

GROWTH AND DEVELOPMENTS OF HOTELS: AN OVERVIEW OF INDIAN HOTEL INDUSTRY

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Abstract

The growth and development of hotels in the Indian hospitality industry have undergone remarkable transformations, reflecting the dynamic nature of the country's economic landscape. Over the years, the Indian Hotel Industry has witnessed substantial expansion, driven by factors such as increasing tourism, globalization, and a burgeoning middle class with rising disposable incomes. This abstract provides an overview of the evolution of hotels in India, exploring key trends and developments.

The hospitality sector in India has experienced a paradigm shift with the advent of international hotel chains, fostering a competitive environment and raising service standards. The integration of technology, innovative marketing strategies, and a focus on experiential offerings have played pivotal roles in reshaping the industry. Moreover, government initiatives, such as 'Incredible India,' have bolstered tourism, propelling the demand for diverse and sophisticated accommodation options.

This abstract aims to delve into the introduction and approval procedure of Indian hotels. Through an examination of industry dynamics, emerging trends and future prospects, the abstract provides valuable insights into the evolving landscape of hotels in India.

Paper Identification



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Introduction

The hospitality landscape in India has undergone a profound metamorphosis, marked by the dynamic growth and development of its hotel industry. In the wake of globalization, burgeoning domestic tourism, and a rapidly expanding middle class, the Indian hospitality sector has emerged as a key player in the nation's economic narrative. This introduction seeks to provide a comprehensive overview of the evolution of hotels in India, tracing the trajectory of the industry's growth and examining the pivotal factors that have contributed to its transformation. The advent of international hotel chains has not only brought a global perspective to the Indian hospitality scenario but has also intensified competition, prompting a remarkable elevation of service standards. Concurrently, advancements in technology and the increasing importance of online platforms have reshaped

consumer expectations, influencing the strategies employed by hotels to remain relevant and competitive in a digitally-driven era.

Government-led initiatives, exemplified by the 'Incredible India' campaign, have further catalyzed the growth of the hotel industry by promoting tourism and attracting a diverse range of travelers. This introduction sets the stage for an in-depth exploration of the industry, aiming to dissect the trends, challenges, and opportunities that characterize the growth and developments of hotels in the vibrant landscape of the Indian hospitality sector.

The Indian hospitality and tourism sector has become most important force behind increase in size of Indian service industry. This sector of Indian economy has remarkable possibilities especially because of diverse climate and traditions, blend of different ecological destinations speeding throughout India. Hospitality industry is expected large no of jobs and to generate a foreign exchange out of which hotels will nation. The hospitality and tourism is poised to produce 13.45 million jobs; out of which hotels will contribute 2.3 million & restaurants will generate 10.49 million.

The Ministry of Tourism (Government of India) develops the strategies to help the hotel and tourism industry to congregate the increasing demand of trained and skilled human resources' by applying hospitality education and skill based courses and training for the students. Ministry of Tourism is planning to improve skill based training to the existing service providers for certifying and upgrading their skills and knowledge as per the requirements of the industry.

In 2016, according to media reports (Ministry of Tourism) its contribution in National Gross Domestic Product (GDP) is approximately 6.23 per cent and total employment in the country is 8.78 per cent. It is already established all over the world that Indian hospitality industry has gained improving standards, functional growth and constant transformation.

With increasing opportunities for investor, a major Hotel chain international making it third largest expected to account move up from 44 per cent to 50 per cent market share in hospitality sector.

As far as the report submitted by World Travel & Tourism Council (WTTC) in 2016, Indian economy will have immense participation at global levels. Therefore, there will be huge opportunities' of conducting business in hospitality and tourism industry within India. On the basis of WTTC report this industry has immense potential of various employment opportunities for Indian population, thanks to the ever increasing holiday seekers, business travelers, transit travelers and business meets. Recently according to industry reports, India had beat the Japan in terms of domestic passenger traffic and become the third largest at global level. The sector will be forecast to huge height in aviation market at global level by 2020.

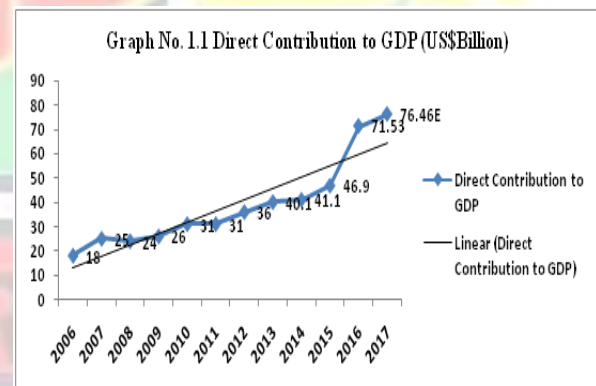


Figure - 1.1

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Investment Information and Credit Rating Agency of India Limited (IICRA, 2017) expects says that revenue per available rooms (Rev PAR) for Indian Hotel Industry is likely to grow up by 8 to 9 per cent in financial year 2018, supported by stronger domestic tourist demand, strong flows in Free Trade Agreement (FTA) and the return of pricing power across markets barring few micro-markets in Kolkata, NCR and Chennai. IICRA's earlier estimated of 3 to 4 per cent growth in average occupancy in financial year 2017, but actually it was found around 2 per cent for the same period. The rating agency said that, this under-performance in occupancy growth was just because of demonetization on leisure room demand during November-December 2016 i.e. peak season for the industry. The occupancy rate will be growing up to 4 percent in the financial year 2017. It will contribute equally growth in ARRs and Revenue per Available Rooms (Rev PAR).

"India has over 25,000 premium rooms under construction to be launched over the next 4 years, based on industry announcements. This will take the premium supply in the country to over one lakh rooms by FY20 in the 12 key cities we track," said ICRA Senior Group VP and Head - Corporate Ratings - Subrata Ray said.

"While the supply growth, based on announcements, has been pegged at 8 per cent annually over FY17-FY20, we expect actual supply growth to fall to around 6 per cent given the delays in few projects and the typical lead time required for final approvals," he added.

Overall, FTAs and spends still remain below potential; hence, there is further scope for strong year-on-year growth in FTA and foreign exchange earnings. Domestic travel, going by domestic Revenue Passenger Kilometre (RPKM) trends, which has grown by more than 20 per cent year-on-year during each of the last 13

months, continued to remain healthy. While the business sentiments and discretionary spends were impacted temporarily by demonetization in November 2016, the positive long-term impacts of the same coupled with scheduled roll out of Goods and Services Tax (GST) in July 2017, will boost domestic economy and, hence, travel, it said.

Provisions announced in the Union Budget 2017-18 for the creation of five special tourism zones (STZs) and the launch of Incredible India 2.0 campaigns are also expected to be long-term positive for the industry, ICRA opined.

Objectives of the study

The objectives of this study are to give an overview on growth and developments of hotels in the Indian hospitality industry and approval procedure of hotels in Indian context.

Research Methodology

The research is based on literature review including various internet sources, journal articles and some news articles. For this purpose, the researcher reviewed the literature and finds the conclusion.

Hotel

As per the Hotel Proprietors Act, 1956, a hotel is an "Establishment held out by the proprietor as offering food, drink and if so required, sleeping accommodation, without special contract to any traveler presenting himself who appears able and willing to pay a reasonable sum for the services and facilities provided and who is in a fit state to be received." As a result of this definition establishments such as Hospitals, Hostels, Apartments and Prisons, although provide accommodation to people yet do not come under Hotels.

Definitions

The word 'hotel', as known to common public, means "a place where all who conduct themselves properly,

and who being able to pay and ready to pay for their entertainment, are received, if there be accommodation for them, and who without any stipulated engagement as to the duration of their stay or as to the rate of compensation, are while there, supplied at a reasonable cost with their meals, lodging and other services and attention as are necessarily incident to the use as a temporary home.”

The word, ‘hotel’ might have its origin in the ancient English word ‘Hostler or Ostlers’ meaning as inn servant.” The encyclopedia of Britannia confirms this primeval origin of the word ‘hotel’. But it come into use during late 18th century in 1760 when British law defined hotel as a “Place where a bonafide traveler can receive food and shelter, provided he is in a position to pay for and is in a fit condition to be received.

Chakravarti (1995) defined “Hotels as a catering establishment which provides food, accommodation and other facility for comfort and convenience of the guest with a view to make profit”.

According to Ghosh (2002) the term “Hotel is defined as commercial catering establishments, which provides basically two services i.e. accommodation and food & beverage facilities to the guest in return of money”.

Growth and Developments of Hotels

This paper tries to depict the growth and development of hotel industry since time in memorial to the 21st century. The timeline is divided into five sections that is *Early History, Middle Ages, 16th to 18th Century Period, Before World War 2 and Modern Hotels.*

Early history

In keeping is an outgrowth of man’s urge to travel. Evidence exists of extensive travel over land and sea thousands of years ago. Roads used for intra-European traffic until the Middle Ages-and some that remain today- were the trails used by the courier and merchant in ancient times. Although there is no known reference to hotels or inns on those trails, there must have been

places that were favorable for rest stops, probably near or accessible to water, and these may well have been used for this purpose for generations. Structures built later to accommodate travelers very probably occupied such sites.

Hospitality, as a notion, is exceptionally aged; finding its origin in all great pre-historic civilizations i.e. Grace and Rome. For example, throughout Homer’s *Odyssey* and *Iliad*, there are several evidences of it. There may be two reasons for the people being so hospitable. In some instances, ‘religion’ was the main push factor in other ‘fear of evil player very important role because of their own superstitious fears. Both attitudes derived possibly from the belief that a stronger was either a god or a representative of evil spirits, perhaps even the devil himself although, facilities were paltry i.e. only basic food & accommodation. In the beginning, slaves were used for managing these as a part of religious establishment. Gradually, people of lower social strata were given preference over slaves for running there. In ancient Indian writings, we find that it was the duty of the priests and the holy men of the temples to arrange for accommodations and food for visitors.

In early days, there inns served to pilgrims or soldiers on diplomats or men of kings. It was particularly true during the Roman era, when the great Roman Empire extended far beyond the limits of Italy. Consuls, proconsuls, governors, and generals were constantly traveling between Rome and the many countries in the eastern Mediterranean that were part of the Roman Empire. The Bible notes that it was on such a journey that Paul was shipwrecked when, as Saul of Tarsus, he was engaged in a political assignment.

Although due to the bad reputation of these establishments and prevailing lawlessness in people on military mission did not proper these. However, toward the end of Roman Empire, these were frequented by a variety of people ranging from scholar to businessmen.

Though, frailties were still very meager and horses were provided better room than travelling.

In the later years of the Roman Empire, taverns and inns provided shelter for traveling merchants, actors, and scholars. Accommodations were still primitive and stables were considered more important than rooms. The high point of that era in terms of hospitality was the real turnaround took place during the rise of previous empire when they established "Post hours" on their main routes to provide shelter and food to the royal soldiers and messengers which were providing high class facilities. These were located about at a regular interval of 25 Km to provide fresh supplies i.e. horses & rest for the royal couriers. Mario polo opined that there number as amount 10,000 in time Marco Persian Empire.

Middle Ages

There was again fusion of religion, hospitality, during Christians considered it their duty to provide food & shelters to people travelling several churches founded food & shelter for travelers. These provided separate building, space for this purpose, which called as *xenodocheions*, a Greek word meaning inns or resting places.

Up to this point in our narrative, there has been no mention of the traveler's was being charged for his accommodations or his nourishment. Indeed, the rendering of hospitality was considered a charitable donation, springing from religious beliefs rather than a business venture. But all this was Changed in 1282 when inn toppers of Florence united to form an association as that inn beeping may be transformed into a trade rather than a charity. License and permission was given for buying and selling of wine to the inns.

The concept was not limited to Florence for long. In a short span of time, the hospitality business extended to other Italian cities and Rome. During that era, most of the employees were from Germany and not Italy.

Reason being, maximum people travelling were of German nationality and they wanted to stay where they can converse in their mother tongue and for gastronomic preferences.

16th to 18th Century Period

The standards of accommodate in become much better, especially in England in this time period. Stage aches were used for travelling. At that time long journeys, such as from London, England to Edinburgh, Scotland, covered a period of several days, so the stagecoaches were forced to make overnight stops. The situations resulted in not only stay and dine facilities for travelers but also for camels, horses, carts etc. The impact of the above said was, increase in the staying places and facilities at suitable locations.

Now there places were also being frequented by politicians, nobles and people of repute. Local authorities such as knights were responsible for granting licenses to inns. It is reasonable to assume that the issuance of such licenses was not without some form of patronage, as might similarly be true today.

Before World War 2

The hotels were developed by foreign & Indian businessmen however few hotels were owned by companies for example Indian Hotel Company owned famous brand "Taj Hotels" and Faletti's Hotel owned by East India Hotel (E.I.H).

List of major Hotels structured during British Rule in India:

- The Rugby, Matheran, was built in 1876
- The Taj Mahal Hotel, Mumbai, was built in 1903
- The Grand, Calcutta, was built in 1930
- The Cecil Hotels, Shimla, was built in 1935
- The Savoy, Mussoorie, was built in 1936

During post-independence there was little no establishment that took place in terms of setting up a five star hotel, and the then prime minister of India Pt.

Jawaharlal Nehru gave the starting boom to the Indian hotel industry by focusing on the need of the tourism and its advantages of bringing the foreign currency in the country. This resulted in government building the Ashoka Hotel in New Delhi. Then in 1966, The India incorporated under Indian companies Act, 1956.

Modern Hotels

The first ever private five star luxury hotels in New Delhi, which was franchised to U.S.-based Inter-Continental Hotels, Was built in 1965 by E.I.H

In 1970, the franchisee trend came into existence and The Taj Mahal Hotel in Bombay was the first to collaborate with "Inter-Continental Hotel". At the same time, the Oberoi Tower Hotel in Bombay collaborated with Sheraton.

In 1975, ITDC introduced itself in hotel industry with "Hotel Chola" in Chennai; Main motto was known the potential of hotel industry in generating foreign exchange, developing infra-structure for tourists and to provide employment opportunities.

During 1975 to 1977 three Welcome Group Hotels were built inspired by the slogan "Be Indian, Buy Indian" and using Indian expertise. In 1978 these hotels were later espoused by the Sheraton.

In 1982, a National policy was announced on hotel and tourism sector as India was about to host Asian games. This policy gave permission and licenses to the companies like Asian hotels, Taj Palace hotel, Hyatt Regency, Samrat Hotel, India Tourism Development Corporation-Lodhi Hotel, Kanishka, Surya Sofitel and Le Meridian to build and set up there five star hotels quickly.

In 1986, the hotel and tourism sector was recognized as government approved sector. Due to this the industry got government incentives like Tax, subsidies, preference in acquiring electricity connection, preference in acquiring water connection and priorities in sanctioning of loans by state and financial institution. To increase and help the growth of hotels in

India, Department of Tourism introduced some mandatory instructions for star categorization of new hotel projects. HRACC (Hotel and Restaurant approval and classification committee) was the approval body for the job.

After a decisive evaluation in 1987, the Indian government permitted an Indian firm to franchise three and four star hotels. The main objective was to increase in numbers of hotels, benefits of proper technical planning, assured hygienic services and also focuses on customer satisfaction. As a result, there is incredible growth in numbers of star category hotels as well as in numbers of rooms since 1980 as shown in Table no. 1.1. and 1.2.

Star Category	1980	1993	2017
5 Star/5 Star deluxe	15	82	130
4 Star	13	49	80
3 Star	52	115	226
2 Star	64	235	20
1 Star	32	96	7
Total	176	577	463

Star Category	1980	1993	2017
5 Star/5 Star deluxe	3521	16580	24756
4 Star	1112	4104	4070
3 Star	2711	7477	8352
2 Star	2566	8744	357
1 Star	1073	3344	245
Total	10983	40249	37780

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This led to the development of good hotel in India. Apart from domestic hotels, there are hotels of almost every renowned international hotel chain in India. These hotels have strong presence in elite division of the sector i.e. 5 Star or 5 Star deluxe. However, with increase in international business travel, foreign hotel chains are also foraying in 4 star segments of hotels.

In 2010, India was host for Commonwealth Games resulting in tendering and sanction of the over 300 hotels which included all-star categorize. Demand and Supply difference hotel rate in the country increased by 25 per cent annually and occupancy by 80 per cent in next year resulting in increase of 60,000 hotel rooms. India was ranked fourth most beloved tourist destination by the “Lonely Planet” among 167 countries and it is ranked at 11th and 65th place in Asia Pacific and Worldwide, respectively, on travel & tourism competitiveness in 2013.

Convention centers are now being treated as a part of principal groundwork, countenancing the government to afford dire finance to support construction of new hotels.

In 2015-16, hotel and tourism sector was ranked in top ten sectors to attract the highest Foreign Direct Investment (FDI), causative of 3 per cent of grand incursion.

The Industry Fuelled INR 2.21 trillion to the country's GDP i.e. 2.3 per cent of total in 2013. This is anticipated to almost double i.e. INR 4.44 trillion by 2024. The aviation industry has huge impact on hotel industry as it relies on it for conveyance of 80 per cent international arrivals, highlighted by WTTC (2017). India's travel and tourism sector is projected to be the second-largest proprietor in the world, commissioning nearly 52 lac people, directly or indirectly by 2019.

Along with tremendous growth in the sector, there are plenty of opportunities that are setting the tone for the future of hotel and tourism sector in India. Mergers and acquisitions have been major part of the industry from time to time. Marriott International recently declared the acquisition of Starwood Hotels and Resorts Worldwide. This made Marriott the biggest hotel company in the world, with over 1.1 million rooms under its brand. For India, after over a century, Taj Hotels Resort sand Palaces' distinguished position as the largest hotel chain in the country is likely to be exceeded (HVS, 2017). Another concept that awaits major boom is *Destination Weddings*; its growth over the years is an interesting trend. Recently points to the growing demand for wedding destinations in the country was the main topic of discussion in the Exotic Wedding Planning Conference (2016) held in Goa. 'Big Fat Indian Weddings' are especially common among dollar paying Non-Resident Indians (NRI) who book luxury resorts in cities like Udaipur, Goa, and Jaipur for these larger than life affairs.

Among the 13 major cities tracked by HVS for the next five years NOIDA (194 per cent) and Kolkata (119 per cent) are anticipated to have the highest increase in future supply. Currently the maximum percentages of supply actively under development are in Chennai (100 per cent), followed by New Delhi (92 per cent) and Goa (90 per cent).

Over 37,500 branded rooms are likely to be constructed over the next five years, compelling the total rooms to 151,324 by 2020/21. The highest year-on-year Rev PAR growth was witnessed in Bangalore (15.3 per cent).

According to the report Mumbai continued to top the list both in terms of average rate (7,363) as well as occupancy (74.3 per cent), all hotel markets traced in the survey observed an increase, with the exception of Agra. The highest growth in occupancy was registered by Bangalore (14 per cent).

Approval and Classification of Hotels in India

In view for different classes of tourists, especially from the suitability for international tourist's point of view, Ministry of Tourism categorises hotels under the star rating system. Under this system, hotels are given a rating, from One Star to Three Star, Four and Five Star with or without alcohol, Five Star Deluxe, and 'Heritage', 'Heritage (Classic)' and 'Heritage (Grand)'. The classification is done on the basis of inspection of hotels which is undertaken by the Hotel and Restaurant Approval and Classification Committee (HRACC), set up by this Ministry.

The Guidelines of HRACC try to address issues related to the eco-friendly/energy saving measures, facilities for persons with disabilities and security and safety concerns, Environmental friendly practices are to be adopted by the existing star category hotels approved by the HRACC, Isolation of smoking and non-smoking zones in hotels, agreement with other necessities of the comestibles under "The Cigarettes and other Tobacco Products (Prohibition of advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003," (iv) Implementation of measures to address the safety and security concerns viz. use of X-ray machines for baggage scan, CCTV, under-belly scanners for vehicles, verification of staff & service providers, hand and baggage scanners, Training a minimum number of persons, in every calendar year in the short duration Skill Development Courses under the 'Hunar Se Rozgar' scheme, Proposal of bar license is required for 4 Star, 5 Star, 5 Star Deluxe, Heritage Classic & Heritage Grand categories wherever bar is permissible as per local laws for hotel classification/re-classification etc.

Categorization of Hotels

According to HRACC, the segmentation of hotels is categorized on the basis of various outlines on which the hotel is established. A simple categorization of

hotels depending upon different criteria is shown in Figure no. 1.2

1. On the basis of Size: Here, size means number of rooms in a hotel; on the basis of size, the hotel can be categorized as:

- a) Small Hotel: Up to 150 rooms
- b) Medium Hotel: 151-300 rooms
- c) Large Hotel: 301-600 rooms
- d) Mega Hotel: More than 600 rooms

2. On the basis of Location: Different categories on the basis of location are as follows:

Down Town Hotel: these hotels are situated at the center of the city. Mainly they attract business segment of guests and provide all types of food and beverage service with accommodation.

Airport Hotel: These hotels are especially for the airlines and cruise traveler. They offer limited types of facilities and amenities.

Resort Hotel: These types of hotels are located at different type of tourist destination such as hill stations country side and beaches that is outside the city are refer as resort hotels.



These are mostly far away from the cities and located in pollution free environment. These hotels have various types of facilities such as golf, winter and summer sports combined with the leisure activities.

Motels: Motels are basically designed for motorists and situated on the highways having the facilities of garage, service station and petrol filling facilities for the guest.

3. On the basis of Target market: Hotels can also be classified on the basis of target market:

Commercial: Commercial hotels are situated in the heart of the city i.e. downtown busy commercial areas and urban areas. Mainly businessmen and commercial executives patronize these hotels. Generally duration of stay is a few days only and weekend business is slack. Best possible facilities of high standard are provide in commercial hotels. These days, business centre in a commercial hotel is a must. They must have services like facilities to meet the basic business demands, swimming pool, specialty restaurant, bar, disco, 24 hours room service, health club etc. Commercial hotels are sometimes are called downtown hotels. In addition to businessmen these hotels also accommodate tour group's small conference groups, and individual guests.

Residential: Residential hotels are also called a apartment hotels or apartment house. Rooms in a residential hotel are sold on a monthly or yearly basis. Rooms may be furnished or unfurnished, single or en suite. Almost all residential hotels operate a restaurant, offer telephone service, laundry and valet service. Advance rents are usually collected while other charges are billed weekly. These types of hotels normally operate on European plan.

Semi Residential Hotels: These hotels provide accommodation to guest on weekly or monthly basis like residential hotels as well as on per day basis like transient hotels. Reduced rates are provided to long staying guests. Transient guests who want to take the advantage of reduced rates for longer stay also come to such establishments.

All Suite Hotels: It is a relatively new concept in which the guestrooms, of the hotel are with living

room or parlor. These rooms sometime have a small kitchenette, a refrigerator and a sink for washing of dishes. The clientele of such hotels are business people, vacationers and professionals such as accountant and lawyers etc.

Time Share: This concept is also becoming popular these days. This is also known as 'vacation ownership' or 'holiday ownership' concept. It is like advance purchase of time in holiday accommodation. Purchaser has to pay a onetime capital sum and then an annual contribution towards the maintenance of the property. The fee usually covers services such as cleaning and maintenance of apartment and public areas, electricity, gas and water e.g. swimming pool, local taxes and sinking funds for redecoration and replacement of equipment etc.

Condominium: Condominium development involves a joint ownership of a complex. Each owner purchases and has full benefit of an unit such as a guestroom, suite, apartment or a villa and shares the cost common to the whole complex such as taxes, maintenance and upkeep of buildings and grounds, parks, tennis court, swimming pools, provision of services such as security, letting and management etc.

4. On the basis of level of Service: On the basis of service, hotels can be of following different types:

Economy: Economy Hotels are motivated by the price factor. Under this segment guests expects very basic quality of services and satisfies basic needs of the customers. These Hotels keep very low prices of rooms as per the demand of the customers and make more profits. Main purpose of these hotels is to increase volume of customers to earn more and more profit margins.

Mid-Range: Competition in mid-market segment focuses on both price and quality. Guest is searching for the hotel, which is both affordable and maintains price rather than cheap accommodation. A Hotel of this segment provides high quality food services as well as

hygienic and comfortable environment. Customers are eager to pay normal prices but their desire is to get value in return. There is a fragile balance between price and quality.

Luxury: A luxury Hotel is the one, which is expensive and usually costs high than the normal accommodation. These Hotels are costly as they provide different types of services too. Guests expect to have premium service, superior food quality and classy environment. This segment is expensive because they must sustain a very high satisfaction level. Luxury segment can compensate with quality prices.

5. On the basis of Star categories: Ministry of Tourism (Govt. of India) has classified hotels in several below mentioned types on this criterion.

Star hotels: This category is based on the standards of location, facilities, infrastructure and amenities provided. Star rating is given by HRACC (The Hotel & Restaurant Approval & Classification Committee of Ministry of tourism, India). They form 30per cent of the industry size. The star ratings are Five Star Deluxe, Five Star, Four Star, Three Star, Two Star and One Star.

One star: One Star Hotels gave exceptionally fundamental services; they have just few rooms, which are placed in far-flung regions. On the off chance that client is searching for the least expensive accessible settlement then this classification of lodgings are the best choice

Two star: Two Star Hotels are the most accessible in the modest urban communities. They give all the essential offices to the guests at the lower cost.

Three star: Economy classes of Hotels, which are spotted in every greater and more diminutive city, fulfill the needs of plan voyagers. These lodgings do not comprise of all services however, they give great administrations at sensible cost. The administrations gave by the lodgings are not of higher classification still enough to satisfy the essential needs of clients.

Four star: Four Star Hotels are one stage underneath the five star lodgings; inside a restricted plan, these lodgings give all the essential services to the guests. The characteristics of settlement gave by these hotels are as equivalent as five star lodgings. The principle point of these lodgings is to engross their guests with the constrained budget.

Five star: Five Star Hotels are most lavish and advantageous lodgings. These lodgings are comprehensively provides administration quality as well as services and settlement to their guests. These lodgings are top level Hotels that are found in huge urban communities. With respect to matching the global benchmarks in neighborliness, Five Star Hotels give all the necessary services.

Five star deluxe: These types of hotels provide extra ordinary lavish accommodation for the guest as well as they provides the latest facilities and services on the basis of latest technology.

Heritage: The classification includes Heritage Classic, constructed between 1920 and 1935, Heritage Grand, existing before 1920, and Heritage, set up around 1935 to 1950. Most Indian hotel groups mentioned above operate Heritage hotels at historical sites across India. The other types in this category include beach resorts, wildlife resorts. They have added a new dimension to cultural tourism.

6. On the basis of Ownership and affiliation: Rights of possession and association are also used for differentiating hotels; which can be as follows:

Independent: These can be independent hotels, with no affiliation, that are being managed by the owners of the properties.

Chain: This category of hotel means group of hotels belongs to same owner or company. They manage their marketing, promotion and administration.

Management Contract: Management contracts are hotel management companies which operate properties owned by other entities. In some cases, the hotel

owners may arrange to run their properties through a management contract with a company that specializes in managing hotels.

Franchise: Some investors prefer to use the franchising concept in running the hotel.

Franchising in the hospitality industry is a concept that:

- Allows interested investors to use a company's (the franchisor) name and business format
- Is made up of properties where the franchisees agree to run the hotel in accordance with the strict guidelines set by the franchisor
- Allows a company to expand more rapidly by using others' capital

Referral Group: Referral associations, e.g. Leading Hotels of the World (LHW), offer to hotels similar benefits as franchising, but at a lower cost. Some hotels choose to become a referral property. This means that the property is being operated as an independent hotel in association with a certain chain. These hotels refer guests to one another's properties and share a centralized reservation system, a common logo, image, or advertising slogan. Hotels pay an initial fee to join a referral association and further fees are based on services required.

7. Other types of hotels: Apart from above mentioned classifications, some miscellaneous types of hotels are as follows:

Transient: Transit Hotels Hotel guests who fall under the category of transient guests are those who are en route guests i.e. who are in the process of moving from one destination to another and stop at the hotel for a short period of time as against a terminal guest who has reached his final destination. Hence hotels, which cater to a transient/transit guest, are called transient hotels.

Suburban Hotels: Suburban hotels are situated in suburbs, with quiet surroundings. They have moderate to low tariff and are generally patronized by budget guests.

Retirement Hotels: Hotels of this category are not popular these days. Such hotels cater to the needs of retired persons. They take care of their meals and lodging. They also offer some mild recreational activities to the senior citizens. Normally all the services are offered as inclusive package rate to the retired persons. Nowadays such establishments are called "Old Homes" and "Sandhya Houses" in India.

Green Hotels (Eco-friendly Hotels): If we kill the environment we kill ourselves. Environment has always been a touchy subject vis-à-vis the hospitality industry. The spread of unplanned tourism and its allied evils hardly show any regard for the pristine beauty of the places identified for development and on grand plans. As a result, many rare flora and fauna that live on the thin red line of extinction are lost forever as the sacrificial pigs of progress. Tourist activities are claimed to uproot the locals from their habitats, robbing them of their livelihood, eroding the quality of their life, disrupting their lifestyle, corrupting their value system, impinging on their socio-cultural ethos, polluting their soil, water and air and depleting natural resources and wreaking havoc on the region's flora and fauna.

Floating Hotels: This type of hotels are located on the surface of water such as sea, lake etc. Such hotels provide exclusive and exotic atmosphere. All the facilities of a first class hotel are there in this category of hotels. In many countries old luxury ships have been converted in to floating hotels. In India in Kashmir valley, houseboats are used as first class luxury hotels.

Casino Hotels: The focus in this type of hotels is on gambling and provision of casino. Casino hotels are not seen in India but are very popular in America, particularly in Las Vegas-Nevada. Top artistes come to the hotel and give their live performances and entertain the guests. These are high class hotels with luxurious rooms and other top class services and amenities.

Apartment Hotel: It is apartment building also used as a residential hotel. Purchase of the apartment entitles

full services of the hotel and during the period it is not occupied it can be added to the hotel pool for getting income. The concept was initially developed by Melia Coy of Spain in 1970.

Boarding Houses: Boarding houses are establishments providing accommodation usually with meals and for a definite period of time – commonly for a week or longer. The facilities are generally restricted to use by resident guests. It can also be called a guesthouse, a private hotel, and is known in Europe as ‘pension’ or ‘pension de famille’.

Holidays Villages: Provide extensive recreation and sporting facilities on an inclusive basis. In multiple units and provide self-catering (individual kitchen). In Spain located in areas where contact with nature and sporting activities is possible. Provisions of green zones, playgrounds, and social amenities like library, nursery, television room etc.

Supplementary Accommodation: This group includes all forms of rented accommodation other than the above mentioned categories such as youth hostels, dak bungalows, forest lodges, travelers’ lodges, recreational center for children, dharamshalas, sanitarium and convalescent centers, camping grounds –these are sites demarcated with amenities for living in the open air in a tent, trailer or any other mobile provisional type of accommodation unit.

Bed and Breakfast Inns: Also called as B & B Inns. These are lodging establishments that provide room with breakfast ranging from continued to a full breakfast. Usually they are converted residence or country estates. Main meals are not served. They are located along commercial and holiday routes and in rural and resort areas.

Boutique Hotels: A new concept in India, these are different from the hotels in that each room has a distinct personality. It is a small but very expensive hotel. Professional but at the same time very personal and intimate services by staff are prominent feature to give guest a richer experience; each restaurant of a

boutique hotel has a different entertainment concept which include lighting that changes with the mood of the guest.

Conference Hotels: These are hotels which are specially designed to accommodate group meetings. Most full service hotels of this category overnight stay facilities to the conference delegates to make the meeting a success. They also provide extensive leisure facilities such as golf course. Swimming pool, fitness centre, jogging and hiking facility and may be spas also.

Major Departments in A Hotel

As other organization hotel also have many departments which works for their specific purposes. These various departments in a major hotel are given below:

1. Front Office Department
2. Food and Beverages Service Department
3. Food and beverage production Department
4. Housekeeping Department
5. Finance Department
6. Maintenance and Engineering Department
7. Security Department
8. Sales and Marketing Department
9. Human Resource Department

Conclusion

In the broader canvas of the growth and developments within the Indian hotel industry, it is crucial to acknowledge the diverse landscape created by various types of hotels. The industry is stratified into categories, each catering to distinct needs and preferences. From luxurious five-star establishments to budget-friendly accommodations, the spectrum accommodates a wide array of travelers.

The approval and classification processes instituted by regulatory bodies, such as the Ministry of Tourism in India, play a pivotal role in shaping the identity and standards of these hotels. The classification criteria

consider factors like amenities, services, infrastructure, and overall guest experience. This systematic approach not only provides a benchmark for quality but also aids travelers in making informed choices based on their preferences and budget.

The rigorous approval processes and periodic assessments ensure that hotels maintain and, when possible, exceed specified standards. This commitment to classification fosters a competitive environment, encouraging establishments to continually upgrade facilities and services to stay relevant in a dynamic market.

In conclusion, the growth and developments within the Indian hotel industry extend beyond mere expansion and infrastructure. The varied types of hotels, coupled with a robust approval and classification system, contribute to the industry's overall vibrancy. As the sector navigates an era of increasing travel expectations and global competition, these facets will continue to be instrumental in shaping the identity and success of the Indian hotel industry.

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