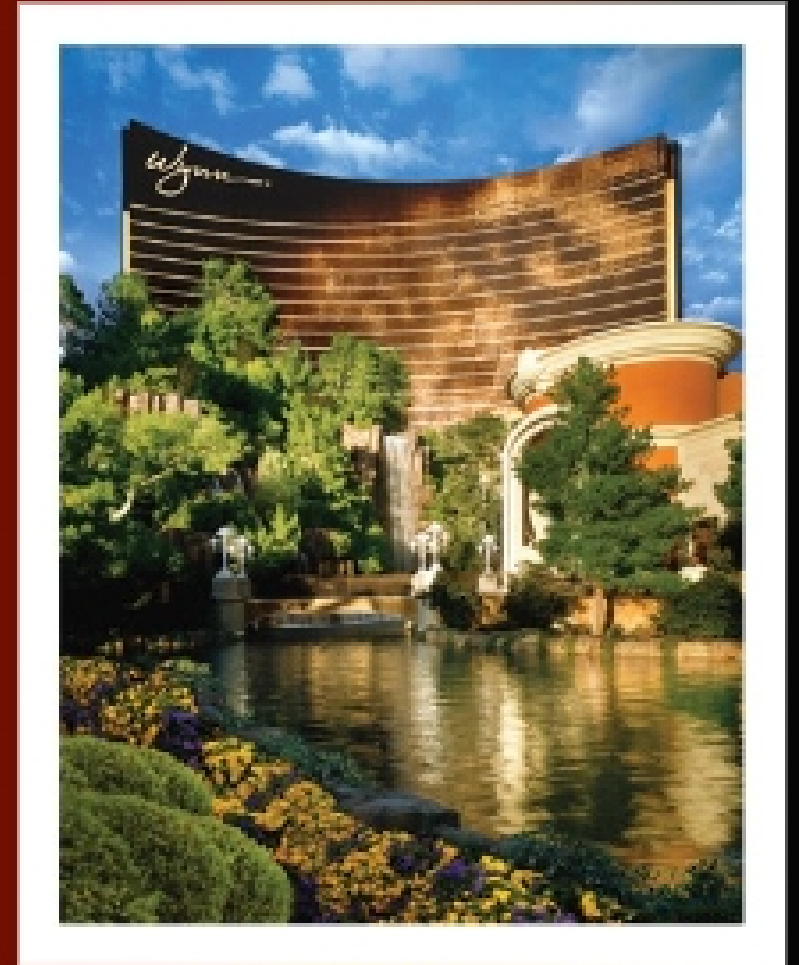


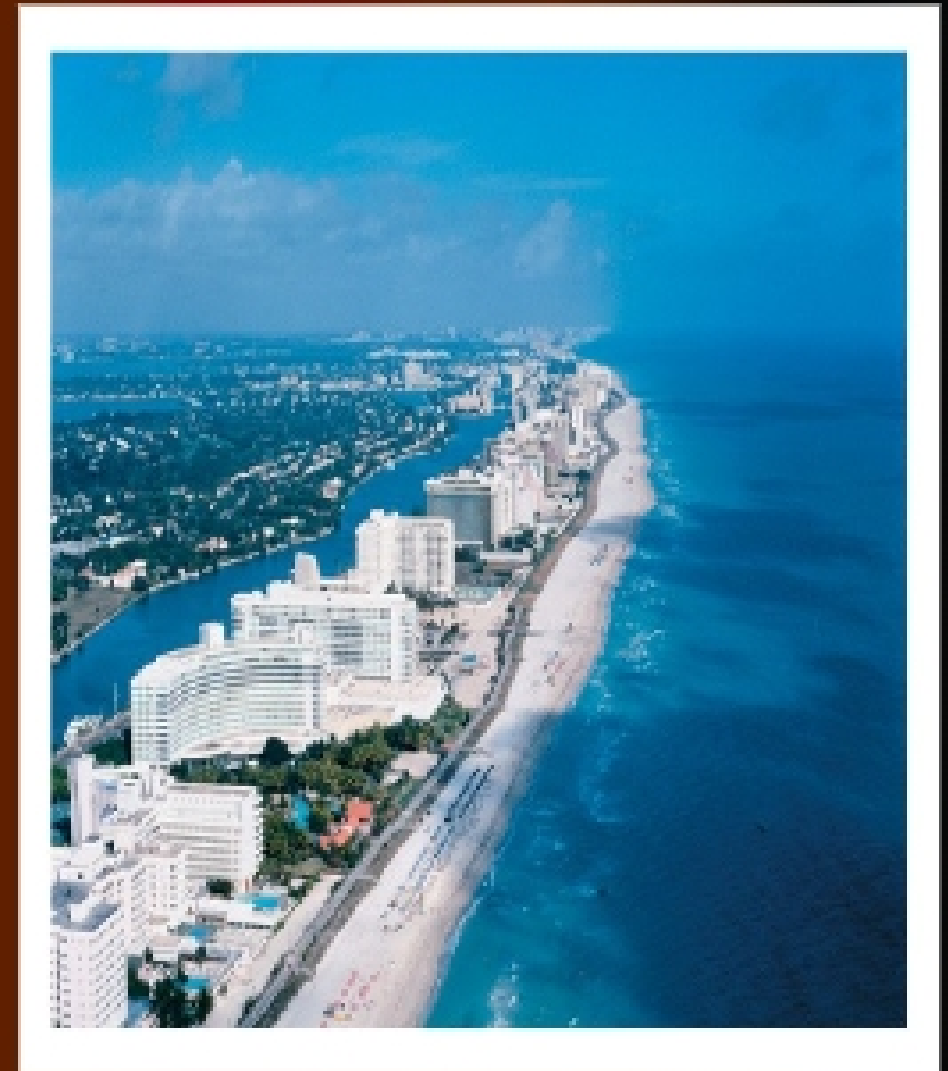
# Lodging

## Chapter 4



# Hotel Development and Ownership

- Franchising and management contracts are the two main driving forces in the development and operation of the hotel business.



# Franchising

- Began in 1907 by The Ritz Carlton.
- A concept that allows a company to use other people's money for growth rather than financing.
- Franchising is used to rapidly expand businesses.
- The franchisee is granted the rights to use trademarks, operating procedures, and other business procedures.
- Fees for lodging are generally 3-4% of room revenue.