

Types of Lodging Establishments

Besides hotels, motels and resorts the lodging industry today offers a variety of establishments aimed at fulfilling the needs of the current market. The most common are:

- Bed and Breakfast Inns
- Time-Share Condominiums
- Cruise Ships
- Institutional Lodging Establishments
- Casinos

Bed-and-breakfast inns are usually small, privately owned establishments located in suburban and rural locations. They are often uniquely appointed converted private homes that cater to travelers seeking a homey, personal environment. **Time-share condominiums** are apartments, villas, or bungalows usually built near popular vacation spots (such as ski resorts, beaches, or Disney World, for example) that are sold to individual owners who use them or rent them out to transient guests. Time-share owners also have the option of trading with other owners of units located in different parts of the country or the world.

Cruise ships can be described as floating luxury hotels/resorts that provide most of the same services and amenities as properties located on land. Having become quite popular in the vacation and convention markets, cruise ships are one of the fastest growing segments of the hospitality industry.

Institutional lodging is provided by housing facilities that are integral parts of institutional organizations, such as hospitals, retirement homes, universities, and colleges. In some cases this type of lodging requires limited services, such as weekly cleaning or catered meals, which are provided by contracting companies.

With the adoption of gaming by a large number of Native American tribes, **casinos** have grown in popularity in many states of the United States. Casinos are generally first-class hotels that provide elaborate facilities for gambling, ranging from the ubiquitous slot machine to the sophisticated baccarat or roulette tables. These highly profitable establishments often offer luxurious lodging and lavish entertainment at low cost to attract potential customers.

Lodging properties can be **independently owned**, owned by a **multi-unit chain, franchised**, or managed by a **management company**. Properties that are independently owned are not affiliated with any multiple-property entity and are usually managed by their owners. This type of property still represents the largest segment of the lodging industry. A typical independently owned establishment is small in size and is located in a relatively small community. There are advantages and disadvantages to independent operation: on the positive side, independent lodging establishments can provide guests with unique, personalized service while saving royalty and management fees that otherwise would have to be paid to franchisors and/or management companies. On the negative side, such properties may not have name recognition to travelers, they lack collective advertising power, and they are unable to benefit from a national/international reservation system. Often, independently owned and managed properties join reservation referral systems and marketing associations, such as Best Western International, Leading Hotels and Resorts, or Utell International.

Chain properties operate under the direct control of the chain's headquarters. Establishments belonging to the same chain display the same logo and offer identical services by category. For instance, a Hilton four-star hotel must provide similar service and amenities whether it is located in Florida or in Oregon. This assures guests of consistency in price, room layout, menus, sports facilities, and so on. There exist a large number of chains in the world, such as Ritz-Carlton and Loews in the United States, Four Seasons in Canada, and Grupo Sol Melia in Spain.

An effective way for owners of lodging properties to take advantage of the marketing and central reservation power of chain systems is to contract the right to conduct business displaying the logo of the chain by franchising. However, once the franchise is granted, the franchisee must comply with the corporation's requirements regarding service and amenities to be provided to guests.

When hotel owners lack the operative expertise necessary to manage their properties efficiently, they may choose to contract with a management company. In this case, the owner signs a contract delegating the property's operations to such a company in exchange for either paying a basic fee or allowing the management company to retain an agreed-upon percentage of the revenue or income, or a combination of the two.

Classification by Size

Lodging facilities can also be categorized by size. An arbitrary classification can be:

- Small: up to 75 rooms
- Medium: from 75 to 200 rooms
- Large: from 200 to 500 rooms
- Very large: more than 500 rooms

The size of a property can be used to estimate the amount of work required of the housekeeping department on a daily basis to maintain the property. For instance, while a 100-room property can be serviced with a relatively small number of housekeeping employees, the Sheraton Hotel & Towers in New York City, with 1,750 rooms, will require over one hundred section housekeepers to service the guestrooms at 100 percent occupancy. Add to that the supervisors, housepersons, janitors, linen room attendants, laundry personnel, and other support personnel, and the number of employees in the housekeeping department of a large hotel such as this can be astounding. This will be covered in greater detail in Chapter Three.

Classification by Type of Service

Lodging properties can also be categorized by service. **Economy** or budget properties focus on meeting the basic needs of the traveling public—that is, clean, comfortable rooms that are not expensive. The market segments typically attracted to economy properties are guests traveling with children, bus tours, and budget-minded retirees. Many of these properties do not offer food and beverage services except for breakfast, although they all feature TV and some have a swimming pool, whirlpool, and tennis courts.

Mid-market properties offer all the amenities expected in a “home-away-from-home setting.” Restaurants, coffee shops, bars, luggage service, meeting rooms, health club, and room service are generally offered in such properties. The quality of bed linen, towels, room furniture, lobby décor, and customer service must be good or very good. Travelers who frequent properties of this type are busi-