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## BRIEF PROFILE OF SELECTED HOTELS IN INDIA AND GROWTH OF HOTEL INDUSTRY IN INDIA

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### ABSTRACT

Tourism from the very inception of life, travel has fascinated man. Travel and tourism have been important social activities of human beings from time immemorial. The urge to explore new places with in one's own country or outside and seek a change of environment & experience has been experienced from ancient times. The tourism industry get its inspiration from man's motivation to travel, in earlier time people travelled to survive and later to establish trade links with each other . As man evolved and become more aware, he started travelling to explore the world, domestication of animal which were used as the mode of transport till the invention of wheels made the travel easier and faster. A detail of evolution and growth of tourism and hospitality industry is given in this unit to make understand how tourism and hospitality leads the seeds of the Hotel industry. Hotel industry is a part of Tourism Industry which is flourishing in India than ever before, according to 2017 report of World Economic Forum India has reached the 40th rank in the world from 52 during 2020. This has been result of immense efforts of the Government and the Industry positive steps in boosting its appeal as a tourist and hospitality destination on the globe. There are various International hotel chains already in India which are expanding their room inventory at a fast pace to meet the future demands of accommodation and leisure services. But with every success there comes some kind of problems or concerns which are needed to tackle as they might slowdown the organization or the industry as a whole. One of the major issues which have been part of every growing industry in past is to row out itself from the problem of employee turnover rate. It is said that employee turnover is one silent part of human resource management which can have a negative impact for the organization if managed inadequately. This paper is an attempt to find out the reasons why hotel industry in India is facing this issue and what are the possible effects of it on the industry which might slow or hold still the growth of industry as forecasted.

**Key words :** Hotel; Employee Turnover; New Delhi

### INTRODUCTION

A hospitality industry is continuously growing and developing so more and more hotels are offering every possible services to the guest to make him comfortable and enjoying the experience of staying in the hotel by catering all their needs. With the growing competition, hoteliers have come up with specialty products or services to target their clientele and develop a market for themselves. Hotels can be categorized on the basis of star rating, services they offer, size, their location, target audience, level of services, duration of guest stay to provide their guest an indication of their profile and what to expect from them.

Tourism communicates with a few country building exercises and this interface is commonly strengthening. The consequences of tourism related exercises contact numerous divisions of the economy. Tourism, at the universal level, has risen as a sorted out industry<sup>1</sup>. Lodging industry is inseparably connected to the tourism business and as a result of development in the Indian tourism industry Indian hotel industry is also seeing the growth. The flourishing economy and expanded business openings in India have gone about as a shelter for Indian Hotel industry. The entry of minimal effort carriers has given residential travellers a large group of choices. The 'Staggering India' goal crusade and the as of late propelled 'Atithi Devo Bhavah' (ADB) battle have likewise

helped in the development of household and universal tourism and thus the inn business<sup>2</sup>.

Inn industry is the foundation of tourism. In the past gross pay and benefits of inns were given much significance. That period is presently finished. Today, what is imperative is the gross national bliss for the society produced by inns. The inns have moved toward becoming wellsprings of wellbeing and joy. Lodgings, today, are a noteworthy wellspring of amusement.

## **PROFILE OF HOTELS UNDER STUDY**

The present study is based on five leading companies selected on the basis of sampling techniques. Historical background of selected companies is as follows:

### **ASIAN HOTELS (NORTH) LTD.**

Asian Hotels (North) Ltd is one of the main players in the Indian accommodation industry working a chain of fancy class lodgings under the brand Hyatt Regency Hotels. The organization by and by works one five-star luxurious inn in Delhi with the name Hyatt Regency Delhi. Hyatt Regency a 5-Sar Deluxe Hotel is sited in New Delhi at Bhikaji Cama Place. The lodging has wide range of rooms (507) and suites and is equipped with expeditious Internet facility, Swimming Pool, Fitness Centre, Business Centre, Boutiques, Salon and Restaurants putting forward an eclectic variety of eating alternatives.

Asian Hotels (North) Ltd was participated in the year 1980 as Asian Hotels Ltd and was progressed by R S Saraf, R K Jatia, Chaman Lal Gupta, 3 Non-tenant Indians as one with their two Indian acquaintances namely, Shiv Jatia and Sushil Gupta. The association set up their first- grade room workplaces for guests in the midst of the Asian Games in the year 1982. The lodging began undeniable business operation in the year 1983.

In December 9, 2002, the organization joined a backup organization, to be specific GJS Hotels Ltd. With a specific end goal to have their quality in other land area, they charged two new five star grand inn classifications in the name Hyatt Regency Kolkata and Hyatt Regency Mumbai. The previous initiated undeniable operations in January 1, 2003 and the later in April 1, 2003.

Amid the money related year 2007-08, the organization procured three completely possessed auxiliaries, to be specific Chillwinds Hotels Ltd, Vardhman Hotels Ltd and Aria Hotels & Consultancy Services Pvt Ltd. The organization likewise went into different business portion in particular power age and introduced two Wind Turbine Generators on March 27, 2008 and March 31, 2008 separately.

Amid the year 2008-09, the organization obtained extra enthusiasm for Regency Convention Centre and Hotels Ltd, a recent partner organization, along these lines making the said organization as an assisting concern.

The promoters of the organization are constituted in three noteworthy gatherings since the initiation of the organization. They are the Jatia's, the Gupta's and the Saraf's. At the appointed time of time, each of the three gatherings has obtained free interests in the neighborliness business. To keep away from any potential irreconcilable circumstance among the three gatherings between se and alternate investors of the organization, the promoters conceded to rebuilding of the organization by method for plan of game plan.

The association went into an arrangement obviously of activity and de- merged with Vardhman Hotels Ltd (now known as Asian Hotels (East) Ltd) and Chillwinds Hotels Ltd (now known as Asian Hotels (West) Ltd) which twisted up doubtlessly fruitful on February 11, 2010.

In accordance with the plan of course of action and de-merger, the benefits and liabilities of Mumbai Undertaking and Kolkata Undertaking separately were de-blended, exchanged and vested with Chillwinds Hotels Ltd at Mumbai and Vardhman Hotels Ltd at Kolkata and the organization held the leftover resources which mostly comprised of Hyatt Regency Delhi Hotel. Likewise, the organization changed their name from Asian Hotels Ltd to Asian Hotels (North) Ltd with impact from February 16, 2010.

In accordance with the plan of course of action and de-merger, each of the promoter gatherings, to be specific the Jatia Group, the Gupta Group and the Saraf Group separately gained autonomous control of Asian Hotels (North) Ltd, Asian Hotels (West) Ltd and Asian Hotels (East) Ltd. Therefore, the Jatia Group controls more than 59% offers in the organization.

The organization designs of making an attack into Serviced Apartments and has initiated development of another building/complex, which is relied upon to be finished amid the budgetary year 2011-12, with a developed region of roughly 14000 sq mtrs, housed in a different remain solitary pinnacle.

The organization additionally plans to restore and grow their current offices at Hyatt Regency Delhi. Such remodel and development might be conveyed in two stages traversing throughout the years 2010 to 2013, for operational convenience and to dodge bother to the visitors amid top season.

The principal stage incorporates development of existing offices by including 24 coves and a multi-cooking eatery, and up-degree of wellness focus and redesign of existing suites, which is entailed to be over by March 31, 2012. The second stage including development of new dance floor, pre-work region, extra gathering rooms and extra 24 bayous is relied upon to be done between April 2012 and August 2013. The organization is likewise investigating considerable acquisitions in organizations having operational endeavours in accommodation segment.

## **EAST INDIA HOTELS LTD.**

EIH Ltd, the leader organization of Oberoi aggregate is one amongst the biggest chains of lodgings in India. The organization is in the matter of lavish inns, eatery, administration contracts and travel and visits. Their administrations incorporate carrier providing food, administration of eateries and airplane terminal bars, travel and visit administrations, auto rentals, venture administration and corporate air sanctions. They work inns under the brand name Oberoi and Trident.

The inns possessed and oversaw by the organization are The Oberoi, in Mumbai, New Delhi & Bangalore; The Oberoi Udaivilas in Udaipur; The Oberoi Grand in Kolkata; The Oberoi Vanyavilas in Rajasthan; Trident in Nariman Point & Bandra Kurla, Mumbai. Different specialty units claimed and oversaw by the organization incorporate Motor Vessel Vrinda, Cochin (an extravagance cruiser); Oberoi Airport Services, Mumbai, Delhi, Chennai, Kolkata, Cochin, Bangalore; Business Aircraft Charters and extravagance auto procure.

EIH Ltd was fused on May 26, 1949 as an open duty bounded organization in the name of East India Hotels Ltd. At first, the organization was in the matter of renter and administrator of The Oberoi Palace Hotel in Srinagar, Kashmir. In the year 1956, the value offers of the organization were clench hand recorded on BSE. In the year 1965, they pulled together The Oberoi Intercontinental as their first hotel, today known as The Oberoi in New Delhi.

In 1968, the organization obtained five lodgings that include: The Oberoi Grand, Kolkata, The Maidens Hotel, Delhi and The Oberoi Cecil, Shimla by amalgamating The Associated Hotels of India Ltd and Hotels Pvt Ltd.

In 1973, the organization initiated operations at the Oberoi Towers in Mumbai and in this way extended their operations from the five star grand fragments to Trident marked lodgings which were focused at business and relaxation clients looking for amazing administration at more moderate costs.

In the year 1986, the organization forayed into the air terminal administrations business by going into a ten year contract with the International Airports Authority to work all the lunch rooms and eateries at the residential and worldwide terminals in Mumbai.

In November 1996, the organization swapped its name to EIH Ltd from East India Hotels Ltd. In January 1997, the organization opened a universal extravagance resort to be specific, The Oberoi Lombok in Indonesia. In April 1997, they opened the extravagance resort inn in the Himalayas.

Amid the year 2001-02, Mumtaz Hotel Ltd turned into the backup organization, which possesses the 5-Star lavish inn Amarvilas, an Oberoi Resort at Agra. Additionally, the organization opened Vanyavilas, an Oberoi Resort at Ranthambhore amid the year.

Amid the year 2002-03, the organization initiated their flight cooking operations in Chennai subsequent to gaining the business from EIH Associated Hotels Ltd. The Udaivilas in Udaipur was initiated stopping from August 15, 2002. The association has changed the name of its lodgings from Vilas to Rajvilas, Amarvilas and Udaivilas with impact from October 1, 2003. Re-naming was done so as to expel the misguided judgment from brain of clients

that the Vilas lodgings were separate from the Oberoi mark.

In November 2003, the organization propelled Motor Vessel Vrinda, an extravagance Crusier in the backwaters of Kerala. In March 2004, the organization consented to an arrangement with Hilton International to co mark their Trident lodgings in India. The Oberoi Towers, Mumbai was re-checked Hilton Towers and the Trident in Jaipur, Udaipur, Agra, Chennai, Cochin, Bhubaneshwar and Gurgaon were re-set apart as Trident Hilton with impact from April 2004.

Amid the year 2004-05, the organization opened two new eateries in particular, threesixty degree and Travertino at The Oberoi, New Delhi. They likewise opened another eatery specifically, Tiffin at The Oberoi, Mumbai. Amid the year 2005-06, they started their Flight Service Operations at Bangalore to take into account expanded flights to that city. The affiliation moved Oberoi Cecil, Shimla and Trident Hilton, Bhubaneswar to EIH Associated Hotels Ltd with influence from April 1, 2006.

Amid the year 2007-08, the organization finished the procedure of amalgamation of the companys entirely claimed backup, Rajgarh Palace Hotel and Resorts Ltd. Oberoi Hotels and Resorts was appraised the mainlavish lodging brand in Asia in a Travel specialists survey at the World Travel Awards, 2007. At the Galileo-Express Travel World Awards 2007, Trident Hotel was evaluated the best five star motel check in India.

The organization ended the vital showcasing and co-marking cooperation with driving worldwide lodging network Hilton International Co with impact frame April 1, 2008. The organization marked Management Contracts through their remote backup for two The Oberoi Luxury Hotels in Abu Dhabi and one in Oman.

In the midst of the year 2008-09, the association denoted the Management Contracts for setting up and working Flight Kitchens at Cochin and Calicut Airports. Balamurie Island Resort Pvt Ltd has stopped to be a joint wander organization. In December 21, 2008, The Trident, Nariman Point was re-established and revived for business.

In December 1, 2009, the organization opened the 440 key Trident at Bandra Kurla, Mumbai, which has three claim to fame eateries, each with their own particular unmistakable food and feel. The Oberoi, Mumbai which was shut after generous harm following the dread assaults on November 26, 2008 revived on April 24, 2010.

In June 30, 2010, EIH International Ltd, a totally asserted reinforcement of the association, completed the securing of the 45.85% esteem eagerness of Amex Investment Ltd, in their worldwide hotels Joint Venture Company EIH Holdings Ltd, for USD 45 million. With this EIH Holdings Ltd, end up being completely an asserted assistant of EIH International Ltd. In like manner, EIH Holdings Ltd denoted a Management Contract for a motel at Scorpio Bay, Greece and a minute Oberoi inn in Mauritius.

On 30th August 2010, modest bunch of speculators of the association, i.e. Oberoi Hotels Pvt Ltd, Aravali Polymers Limited Liability Partnership and Prithvi Raj Singh Oberoi sold their approx Rs. 5.50 Crores offers, addressing around 14.12% of the offer capital of the association to Reliance Industries at a cost of Rs 1,021 crore.

The association has completed the Oberoi Luxury Hotel at Gurgaon, which is wanted to open in the midst of the year 2011. The 103 key Trident Hotel at Dehradun is under development and is relied upon to open in the spring of 2012. The companys new flight kitchen at Mauritius, Delhi, Cochin and Calicut are relied upon to be dispatched amid the money related year 2010-11.

The organization's indispensable 229 Oberoi Hotels at Hyderabad and 323 Trident Hotels are a work in progress. The advancement of the 252 key Oberoi holding up in Dubai arranged at Business Bay is progressing and is depended upon to begin operations in the last quarter of 2011. The association has begun suspecting The Oberoi lodgings in Abu Dhabi, Oman and Morocco.

## **HOTEL LEELA VENTURE LTD.**

The Leela Group was founded by Capt. C.P. Krishnan Nair in 1986 and the corporation was named after his beloved wife. The journey of Leela started when the first hotel Leela was opened in Mumbai in 1986. Just inside three years of its opening The Leela Mumbai won National Award for Tourism for being the most astounding netting outside trade worker. Since then the hotel never looked back.

At present, Leela Palace Hotels & Resorts owns and operates five properties in Bangalore, Delhi, Mumbai, Chennai & New Delhi. Besides they also own properties in Goa, Kovalam & Udaipur the hottest holiday destinations in India.

In 1991 The Leela was opened in Goa. It has been sprawled between Arabian Sea and stream Sal. The resort was designed by Tom Pugliaso, it not only reflects Portuguese style but very well reflects the Indian heritage. The resort has 206 luxurious guestroom and suites. The resort is equipped with all modern day amenities from limousine transfer to private plungs , dining area and club beach.

The Leela Palace Bengaluru was opened in 2001 and since then it is the only destination hotel in Bengaluru. The hotel constitutes 357 extravagantguestrooms, conference halls, all embracing banquet and vast dining options. It is the first choice for business and leisure travellers because it bestows them with world class shopping encounters, luxurious spa and fitness centres.

In 2005 a new member added to The Leela family, it's The Leela Kovalam in kerala. A cliff top tavern exemplifying perfect assortment of traditional magnificence and contemporaneous outlook. It provides a range of lounges and restaurants specialized in Ayurvedic treatment.

The Leela Ambiance came into being in 2009 at Delhi-Gurgaon boarder, embracing the capital on one side and business district on other. The inn offers 421 guestrooms, suites and Leela Residences which is redefining luxury service and modern comfort outside the hotel rooms.

In Udaipur in 2009 The Leela Palace likewise rolled up. The hotel not only offers magnificent view of Lake Pichola, City palace & Aravalli peak but also exemplifies the architecture and royal heritage of Rajasthan. The traditional elements of Rajasthani design and artisery is visible in the rooms & suites of hotels.

In the year 2011 The Leela came into sight in New Delhi at Chankyapuri. It is a perfect choice for astute businessmen's and for travellers in search of vacation because it is in propinquity of Rashtrapati Bhavan, PM's Residence, The Secretariat, Diplomatic Enclave and Historic monuments. It has been conferred with LEED platinum Certification of being the best in class of green practice. The hotel has additionally been perceived as 'Elite Hotel' by Robb Report in 2012, putting the inn among the most firstclass ones on the planet. In 2015, a convention hotel also opened in New Delhi naming The Leela Ambiance its convention centre is one pillar-less hall that can accommodate around 3000 guests at a time. The hotelcomprises of 480 guest rooms and suites.

The only modern hotel in Chennai overlooking the Bay of Bengal is The Leela Palace started in 2013. It also is in the immediacy of variouspolitical seats and business districts. The hotel provides an unparallel experience with its opulent interiors and avant-garde technology both in his guestrooms and facilities.

The company also holds the world's largest alliance of independent hotel brands "Global Hotel Alliance (GHA)", based on model of airlines alliance and founded in 2004. GHA has more than 30 mark individuals enveloping more than 550 upscale and lavish lodgings constituting 1,10,000 rooms from 76 unique nations. GHA additionally works a multi mark steadfastness program 'DISCOVERY' having seven million individuals. For its members, to increase their revenue and saving their cost GHA uses a shared technology platform. The company also has an international sales and marketing alliance for its products international procurement named "Preferred Hotels & Resorts".

The upcoming projects of the company are in Jaipur, Agra, Bengaluru & Kerala.

## **INDIAN HOTELS COMPANY LTD.**

Indian Hotels Company Ltd (IHCL) and their helping associations are, allthings considered, renowned as Taj Hotels, Resorts and Palaces and are broadcasted as one of the Asia's driving and perfect lodge affiliation. The association together with their reinforcements and their commonly controlled substances is involved with the matter of hoteliering asidfrom two together controlled components, which are possessed with the matter of air cooking. Interchange zones of business fuse arranged to eat/arranged to cook sustenance's business.

The association's helping organizations are Roots Corporation, Taj Sats Air Catering and Inditravel. The association's generally controlled segments intertwine Taj GVK Hotels and Resorts Ltd, IHMS Hotels (SA)

(Proprietary) Ltd and Taj Karnataka Hotels and Resorts Ltd.

The union of IHCL was in the year 1902. The affiliation pushed their firstmotel, The Taj Mahal Palace and Tower in Mumbai in 1903. The association by then endeavored genuine improvement of The Taj Mahal Palace and Tower, Mumbai by building a close-by apex square and growing the amount of rooms from 225 to 565 rooms. Taj Group contains 108 lodgings arranged in 63 distinct areas around the world. From the 1970s to the present day, the Taj Group has expected as a key part in moving a couple of India's integral vacationer objectives, working in cozyalliance with the GOI.

The affiliation was dynamic in changing over past eminent châteaux in India into world class luxurious inns; for example, The Rambagh Palace in Jaipur. Step by step Taj Group achieved peak and included valuable stones in its crown with initial five star shoreline resort Fort Aguada Beach Resort in Goa in 1974, Taj Coromandel the unprecedented five star lodging in Chennai and Taj Mahal Hotel in Delhi in 1978. Simply these hotels are not just which caused Taj social affair to arrive at statures, Taj Group furthermore opened its first lodging The Taj Sheba in Sanaa, Yemen outside India in 1980. As well, they got interests in 51 Buckingham Gate Luxury Suites and Apartments in London and the Crown Plaza - James Court, London. In the year 1984, the Taj Group got underneath permit ascension every one of Taj Connemara, Chennai; The Taj West End, Bangalore and Savoy Hotel, Ooty.

With the commencement of Taj Bengal Kolkata in 1989, the Taj Group came in five fundamental metropolitan zones of India. In 1990, the affiliation decided to set up Taj Kerala Hotels and Resorts Ltd close to the KTDC. By opening Taj Exotica Bentota in 1998 The Taj Groups uncovered its standing in Sri Lanka as well. In 2000, Taj Group got visible status in the souk of the southern business city of Hyderabad, by being connected with GVK Reddy Group and set up Taj GVK Hotels and Resorts Ltd holding three motels and a fundamental idea of the market. In the year 2001, the association went up against the organization contract of Taj Palace Hotel, Dubai, and set up themselves as up-grandstand stopping in the Middle East region. In September 2002, they got regard energy for the past Regent Hotel in Bandra which gave the Taj Group access to the midtown and North Mumbai. The cabin has from that point renamed as the "Taj Lands End". In October 2002, the association gained licenses to direct and work two unwinding hotels, the Rawal-Kot, Jaisalmer and Usha Kiran Palace, Gwalior.

In the year 2003, the association complimented the centennial of the opening of their Flagship stopping, the Taj Mahal Palace and Tower, Mumbai. In the year 2004, they opened their first luxury redesign hangin Mumbai, "Wellington Mews". Notwithstanding it, they pushed their first regard for-trade lodgings out Bangalore stamped Ginger, it has 11 hotels in various zones in India and is had through their totally guaranteed reinforcement.

In the year 2005, to enter the lavishness end of the made cabin showcases generally the association got The Pierre on lease. The association went into an agreement for Taj Exotica in Palm Island Jumeirah in Dubai to widen their present closeness in UAE. The association by going into an organization contract for Umaid Bhawan Palace, Jodhpur enhanced their situation as a director of changed over imperial homes in the magnificent region of Rajasthan in India. In February 2006, the association, secured the current W motel in Sydney, Australia and changed its name as Blue, Woolloomooloo Bay.

In October 2006, according to the arrangement five of its backups are amalgamated with the association. They are: (i) Taj Lands End Ltd, (ii) Asia Pacific Hotels Ltd, (iii) Kuteeram Resorts Pvt Ltd, (iv) Gateway Hotels and Getaway Resorts Ltd and (v) Indian Resorts Hotel Ltd. The alliance obtained Ritz Carlton in Boston and Taj Campton Place in San Francisco to develop their substance in the US connect to 2007. They began activity of their second untamed life hold up at Baghvan, Pench.

To work Taj Exotica in Ras Al Khaimah, United Arab Emirates the alliance teamed up with Saraya Islands in the year 2008. With a target of making unblemished measuring sticks for premium motels in Bhutan they clasped hands with Tashi Group and named it as "Taj Tashi Bhutan". The association and ALDAR Hotels and Hospitality entered a first class assention including different motel wanders. The essential cabin to be created by ALDAR Hotels and Hospitality under the assention is a five- star, 500 room excess resort motel which will be in a heavenly

waterfront region on ALDAR's uber incitement objective, YAS Island.

In the midst of the year, the association moved The Jiva Spa Boat at Taj Lake Palace, Udaipur. The Gateway Hotel Athwa Lines Surat incorporated another bit of rooms to take up their stock to 208 making it the greatest cabin in Gujarat. It also moved three gleaming new restaurants - Flow the for the duration of the day eating diner, Spice an Indian distinguishing strength diner and T3 a Tea parlor and Deli. By Taj Mount Road Chennai they revealed an alternate universe premium classin inn. The Taj Mahal Palace and Tower re-established their rooms in TheTaj Mahal Tower on December 21, 2008.

Amidst yearly year 2009-10, the affiliation included seven new motels in the Taj combination which included Vivanta by Taj in Goa and The Gateway Hotel, Jodhpur confined from the five Ginger lodgings at Durg, Guwahati, Pune, Jamshedpur and Surat. Vivanta by Taj Coral Reef, Maldives and The Pierre, New York were moreover resuscitated in the midst of the year after wide upgrades. On the overall front, they opened Taj Cape Town in South Africa having 166 rooms in February 2010. With the opening of the TAJ Cape Town and Banjar Tola, Kanha the affiliation added another fundamental motel to their rich portfolio. These hotels are guaranteed by the accomplice associations and are under an organization contract with the association.

In the midst of the year, the association acquired the past Sea Rock hotel at Bandra Bandstand, Mumbai. To set up the hidden 5-Star Luxury resort on Havelock Island rent from the Government of Andaman and Nicobar Islands was gotten by affiliation. Moreover, to assembled Taj by Vivanta in Amritsar the association through one of their accomplice went into a lease simultaneousness with the Punjab Government for a land circulation. The association put into working up a Vivanta by Taj resort atCoorg. The association furthermore went into organization contracts for acouple of properties in India which will begin activity all through the accompanying couple of years. For Vivanta by Taj resort in Srinagar and for Gateway hotels in Bhandup (Mumbai), Shirdi (Near Nashik) and Ludhiana new Management understandings have been stamped.

Joined by the year 2010-11, the Taj Mahal Palace, Mumbai restored its approaches to guests on August 15, 2010 by totally re-setting up heritage piece. In November 2010, the organization's royal residence portfolio made an additional significant improvement by the enormous Falaknuma Palace. Four new Ginger motels at Manesar, Chennai, East Delhi and Indore started exercises amidst the year. The association meandered into new geographies by going into organization contracts in Mexico and British Virgin Islands for development of untouchable Luxury Resorts with 100 and 206 keys independently. The association additionally likewise went into an agreement with the organization of Marrakech, Morocco for setting up a Taj Luxury Hotel, which is depended upon to open for the rest of the quarter of 2011.

By making organization contracts for motels in Chandigarh, Ludhiana and Kolhapur the association continued with their push on hailing properties under the Gateway stamp in obvious budgetary, business and mechanical focal points of India. The association in like manner stamped organization contracts in unwinding objectives, for example, Shimla and Rishikesh for a Gateway and Vivanta by Taj resort independently. Besides, the association went into Memorandum of Understanding for Gateway Hotels in Chiplun, Maharashtra and in Faridabad, NCR. The affiliation put through one of their fortifications in Vivanta by Taj resort at Coorg, which is needed to open by end of 2011. The resort oughtto be worked by the association on an organization contract start. Vivantaby Taj hotels in Coimbatore and Hyderabad being delivered by the organization's accomplices are depended upon to open in the midst of the current budgetary year.

The association made an intrusion into one of India's most delightful objectives, Jammu and Kashmir by opening a 89 room Vivanta by Taj resort in Srinagar in April 2011. The Vivanta by Taj reaches out in Bekal, Gurgaon and The Gateway Hotel in Kolkata are required to open in the midst of the present cash related year.

In 2012, Tata Group-drove Indian Hotels Company Ltd (IHCL) has madean unconstrained offer of USD 1.42 billion for Orient-Express Hotels, a US-based sumptuous motels gathering.

## **INDIA TOURISM DEVELOPMENT CORPORATION LTD.**

The ITDC Ltd is an autonomous public sector corporation which commenced its functioning on 1<sup>st</sup> October 1966.

The partnership claims and runs its lodgings in the brand name of The Ashok Group of Hotels. It had been a prime mover in promoting, developing and expanding tourism in India. And has its registered office at New Delhi. At present the company is having seven subsidiaries at Ranchi, Puri, Itanagar, Gawahati, Bhopal, Pondicherry & Anandpur.

The main aim of the corporation was to lead the Hospitality sector of India and became a medium of its advancement. It has facilitated the tourism sector by professional, efficient and customer centric service centre for pulling off its ultimate excellence in chosen field.

The enterprise has broadened its horizons into new opportunities and advancements by Full Fledge Money Change service, consultancy services regarding engineering in addition to this the corporation's Hospitality and Tourism Management institute divulges the training & education in the respective field.

It provides full hospitality by not running hotels alone but providing other related services also. It is providing a big network of services which consists 8 owned hotels, 1 restaurant, 5 joint venture hotels, 11 travel units, 1 tourist service station, 9 duty free shops at airports & seaports and 2 sound & light shows. The organization is additionally giving providing food administrations at Western Court, Hyderabad House, Vigyan Bhawan, New Delhi, and in addition dealing with lodging at Bharatpur and an eatery at Kosi.

Hotel Ashok became India's first public sector five star hotel to bag LEED Golden Certification for its existing edifice. In 2016, ITDC's CMD Mr. Umang Narula received the in demand Safari South Asia Travel Award named PATWA. From International Travel's 12<sup>th</sup> Annual Award ITDC bagged 3 awards for Hospitality India & Explore The World. In 2014-15 it has bagged 2 National Tourism Awards. In 2015 ITDC likewise earned DSIJ PSU Annual Award for Fastest Growing Miniratna.

## **PROBLEM & PROSPECT OF HOTEL INDUSTRY**

In India, the hotel industry is confronting various issues such as expanding competition, high taxes, low occupancy rate, expanding cost, low profitability, fuel shortage, so on and so forth.

These problems can be classified as under:

### **Huge Capital Investment**

The most serious problem of hotel industry is that it is a capital intensive industry especially due to increase in cost of construction and megaprojects entering in hotel business. Moreover, capital is blocked in land and building so big segment of capital is blocked. Hotels are successful only if they are situated in prime location but cost of land in prime location is very high while chances of availability are very thin. This leads to financial problems as there is a long gestation period so financial institutions are having hesitation to finance and public is not showing proper response in market.

### **Competition**

Hotel industry is suffering healthy as well as unhealthy competition. Providing better services is healthy competition but it is not easy for old established hotels because structure of hotel buildings cannot be changed overnight. Hotels are investing huge funds to renovate their buildings but as new hotels are coming with new designs, old ones are suffering. There is unhealthy competition too. Price cut is common phenomena in hotel industry and guests are not coming to settle there at, so prices matters more in hotel industry.

### **Hotel Industry is a seasonal Industry**

Hotel intends seasonal business. But if targeted customers of hotels are from different groups, it affects less. Foreign tourists generally came in winters as they cannot resist summer of June & July. Contrary to Indians who use to travel in June-July to hill stations due to climatic conditions, so hotels are more occupied in summers. Hence, the season is adjusted. If a hotel is based on only either on foreign tourist or on Indian tourist, it may face the problem of less occupancy in winters and summers respectively.

The issue is bothered in the event that inhabitation is antagonistically influenced attributable to awful climate, political aggravations, droop in business, worldwide emergencies or unsettling influences etc. as few years back



all hotels were vacant due to rumours of plague.

## **Cost Structure**

If operating cost of one room for one day is calculated, it will show a high proportion of fixed cost compared to variable cost. It shows high operating leverage. If P/V Ratio is calculated, it will also be very high. But, still BEP will not be at a low cost occupancy ratio due to high cost of depreciation and interest on investment in building. In such a situation profitability of the hotel can be maintained only if occupancy ratio is maintained. Moreover, problem is with boarding or catering facility also. Food cannot be stored due to its perishable nature. Similarly, hotel staff

cannot be reduced temporarily at the time of poor demand of rooms. All these record for poor incomes.

## **High Consumer Expectations**

Satisfying a consumer is the most challenging task in every trade and industry but it is very difficulty in hotel industry. Customers of 5-star hotels are rich class people or dignitaries so, obviously, their expectation is high, may be due to high tariff also. Customers are, in free time; sometimes ready to flight also as it is not a long term relationship so it is very difficult to satisfy them. In long term business contacts customers and service provider can understand feeling and temperament of each other but it is not there in case of hotel industry. Satisfying a consumer is the most challenging task as it depends not only on tangible but on intangible factor as well. Hospitality is back bone of hotel industry so services have to be highly personalised in this industry. Along these lines, from the promoting perspective, lodging industry is the most troublesome.

## **Managerial Problems**

Hotel industry is not only capital intensive industry bit it is a labour intensive industry also. So there are lot of administrative problems. It arises because large numbers of employees are working at a single place in hotel having joint responsibility to perform a job where one can blame to other easily for faults. Problem of union is arising in every industry as employees are demanding more and more salary and incentives but donot want to work hard so there is a problem of efficiency which in turn affects profitability.

Low occupancy is another problem which management is facing specially in off-season.

## **External Problems**

There are many things on which management is having no control or less control. Hotels are suffering more due to external problems than internal problems. Socio-economic environment affects hotel business. It is always uncertain how many tourists will visit hotel in a particular season due to global uncertainty. Hotels are opting for fire insurance of property and furniture but as all types of risks cannot be insured; there is always a problem of safety and security. Moreover, safety and security of customers and staff is also a problem.

Tariff of hotels are decided every year so it is not possible to change rates even if cost of food material, salary, power fuel is changed meanwhile. Hotels are subjected to many Laws and Rules to frame legal and economic environment. Sometimes, provisions of Law are so complicated that it is very difficult to draw its meaning and many times it is difficult to follow.

## **High Direct & Indirect Taxes**

It is thought that customers of hotels are affording luxury and hotels are grabbing money easily from their pockets. So, hotel industry is unfavourable treated from taxation point of view. Hotels are not getting those tax benefits which are enjoyed by other industrial enterprises. Rebates in corporate income tax, service tax, custom duty, municipal taxes etc. are offered to other industries but not to hotel industry. Hotels are earning precious foreign exchange but they are not getting land at concessional rate; rather higher rate of tax is imposed despite its low

returns on investment. In this manner, the industry can't keep pace with unavoidable changes in showcase patterns. Some concessions are provided only if hotel is commenced in non-desirable areas but in that case also, government does not make any efforts to help a hotel that was built on a wrong location or lost the location advantages. These problems can either be solved at government level or hotel should acquire a very high degree

of managerial skill and expertise.

## CONCLUSION

Lodging industry in India has been a critical industry to the Indian Economy. It is one of the biggest remote trade workers, to the nation and additionally one of the biggest businesses, both straightforwardly and in aroundabout way. The inn industry in India can be partitioned into eight fragments in view of the standards set by the Ministry of Tourism. They are 5-Star Deluxe, 5-Star, 4-Star, 3-Star, 2-Star, 1-Star, Heritage and Unclassified. In any case, the 3-Star, 2-Star, 1-Star and unclassified inns in India are spread over the length and expansiveness of the nation and are exceptionally divided in nature, while, the upscale, mid-showcase what's more, legacy classifications are exceptionally sorted out. The upscale class lodgings are principally present in the metros and the level 1 urban community and are currently focusing on the level 2 urban communities for development. In the upscale class, worldwide majors in the neighbourliness business like IBIS, Westin, Novotel, Ista, Aloft, Dusit D2, Sofitel, and Shangri la want to enter India or extend their current tasks. Thus the main chosen lodging organizations should accept this as an open door to extend their existing tasks in India in coming years.

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