

## MEMORANDUM

**DATE:** 15 October 2018

**TO:** Manal Tarhini, Concordia Professor

**FROM:** , First Year Student

**SUBJECT:** Informational Report of the Hotel Industry

**Introduction.** At your request, I have researched and collected data on the hotel industry. The information found includes the trends, the challenges & the opportunities, and the growth of the sector. This memo will help you to acquire information on the accommodation industry.

**The Trends of the Hotel Industry.** According to Alastair M. Morrison, he states in his textbook *Hospitality and Travel Marketing* there are six ongoing trends in this industry:

1. There is an increase in chain domination
2. Companies are expanding their brand segmentation and extensions
3. There are growing consolidation and globalization
4. An increase in the importance of frequent-guest and frequent-flyer programs
5. Increasing influence of Global Distribution Systems and third-party intermediaries
6. An expanding role for specialized lodging properties

**The Challenges & Opportunities.** Penelope Bardis states in her thesis called *Strategic Management in a Hotel*, the challenges are the competition of prices and an increase of brands as well as options for the clientele (such as all-inclusive resort instead). Another threat is innovations of new products and old products becoming not appealing. The opportunities are that flights are cheaper and offer more connections. Also, the distribution channels have improved making easier to communicate and increase interest to have new features in hotels (electronics) give a chance to renovated/renew the hotels decor.

**The Growth of the Accommodation Industry.** According to the Nelson textbook *Passport*, the tourism industry is one of the fastest growing sectors in the world and one of the largest employer too; accounting for one in every twelve workers in the world. The UNWTO states the Americas saw an increase of 3% between 2016 to 2017 (the highest in seven years). The table below shows you that the accommodation sector has grown over the years and is predicted to continue to increase in 2018.

Table 1 from the World Tourism Organization (UNWTO) 2017  
INBOUND TOURISM FOR CANADA (ACCOMMODATION SECTOR)

	2012	2013	2014	2015	2016
Number of Overnight Guests	129, 165	151, 078	144, 881	147, 349	166, 969

**Summary.** The hotel industry is growing, and there are six ongoing trends in the market. Furthermore, some challenges are increased competition and products become outdated. Lastly, some opportunities are affordable flights and improved channels of distribution.

#### References

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