

BOOK REVIEW

The Economic Ascent of the Hotel Business *Slattery Paul, editor (2009). Goodfellow Publishers Limited*

The book by Paul Slattery titled “*The Economic Ascent of the Hotel Business*” has been a welcome addition to the scientific literature considering that dedicated economic history books about the hospitality industry are very rare. This book explores the historic beginnings of the hotel business in Britain many centuries ago and follows the growth of the hospitality sector globally until the present day by focusing mainly on Britain and the USA.

The book’s central thesis is that “*the size, structure and growth of the hotel business in a country are functions of the prevailing economic structure*” (Slattery, 2009:viii). The author succeeds in proving this point by showing that a country’s greater political and economic context of any given period fully explains the direction that the hospitality sector follows. For instance, the annual movement of cattle and sheep in medieval Britain created demand for accommodation of pastoral farmers and triggered the creation of a network of drovers’ inns along the cattle trade routes. Later, during the Industrial Revolution, demand for accommodation started to take off due to increased travel by people working in secondary activities such as manufacturing, mining, construction and public utilities. The author estimates that “*by 1850, business travel was the main hotel market accounting broadly for 5 million room nights [in Britain], up from half a million in 1750*” (Slattery, 2009:23). Later on, as three social classes were established in British society – i.e. the leisure class, middle class and working class – the hotel industry followed suit by providing appropriate accommodation options ranging from luxurious grand hotels to simple guesthouses and boarding houses.

Slattery follows the evolution of the hotel industry mainly in the UK and the USA but also in other parts of the world such as France and Germany and analyses the impact of economic development, wars and



regime change, population growth as well as major economic events such as the Great Depression on the hotel business.

Slattery also discusses the emergence and growth of hotel chains, the first of which were established in the 19th century. He provides data on their room capacity and their total share of the sector mainly in the USA and the UK: “By 1900, hotel chains in Britain had increased their room stock to around 15,000, up from a standing start in 1850, bringing hotel concentration at the turn of the century to 6%” (Slattery, 2009:36). The share of hotel chains among the sector’s total room capacity kept growing to reach 57% in the UK in 2008. Slattery showcases the global expansion of hotel chains in recent years and the international dominance of a few, mostly American, hotel groups.

One of the book’s most interesting features is the final chapter, where Slattery presents some thoughts on the future developments in the hotel sector. He expects significant growth in demand and advocates a larger concentration in the hotel sector.

This book can be considered a valuable resource for both tourism scholars and hotel industry analysts for two main reasons:

1. Slattery discusses the evolution of the hotel business within the greater political and economic context. The reader can see how the large events of the last centuries – such as social change, revolutions, war and the economic cycle – directly impact the fortunes of the hospitality industry.
2. This book is filled with hard facts, i.e. with statistics on supply and demand of the hotel business from the 16th century onwards. It is perhaps the most important contribution of this book that it makes these rare facts available to its readers, thus quantifying the growth of this sector while the economies of the countries under review make the transition from primary to secondary industries and then on to tertiary services. The author utilises an extensive database of hotel industry facts that cover a long period of time in several countries and provides a series of useful industry benchmarks such as room capacity, room nights available, room nights sold, room occupancy, concentration in the hotel sector as well as the population to hotel room supply ratio. The book’s appendix explains the hotel supply and demand modelling method that the author employed to calculate some of these benchmarks.

The book's bibliography includes several history books, statistical resources, books analysing recent political and economic developments in several parts of the world and classic works by the likes of Galbraith, Keynes, Malthus, Ricardo and Smith. 32 out of a total of 81 bibliographical items directly refer to the hospitality industry as well as to travel and tourism.

This book is worthwhile for every hotel industry analyst interested in understanding the driving forces behind the sector's global rapid growth and in need of quickly accessing industry benchmarks covering several geographic regions and a longer period of time than benchmark reports currently available from local and international consulting firms. Other readers may find the book too specialised. However, analysts eager to forecast the future of the hotel industry by analysing and understanding the sector's evolution in the past will find "*The Economic Ascent of the Hotel Business*" a must-read resource.

Dimitris Koutoulas

Dimitris Koutoulas (d.koutoulas@gmail.com) Hellenic Open University, Greece.