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Management of Hospitality Industry: The Indian Perspective

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Abstract: ***India is one of the most popular travel destinations worldwide, as a result of which the Indian tourism and hospitality industry has emerged as one of the most important growth engines of the service sector in India. The tourism industry in India has significant potential as tourism is an important source of foreign exchange in India as in many other countries. Foreign exchange earnings grew at a CAGR of 7% from 2016 to 2019, but declined in 2020 due to the COVID-19 pandemic. It is widely recognized that the tourism and hospitality sector, which includes tourism and hospitality services such as hotels and restaurants, is a driver of development, a catalyst for socio-economic growth and an important source of foreign exchange earnings for many countries. India's rich and exquisite history, culture and diversity are showcased through tourism while providing important economic benefits. Consistent action by the central and state governments has helped the tourism industry recover from the shock of the COVID-19 pandemic and operate at pre-pandemic levels.***
Key words: Hospitality, Tourism, Industry, Receipts, Market

I. INTRODUCTION

Google defines "hospitality" as "the friendly and generous reception and entertainment of guests, strangers or visitors." Along with the hospitality and traditions that Indians have followed since ancient times, you can find hospitality in almost every region of the country. It has always been there in the nature of India, but the idea of hospitality as a commercial industry in this capitalist world was minimally present even till the early 2000s.

Currently, the hospitality industry in India is considered as a “sunrise industry”, which means that it will have a huge impact in the near future. It is considered as one of the most profitable industries, which also accounts for more than 8.78 percent of the total workforce and has created almost 15 million jobs in the last five years. The sector attracts a large share of foreign direct investment and also the most important foreign exchange instruments of the country. The hospitality industry is "the core of tourism, which involves the consumption of food, drink and accommodation in an environment away from the usual home. Hospitality as a subdivision of tourism" is an integral part of domestic and foreign leisure markets. Continued demand for tourism allows the hospitality industry to forecast demand and identify opportunities to increase consumption, creating a ripple effect of secondary economic effects" (Robinson, Lück, & Smith, 2013).

The restaurant industry has 2 sectors: the accommodation sector and the food and beverage sector (F and B). It has grown over the past 26 years and despite the recession is determined to continue growing. The industry currently employs approximately 2.5 million people and supports other industries such as hotels and restaurants, educational institutions. The tourism and restaurant industry in India has become one of the main drivers for the growth of the service sector in India. It accounts for 6.23 percent of the country's GDP and 8.78 percent of the country's total employment. Constant change, growth in operations and improvement in standards have earned the Indian hospitality industry global recognition.

A. Market Insights

The Indian hotel industry is expected to reach INR 1,210.87 billion by the end of 2023 and will grow at a compound annual growth rate (CAGR) of around 13% between 2018 and 2023, driven by foreign arrivals. tourists and business representatives. In 2018, the largest hotel brands operating in India were Marriott International, The Indian Hotels Company Limited (including the Ginger brand), Radisson Hotel Group, ITC Hotels, Accor Hotels, Hyatt Hotels, Sarovar Hotels, Intercontinental Hotels Group, Lemon Tree Hotels and Oberoi Hotels and Resorts. Occupancy (the percentage of days for which rooms are booked in a given period) of India's top hotels increased by about 65% in 2017-18 due to increased demand from business and leisure travelers. a slowdown in new hotel room additions across the country.

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B. Market Trends

Hoteliers are adopting the latest social media marketing practices that have proven effective in increasing visibility and bookings. Consumers are increasingly using hotel booking apps because they are easy to use and provide users with options that best suit their needs.

II. TRENDS, GROWTH, AND FUTURE OF THE HOTEL INDUSTRY

Customer expectations were exceeded by room service and prices. They are now looking for predictive services, personalized communications and connected experiences. Based on demand and trends, many hotels have switched to sustainable practices such as using renewable energy, not using plastic, being environmentally friendly and recycling products. In the era of social media and awareness, customers are more sensitive to new travel standards and place even more emphasis on the company's sustainability practices. The employees have also updated themselves and are ready to respond to customer questions and meet set expectations. Restaurant managers and employees are investing more time to understand their guests deeply: starting with who they are, what they want and what they are looking for. Taking care of customer expectations over the years, the hotel industry has created an effective recovery strategy, especially in the last two years.

III. CATEGORIZATION

In India, the hospitality industry is categorized broadly into:

1) *Lodging:* Lodging in India includes the hotel category along with motels and resorts as well. Hotels in India are divided into two categories: star hotels and heritage hotels. The star class hotel is further divided into 5-star Deluxe, 5-star with alcohol service, 5-star without alcohol service, -star without alcohol service, -star without alcohol service, 3-star, 2-star and 1-star. -star hotels. Heritage class hotels are divided into: Heritage Grand, Heritage Classic with alcohol service, Heritage Classic without alcohol service and Heritage Basic. By 2023, the entire Indian hotel industry is expected to reach over 1,200 billion rupees. In recent years, the occupancy of large hotels has at least doubled. The hotel industry is growing at about 7 percent a year, and many experts believe it may not meet the long-term demands of a booming market.
2) *Food and Beverages:* The food and beverage category is further divided into two sub-categories – organized and unorganized. The unorganized food and beverage category, which accounts for approximately 65-70 percent of the total market and the organized accounts for the remaining 30-35 percent of the market, is difficult to monitor. The organized sector is regulated by government agencies for quality control and is known for its standardization. In the unorganized sector, on the other hand, there is no structured supply chain, business plans and quality control.
3) *Transportations:* Transportation in the tourism industry is the first step in the tourism industry, which begins with the transportation of tourists from the origin to the destination. There are cases where the availability of transport has turned the place into a global tourist attraction. Conversely, there are examples of places with rich culture, heritage and natural resources that have not been developed due to poor transport connectivity. Roads are the backbone of the country's economy, which have proven to be a catalyst for tourism development in India. Traveling on some country roads can leave you with some of the most beautiful experiences of your life. India currently has the second largest road network in the world at approximately, 320,000 kilometers. Almost all major cities and tourist destinations are well connected. In addition to the public bus services, you will find several private bus drivers who offer quality service to take you to your destination.
4) *Theme parks and Amusement Parks:* Theme parks are also known as amusement parks. Although there is only an airline difference Between the two, they are often used interchangeably. Both have tons of attractions like various games and rides including water rides, flat rides, carnival rides and various slides, food and more. Furthermore, theme parks are designed around a "unique" theme. In the last two decades, India has seen remarkable growth in terms of recreational facilities. According to the latest data, its annual growth was 17.5 percent and the turnover is about 17 billion rubles. The industry also employs about 80,000 people across India. Amusement and theme parks have proven the growth of tourism worldwide, India is no exception. In India, the government provides strong regulatory support - from various tax incentives to the necessary infrastructure - for almost everything you need. Often overlooked, it proved to be a catalyst for the development of India's hospitality industry.

IV. RECENT GROWTH IN HOSPITALITY SECTOR

In the restaurant sector, hotel development in most major cities in India increased significantly in 2021 after the end of the second wave of Covid-19 and before the start of the third wave. In addition to leisure tourism, the industry received revenue from businesses for travel when businesses reopened after closures.

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Confidence in the industry has since improved thanks to a recovery in recent months. People are increasingly going for holiday trips, long weekends and also for social gatherings such as weddings. This led to an increase in business in the restaurant industry. In addition, better road infrastructure across the country, especially in resort areas such as mountainous regions, has given a much-needed boost to road traffic. Such an immediate recovery after the economic downturn caused by Covid-19 would not be possible without a change in the way travelers think. This is mainly due to higher vaccination rates across the country. Experts believe that despite new variants of Covid and the resulting waves, the sector is likely to make a full recovery this year.

A. Seasonality in Hospitality Industry

Due to weather changes and year-round holidays, seasonality has a huge impact on hotel occupancy. It's important for business travelers to be aware of these special times, as hotel price points and availability change during peak, off-season hours. You don't want to be unprepared in the middle of peak season, you don't want to stay and you don't want to pay too much for a hotel! The most important factors of seasonality are economic, employment, ecological and socio-cultural. Public school calendars and fairs also affect seasonality, as school and conference schedules determine when high traffic may occur

B. Management of Hospitality Industry

Hotel management covers all tasks and aspects related to the management of the restaurant industry. These businesses focus on welcoming customers and providing pleasant experiences, whether through dining, lodging, events, entertainment or travel. Learn more about how hospitality management differs from hotel management and see examples of career opportunities in hospitality management.

You'll also find the skills and training you need to succeed in the industry, job opportunities and how to get started. The hospitality industry is huge, and you're likely to find the perfect niche if you want to run a business that helps people enjoy themselves. This includes hotels, casinos, spas, tours, restaurants, events and venues. The main tasks of the restaurant manager are the supervision of operations, employees, customer service and

financial accounting. It also has a sales element, which means you are responsible for increasing the profits of the operation. Hospitality management is a career path that typically falls within the hotel, leisure and hospitality industry. Professionals in this field create and direct many aspects of the visitor experience. They also often manage teams that include reception, housekeeping and sales.

Great hospitality managers care about how much their guests enjoy their experience and look for new ways to improve every aspect of their visit whenever possible.

V. HOTEL GRADING SCHEME

Hotels can be given ratings from 1-star all the way up to 5-stars. While most people are aware that a 5-star hotel is highly recommended, it is important to take a closer look at precisely what each rating actually means.

A. 1-Star Hotel

A 1-star hotel is the lowest hotel rating in guides such as Forbes Travel Guide. This type of hotel offers the absolute basics, which means a room with a bed and a bathroom and very little else. There are no additional amenities on site, so you cannot visit the hotel restaurant. Therefore, most hotels with this star rating are budget hotels suitable for modest needs.

B. 2-Star Hotel

A two-star hotel still targets more budget travelers and still offers the basics of a room, bed and bathroom. There is usually on-site dining, and rooms may have extras such as a television. Reception services are more extensive than 1-star hotels and some additional services may be available, but they are usually chargeable, so customers must pay extra and request them separately.

C. 3-Star Hotel

In order for the hotel to reach 3-star status, the hotel management must focus on providing a more complete service. In addition to larger and well-appointed hotel rooms, the star category properties of this hotel offer additional services and facilities such as gym, swimming pool, on-site restaurant, public Wi-Fi and conference rooms for business customers. Many of these hotels also belong to well-established well-known chains.

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D. 4-Star Hotel

The hotel's -star rating means that the accommodation offers guests an excellent experience. The hotel rooms are large, luxurious, well furnished and equipped with many extras. Major investments are made in hotel technology and customer service is a top priority. The on-site restaurant offers a very good dining experience, while various additional services and amenities exceed those offered by 3-star hotels.

E. 5-Star Hotel

5 stars is a hotel star rating given to the best hotels in the world. These properties are large, full of luxury and offer spacious rooms with the best amenities. Cleanliness and customer service will be of the highest standard, and the on-site gyms, swimming pools, restaurants and bars will also be of exceptional quality. In many cases, these hotels are also of the best design and can be located in unique buildings.

F. Introduction of 7-Star Hotels

One of the most popular hotel marketing strategies in recent times has been promoting some notable or outstanding properties such as 7-star hotels. This concept is often run by the tourism board of a particular country or the company itself, and aims to emphasize the hotel as special.

VI. APPROVED HOTELS

The Ministry of Tourism classifies hotels in a star system to meet the requirements set for different tourism categories, especially in terms of suitability for international tourists. According to this system, hotels are rated from one star to three stars, four and five stars with or without alcohol, five stars Deluxe, Legacy (Basic), Legacy (Classic), Legacy (Grand), Legacy Vintage (Basic), Legacy. Vintage (Classic) and Legacy Vintage (Grand). The classification is based on the inspection of hotels by the Hotel and Restaurant Accreditation and Classification Committee (HRACC) formed by this ministry. To expedite the classification/reclassification of operational hotels from a total of , stars to three-star category, five regional committees in Delhi, Mumbai, Kolkata, Guwahati and Chennai are empowered to conduct/coordinate inspection.

Table:-1 Number of Approved Hotels and Availability of Hotel Rooms in the Country, As on 30th April, 2022

Sl.No	Category	No. of Hotels	No. of Rooms
1	5 Star Deluxe	149	35483
2	5 Star	185	22498
3	4 Star	423	20041
4	3 Star	564	17209
5	2 Star	25	922
6	1 Star	10	294
7	Apartment Hotel	2	297
8	Time Share Resort	2	253
9	Heritage Hotels	55	1495
10	B&B Establishment	459	2304
11	Guest House	8	96
	Total	1929	100892

Source :- India Tourism Statistics, 2022

VII. GOVERNMENT INITIATIVES

Realizing the potential of the country in the field of tourism, the Government of India has taken several steps to make India a global tourist center. Some of the key initiatives planned by the Government of India to promote the tourism and hospitality industry in India are: Ministry of Tourism launches Audio Odigos, an audio guide program for 12 Indian sites (including iconic destinations). Prime Minister of India encouraged people to visit 15 domestic tourist destinations in India by 2022. The statue of Sardar Vallabhbhai Patel, also known as the 'Statue of Unity', was unveiled in October 2018.

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It is the tallest statue in the world, with a height of 182 meters. It is expected to boost the country's tourism economy and put India on the world tourism map. The Indian government aims to reach 1 percent of global international tourists by 2020 and 25 percent by 2025. The government took the 2019-2020 introduced the TRT (Tax Refund for Tourists) system in the 2016 budget, as in countries like Singapore. to encourage tourists to spend more time in India and to promote tourism. In the 2019-20 budgets, the government allocated 1,160 billion rupees ($160.78 million) for the development of Swadesh Darshan tourism routes. In the Union Budget 2019-2020, USD 82.27 million has been allocated for the promotion and promotion of various schemes and programs of the Ministry of Tourism. In September 2019, Japan will join Asian countries including Taiwan and Korea to enter the Indian tourism market.

VIII. ACHIEVEMENTS

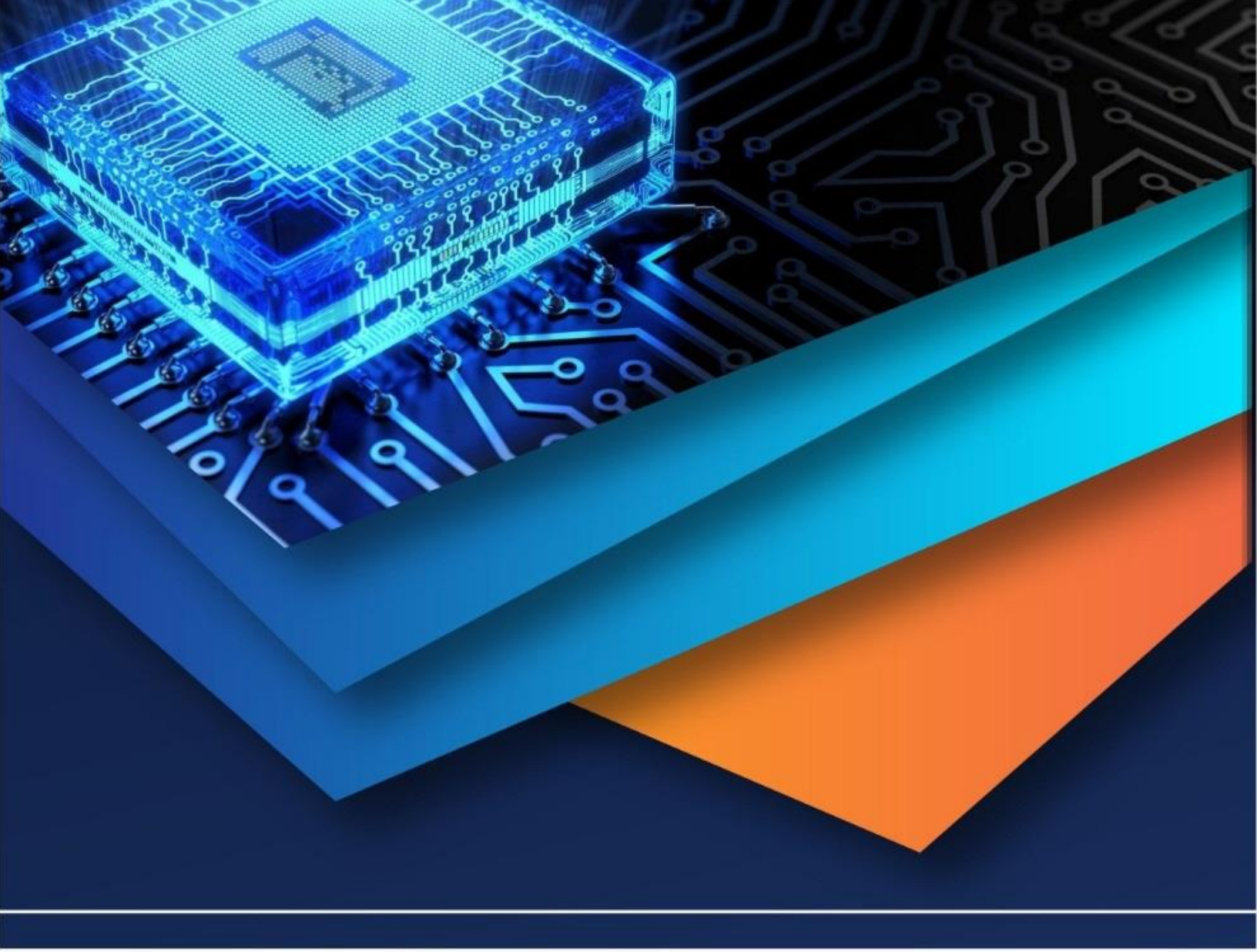
The Government's achievements in 2019-20 are as follows: In 2019-20, an additional $1,85 .67 million ($269.22 million) has been allocated for new projects under the Swadesh Darshan programme. The Ministry of Tourism has approved 18 projects under the Swadesh Drashan and PRASHAD programs covering all Northeast states for Rs 1,56 crore ($211.35 million) to develop and promote tourism in the Northeast region. The statue of Sardar Vallabhbhai Patel, also known as "State of Solitude", opened in October 2018 and grossed 82.51 billion rupees ($11.81 million) by November 2019.

IX. CONCLUSIONS

India, known for its ancient Atithi Devo Bhava or "stranger is god" tradition, has been hosting foreigners since ancient times. From Kashmir to Kanyakumari and Guhar Mot to Kibithu, the country offers a huge opportunity for the hospitality industry. From the beautiful snowy mountains to the desserts, from the plains to the ocean shores, the Indian hospitality industry is truly enriched. Being one of the most important sectors contributing to the economic growth of the country, the hospitality industry in India has a huge growth potential in the near future. Investing in restaurant stocks can therefore be a good way to diversify an investor's portfolio.

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