



## The Role of Hospitality Services in Promoting Tourism Industry in India

### KEYWORDS

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### INTRODUCTION

#### Hospitality scenario in the global level

The gap between the global trends in development of hotel industry and its condition in Global level, while having real reserves and potential, requires a solution of a number of organizational and economic problems. Some of these problems are: underdevelopment of tourism infrastructure, low quality of service, inadequacy of service quality and prices, low professional level of personnel, etc. Solution of these problems requires research of hotel industry in the Global level.

Hotel industry is one of the important elements of service industry, which functions as a provider of accommodation, catering and various additional services to citizens of Global level and foreigners. The investment prospects of Global level, improvement of living standards of the population, big global hotel chains entering the local market, have caused intensive development of hotel services and a necessity to improve their quality to match the world standards.

when the overall hotel industry management and the quality of hotel services in particular were dominated by administrative approach, without having a clear idea of the real customer needs or the situation in the market, which resulted in the loss of consumer appeal of the hotel services.

Development of hotel industry prompted a transition from large to small property, from public to private ownership, also to the emergence and functioning of sole proprietorship businesses (private apartments). At the moment Global level hotel business is developing mainly in the area of business tourism, whereas the highest demand is for middle class hotels. According to some experts, provided the necessary conditions are created, it is possible that the economic return of national hotel industry will increase.

The current economic processes make for a necessity of search and implementation of service standards, which would take into consideration the national specifics and the country's mentality, in addition to the requirements to the hotel services imposed by the global community. It is necessary to make use of the western experience of hotel business management, implement international standards of ISO 9001 and introduce overall quality management concept.

However, having a small room capacity, as a result, the hotel has low sales volume. Besides, the amount of variable costs in the turnover structure of such hotels increases considerably [10], due to their inability to get reasonable prices for detergents, laundry services, etc. because of the small buying quantities. Small hotels experience difficulties with personnel. The staff working there should be able to perform numerous tasks for the hotel to remain profitable. This way, it is difficult for a small hotel to increase efficiency by means of cutting costs. On the other hand, under the pressure from competition it cannot increase accommodation rates. There

is only one way for a small hotel to reduce variable costs - that is to unite with similar businesses in order to buy in bulk at reasonable prices, to carry out joint advertising campaigns and marketing research and to use other ways to reduce the cost-based budget.

Thus, the small hotel market segment is very unstable, although, a part of tourist flow prefers it to the others. Under these conditions development of small-sized enterprises, which small hotels can definitely be referred to, requires direct support from the bodies of state administration.

This small percentage comes under sharp focus when we see that in 2004, India received only 2.9 million foreign tourists. Compared with this, the foreign tourist arrivals were 6.5 million in Singapore, 9.6 million in Thailand, 10.0 million in Malaysia, 13.1 million in Hong Kong and 31.2 million in China.

Even the diminutives like Maldives and Bhutan present an appreciable model of sustainable tourism by integrating environment and tourism. In the year 2004, while tourism in Malaysia (ranked third in terms of real growth) and China (ranked 11th) grew by 17 and 13.5 per cent respectively, India (ranked 50th) grew at just 10 per cent.

In India, tourism provides 5.6 per cent of the total jobs, China that just pulled its iron curtain, is doing better with 7 per cent. Tom apart by civil war Sri Lanka still has 7.4 per cent of its jobs coming from the tourism sector. Travel is a happening business in Thailand, generating 11.2 per cent of the total jobs.

Still there are large areas which are untapped from the tourist point of view. Traditionally a popular destination, North India still draws about 49 per cent of the tourists; whereas only 4 per cent go to east.

West is doing better getting 29 per cent of the tourist inflow. South, despite its beaches, temples, hills, etc. gets only 18 per cent of foreign and domestic tourists. Thus there is great potential for development of tourism, particularly in east and south, which require proper tapping with immediate effect.

Foreign tourists often fail to get suitable accommodation in hotels and go back as a dissatisfied lot. At the beginning of the millennium, India's shortage was estimated at 30,000 rooms. Today, the requirement is much larger, considering rapid increase in the inflow of foreign tourists after 2002.

Today we need at least 90,000 more rooms (in five star segments) which require a huge investment of Rs. 80,000 crore, just to fall in line with the internationally-benchmarked tourism models. The Commonwealth Games scheduled to be held in 2010 in Delhi are likely to put tremendous pressure on the tourist infrastructure including hotel accommodation.

Another problem of recent origin is that Indian tourists have

started travelling abroad rather than travelling within the country. In 2004, as many as 6.2 million Indian tourists went abroad in contrast to only 2.9 million foreign tourists visiting India.

With each outgoing Indian tourist spending an average of \$ 3 000 an estimated amount of Rs. 72,600 crore went out of the country. Of late, Indian tourists are looking beyond Shimla, Srinagar, Ooty, Mumbai, Delhi and Goa, and are grabbing foreign holiday deals like never before.

The main cause of outflow of Indian tourists is high aviation cost in the domestic sector. When a tourist in North India can get cheaper return tickets to Sri Lanka or Thailand than to Goa or Kerala, he will obviously go abroad.

Our foreign exchange earnings from tourism is getting neutralised because of large number of Indians going abroad. It is estimated that by 2007-08, as many as 8 million Indian tourists will be going abroad. Majority of them will be visiting Cambodia (15%), Hong Kong (15%), Australia (13%), Malaysia (13%), Singapore, and Pakistan.

The unplanned and unrestricted growth of tourism has a detrimental effect on environment. The origin and growth of tourism in India as elsewhere in the world, is distinctly urban oriented rather than being spread over the countryside. This is due to the fact that urban centres provide the necessary infrastructure and wider choice of facilities and price ranges for accommodation, food, entertainment, etc.

There is lack of appreciation of the holistic approach to tourism development which takes into account the linkages between environment and pressure of tourists. The result is that, almost all the popular tourist centres are groaning under the pressure of annual visitors and quite often facing difficult situation.

The unplanned and unchecked growth of tourist centres deprives them of their original charm and ultimately proves disastrous. This is what is happening to some of the famous tourist centres like Shimla, Mussoorie, Darjeeling, etc. where sometimes even drinking water is not available to cater to the needs of the tourists.

Sometimes, the area around a tourist spot is covered by commercial constructions and even by industries. Such unplanned growth tarnishes the image of the concerned spot. The Taj Mahal at Agra, the Meenakshi Temple at Madurai, the Lingaraja temple in Bhubaneswar and the palace in Udaipur are examples of this nature where much of the original beauty and charm is lost due to unplanned constructions around them.

Though many environments are endowed with great tourist potential, they are delicately balanced and large scale unplanned expansion of tourism in such areas often manifests itself in problems of serious environmental concern. Therefore, it is necessary that tourism should be developed in a planned way taking care of environment and infrastructural development.

The emphasis should be on the threshold development tapping in view the carrying capacity of a given environment. In other words, growth and development of tourist industry should be environmental friendly. To be environmental friendly, the stress should be on what is nowadays known as soft tourism.

With a view to improve tourism and at the same time taking care of the environment, the central and state governments are coming forward with new development plans. Although tourism is the responsibility of the state governments, the Central Government lends all help to develop tourism. India Tourism Development Corporation (ITDC) was established in October 1966.

The central Department of Tourism is extending financial assistance for improving tourism infrastructural facilities like yatri niwas, tourist lodges, wayside facilities, restaurants, cafeterias, tourist bungalows, etc. It also extends financial assistance for adventure sports activities, tourist transport, tented accommodation, etc.

Travel Trade and Tourist Service Division of the Department of Tourism is helping the travel trade, both national and international. Department of Tourism has simplified and streamlined the rules from April 1992, regarding the grant of approval to travel agents, tour operators and tourist transport operators so that their services are standardised and are made broad-based, both for domestic and foreign tourists.

The main thrust during the Eighth Five Year Plan had been, (i) development of selected tourist places/areas, (ii) diversification from culture-oriented tourism to holiday and leisure tourism, (iii) development of trekking, winter sports, wildlife and beach resort tourism, (iv) exploring new source markets in regions and countries having cultural affinity, (v) restoration of national heritage projects, (vi) launching of national image building and marketing plans in key markets, (vii) providing inexpensive accommodation in different tourist centres, (viii) improving service efficiency in public sector corporations and (ix) streamlining of facilitation procedures of airports.

Indian railways have also recognised its role in tourism development. The launching of Rajdhani and Shatabdi trains is a step in the right direction. 'Palace on Wheels' is already operational in Rajasthan. Another special tourist train 'Orient Express' has been introduced in Gujarat and one more covering temple towns of Tamil Nadu will become operational soon.

Five more such luxury tourist trains with private sector participation connecting major tourist centres will soon be on the rails. Lane for about 100 hotels at various railway stations has been set apart to augment accommodation for travellers. Considering the recent development, it is hoped that India will get her due share of tourism and at the same time steps will be taken to preserve the physical and social environment of the country.

The development of tourism provides at least seasonal employment to the young unemployed people and a side job to the women or the elderly persons. The draftsmanship gets revived. At the country level, the list of such products is very long. Even the articles looking just very ordinary arouse the interest of tourists. These are sold like hot cakes in the tourist markets, at a handsome premium.

The youngsters from these areas usually migrate to urban centres to seek jobs. In course of time, the sale of locally produced things and the jobs created for serving the incoming tourists halts the drift of the youth from underdeveloped localities. Tourism creates new sources of income for investors, landowners and banks. It increases the scope of more taxes for the government.

This happens rapidly when projects of building or renovating the tourist resorts are undertaken. Money starts flowing in both from the public and private sources. Bank may go in for raising loans in order to take up such ventures. This money or the capital resources were earlier concentrated in a few highly industrialised regions. They start getting transferred to the underdeveloped areas.

Recreative tourism thus helps to filter down the growth of economy from national to lower order regions and to local levels. The trend corrects the regional imbalances of development considerably in the long run.

## CONCLUSION

Low room occupancy, especially in the regions Few visits of

foreign tourists (incoming tourism) The hotels having bank debts, were experiencing difficulties, because they had taken loans before the crisis. High accommodation rates. Shortage of highly-skilled personnel. Low quality of services.

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