

Table of Contents

INTRODUCTION.....	2
TASK 1.....	3
1.1 & 1.2 ROLE OF HOSPITALITY INDUSTRY WITHIN TRAVEL AND TOURISM SECTOR AND INTERRELATIONSHIP BETWEEN HOSPITALITY AND WIDER TRAVEL AND TOURISM BUSINESS.....	3
TASK 2.....	7
P2.1 IMPLICATION OF INTEGRATION TO THE HOSPITALITY INDUSTRY.....	7
P2.2 EFFECT OF INTEGRATION ON HOSPITALITY BUSINESS.....	8
TASK 3.....	11
3.1 DEVELOP A RATIONALE FOR A SELECTED PROJECT CLEARLY JUSTIFYING DECISIONS LINKED TO TARGET MARKET.....	11
3.2 DEVELOP A PLAN FOR HOSPITALITY BUSINESS INCLUDING THE OPERATIONAL REQUIREMENTS OF THE BUSINESS' ORGANIZATIONAL STRUCTURE IN RELATION TO HUMAN RESOURCE ALLOCATION.....	12
CONCLUSION.....	16
REFERENCES.....	17

INTRODUCTION

Hospitality industry is basically service related industry which includes a broad range of industries such as hotels, aviation, hospitals, etc. the profit range is varied across the industry depending upon the type and the manner of the business adopted. There are many reasons of the fluctuation of the profit. Like the many other industries the hospitality industry also consist of the following firms such as advertising, marketing, maintenance, operation and the human resources.

Tourism is the very important sector of hospitality industry. The experience gained by the customer in travel is very intense so the service provided to the customers should also be up to the date. The travel company should try their best to ensure the comfort of the travelers. As the tourist are away on an unknown place thus they have higher expectation of the hospitality from the travel company. The service of the tourism industry is very heterogeneous and the service has to be provided in terms of production as well as consumption.



(Source:

<http://www.ycs.wednet.edu/cms/lib6/WA01001221/Centricity/Domain/10/CC%20images/Hosp.jpg>)

TASK 1

1.1 & 1.2 ROLE OF HOSPITALITY INDUSTRY WITHIN TRAVEL AND TOURISM SECTOR AND INTERRELATIONSHIP BETWEEN HOSPITALITY AND WIDER TRAVEL AND TOURISM BUSINESS

Hospitality industry is very closely inter linked with the travel and the tourism sector. Hospitality industry includes many branches of such as event planning, hotels and the airlines. Restaurants and cafes also form the important part of the industry. The customer expects their travel agents to provide them with all the facilities.

Organization dealing with hospitality provides important service to the travel and tourism business. People these days spend a large chunk of their money on hotel stay be it for leisure or business. Hotel stay is considered as a luxury status symbol. The customers expect the hotels to provide premium service in return of the price paid by them. The travel companies try their best to provide luxurious travel to their customers to make them their loyal customers. As an HR manager it is clear to me that the holiday packages, restaurants, airlines, tourist spots serve as a major link between the hospitality and travel and tourism sector. There is a deep rooted connection between the hospitality and travel and tourism sector and it is accepted by both that they are interdependent.

Relationship between the Hospitality Industry and Tourism

- As we have seen, the hospitality industry includes hotels and restaurants, as well as many other types of organisations or institutions that offer food, drink, shelter and other related services. These products and services are offered not only to people away from home, but also to local guests. A manager in the hospitality industry, therefore, must keep in mind the following three objectives:
 - 1. Making the guests feel welcome personally
 - 2. Making things work for the guests
 - 3. Making sure that the operation will continue to provide service and meet its budget

(Source:

https://www.google.co.in/search?q=INTERRELATIONSHIP+BETWEEN+HOSPITALITY+AND+WIDER+TRAVEL+AND+TOURISM+BUSINESS&espv=2&biw=1366&bih=643&source=lnms&tbn=isch&sa=X&ved=0ahUKEwi9svScxaXNAhUEOJQKHfeLCfAQ_AUIBi gB#imgsrc=Sg1P6XAREY1leM%3A)

• HOLIDAY PACKAGE

Package holidays are among the important services provided by the hospitality industry. There are various ranges of hotels available for stay based upon the price of the package taken by the customer. The budget holiday package would not include 5 star hotel but will have a 3 star hotel or maximally 4 star. Packages of the places of tourist attractions are greatly visited so customers can find amazing deals regarding the

airlines tickets as well as hotel stay. The hotels also have special rates for the agency which get them regular customers. At the end the customers are benefitted.

There are many choices available to the customers in terms of the room selection in the hotel. They may opt for breakfast, Wi-Fi, bed and boarding basis. As an HR assistance I check with the customers regularly in the hotels to ensure they have no trouble. Full service is provided to the customers. Customers can discuss their problems with me and I try to get them sorted and ensure that the customers have a pleasant stay. (Kong, 2014)

- **AIRLINE SERVICES**

The success of any airline company depends upon their hospitality and accommodation service. The airlines will be vacant if there are not sufficient hotels for stay. As an HR assistance I have noticed that this problem is more persistence with the airlines flying to considerably small destination. The airlines companies should schedule their flight in accordance with the vacancy in the hotels.

Hospitality also plays an important role onboard with the customer regarding catering and sleeping arrangement provided. Budget airlines provide food and other services at an additional cost while the premium airlines have everything included in their fare. Some of the luxury airlines also provide bed and fine dine.

- **BUSINESS RELATED TRAVEL**

Normally business class people want the hotels and airlines equipped with all the facilities such as Wi-Fi, meeting halls, conference rooms, cable, laundry service etc. People in business also want premium service and luxurious stay after the hectic day. Mostly people have their stay sponsored by the company so they can afford all the services. The needs of the business related customers are very different from the travel customers. They need all the luxurious services without any interruptions.

- **TOURIST SPOT**

Tourist spot is a place which has lots of places of attraction and draws a lot of people. Attractions may be anything museums, amusement parks or natural beauty. The

flagship tourist spots are United States, Japan, China and France. The other entertainment services provided to the customers are theatres, parks, malls and many other places. These places have various restaurants providing people refreshment. The government also put in a lot of effort to maintain the tourist spots as it contributes to the GDP of the country. (Dun and Bradstreet, 2016)

- **RESTAURANTS AND CAFES**

Restaurants at the tourist spots are the important hubs where people gather to eat. Restaurants provide a variety of ambience and cuisine to stand apart from the competitors. These days there is a growing vulture of cafes with funky ambience. The presentation of the food items and the quality of service determine the sales of the restaurant. Variety of drinks and beverages are also gaining a lot of popularity these days. These are many food bloggers and food reviewing apps which help the customers their choice of restaurants.

- **CONFERENCES**

Exhibitions and conferences play a very important role in travel and tourism of the country. There are various fests and exhibitions held by the government to attract the people from all round the globe. The business and legal conferences held in the country also increase the tourism in the country. The services provided in the country and the courtesy of the individuals also determine the further tourism of the country. Many countries also host many sports fests to increase the tourism in the country. The country hosts an sport event so there is a lot of tourist influx in the country and it further increases the tourism and popularity of the country. All the fests and conferences require the display of the hospitality. (Blunden, 2014)

TASK 2

INTEGRATION OF HOSPITALITY INDUSTRY

P2.1 IMPLICATION OF INTEGRATION TO THE HOSPITALITY INDUSTRY

To have an improved customer service and keep its customer attached to it hospitality industry have adopted an integration system. Through it they control the major reign of its business and improve the quality of their business. An effective integration system can help in improving the quality of the business and help running it effectively. This gives the business an upper hand by giving it competitive advantage with the competitors over reduced cost.



(Source: http://www.hotel-online.com/News/PR2010_4th/CPSwheel.jpg)

TUI AG shifted from a mine company to a tourism sector. Their first step is acquiring the shares of the travel company such as Hapag and Lloyd. TUI AG today owns more than 300 hotels and its hotels can be booked on many travel sites. They are continuously expanding their business in this field.

The integration of the TUI AG is vertical type where it owns around two companies at different level of buying chain. It owns a mining company and a travel agency. There is

power branding under the same organization. Both the companies work independently. This method is very beneficial in increasing the share of the company.

With the better performance of the employees and good quality of the products the company attains sustainability. The sustainable growth can help the company reduce their conflicts with their suppliers and buyers. It help them to improve their position in the market. With the better position the company gets highlighted among the people and government. This increases the business and company and improves the chance of the company to get funding from the government. It also becomes competent to meet the demand of the market and get in good terms with the government. The motivated staff of the company keeps the company going good in healthy direction. (Osborn, 2013)

TUI AG has both the mining and the tourism company. It handles the various aspects of the hospitality business. It includes all the travel related queries like ticket booking, hotel booking and service providence. Many tourism company follow the same plan. This not only increases the efficiency of the management but also dedication of the workers. Clients can book their tickets and hotels on the website of the company. The customers can contact the third party and book the tickets.

Integration has many advantages and some of them are listed below:

- The transportation cost can be reduced because of the ownership.
- In the vertical integration the cost of the various transaction can be handled. So one department of the company can sent and receive goods from the other department in an easy way. Thus, the extra cost incurred due to handling, communication and controlling can be removed.
- The profit incurred by the integration can be easily divided into long term and short term easily. (Hotels online, 2016)

P2.2 EFFECT OF INTEGRATION ON HOSPITALITY BUSINESS

There are many issues and effects of integration of hospitality industry. The integration provides the company with the latest viewpoint of the market. The ever-changing environment of the business require the integration in an strategic way in order to

organize and prioritize the business. It is the most needed method adopted by the managers to run their business in a systematic way. Integration caters to most of the needs of the business. It also improves the existing organizational structure of the business. It lays effort on creating a new structure that entirely focusses on the way listed by integration. The integration strategy has the following effect on the business.

Altering the structure of a function of the business can have the following effect on the organization of the business. This is in the form of making the bundles of the goods in order to achieve greater profits by altering the organizational structure.

- Rewards, targets and metrics are adjusted to reflect upon the process of production. There is a necessity to increase the incentives provided by the company. The cross functional activities of the company can also be adjusted.
- Plans are made in accordance with the budget to take into account all the process related to integration.
- Updating and improving the functions of the company's processes of the organization by the application of the integration process. It enhances the efficiency and effectiveness of sharing information.
- The business process can be standardized and the data can be incorporated with both external and internal shareholder. (Selen, 2016)

The process of integration can be made near perfect by adopting the strategy of change and linking the responsibilities of the organization. The innovation should be present at various level of integration process. All the resources of the organization should be used and put to stake for the achievement of the objective and for enhancing the performance of the business.

The integration tackles all the business related problems at the initial stage of investment. The training of the employee and the resource management can be easily managed through it. This process has many hidden long term advantages. The most important among them are reducing the cost of the business and maintaining the flexibility of the business. All the knowledge about the business can be made available to the managers through the efficient IT system. The success of the TUI as a well-established tourism company can be rightfully credited to the integration system.

Information technology is really essential for the running of the company. All the information can be made available to the managers as well as the employees through the efficient IT system. All the details of the company can be viewed as a strategic plan and organized in a well-formed fashion. Integrated strategic approach is beneficial to the employees, stakeholders, customers, distributors and the managers. (George, 2016)

TASK 3

BE ABLE TO PLAN THE DEVELOPMENT OF HOSPITALITY BUSINESSES

This task will help us to develop a plan for the development of the projects which are based on hospitality. Earlier in the task we learned about concepts, development, objectives, general idea, target market, market research, funding, scale, location, size, nature, investments, licensing, products and services, ambiance, culture, brand, pricing etc. All these factors make a hospitality work. Hence, before starting a new hospitality these things should be kept in mind in order to achieve success. Future planning is very necessary for every hospitality so that all the strengths and weaknesses are known in advance.

3.1 DEVELOP A RATIONALE FOR A SELECTED PROJECT CLEARLY JUSTIFYING DECISIONS LINKED TO TARGET MARKET.

The basic concept of our business is to provide the products and services in the best possible manner to the customers. The target market which has been chosen by us is to attract customers who are fond of Mexican and Portuguese food. There will be no compromise regarding the quality of the raw products and food for the customers. The business plan has to be made according to the needs and wants of people. Our main aim should be to serve food at reasonable rates so that families are able to enjoy the different cuisines. The restaurants will be based on Mexican and Portuguese food but it will also be serving multi-cuisine as not all the customers are fond of former food. Mainly the population of middle class families is higher than rich families. It is essential for all the business hospitalities to go according to the demand of customers to attain adequate profits. (Maland., D, (2011) Mainly the objectives of the business are to provide the best services in the best possible manner to earn the profit. Business vision is to reach the middle class people of the customers and tap the larger share of the market which consists of the middle class.

Furthermore, making this concept easier we have taken business hospitality of UK named Thomas cook which will soon be opening a restaurant cum bar for tourists and locals. (Thomas cook, 2016) This company focuses on fulfilling the needs of people and provides them all the facilities in the cheapest and easiest way. And by following this

business plan Thomas Cook has grown far more and has also launched many other services and products for especially middle class customers. Along with hotels Thomas Cook is also providing packages to customers all over the world by giving a wonderful travelling experience. It also grants customized and exotic holiday plans. Hence, by the help of this example we can conclude how important middle class people to any hospitality to grow are. All the middle class families play a major role so their needs should be kept in mind to attain profits and a good name in the market. (Thomas cook, 2016)

3.2 DEVELOP A PLAN FOR HOSPITALITY BUSINESS INCLUDING THE OPERATIONAL REQUIREMENTS OF THE BUSINESS' ORGANIZATIONAL STRUCTURE IN RELATION TO HUMAN RESOURCE ALLOCATION.

For the development of any hospitality following points plays a vital role like concept which means what is the objective, general idea, vision and also what are the outlines of the initial concept of your business. As discussed earlier the main objective of every business organization is to provide good quality services at reasonable cost. In addition to development, location is a very significant factor because the area in which you are going to invest should be known to people and well developed. Apart from these market research which includes areas and topics to be researched about, what should be the size of the organization, target market, how funds can be arranged like from investors, loans, own budget etc, providing good services and products as much as possible, checking if there is a need of licensing which includes signs, quality, membership, grading etc is also necessary. (I-student, 2016)

Factors determining the development of Business plan:

Stage 1: Development

Our business plan targets the medium class people who are fond of Mexican and Portuguese food. Although the restaurant will feature other international cuisines but the main focus will be on Mexican and Portuguese food. The other varieties that will be offered are Thai, Chinese, Spanish and other local flavors. As discussed earlier there will be no compromise with the quality of food and raw materials. Customer satisfaction

is our ultimate success mantra. The menu will be changed after every three months. But the 'favorite dishes' will always be available on the menu. Since it is a bar too, our wine list will be from Portugal, Spain and Argentina. Our chefs will have world class culinary knowledge and experience so that they can offer exotic Mexican and Portuguese food with stunning presentation. First of all customers will be served with Mexican appetizers, thereafter they will be served main entrees along with soft drinks or hard drinks, what so ever they prefer and lastly they will be offered desserts special by our skilled chefs.

Stage 2: Design

The restaurant will be designed in a manner to attract maximum number of tourists and locals; therefore it will be built near a beach. The dishes should be ravishing and should seek the attention of the customers. Since the hotel belongs to Thomas we just have to focus on the improvement in order to provide quality services to the people as the brand is well established and reputed in the market. Design is further subcategorized into different parts:

Ambiance: it means the overall atmosphere of the restaurant in terms of appearance, climate and scenario that it offers. The fundamental rationale should be that the person should be offered delicious Mexican food with superior services.

Culture: it refers to the sophistication of the employees with customers, customs and rules applied in hospitality industries that portrays the hotels. It can have positive as well as negative effect on customers.

Brand: brand is considered as the treasure of any organization. Without a brand name organization cannot make a good impression on the folks. A good brand image like Thomas Cook automatically attracts clients towards itself.

Interior: the internal part of the restaurant should be soft and soothing and should have a touch of Mexico or Portugal. It should give good ecstasy to the customers.

Exterior: the exterior part of the restaurant should be constructed in such way that it attracts maximum number of customers.

Functional areas: functional areas of the restaurants are lobbies, reception, kitchens, dining hall etc. These areas should be cleaned and maintained as these are the most used areas of the hotels.

Customers with individual needs: customers have their own personal requirements. Such as some customers might prefer wine whereas some may prefer soft drinks. The management of the restaurant should look after the needs of the customers.

Customer flows: the success of restaurants depends on the number of customers arriving. A good customer flow is ensured by providing the quality service to the customers so that not only they return but they also suggest it to other people.

Link to target markets: our restaurant has targeted people who like Mexican and Portuguese food. Link to these target markets are social media and traditional media. Also, the word of the mouth is very useful in target market so if once somebody liked the services, it enhances the reputation. They are usually targeted during the season of holidays.

Stage 3: Operation

In order to put the plan into action, it is important for the management at restaurant to develop a pricing policy so that the people think the services are overpriced. As we will be offering services to all the classes of people we have decided our price policy accordingly which neither too high nor too low but moderate which can be easily afforded by the locals and tourists as well. The restaurant will also be having entertainment and recreational facilities like orchestra and regional Mexican dance troops where customers can enjoy supper along with some fun. Other factors that deal with operation of the restaurant are:

Staff by functional areas: Staffing is done on the basis of functional areas. For that first, job analysis is required so that best suited individual for the job can be given the job. For example: a chef who is expert in cooking international cuisine should be hired.

Specialist qualifications: Specialist like Manager, receptionist should have qualifications that suggest that they have command over their work area and should welcome the

guests affectionately. The qualifications include good communication skills and vocational skills. The specialist should be aware of hospitality industries and its services completely.

Staffing issues related to seasonality: restaurants does not depend a lot on seasonality, thus permanent staff is always required. The management should take care that there is always a replacement ready if any employee is absent. Running a restaurant is a full time job as there is no particular fixed time of arrival of customers. At the same time it should be made sure that skilled workers stay as long as possible.

Recruitment policies and procedures: While recruiting staff, the job description should be made clear at restaurant. The background is checked as any bad thing destroys the image of hotel.

Compliance with legislation: Every country has set some laws for hotel industry and before doing anything, those laws should be studied carefully so that there is no legal trouble.

Promotional activities (offer promotional mix and justify): To attract customers, promotional activities are important. Direct advertising is traditional way. Social media is the need to today's world. This all should be mixed so that company could be promoted to wider areas.

Pricing (pricing strategies, justify): Pricing depends on the services but at the same time also on target market. So pricing would be set keeping the target customer in mind and different tire of pricing should be there according to the provided services. For the average class people we need to keep in mind that the prices have to keep temperate. (Locke, 2016)

CONCLUSION

Tourism and hospitality business are inter linked. They play a very important role in the international market competition. There occur many changes and fluctuation in the stability of the business due to various global factors. But the industry has sustained all these factors over the long period of time. It has faced the challenges of market over all the years. There are two major part of the hospitality industry which are industrialization and integration. Integration is a very important factor which is responsible for the proper functioning of the tourism industry. Integration leads to the growth and the profitability of the tourism industry. This also enhances the profitability of the industry. The business integration helps in the training of the employees and management of the company. Hospitality and tourism industry directly affect each other and is responsible for the evolution of both. The company should first of all identify its target market and then plan its proceeding in an appropriate manner.

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