ASSIGNMENT 1

Introduction to Hospitality Industry

1. Choose a tourist designation (e.g berlin) and *analyze* how hotels contributes to its local economy (employment, revenue, infrastructure etc)

Hotels and the hospitality industry play an important role in Berlin's economy. As a popular destination for tourism, culture, and business events, Berlin attracts visitors who spend money on accommodation, food, shopping, transportation, and entertainment. These activities generate income, create employment, and support local businesses.

Revenue and Economic Output = According to DIW Econ (2025), Berlin's tourism sector generated approximately €15.1 billion in tourism consumption in 2023 and contributed €8.4 billion in gross value added, equivalent to 4.6% of the city's economic output. These figures demonstrate the importance of tourism to Berlin's economy.

Hotels benefit directly from room bookings, restaurants, conference facilities, and other guest services. Visitors also spend money at local shops, museums, cafés, and transport providers. According to visit Berlin (2025), German hotel guests spend an average of €197.50 per day. This expenditure supports businesses beyond the hotel sector and strengthens the local economy.

Employment Opportunities = The hospitality industry provides employment for receptionists, chefs, housekeeping staff, hotel managers, maintenance workers, and event organizers. DIW Econ (2025) estimates that approximately 224,800 jobs in Berlin depend directly or indirectly on tourism. Hotels also support jobs in supplier businesses, including food distribution, cleaning, laundry, and construction.

Furthermore, business tourism and the meetings, incentives, conferences, and exhibitions (MICE) sector generate demand for accommodation and event services. The MICE sector alone contributed approximately €1.1 billion in tourism consumption, supporting specialized employment and business activity.

Infrastructure and Sustainability = Hotels benefit from Berlin's public transportation system and international connectivity through Berlin Brandenburg Airport. Tourism demand can encourage investment in transport, commercial facilities, and urban development, although these investments also serve residents and other industries.

Sustainability is another important aspect of hospitality. Visit Berlin reports that approximately 70% of Berlin hotels with at least 75 rooms hold sustainability certifications. Energy efficiency, water conservation, recycling, and food-waste reduction can lower operating costs and reduce environmental impacts.

Conclusion = In conclusion, hotels and the broader hospitality industry are important contributors to Berlin's economic development. They generate revenue, create employment, support local businesses, attract international visitors, and encourage investment in transportation and urban infrastructure. The supplied estimates of €8.4 billion in gross value added, €15.1 billion in annual tourism consumption, and approximately 224,800 supported jobs illustrate the potential scale of the sector's economic influence.

The industry also strengthens Berlin's international reputation through cultural tourism, business travel, conferences, and exhibitions. At the same time, sustainable hotel operations can reduce environmental pressures and improve long-term business efficiency.

Nevertheless, the economic benefits of hospitality must be balanced against rising costs, labor challenges, environmental concerns, and pressure on local communities. Berlin's future success as a tourism destination will depend on responsible investment, effective urban planning, fair working conditions, and sustainable business practices.

Ultimately, the hospitality industry should not be evaluated only by hotel revenues or visitor numbers. Its wider value lies in its ability to create employment, support interconnected businesses, improve the visitor experience, and contribute to a vibrant and economically resilient city. By balancing commercial success with environmental responsibility and residents' needs, Berlin can continue to benefit from hospitality while protecting its long-term social and economic well-being.

References

DIW Econ. (2025). *Tourism as an economic factor in Berlin – TSA 2023*. https://diw-econ.de/en/publikationen/tourism-as-an-economic-factor-in-berlin-tsa-2023/

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These references support the key economic and sustainability figures used in the assignment.

2. Compare resort hotels and city center hotels in terms of: Location, target market, services offered.

The hotel industry offers different types of accommodation to meet the needs of various travelers. Resort hotels and city center hotels are two major types of hotels that differ in location, target market, facilities, and services. Resort hotels mainly focus on relaxation and recreation, whereas city center hotels emphasize convenience, accessibility, and business or urban travel.

Understanding these differences helps hotel managers provide suitable services to their customers.

Location

Resort hotels are usually located in attractive natural environments, such as beaches, mountains, islands, lakes, or the countryside. Their surroundings are often the main attraction for visitors. These hotels provide a peaceful atmosphere where guests can escape busy lifestyles and enjoy nature, recreational activities, and relaxation.

In contrast, city center hotels are situated in urban areas, commercial districts, or near railway stations, airports, and popular tourist attractions. Their locations allow guests to access business offices, shopping centers, restaurants, museums, and public transportation easily. Therefore, they are suitable for travelers who want to explore a city or attend professional events.

Target Market

Resort hotels primarily serve leisure travelers, families, couples, honeymooners, and wellness seekers. Guests generally stay for several days to enjoy recreational facilities and spend quality time relaxing. For example, a family may book a beach resort for a week-long holiday, while a couple may choose a mountain resort for a romantic getaway.

City center hotels mainly cater to business travelers, conference delegates, international tourists, and people visiting cities for shopping or cultural experiences. Their guests often prefer shorter stays because of work schedules or limited vacation time. However, both hotel types can accommodate different customer groups depending on their location and facilities.

Services and Facilities

Resort hotels provide extensive recreational facilities to create a complete holiday experience. These may include swimming pools, spas, fitness centers, golf courses, sports courts, children's clubs, entertainment programs, and multiple restaurants. Some resorts offer all-inclusive packages covering accommodation, meals, drinks, and selected activities. These services encourage guests to spend more time within the property.

City center hotels focus on comfort, efficiency, and convenience. Common facilities include reception services, housekeeping, Wi-Fi, restaurants, bars, business centers, and meeting rooms. Luxury city hotels may also provide swimming pools and spas. However, their main purpose is generally to offer comfortable accommodation with easy access to workplaces, transport, and city attractions.

Conclusion = In conclusion, resort hotels and city center hotels serve different travel purposes. Resort hotels emphasize relaxation, recreation, and extended holidays, while city center hotels prioritize accessibility, convenience, and business or urban tourism. Both types

contribute to the hospitality industry by generating revenue, creating employment, and satisfying different customer needs. Successful hotel management requires understanding the target market and providing facilities and services that match guests' expectations.

References

1. Encyclopaedia Britannica. (n.d.). *Hotel*. https://www.britannica.com/topic/hotel
2. UN Tourism. (n.d.). *Tourism*. https://www.unwto.org/tourism
3. American Hotel & Lodging Association. (n.d.). *Hotel industry resources*. https://www.ahla.com/.