

## **Hospitality at a Glance**

We are defining the hospitality market to include the lodging, restaurant, casino and gaming industries. These industries are interrelated with the travel and tourism industry, which is the nation's largest services export industry and the third largest retail sales industry, directly or indirectly employing one of every seven Americans.

With over 47,000 lodging properties housing 4.4 million guest rooms, the hotel industry employs more than 1.9 million workers and earned \$14.2 billion in pre-tax profits on \$102.6 billion in revenue in 2002. After suffering a decline in business from 2001 to mid-2003, the hotel industry is beginning to grow again as demand and room rates increase.

There are more than 800,000 restaurant locations in the U.S., employing approximately 12 million people, or almost 9% of the total U.S. workforce. Two-thirds of all restaurants report sales of \$500,000 or less and employ 40-60 hourly workers. The restaurant industry has enjoyed 13 consecutive years of growth, and analysts expect this growth to continue. Sales at fullservice restaurants are expected to increase 4.6% to \$157.9 billion in 2004, and sales at quickserve establishments are expected to grow 3.9% to \$123.9 billion in 2004.

Challenges facing the hospitality industry largely involve the human element—from finding and retaining effective human resources to attracting and retaining loyal customers. Well-informed consumers who shop the Internet for deals are having an impact on market pricing. Management's view of technology as an operational necessity rather than a business enabler presents another dimension to the challenges faced by the hospitality industry, including:

- Attracting and retaining skilled and semi-skilled labor
- Increased cost of labor
- Winning loyal customers
- Value-minded Internet-savvy consumer
- Lack of understanding of technology applications and benefits
- Increased competition
- Government, consumer, and industry concern for health and food safety

There is a great opportunity for resellers to demonstrate how technology can impact employee training, productivity, and satisfaction, as well as customer service and the delicate balance of guest experience, pricing, and profitability. Opportunities exist for replacing legacy systems, upgrading POS systems, and installing and/or leveraging existing wireless networks. Mobile computers running industry-specific applications can improve productivity, freeing up staff to interface more with customers. Hospitality operators would be wise to develop strategies to use technology to their advantage, whether for reducing costs, building customer loyalty, or effectively marketing hospitality venues.