

An Overview of Hotel Industry in India

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Abstract – The Indian Hotel Industry is increasingly rising. The consequence is the Government of India's interference to promote the company by means of structural reforms, improvements to taxation policies, foreign direct investment, etc. This Indian Hotel Industry since colonial times so that readers are acquainted with the numerous stages of its growth. This paper also highlights the position that the Government of India has played at the various stages of history in the growth of this industry and its powers. Indian hotel entrepreneurs have spoken about the task of developing the hotels and exporting the hotels to global markets. Through joining international hotels in India and what this entails for the Indian Hotel Industry, readers can understand the complexities of globalisation. The processes and techniques they use to join global systems and the explanations for this were explored thoroughly. The historical definition of the Indian hotel grouping and how it took shape. The variety of sources to create the nature and dynamism of the hotel industry in India in the 21st century.

Key Words: Overview of Hotel Industry, Developments, New Trends

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INTRODUCTION

The Indian hotel industry expects to develop as one of the main drivers of development in India's hospitality market. Hospitality has seen the greatest growth due to the influx of international visitors and increasing tourism traffic throughout the region, and has become one of the world's leading players.

The opportunities of the hotel industry in India determine the shift in the individual's purchasing trend and attitude of the hotel industry. Both international tourists and local travellers are becoming more challenging for a day owing to the rise in income and reputation. There were no such conditions for hoteling before 30 years. However, as the period varies, the view of each consumer regarding hoteling shifts regularly. Owing to the constant shifts in consumer demand, the hotel industry has demonstrated also success in innovation in its sector. As stated earlier, in return, hotel guests usually prefer snacks, lunch and tourism. But citizens are displaying their interest in hotels nowadays as a time of freshness, physical comfort, official jobs, etc.

THE HOTEL INDUSTRY IN INDIA

India is considered one of the world's most popular holiday destinations. It provides adequate

accommodation across different styles of hotels. Many hotels and resorts in India have arisen to help serve the need for accommodation. You are littered with hotels that suit many people's budgets. In India, there are many hotels open, from all kinds of hotels Luxury Hotels to Affordability Hotels in India, which serve as a guide to helping people find a suitable accommodation.

India's hotel industry is volatile and cyclical. Both are interlinked, and the environment and locations rely on the market and amount of industry. To explain this, visitors visit beaches in India mainly in summer owing to temperature and holiday conditions. The growth drivers of the hotel industry are place, company, environment, leisure, leisure travellers and other travellers.

India's deeply fragmented hotel sector is dominated by small and medium-sized owner-owned businesses.

With the UK and France, chain hotels will now be branded as national or multinational in charge of several of the world's best-known chain and designer hotels. An alternate approach to classification in the form of loyalty programmes has started by examining the role of hotels in terms of two major aspects of loyalties systems. Firstly, the quality of their knowledge and the degree to which

they may or choose to tailor their offerings to help suit the needs of particular consumers.

Travel and tourism demand in India is projected to rise by 8.2 percent in 2010 and 2019. It predicts India to be the third largest employer in the world, and potentially the second largest employer worldwide. Capital spending in the Indian tourism and travel industry is estimated to rise by 8.8% between 2010 and 2019. The study predicts that India will receive further expenditure in this field and is predicted to become the fifth fastest-growing destination for business travel between 2010 and 2020.

In the long run, the results look very good for the hotel market. Demand trends are expected to increase as economic activity increases and travel expenses begin to climb. People's standards of well-paid salaries are strong in the business sector, which has raised disposable income, especially on leisure travel.

The number of international visitors reached 6.2 million in 2011 and is forecast to exceed 11.1 million by 2021. The demand gap in India was perceived as very significant, increasing the need for more hotels in most cities.

It exposed the scarcity of budget hotels and medium-sized hotels as travellers search secure and inexpensive accommodation in India. The Indian hotel industry is rising in large numbers, backed by major investment plannings that amounted to Rs 1.2 trillion in 2011 and is forecast to cross Rs 2.8 trillion by 2021 showing a CAGR of 8.7% (ibid.).

The hotel industry is multinational by design and function. It is multi-dimensional, internationally scalable and flexible in its aims. His profits are limitless. It constitutes a significant segment of the Indian economy's tourism infrastructure. It will hire its owner's family members or build thousands of workers. It may be a tiny or multi-million business. It can be "work-intensive" and "capital-intensive." Although in smaller environments the hotel can run as successfully and efficiently as in large-scale national and multi-national activities. It also has the ability to respond to conditions of no other economic operation.

CHARACTERISTICS OF HOTEL INDUSTRY

The hotel has some unique features relative to any institution, which makes some of them distinguishable: a hotel is a set, immeasurable structure in a house. It is a secure refuge for everyone but juveniles or underage children in behalf of collective morality. It is a business that provides products and services that demand payment of the required price to cover general expenses and produce an acceptable profit. Financial autonomy is a signature attribute of the hotel business. State loans, grants or discounts, incentives etc. are

provided in some countries to support hotel operation in order to increase its profitability. It should be able to provide specific services for a person, a family or a community. It offers regular, reasonable or high-quality accommodation, rooms with or without water, meals at different costs, thy washing, shopping, sales of postcards, and souvenirs for smoking and drinking (Ibid).

IMPORTANCE OF HOTEL INDUTRY

Lodges are important to have offices for recreation, leisure, seminars and workshops and company correspondence. At the period when inns are important for markets and social orders are transport-oriented. Lodgings lead to the return of goods and associated administrations that develop their countries and their networks' stability. Guests invest the inns and contribute directly and through contribution to the local ecosystems. For a period when foreign visitors rent from the offices of these inns, tourists collect a remote cash payout. The cordiality industry becomes the source of business especially for businesses and managers.

CATEGORISATION OF HOTEL INDUSTRY IN INDIA

Owing to latest developments in the view of individual clients, the hotel industry already stands out across multiple dimensions. Hotels are grouped according to the venue. It also primarily has the following definitions.

Heritage

These hotel styles represent the ancient glory and magnificence of India, they are mainly old Havelis and old mansions that have become Heritage Hotels, which give tourists the chance to experience royal pleasure in traditional atmosphere. They are primarily located in Rajasthan, Delhi and Madhya Principality.

Luxury

These hotels have infrastructural facilities of world quality and give visitors an outstanding accommodation and dining experience. They offer a friendly welcome to clients, who are mainly senior managers.

Budget

This styles of hotels are like home away from home to high-class and medium-sized buyers. The Budget Hotels, mostly called Economy Class Hotels, corporate hotels and bargain hotels, have the modern infrastructure to ensure a convenient and enjoyable stay.

Resorts

Resort hotels in India are located mostly at hill resorts and tourism spots on the seaside. They are set in the middle of natural scenery and are the perfect place to spend time with family and friends or alone.

RECENT DEVELOPMENTS HOTEL INDUSTRY IN INDIA

In the foreign hospitality landscape, Indian Hotel Industry holds a special location. India is geographically the nation with the most diverse locations in the world. Hospitality in India is a long-standing practice. Whether it's the magnificent Himalayas and the deep Rajasthan deserts, or the gorgeous beaches and luxuriant tropical forests, or idyllic villages and vibrant capital, Indian land offers unique opportunities for every person. Indian Hotel Industry has the finest hotel staff, as opposed to the friendly and pleasant workers of East Asian hotels, Indian personnel are often prepared to take initiative and choice on venue. Most of them are well educated and understand English than their peers in East Asia.

The lodging choices are now incredibly numerous and exclusive throughout India, from holiday homes and tribal huts to beautiful ancient mansions and maharaja palaces. From Cashmere to Kanyakumari, from Gujarat to Assam, diverse societies, languages, lifestyles and cuisines can be identified. This choice represents and has expanded in various ways, beginning with the simplicity of local guest rooms, government bungalows, the opulent elegance of royal palaces and five-star deluxe hotel suites.

The Indian government has taken many measures in recent years to improve the travel and tourism industry in the region. Government measures involve the replacement of an existing air traffic levy of 15% to 8%, the decrease of excise duties on aviation turbine fuel and the absence of some limitations on outbound charter flights, including those related to aircraft frequency and capacity. Indian Hotel Sector boomed and touted the visitor sector in the nation as well. Radisson Hotels India, Taj Hotel Group, the Park Hotels Group and ITC Hotels are among the most famous hotels in the hotel industry, renowned for their exclusive facilities and excellent accommodation.

RECENT CHALLENGES FACED BY HOTEL INDUSTRY IN INDIA

1. **Government approvals and licenses** -- Big challenges for most of Indian industries are linked to numerous clearances, particularly for the hotel industry. At any stage in progress, hoteliers experience regulatory restrictions from the phase of land

acquisition (which varies from state to state in law) to the consent of different ministries and organizations on various issues. -- An organization needs around 100 clearances for the establishment of a luxury hotel category in India. Clearances from various regulatory agencies must be obtained. It's a time-consuming and boring operation.

2. **Land availability and cost issues** -- The method of finding new parcels of land according to hotel specifications in India is a boring activity. In India this is mostly between 40 and 50% relative to international norms, where land costs account for 15-20% of overall project expense. This is also one of the reasons why budget & medium-sized hotels are not very well known compared with upmarket luxury hotels because budget hotels with low occupancy rates are unlikely to be feasible with such large land costs. Hoteliers also introduced mixed-use construction ventures incorporating housing, industrial, residential and retail elements in order to solve the issue.

3. **Human Capital** - Indian hotels are facing a lack of qualified workers, especially at the level of managers and supervisors. Many businesses are not trained workers for their hotels. The main reason for this lack is the lack of training and educational institutes for the development of skilled workers, such as aviation and other services. Just a limited number of big Indian players such as Taj, Oberoi and ITC have set up training centers with certain foreign brands such as IHG, Carlson etc. In addition, hotel and catering institutes accredited by the All Indian Council of Technical Education (AICTE) are less than adequate and many talented graduates are not suitable for direct employment each year because there are no requisite skills. -- The acquisition of workers by preparation and growth in the hotel industry is a boring activity because of the extreme turnover rate. One explanation is that the pay packages are unattractive. Although the industry is rising fast, hotel managers strive for a higher salary entering other industries such as aviation and catering services.

4. **Management Contract related issues** -- One of the most frequently mentioned agreements between the hotel owners and managers is the commitment provision of management contracts. It is typically the only condition that offers an individual a chance to end the deal with the company. Unlike in other sectors, however, in which a consumer has the right to reject / cancel a product / service if he / she is not

pleased with his / her results, hotel owner does not have such a luxury and must in turn pay a high termination fee to disengage the operator.

In addition, owners are scarcely informed / involved in hotel operations. Failure to include owners in hotel operations and lack of accountability will contribute to a loss of desired goals. The market is concerned by such a non-coordination between owners and operators.

RECENT TRENDS IN HOTEL INDUSTRY

Modern tourists are gradually finding luxury in the tale of getting an encounter than in luxurious products. The hotel industry must also obey the latest developments in order to supply the tourists with these facilities. There are the following:

Concept hotels (Special hotels for special purposes)

Concept hotels are usually small hotels which have 10 to 100 rooms with luxurious amenities in unusual ecosystems. Every hotel has an eye-catching, vibrant interior design, a lounge, a buffet restaurant and a swimming pool. The lobby even provides free Wi-Fi.

Changing Demand:

Today, travelers may not feel like they are in a commercial setting, but they do excel in settings where they can communicate with people, whether face to face or digitally. You want others to be interested.

Globalization:

There are many like-minded individuals who think in a similar way; labels are everywhere and you don't have to travel far to find them, cultural diversity is declining.

Technology:

Technology enables the scenario which triggers an influx in knowledge which frequent usage of social media. User-recommended input is rising and internet communities are offering more accountability.

Transport:

Travelers also chose from a number of transportation types. You can bike, ride, or use a vehicle, bus, truck, train or airplane, depending on where you are heading. Various modes of transport have varying environmental impacts. Walking and riding clearly have the least harmful effects on the atmosphere, since fossil products (oil, coal, gas) are not consumed and therefore there are no greenhouse

gas emissions. Many diners are now reported to be more health-conscious and involved in food produced from fresh ingredients and is cooked under sanitary conditions. Hygiene is also critical in food storage and planning. Since having meat put on an open cart, a number of visitors will not buy meat in a restaurant. The way food is presented would also influence the experience of diners.

Whether Hotels Adapting?

Now hotels suit these patterns for a day. Over the past decades, it seems like several hotels have improved comprising of the same in-room facilities, the same high ribs and chairs, the same check-in procedure, the same tiny desk, etc. There is no longer a spot for today's travelers to feel at ease.

2019 & 2020 INDIA HOTEL PERFORMANCE OVERVIEW

2019 Forecast

For the best part of the decade, a steady rise in hotel stocks, which stayed almost aligned with demand inflation, was the greatest challenge for the hospitality industry. Only lately, the two trend lines began to vary and demand exceeded supply. Hotel availability increased by 3.7 % in 2017 and 3.5% in 2018 over the last 2 years, and demand rose by 7% and 6.8% in 2017. Although the two last years have paved the way for strong demand growth in 2019 led by strong country economic development, some headwinds are expected to curb the year's turnout.

The first major explanation is the general election in the world, during which the commercial sector, the principal stay for hotels in the nation, keeps all decision making ahead of the election outcome that could theoretically have a direct effect on many government policy initiatives. Fortunately, though, elections are conducted in the summer months when the country's demand is reasonably poor and its detrimental effect on hotel efficiency is limited.

The second significant explanation for this is the effect of the latest hotel supply planned for service in the current year. In 2019, 8,574 keys are expected to reach the sector, an expansion of almost 19% over the last two years.

Our trust in the sector was boosted by the stellar results in the first two months of 2019, which saw a remarkable rise of almost 11% in RevPAR in all of India, accompanied by solid growth in both occupancy and ADR in nearly all main country markets.

2020 Forecast

Although the elections will weaken 2019, we believe that the trend may turn in 2020, as investor

expectations rebound on the expectation that the nation is going into the year with a stable government and economic development. If the two metrics mentioned above are compatible with no new supply planned to open by 2020, we expect the hospitality industry to report its highest occupancy since the beginning of this century, over 2006, which was reported in this metric as a superlative year for the industry.

CONCLUSION

The growth of the inn industry depends on the good development of every holiday destination. In the circumstances it has provided fair awareness of the wide proximity to the market of excellent offices and excellent business performance, but it has also involved the need for another implemented structures to improve aggressiveness and sustain enduring positive outcomes. In the representation of small and medium-sized inns with their bid, properties and the board is explicit that the arrangement of convenience companies is not the correct approach to tackle successfully and honestly on the global sector. Similarly, the overwhelming majority were perplexed that improvement is being made in the previous state system and that the new travel sector has no structure and substance requirements.

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