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-Content for Post Graduate Courses**Paper: 07, Front Office Operations & Management****Module: 32, Hospitality Products and Services****Principal Investigator****Prof. S. P. Bansal**
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Items	Description of Module
Subject Name	Tourism & Hospitality
Paper Name	Front office Operations and Management
Module Title	Hospitality Products and Services
Module Id	Module no-32
Pre- Requisites	Basic knowledge about Hospitality, Services and Products
Objectives	To study the meaning and concept hospitality services and products and reasons for its growth
Keywords	Hospitality, Products, Services, Growth

QUADRANT-I

Module 1: HOSPITALITY PRODUCTS AND SERVICES
1. Learning Outcome
2. Introduction
3. Concept of Hospitality, Services and Products
Definition
Characteristics
Components
4. Difference between Services and Products
5. Reasons for growth of services in INDIA
6. Summary

LEARNING OUTCOMES:

After completing this module students will be able to:

- Understand the concept of hospitality.
- To identify components of hospitality industry
- To describe various hospitality products and services.

- Identify various reasons for growth of hospitality industry.

INTRODUCTION:

Hospitality is one of the largest and fastest growing industries worldwide. Hospitality and tourism industry are interdependent like if somebody plan to travel he always looks for the options like availability of accommodation and food at that particular place which is the basic requirements for human survival and in the same way when somebody plans for an outing he looks for a place which have some attractions etc.

Generally we can say hospitality is treating one in a way oneself wants to be treated. Hospitality is concerned with taking complete care of guest or traveler including accommodation, food, beverage, entertainment, safety & security and satisfaction. Hospitality services are used by tourist and locals as well. Generally hospitality services are consumed at the same time it is produced and often combined with the values that are intangible in nature but of great importance for purchaser. Service includes those activities which provide monetary benefits but not always a physical product. On the other hand, products are tangible and can be divided into two forms: (i) Narrow Form and (ii) Broad Form. Hospitality uniqueness lies in the fact that it provides both products and services simultaneously. Service has 4 major components which includes physical product (e.g. food), service product (e.g. plan for how food order is to be taken by the wait staff), service environment (e.g. use of pressed and starched tablecloths and fine china and silver ware), service delivery (e.g. how the waiter actually takes orders). Hospitality products and services cannot be separated.

CONCEPT OF HOAPITALITY, SERVICES AND PRODUCTS

HOSPITALTY:

It is the act of kindness in welcoming and looking after the basic needs of guests or strangers, mainly in relation to food, drink and accommodation;

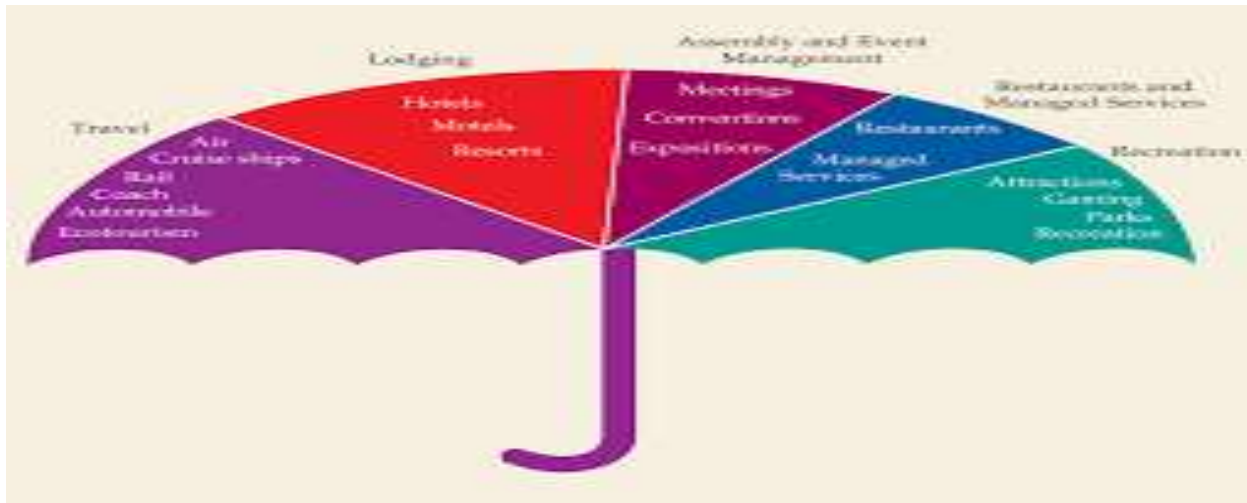
It refers to the relationship process between a guest and a host;

It is the reception and entertainment of guests, visitors, or strangers with liberality and goodwill (Oxford English Dictionary);

It is derived from the Latin word hospitare meaning to “receive as a guest”

COMPONENETS OF HOSPITALITY INDUSTRY:

This is a vast and complex industry which creates a lot of job opportunities, includes various locations globally, provides enormous entertainment activities and expands itself in many economic brackets. There are 5 major components of hospitality industry: Travel, Lodging, Assembly and Event Management, Restaurant and Managed Services.



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Travel and Tourism:

In 1977, Jalfrani defined tourism as “the study of man away from his usual habitat, of the industry which respond to his needs, and of the impact that both he/she and the industry have on the host’s socio culture,

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Hospitality and tourism are inseparable as one travels to any place, any time, for any reason he/she will spend money on hospitality goods like food, shelter etc. Travelling can generally be done for either pleasure or business. Pleasure or leisure are two words used for one type of tourism which includes relaxing, taking vacations, spending more money on recreational activities etc without any business/work intentions. Business travelling means when a person’s main motive behind travelling from one place to another is business or work. Rarely business travelers spend money on recreational activities.

While travelling in between various destinations a guest/ traveler experience all four segments of hospitality industry. In case if he/ she had a bad experience with any one segment, they will never visit that place again like this it affects revenue generation. The only way to resolve this problem is that all four all four segments should work together for achieving on goal that is customer satisfaction by giving excellent services

Lodging:

It is a place provided for sleeping for one or more nights. It is also known as accommodation. Various options are available in this sector which entertains guests of different profiles e.g. hotels, motels, resorts, boatels, youth hostels, budget hotels etc. lodging industry can be broadly classified into 4 main categories:

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- 1) Free service hotels
- 2) Limited- service hotels
- 3) Specialty accommodation
- 4) Institutional housing

Different lodging options are mentioned below:

FULL-SERVICE HOTELS	
Convention hotels	It is a hotel which caters to large group of people which have common interest. These hotels have large building with sufficient number of rooms to accommodate such gatherings.



Luxury hotels	Caters to people with high economic status, provides best facilities and amenities. Products & services of their hotels are usually very expensive. They cater to both pleasure and business traveler.
Resort hotels	Location has the major contribution in success of this type of lodging. It can be situated near some attraction like beaches, seashores, heritage buildings or parks etc.
Extended stay hotel	It is a place where guest can stay for more than 5 days or they can extend their stay as per requirement.
LIMITED-SERVICE PROPERTIES	
Limited service hotels	It provides medium level services and facilities like swimming pool, restaurant & In room dining etc and charge lower price than luxury hotels. Breakfast may or may not be a part of their price.
Budget hotels	These are best place for those who want to spend less on hospitality services.
SPECIALTY ACCOMMODATIONS	
Lodges	These accommodations provide room and housekeeping facility to the guest and have approximately 10- 100 rooms.
Conference centers	Conferences are organized in these hotels specially

	designed for them only and revenue is generated by catering to these guests.
Hostels	Fulfill basic needs such as room. Food and beverage but does not provide housekeeping facilities. It is inexpensive. Duration of stay is always more.
Bed and breakfast	More homely atmosphere is present in this type of accommodation. These are family owned places and guests can interact to host family also. These are private houses which provide room and breakfast to the guest. Rooms can vary from one to five at single place.
Campgrounds	Facilities like Bathroom, Water and waste facilities may or may not be present in this type of accommodation. Located near the recreational activity area, prices may or may not be taken per night.
INSTITUTIONAL HOUSING.	
Dormitory	This is a big hall room in which beds are provided which is not separated by walls. Bathrooms are available for sharing basis. This arrangement can be seen in colleges, universities and private schools.

<p>Senior houses</p>	<p>These houses provide accommodation for old age person above 55. It could be an apartment, dorm or a private home. Medical facility is one of the essential requirements of the old age. This industry is growing at a faster pace. It provides care for the aged person suffering from dementia and other illness and cannot be kept at home with their families.</p>
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Recreation:

Any visit to a particular destination which is purposefully done for rest, relaxation and enjoyment comes under recreation sector. The purpose of recreational activities is to relax a person's body and mind. Recreation business can be categorized majorly in four segments: entertainment, attraction, spectator sports and participatory sports. Entertainment includes movie shows, dance shows, concerts, live shows etc.

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Attraction could be natural sanctuary, zoos, historical sites etc. Spectator games are those in which you see other person playing a particular game for example foot ball, cricket, kabbadi, baseball, basket ball etc. Participatory sports are those in which you yourself being a part of a game or activity like yoga, river rafting etc.

Restaurant and managed services:

The food and beverage industry, also known as the foodservice industry, in this food and beverages are prepared and served to guest or consumers or customers. This type of business can vary from small to large, casual to fine dining, expensive to cheap. Food and beverage catering business are of three types: commercial, non commercial and welfare.

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Commercial food and beverage service sector

These are profit oriented business. They compete for increasing the numbers of customers for their business. They provide world class facilities to their guests. It includes all types of restaurants like fine dining, quick restaurant, bars, clubs, kiosks etc.

Quick-service restaurants

They includes the restaurant which provide convenient, fast and basic food which take less time for cooking and serving and charge less money from guest. Self service is followed in these types of food and beverage service establishment. Quick-service restaurants generally have few employees. It includes fast-food, cafeterias, buffets, and carry-out. Street vendors would also be a part this category.

Full-service restaurants

It provides seating space for guests and servers to serve food & beverages and clearance. They can be fine-dining or casual-dining. Fine-dining restaurants have high number of staff to provide lavish facilities to guest and charge high prices also. One can have food prepared by professional with rich experiences.

Catering businesses

It provides food and service for a special event. It includes feeding large numbers of people at one time, and the guests may be offered a variety of items to choose from. Special events that utilize

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catering can be for business or social occasions like business meetings, receptions, awards dinners, holiday parties, weddings, proms, birthday parties, reunion, or charity events.

Institutional Foodservice

This includes provision of food and drink in an institution, such as a school, hospital, assisted living community, military base, prison, or factory. Institutional catering customers generally do not have the time or ability to seek food in a commercial food and beverage service business.

Welfare

In this time of food and beverage service business, organizations provide food and beverage free of cost or with the welfare intentions. Monetary gain is not a motive for this type of catering. For example Langars, Destitute homes, religious congregations etc.

Assembly and Event Management:

Meetings, incentives, conferences and exhibitions, or Meetings, Incentives, Conferences, and Events (MICE) is a type of tourism which caters to large groups, usually well planned in advance in context of accommodation, meal plans, meetings details: place, time and dates, are brought together for a single purpose. Recently 'meetings industry' as a term is used more often for these types of gatherings to avoid confusion from the acronym.



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Meeting – It could be pre planned or by chance. It is a condition in which a number of people come together at one place, to discuss or conduct one particular activity. It can be conducted frequently or can be on an ad hoc basis or according to a set pattern, for example annual general meetings, committee meetings, business meetings, etc.

Incentive – It could be monetary or non monetary reward that encourages a participant to perform better in future and is given on the basis of past performances.

Conference –It refers to a participatory formal meeting designed for discussion, fact-finding, problem solving and consultation. If we compare conference with a congress, a conference is normally smaller in scale and features which tend to facilitate the exchange of information. Frequency of conducting conference is not restricted. Conferences are conducted for limited time and to meet with specific objectives

Exhibition –It refers to displaying art or things of interest publically at one place like art gallery or museum.

All of above mentioned meetings is not possible without hospitality services. For any meeting you would require seating arrangements, food and beverage, other technical support etc.

SOME OF THE HOSPITALITY PRODUCTS AND SERVICES:

All products can be touched but services can only be felt or experienced.

HOSPITALITY PRODUCTS	HOSPITALITY SERVICES
ROOMS	BEHAVIOUR
FOOD	COURTESY
AMENITIES	QUICK RESPONSE
BUSINESS CENTRE	GROOMING
HOSPITALS	SERVICE STYLE
BANKS	ONLINE FACILITIES
MODES OF TRANSPORTATION	ASSISTANCE
CONFERENCE HALLS	CUSTOMER DELIGHT

WATER PARKS	VALET
SOUENIER	BUTLER
AND SO ON.....	AND SO ON....

SERVICES

According to *Kotler* “A service is any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product”.

According to *Stanton* “Services are those separately identifiable , essentially intangible activities which provide want satisfaction, and not necessarily tied to the sale of the product or another service. To provide a service may or may not require use of tangible goods. However , when such use is required, there is no transfer of title(permanent ownership) of theses tangible goods”

Services are the intangible economic product that involves human beings at both the ends, as provider and as the person who demands. They are perishable in nature because they can only be consumed at a particular time. They lack physical identity. No one can separate services and service provider. Services can be utilized only, it cannot be owned. Let’s see it through an example: If you buy a ticket for watching a movie at the multiplex, it doesn’t mean that you purchased the multiplex, but you have paid the price of availing services.

Full participation of guest or customer is very necessary when the service is provided. Services cannot be easily evaluated as different servers provide same service but charges differently, based on the method of providing services and other value parameters.

CHARACTERISTICS OF SERVICES:

The characteristics of services are Seasonality, Intangibility, Perishability, Inseparability, Variability, Interdependence, and High Fixed Costs. To remember the characteristics mnemonic SIPVIH can also be used.

Intangibility:

Services are described as intangible products, meaning that they cannot be experienced – seen, smelt, tasted or touched – before actual purchasing. Hotel, restaurant or leisure products cannot be used by a consumer until they are purchased whereas it is a completely different scenario in case of products like television, fridge and radio etc. For example, they cannot stay overnight in a hotel and test out the rooms without being expected to pay first. It involves higher risk level from guest point of view because quality cannot be examined prior consumption. Proper information should be given to the guest, which helps them to take decisions regarding hospitality outlet as per their need and requirements. It becomes a challenge to provide appropriate information to a guest without raising their expectations too high and providing the same quality as promised because failure to this leads to customer dissatisfaction.

Perishability:

Everyone hospitality professional knows that you cannot sell last night's bedroom tonight. Hotels and restaurants have a limited number of rooms and seats available each day or night. It cannot be stored in warehouses like manufacturing industries products that is why it is called perishable products. Managing the inventory is a critical issue identified by managers in optimizing guest satisfaction, sales and profitability. In low season periods, additional sales can be generated by developing attractive promotions or packages. It is very essential to manage booking processes to achieve business balance.

Inseparability:

Guest's presence is very essential to consume the hospitality product. The simultaneous production and consumption of services depends largely on the quality of the hospitality employees. Guests are

equally important part of the hospitality product as they can either enhance or spoil the atmosphere for other guests. It means that guest interaction with hospitality staff and other guests provides a variety of opportunities and threats to influence guest satisfaction positively or negatively. Few ways to manage the inseparability problem is mentioned below:

- Ensuring that guest should be segmented on the basis of compatibility
- Ensuring that the operations system is suitable for the projected market demand
- Appropriate booking policies should be adopted.
- Effective queuing systems should be organized and managed.
- Proper training should be given to staff members.

Variability:

Hospitality operations suffer from considerable fluctuations in the standards of delivery of the service, partly due to inseparability characteristic and it is called variability, and is influenced by human factors. Service providing process includes a high level of interaction between guests and staff which is unavoidable; indeed, every service performance is a unique event. It is difficult to standardized human behavior and attitude because of which it is almost impossible to deliver a non variable experience by the service providers.

The difficulties arising out of variability are considerable, for instance, imagine that the same guests order the same meal, which is cooked by the same chef and served by the same staff, in the same restaurant, at the same time of the week. The resulting meal experience can be very different from one week (possibly perfect) to the next (possibly disastrous)!

Due to globalizations some guests have high knowledge about the wine and food. These “expert” guests meal experience definitely varies from a guest with less knowledge. It becomes critical to deal with such “expert” guest.

Interdependence:

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One trip finalization is followed by many purchase decisions like travel arrangements, accommodation, attractions and availability of facilities at a destination. They are interdependent as one decision leads to another decision like first of all one person decides where he wants to go on a trip, then he will decide where he will stay, what he will eat, recreational facilities are available there or not, is it in his /her budget and so on. Hotel sale is directly affected by the tourist's choice of other tourism products. Destination marketing organizations should work together with local government and tourism authorities to promote demand for tourism in their own particular area, it will automatically increase demand for hospitality products also.

High fixed costs:

Hospitality industry is capital, labor and energy intensive. Usually hospitality organizations have high property costs and high employment cost; including full time and part time employees. These costs do not change regardless of the customers foot fall. During low demand of services, high fixed cost interrupts the profitability of the business. Sometimes company even needs to generate sales to meet

PRODUCTS:

According to *Philip Kotler* "A product is a bundle of physical services and symbolic particulars expected to yield satisfaction or benefits to the buyer"

According to *George Fisk*, "Product is a cluster of psychological satisfaction"

CHARACTERISTICS OF PRODUCT:

(i) Guest Satisfaction:

The main feature of the product is that it should be capable of satisfying he needs and requirements of buyers. This satisfaction should be both real and psychological.

(ii) Tangible Attributes:

Product should be present in physical form which can be seen and touched. It is a combination of physical features like mirror, wood, metal, plastic which have particular length weight size, shape etc and specific functions e.g. room, food, TV cloths etc.

(iii) Life Cycle of a Product:

This is an vital characteristic of the product. It includes 5 stages named as introduction, growth, maturity, saturation and decline, like this passing from each stage a product completes its life cycle.

(iv) Brand Name:

Branding plays an Important role as may hospitality products are known by their brands only like Bukhara restaurant of ITCMaurya, Oberoi group hotels, Taj Hotels Etc.

(v) Satisfaction Of Business Needs:

Product creates satisfaction for guest and owner / business organization both by fulfilling their needs.

(vi) Intangible Attribute:

It includes services, transportation, insurance, storage, recreation etc.

COMPONENETS OF HOSPITALITY PRODUCTS:

Five different components of hospitality product areas as follows:

(i) Core product:

It is the basic benefit that a guest receives from a hospitality product e.g. a hotel provides place to sleep and the restaurant satisfies the needs to eat and socialize.

(ii) Facilitating product:

These are those products which must be present for the guest to use the core product. It could be a basic room for staying purpose or food in case of restaurants.

(iii) **Tangible product:**

It is the physical explanation of the basic hospitality product e.g. a standard hotel room with Tv, telephone, ac, geyser and washroom, charged for Rs 5000 per night.

(iv) **Supporting products:**

These are those products which are offered to increase the value of basic products and to make it unique.

(v) **Augmented products:**

It includes all the services and products which are very useful in enhancing the quality of products with or without additional charges.

Augmentation in the accommodation and food and Beverage sections is as follows

ACCOMODATION	FOOD AND BEVERAGE
Reservation system convenience	Speed in food and service
Simple reservation system	Ordering convenience
Reservations acknowledgement	Telephones
Room service	Order taking table staff
Housekeeping standards	Complaint handling procedures
Courtesy	Advanced reservations

Discounts	Reliability of F&B quality
Procedures for handing over bookings	Guest advice on wines
Information service	Special food options
Guest recognition	Cooking to order
Credit provision	Various payment options
Baggage handling	Variations in portions
Pet/child care	Home delivery services
Facilities for disabled	Extension of non – available menu items
Cleaning and laundry	Fiber/ calorie information
Group accommodation	Function catering facilities

DIFFERENCE BETWEEN PRODUCT AND SERVICES:

PRODUCTS	SERVICES
Concrete	Activities or Process
Tangible	Intangible
Homogeneous or Identical	Heterogeneous or Diverse
Products and dispensation of goods is separated from consumption.	In services production, administration and utilization is simultaneously.
Can be stored	Impossible to store
Transfer of ownership of products is possible	Can have access to the services but cannot own it
Products may or may not be perishable	Services have to be availed within time
Include intermediaries	Offered directly through various sales

	points
Reached guest through various distribution channels	Have to be availed at the service facility
Easy to market	Difficult to market
Quality is an investment	Quality depends on budget
More control over quality	Less control over quality

REASONS FOR GROWTH OF SERVICES IN INDIA

The economic development of the society and the socio-cultural changes that occurs because of that can help in discovering the reasons behind the growth of service industry.

Economic affluence

Economic affluence plays a very important in the growth in demand of services. There is a rise in middle income customers and decline in the very poor household's. Rural household is increasing rapidly in upper income category than the urban households in the parallel categories. The Economic liberalization impacted positively on the Indian households. Their income and expenditure has been increased simultaneously, creating a demand for many goods and services

Changing Role of Women

Earlier Indian females are not allowed to work outside the home, they are only responsible for the household activities. As time changes, change in Indian society mind set also occurs. Women are now step outside the home to work. Indian women's are employed in defense services, police services, postal services, software services, health services, hospital services, entertainment industries, Business Process Outsourcing and so on.

This change has created a market for a number of products and services specifically used by women's only. Earning women prefer to hire services to reduce the innumerable roles that they are required to perform. To deal with today's women demands, service organizations need to be more innovative while approaching them.

Cultural Changes

India is a diverse country and does not have uniformity in its culture patterns. The development of the nuclear family system replaces the traditional joint family system which generates a demand for a host of services like education, health care, entertainment, telecommunication, transport, tourism and many more. There is a relevant change in the thinking, process related to the investment, expenditure intentions and so on which has increased the services demand.

I.T. Revolution

IT has become one of the key service businesses of the country since last 15 years. India has the largest software skilled population in the world. The domestic market and the international market as well had grown substantially and rapidly. Many state governments have made IT as their most, prioritized segment such as Karnataka, Andhra Pradesh, Madhya Pradesh Maharashtra after realizing its potential. Delhi have already achieved substantial progress in IT sector.

Development of Markets

During the last few decades the wholesaler and the retailer population has grown in the country. Urban India has become a cluster of wholesaling and retailing business. In the Semi – urban areas, retailing has spread to the nooks and corners of the streets and in the rural areas retail business is significantly present. A new breed of organizations, offering marketing services has come up.

The government also offers marketing services to the small-scale agricultural farmers, artisans and other traditional business sectors such as promotion of regulated markets, export promotion councils, development boards etc

Market orientation

Under the influence of changing competitive situation and demand supply positions manufacturing organization are forced to focus on market orientation philosophy rather than production orientation. The current condition of the market has further forced them to conduct marketing research, accounting, auditing, financial management, human resource management etc.

Economic liberalization

The economic liberalization of the 1991 has brought many changes in the Indian scenario of service market. Divestment and the Privatization policies had resulted as the end to state owned monopolies in many service areas. Self employment increases due to liberty in lending policies and lower interest rates. Different sectors like Banking, Insurance, Power projects, Telecommunication, Hospitality sector, Health Services, Entertainment, Air transport, and Courier services faced intense competition, due to the entry of multinationals. These pre tested ,assured service technology availability in the market from all over the world affected the attitude and thinking trend of Indian customers towards.

Rampant migration

Uncontrolled migration of rural to semi-urban and urban areas is one of the important reasons for the growth of services in India. Motive behind the migration to urban areas could be anything from jobs to livelihood etc. This migration has resulted in the enlargement of cities and towns because of which industries like real estates, rentals, transportation and infrastructure services are rapidly multiplying its numbers.

Export potential

India is considered to be a capable source for service providers as it offers services globally like banking, accounting services, construction labor, designing, entertainment, education, health services, software services and tourism etc. Tourism and software services are majorly

responsible for the foreign exchange earners of the country and its growth rate is also very high if we compare it to the other sectors

SUMMARY:

Hospitality is a very old concept which starts within our homes and now it becomes one of the vast sectors in itself. Hospitality is conducted at everywhere from tourism, travel, recreation, restaurants, to exhibitions and so on. It fulfils basic needs and gives moments to remember. Hospitality products and services can only be consumed side by side or simultaneously. These are combination of tangible and intangible aspects, perishable, inseparable from host and guest, wide variety is available, dependent on each component of hospitality sector etc, note that all products can be touched or seen but the services can only be felt or experienced. Hospitality is expanding globally. Various factors that are contributing in growth of hospitality industry include change in government regulations, globalization, pressure on different firms, women empowerment, service quality moment etc.