Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Hospitality & Guest Services in the Hotel Industry [BMIH4012]

Week 3

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Case Study – The Ritz Carlton (Last week)

Task 1:

- Read the case study fully (20 minutes)

Task 2:

- Summaries in 150 words what the case study discusses

Recap

Go to **vevox.app**

Enter the session ID: **160-408-807**

Or scan the QR code

Today's Content

- Historical Developments in the Hospitality Industry
- The Structure of the Hospitality Industry
- Different Hotel Segments

Important date for your Diary

- Tuesday 1st December – Skills day! 10am to 4pm

The Role and Function of Guest Services – Now and Then

History of the Hotel Industry

How We Got Here

Key Milestones

- **15,000 BCE**—The Lascaux caves in France are the first shelter in history that accommodated people.
- **Middle Ages**—In Japan, the first two hotels in history (guest houses called *ryokans*) were built in the early **700s**.
- In the **Middle East**, *caravanserais* were a resting place for caravans along the Silk Road, and refuges served pilgrims and crusaders on their way to the Holy Land.
- In **China and Mongolia**, staging posts provided shelter for couriers and allowed horses to be changed more easily.

- In Europe, cloisters and abbeys provided free accommodation to travellers. Gradually, inns and guesthouses began to open on popular trade routes to provide lodging for traveling merchants and their horses.
- 1600s—More than 600 inns were registered in England; the English / French governments **began to introduce laws regulating them**. The first guidebooks for travellers were published in France.
- Early 1700s— Masonic Lodges began to appear in North America. In Paris, the Place Vendôme offered the first example of a **multiple-use architectural complex**, including boutiques, offices, apartments, and hotels.
- 1760s—The Industrial Revolution spurred the construction of hotels across Europe and the US. This was the great age of steam, steel and mechanised manufacturing that changed the face of the Western world forever.

- **Early 1800s**—the **Royal Hotel in Plymouth** first modern hotel built in England, with full complement of facilities.
  Holiday resorts began to flourish along the French and Italian rivieras.
  In Japan - *ryokan* guest houses; in India - *dak* bungalows run by the British government served travellers.
- **Mid 1800's -** The **Tremont House in Boston** was the first hotel to provide inside toilets, locks on the doors, and bellboys.
- **Holt's Hotel** boasted the first steam-powered elevator in New York City.
- **1870**—The **Palmer House Hotel in Chicago** was the first hotel built to be fire resistant and the first to offer telephones in all its rooms.
- **1893**—The first school for hoteliers, **Ecole hôtelière de Lausanne**, was founded in Switzerland. (Still open today)
  That same year, **the Waldorf Astoria in New York** opened its doors.
- It was the first hotel to offer room service; its maître d' created the famous **Waldorf salad**.

- **Early 20th century**—construction of new luxury hotels:
  The Ritz in Madrid, the Savoy in London, The Plaza in New York, the Taj Mahal in Bombay, etc.
- Switzerland built first ski resorts – sport connection to holidays
- **1927**—Hot Shoppes was founded in Washington, D.C., a hospitality company that later became **Marriott Corp**.
- **1950s**—After the Great Depression and WWII, a second boom in the hotel industry, - Club Med, first casino hotels, the first hotels developed by airline companies, and new resorts flourishing around the Mediterranean.
- In the United States, Holiday Inn and Howard Johnson's motor lodges were founded- 35,000 motels were built between 1939 -1960.

- **Latter half of the 20th century**—Thanks to various social and economic factors, middle-class people had more time and money to indulge in travel.
  Hotels began to **diversify,** catering to different budgets and interests (spas, casinos, motels, hostels, resorts, conference hotels) and offering a more **varied range of services**.
- **1970**—Hotels catering to **business people** began in the Middle East, Europe, and North America.
- **1980s**—The third boom in the hotel industry . International hotel chains (mostly American) expand in Europe, the Middle East, and Asia.
- **Digital age—**Software companies began developing new tools for the hospitality industry that are still evolving today, including customer databases and property management systems for reservations, room and housekeeping management, customer preferences, loyalty programmes and more.

- **1993** The travel industry was quick to take **advantage of the Internet,** giving customers the opportunity to compare, book and review hotels from their home computer.
- **Early 21st century**—Global corporate hotel chains merge and acquire each other. **InterContinental Hotel Group** now owns Holiday Inn and Crowne Plaza; **Marriott** owns Renaissance; **AccorHotels** owns the brands Raffles, Sofitel and Novotel.
- **2009**—AirBnB, challenging the hotel industry by attracting tourists and taking market share. Hotels respond with creative marketing approaches, including social media campaigns and **personalized customer experiences** created through smart devices.
- **2014**—The **Waldorf Astoria New York** sold to the Chinese Anbang Insurance Group for $1.95 billion, the most ever paid for a hotel.
- **2015**—The **First World Hotel in Pahang, Malaysia** expands to become the largest hotel in the world, with 7351 rooms.
- **2020 – Technology / Digital age** - emerging new technologies such as artificial intelligence (AI) & Internet of Things (IoT), providers now face the challenge of moving their offers into the era of digitalisation.

Group Discussion

What do you believe are the biggest changes in the hotel industry so far?

Biggest Changes in the Hotel Industry

- **Digital transformation** – Mobile check-ins, online platforms, and AI personalisation.
- **Sustainability focus** – Eco-friendly practices and local sourcing.
- **Changing guest expectations** – Demand for authentic, experience-based stays.
- **Alternative accommodation** – Rise of Airbnb and serviced apartments.
- **Post-pandemic evolution** – Flexible bookings and higher hygiene standards.

Group Discussion

What changes do you think are going to affect the hospitality industry in the future?

Future Changes Affecting the Hospitality Industry

- **Artificial Intelligence & Automation** – Smart operations, chatbots, and data-driven service.
- **Sustainability & Green Innovation** – Carbon neutrality, renewable energy, and waste reduction.
- **Personalisation through Technology** – Tailored guest experiences using big data and AI.
- **Health & Safety Priorities** – Lasting impact of post-pandemic expectations.
- **Workforce Transformation** – Skills shortages, upskilling, and new roles shaped by technology.

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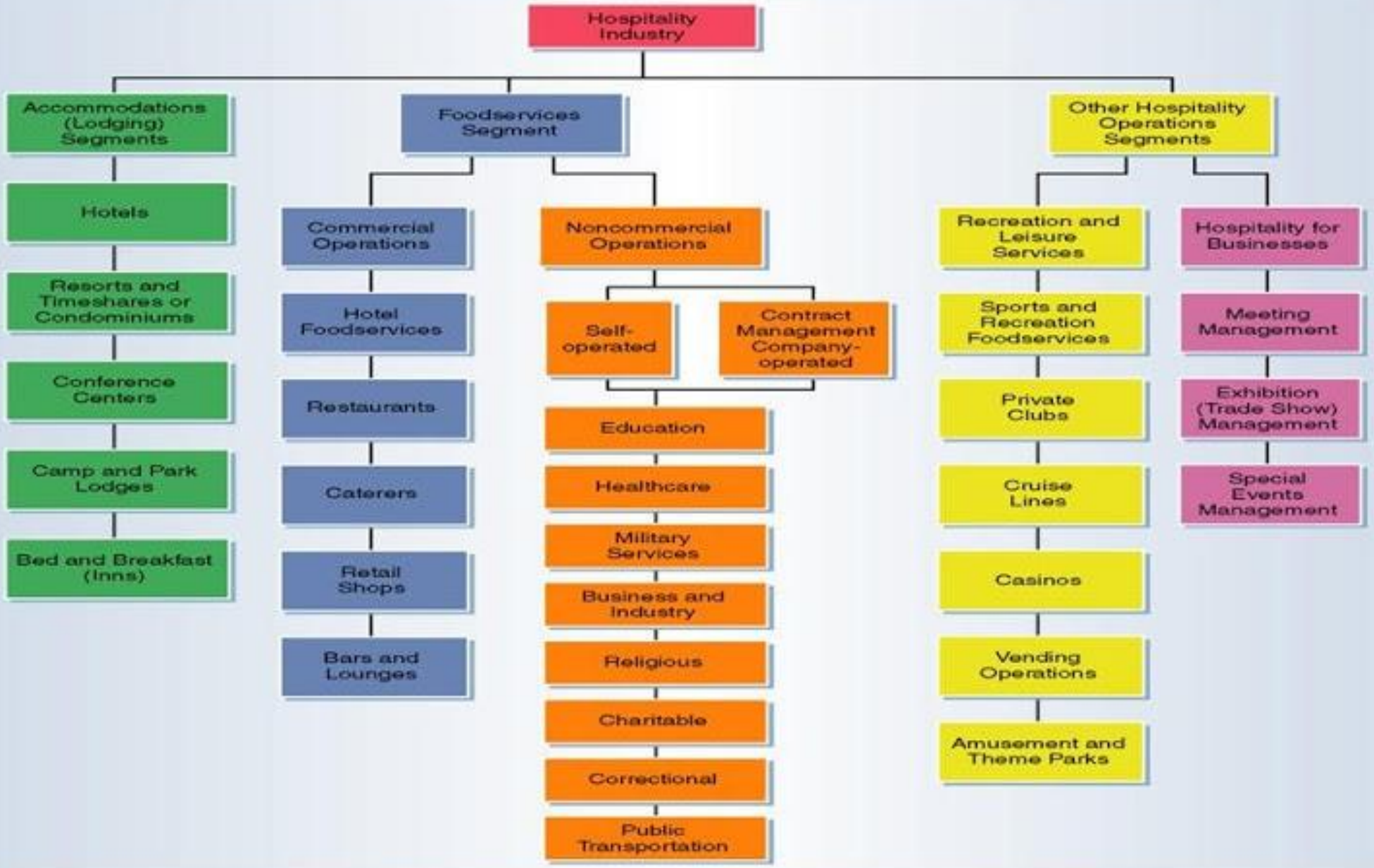
Close Look at Hospitality Industry



Hospitality and Hotel segmentation

What does the term ‘segmentation’ mean?

“the process of dividing potential customers into groups based on similar interests or characteristics” (Insider, 2023)

“process of dividing a company’s target market into groups of potential customers with similar needs and behaviours.” (BDC, n.d)

“to divide the marketplace into parts, or segments, which are definable, accessible, actionable, and profitable and have a growth potential.” (Economic Times, 2023)

Hotels Market: Segmentation

Hotel Type

- Business / Commercial Hotels
- Boutique Hotels
- Resort Hotels
- Casino Hotels
- Transit Hotels
- Bed & Breakfast Hotels
- Others

Business Model

- Individual
- Chain

Room Capacity

- Small
- Medium
- Large
- Mega

Price Level

- Luxury
- Upscale
- Midscale
- Economy

Region

- North America
- Europe
- Asia Pacific
- Middle East & Africa
- South America

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Main Types of Hotel Segmentation

- **Demographic Segmentation**
Age, income, family status.

- **Geographic Segmentation** Domestic vs. international travellers.

- **Psychographic Segmentation**
Lifestyle, interests, motivations.

- **Behavioural Segmentation**
Booking habits, loyalty, purpose of stay.

Market Segments in the Hotel Industry

Examples:

- **Leisure travellers** – Vacations, weekend getaways.
- **Business travellers** – Corporate stays, conferences.
- **Groups & Events** – Weddings, MICE (Meetings, Incentives, Conferences, Exhibitions).
- **Long-stay guests** – Serviced apartments, relocation clients.
- **Luxury vs. Budget** – Service expectations and pricing differences.

Benefits of Segmentation

- Enables **targeted marketing** and pricing strategies.
- Improves **guest satisfaction and loyalty**.
- Helps allocate resources efficiently (staffing, amenities).
- Supports **brand differentiation** in competitive markets

Examples of Segmentation in Practice

Examples:

- **Marriott:** Targets luxury, lifestyle, and budget travellers across 30+ brands.
- **Accor:** Segments by experience (economy to luxury, local vs. global).
- **Airbnb:** Focus on traveller experience and purpose (workation, adventure).

Group Discussion

How do different brands adapt their service to meet the needs of their target segments?

Example: Hotel Segmentation

Segment by Ave. Rates	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy
Marriott Group (USA)	BVLGARI HOTELS & RESORTS THE RITZ-CARLTON JW MARRIOTT	RENAISSANCE HOTELS MARRIOTT	COURTYARD Residence Inn SPRINGHILL SUITES	FAIRFIELD INN & SUITES TownePlace SUITES		
Hilton World-wide (USA)	WALDORF ASTORIA CONRAD	Hilton EMBASSY SUITES	DOUBLETREE Hilton Garden Inn HOMEWOOD SUITES	Hampton HOME2		
Accor Group (France)	SOFITEL	pullman	Mercure HOTELS NOVOTEL	adagio aparthotel	ibis	hotelF1

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Any questions?

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Thank you for joining

- **See you next week!**

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