

Hotels classification on the basis of their ownership

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Annotation. It is analyzed the classifications of hotels due to their ownership and given some points to optimize functions of management in this article.

Keywords: hotels, management, tourism, service, ownership, classification.

Аннотация. В данной статье проанализированы классификации гостиниц в связи с их собственностью и даны некоторые моменты для оптимизации функций управления.

Ключевые слова: гостиницы, менеджмент, туризм, сервис, владение, классификация.

Hotels can be categorized by ownership. There are six different ways hotels can be owned and operated:

- * Independently owned and operated
- * Independently owned but leased to an operator
- * Owned by a single entity or group that has hired a hotel management company to operate the property
- * Owned and operated by a chain
- * Owned by independent investor or group and operated by a chain
- * Owned by individual group and operated as a franchise of a chain

An independent hotel is not connected with any established hotel company and is owned by individual or group investors. A management company contrasts with hotel owners to operate their hotels. The management company may or may not have any of its own funds invested. It is usually paid by a combination of fees plus a share of revenues and profits. A hotel chain is a group of affiliated hotels[1].

A franchise is the authorization granted by a hotel chain to an individual hotel to use the chain's trade mark, operating systems, and reservation system in return for a percentage of hotel revenues plus certain other fees, such as advertising fees. A franchise is the party granting the franchise: holiday inn worldwide is an example of franchisor. Franchising in the hospitality industry is a concept that allows a company to expand more rapidly by using other people's money than if it had to acquire its own financing. The company or franchisor gets certain rights: for example to use its trademark, signs, proven operating systems, operating procedures and possible reservation system, marketing know-how, purchasing discount and so on for a fee. In return the franchisee agrees by signing the franchise contract to operate the restaurant, hotel and so on in accordance with the guidelines set by the franchisor. Franchising is a way of doing business that benefits both the franchisor who wants to expand the business rapidly and the franchisee that has a financial backing but lacks specific expertise and recognition[2].

The benefits to the franchisee are as follows[3]

- * A set of plans and specifications from which to build
- * National advertising
- * Centralized reservation system
- * Participation in volume discount in purchasing furnishing, fixtures and equipment

The benefits to the franchise company are as follows:

- Increased market share
- Front fees

Example: Le Meridiane, Holiday Inn

There are also referral systems. Referral systems tend to be made up of independent properties or small chains that have grouped together for common marketing purpose. Marketing consortiums or referral association offers similar benefits to properties such as franchises, albeit at a lower cost. Hostels and motels with a referral association share a centralized reservation system and common image, logo as well as management training and continuing training programs.

A referral group consists of a number of properties, independently owned and operated, that join under a common identity while maintaining their autonomy. They do this for one or more of the following reasons[3]

- To operate a reservation system
- To publish joint brochures
- To share advertising
- To refer business to each other
- To refer trained staff to each other
- To take advertising of joint purchasing power
- To maintain sales offices in major traffic centers

The referral associations offer some of the same benefits as franchises, but at much lower cost. Referral associations may provide the independent hotel with increased visibility, marketing and buying power, without the necessity of giving up control or ownership. Hotels and motels within a referral association share CRS and a common image, logo or advertising slogan. The referral association publishes a membership directory, usually given away free to interested guest. In addition the referral association may offer group buying discounts to members, as well as management training and continuing education programs, hotels pay initial fee to join the referral association and an annual membership fee. Generally, this fee is much less than that paid to become a member of the hotel franchise system.

Common Reservation systems, standardized quality, joint advertising and a recognizable logo were still limited objectives of the most referral groups.

Chain hotels

Hostel chains account for a large percentage of the world's hotel room inventory. Some of the world's best hotel rooms are managed by chains.

Example: Taj Group of Hotels

To conclude, there are several types of hotel classification and categorization. They can be related to their ownership as well. Hotels are owned by a company or an individual person. According to this, they can be differed from each others. Moreover, depending on their ownership, they can be differed with their style, price, service, architecture and others like that. Anyway, hotels are for people who want to have a rest.

Referents:

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