations. Through the analysis of a specific problem students are encouraged to take a closer look at managerial decision-making. The mini cases vary in length and complexity.

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