



Sustainable Development of Hotel & Tourism Industry with Reference to The Jalgaon City

KEYWORDS

Hotel Industry, Tourism policy, Structure, Growth

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ABSTRACT

Now a day's Hotel Industry taking place a huge role in the service sector. It helps the tourism sector for earning the revenue from the foreign as well as Indian tourists. Hotels and tourism industry are the biggest earners of the foreign exchange in India. Hotel and tourism Industry is the strong base to increase the GDP of Indian economy. Hence in order to inculcate the scope and development of Hotel industry in various spectrum of region, researcher had made a survey in Local area of Jalgaon region to study the development of Hotels in the region. In order to catch the importance of Service sector specially Hotel Industry as a tourist spot and availability of 24 hours transportation facility by Railway, by Road service, and now is having a airbus facility as well. This paper reveals study about the sustainable development of hotel industry in Jalgaon region. It shows the systematic growth of hotels as well as the future scope for the same pertaining to having the advantages of many things like a place as a City of Gold, Nearness to the Historic place Ajanta, facility of Airbus and the like.

INTRODUCTION:

Scenario of Indian hospitality industry: The Indian hospitality industry has emerged as one of the key industries driving growth of the services sector in India. It has evolved into an industry that is sensitive to the needs and desires of people. The fortunes of the hospitality industry have always been linked to the forecast of the tourism industry and tourism is the prime demand driver of the industry. The Indian hospitality industry has recorded healthy growth fuelled by healthy inflow of foreign tourists as well as increased tourist movement within the country and it has become one of the leading players in the global industry. Foreign tourist arrivals into the country increased gradually from 2005 to 2012. FTAs curved in in 2006, due to the global economic decelerate; however, the impact on the Indian industry was much lower than that on the global counterparts. FTAs are expected to increase in 2013. On the other hand, domestic tourist movement within the country was the highest in 2009.

Industry characteristics

Major characteristics of the Indian hospitality industry are:

Seasonal Tourism

The Indian hotel industry normally experiences high demand during October–April, followed which the monsoon months entail low demand. Usually the December and March quarters bring in 60% of the year's turnover for India's hoteliers. However, this trend is seeing a change over the recent few years. Hotels have introduced various offerings to improve performance during the other months. These include targeting the conferencing segment and offering rewarding packages during the these period.

Employment

Quality of manpower is important in the hospitality industry. The industry provides employment to skilled, semi-skilled, and unskilled labour directly and indirectly. In India, the average employee-to-room ratio at 1.6 (2008-09), is much higher than that for hotels across the world. The ratio stands at 1.7 for five-star hotels and at 1.9 and 1.6 for the four-star and three-star categories respectively. With the entry of branded international hotels in the Indian industry across different categories, Indian hotel companies need to become more manpower efficient and reconsider their staffing requirements.

Fragmentations

The Indian hotel industry is highly fragmented with a large number of small and unorganized players accounting for a lion's share. The major players in the organized segment include The Taj, Oberoi, ITC Hotels, and East India Hotels. The fragmented nature of the Indian hospitality industry is reflected in the Herfindahl Index of Concentration, which was at 0.062 in FY07.

CLASSIFICATION OF HOTELS

Hotels are classified based on the number of facilities and services provided by them. Hotels classified under the Ministry of Tourism enjoy different kinds of benefits such as tax incentives, interest subsidies, and import benefits. Due to lengthy and complex processes for such classification, a significant portion of the hotels in India still remain unclassified. The Ministry of Tourism classifies hotels as follows:

- Star category hotels
- Heritage hotels
- Licensed units

Star category hotels

Within this category, hotels are classified as five-star deluxe, five-star, four-star, three-star, two-star and one-star.

Heritage hotels

These hotels operate from forts, palaces, castles, jungles, river lodges and heritage buildings. The categories within heritage classification include heritage grand, heritage classic and heritage basic.

Licensed units

Hotels/establishments, which have acquired approval/license from the Ministry of Tourism to provide boarding and lodging facilities and are not classified as heritage or star hotels, fall in this category. These include government-approved service apartments, timesharing resorts, and bed and breakfast establishments.

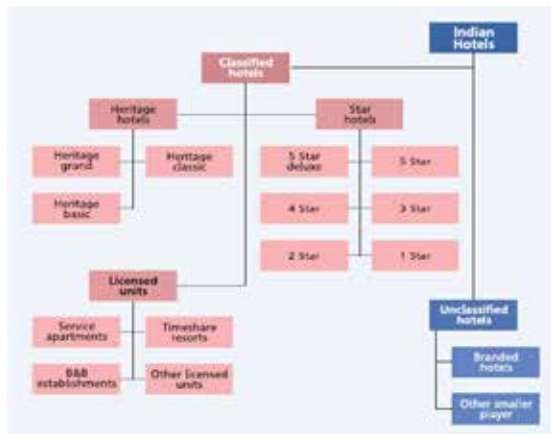
Branded players

This segment mainly represents the branded budget hotels in the country, which bridge the gap between expensive luxury hotels and inexpensive lodges across the country.

Budget hotels are reasonably priced and offer limited luxury and decent services. Increased demand and healthy occupancy have fuelled growth of budget hotels. These hotels use various cost control measures to maintain lower average room rates without compromising on service quality. Ginger Hotels, ITC Fortune, Homestay, and Ibis are some of the popular budget hotels.

Other smaller players

The hotels which are under small scale business but not not having that much space to establish. But it has vast competition to the other hotels. The basic reason is the population who prefers small hotels due to the economical constraints. They are the major players in the rural as well as urban area. It includes all street marts, dhabbas, snack bars, canteens etc



Source: D&B Research

Structure of Hotel Industry

Defining a Sustainable development:

Sustainable development is development which meets the needs of the present without compromising the ability of future generations to meet their own needs. In the extensive discussion and use of the concept since then, there has generally been a recognition of three aspects of sustainable development ie. Economic, Environmental & Social.

Economic: An economically sustainable system must be able to produce goods and services on a continuing basis, to maintain manageable levels of government and external debt, and to avoid extreme sectoral imbalances which damage agricultural or industrial production.

Environmental: An environmentally sustainable system must maintain a stable resource base, avoiding over-exploitation of renewable resource systems or environmental sink functions, and depleting non-renewable resources only to the extent that investment is made in adequate substitutes. This includes maintenance of biodiversity, atmospheric stability, and other ecosystem functions not ordinarily classed as economic resources.

Social: A socially sustainable system must achieve distributional equity, adequate provision of social services including health and education, gender equity, and political accountability and participation.

Literature Review:

As per the report of Brundtland, Sustainable development is a holistic concept based on a simple principle. As outlined in the 1987 Brundtland report, the concept involves the development that meets the need of the present without compromising the ability of the future generations to meet the needs of their own needs. The report explains how an effective way to operational are the concept of sustainable development in the corporate world to apply.

A report on tourism in India said, India is one of the fastest

growing economies in the world. It recorded healthy growth in the past few years, at more than 9% each during FY06-FY08. Despite the global economic slowdown, the Indian economy clocked growth of 6.7% and 7.4% in FY09 and FY10 respectively.

CURRENT SCENARIO OF HOTELS IN JALGAON REGION:

As stated earlier, there are nearly 600 hotels with varieties of facilities for each class. As hotels has its special categories mentioned in the style of stars they are- 5 Star, 4 Star, 3 Star, 2 Star and 1 Star.

Following are the requirements that the hotels should provide as per their ratings

Table No-1

Sr. No.	Type of Hotel (Star Ratings)	Facilities or Standards
1	5 Star	International Style of standards include 24 hrs. room service, Recreation Facilities, Availability of Tourist Guide, Internet Facility in each room etc.
2	4 Star	High Standard with high quality furnishing, High standard Presentation and guest service, Availability of Restaurants, Comfortable living, Lounge etc.
3	3 Star	Well furnished, equipped with lighting, cooling room heaters, telephone line, internet facility, Room service with tea, coffee, breakfast, newspaper etc.
4	2 Star	Well maintained with average standards.
5	1 Star	Basic standard accommodation, simple and adequate lighting

As it is observed from the above table the essential facilities to be given to the visitors if they want to maintain the stars. But unfortunately researcher observed from the survey that there is only one hotel which is having only 3 Star Rating and no 5 Star and 4 Star hotels.

Also the visitors are classified according to their income levels as shown in the following table.

Table No-2

Sr. No	Class of Visitors	Monthly Income level (In Rupees)
1	Foreign Tourists	Income not mentioned for Foreigners
2	Rich & Business Class	40,000 and above
3	Govt. Employees, Executives,	15,000 to 40,000
4	Middle Class	5,000 to 15,000
5	Average	Less than 5,000

Top TEN Hotels in Jalgaon Region

1. Maitrya Hotel Resorts
2. President Cottage Resorts
3. Hotel Royal Palace
4. Mahendra Hotel
5. Motel Cozy Cottage
6. Hotel Kewal Inn.
7. Golden Palace Hotel
8. Hotel Minerva
9. Hotel Green Palace
10. Ram Niwas Hotel

Sustainable Growth of hotel industry:

The fortunes of the hospitality industry are closely linked to the tourism industry and hence tourism is one of the most important factor for growth. In addition, all factors that aid growth in the tourism industry also apply to the hospitality industry. The hospitality industry has recorded healthy growth in recent years aiming to following factors:

Increase in no of tourist

Increase in tourist within the country has aided growth in the hospitality industry. Healthy corporate profits and higher disposable incomes with easier access to finance have driven the rise in leisure and business tourism, thus having a positive impact on the hospitality industry. In the city like Jalgaon, the tourists arrival is incredibly increased as it is having the good facility of hospitality and it is nearer to the Ajanta Caves.

Change in Economy:

The major impact of development of hotel industry is, increase in the economy of the population. The way back peoples are maintaining the balance between the budget and expenses. But not the income level of individuals gets increased since 2010. Hence peoples are now adopting the hotelings in many occasions as well as functions.

Changing consumption pattern of consumers

It has experienced a change in consumption patterns. The middle class population with higher disposable incomes has caused the shift in spending pattern, with discretionary purchases forming a substantial part of total consumer spending. Increased affordability and affinity for leisure travel are driving forces and in turn aiding growth of the hospitality industry.

Future Development of Hotel & Tourism Industry

A major trend in recent times is the development of the hotel industry in cities like Jalgaon other than major metros. As real estate prices have been soaring, setting up and maintaining businesses and hotels in major metros is becoming more expensive, leading to search for other cities entailing lesser costs. Consequently, hotel markets have emerged in cities such as Nasik, Pune, and Mumbai. This has led to increase in hotel development activity and expansion of hotel brands within the country. The industry has also seen development of micro markets, especially in primary cities. As cities grow larger and more office spaces come up across the city, travelers prefer to stay at hotels closer to the place of work/visit to save on time. This has led to the same hotel company setting up hotels across different location within a city.

Marketing strategies

Marketing strategies in the hospitality industry have changed drastically over the past decade. A decade back, the brand name of the hotel & location was a major driver. However, with the arrival of well educated and experienced travelers, hotel companies have had to change their marketing strategies. Today, hotel companies marketing strategies are differentiation, consistency, customer satisfaction, delivery of brand promises, and customer retention. Development and use of technology have also changed the way hotel companies operate, creating the need for online marketing. Travelers increasingly conduct basic research on the Internet. Blogs, networking sites, and travel sites are therefore being used for making choices and the information provided tends to influence opinions and choices. Several travel portals have emerged in recent times and travelers are increasingly using these portals to make hotel reservations.

Opportunities

The upcoming industrial parks, manufacturing facilities and ports across the country provide a good opportunity for budget and mid-market hotels. Although around 10 to 15 additional new hotels are expected to come up in Jalgaon city in the next five years, the supply of branded/quality rooms is much lower compared to other region.. Hence, there exists huge potential for investors and operators across all the segments of hotel industry in Jalgaon.

In the recent years it has been observed that there is tremendous increase in the no of new hotels. In the period 1990 to 2000 the survey shows that there were very less hotels which can be suitable for tourist purpose. But in the recent development there are very much increase in no of hotels which are starred as two stars and three Stars. The hotels like Maitreyas, Royal Palace, Silver Palace, Tanarika Resorts have added a Golden feather to the Hotels in Jalgaon.

Future objectives

As far as the future development of hotels in Jalgaon is concern, the policy of tourism must concentrate on

- Concept of garden hotels & restaurants for family and other occasional functions.
- Scope of hotels in improving the no of Beds.
- Focus on 4 lane.
- Use and focus on Airport facility.
- As we know that the cities like Pune and Nasik has developed a lot as compared to the Jalgaon city. Hence in order to catch the market of tourism, there should be more focus to catch the tourist to turn towards Jalgaon
- Digital Hospitality- Today's guests tend to be "multi-connected," with online access at home, at work and on the road. They are equipped with latest-generation smartphones and tablets, whose popularity is rapidly and steadily growing. To respond to this revolutionary change in behavior, Accor has deployed innovative solutions at every stage of the guest experience.

Conclusion

Any efforts for the improvement of the sustainability of the hotel sector do not exclusively concern the hotel owners. The collaboration among the govt and the hotel businessman in needed so that the problems of growth and sustainability can be treated very effectively.

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