



## CONTEMPORARY TRENDS IN HOTEL INDUSTRY IN INDIA

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**Abstract:** *Constant transformation, functional growth and improving standards have gained the hospitality industry of India approval all over the world. It is capable of providing employment to a wide spectrum of job seekers, from the unskilled to the specialized, even in the remote parts of the country. Besides the regular jobs of a travel agent, tour guide, air hostess, chef, waiter and managers other opportunities await those who are keen on taking up a job in the sector. The tourism policy of the government aims at development of integrated tourism circuits, speedy implementation of tourism projects, special capacity building in the hospitality sector and new marketing strategies.*

**Keywords:** *Hospitality Industry, Job Sector, Implementation of tourism projects, Marketing strategies*

### INTRODUCTION

The Indian tourism and hospitality industry has materialized as one of the key drivers of growth among the services sectors in India. It contributes to 6.23 percent to the National GDP and 8.78 percent of the total employment in the country. Constant transformation, functional growth and improving standards have gained the hospitality industry of India approval all over the world.

#### ***The industry is broadly compartmentalized in two segments***

- **Tourism:** The tourism sector includes medical and healthcare tourism, adventure tourism, heritage tourism, ecotourism, rural tourism, wildlife tourism and pilgrimage tourism.
- **Hotels:** These include business hotels, suite hotels, resort hotels, airport hotels, extended stay hotels, apartment hotels, resort hotels, timeshare hotels, casino hotels, convention centers and conference centers.

#### ***New Domestic Tourism in India***

Tourism in India has generated immense employment opportunities and is a vital source of foreign exchange for the country. The travel and tourism industry contributed Rs 2.17



trillion (US\$ 36 billion) or 2 per cent to the country's gross domestic product (GDP) in 2013. The figures are expected to rise to Rs 4.35 trillion (US\$ 72.17 billion) by 2024. The revenue from domestic tourism is likely to grow by 8.2 per cent in 2014 as compared to 5.1 per cent a year ago, according to the World Travel and Tourism Council (WTTC). The Indian hospitality sector has been growing at a cumulative annual growth rate of 14 per cent every year adding significant amount of foreign exchange to the economy. The Travel and Tourism Competitiveness Report of 2013, published by World Economic Forum, India, stated that the ranking of India is 11<sup>th</sup> in the Asia Pacific region and 65<sup>th</sup> in the World Travel and Tourism Competitiveness Index 2013.

As per the Planning Commission, the sector creates more jobs per million rupees of investment than any other sector of the economy. It is capable of providing employment to a wide spectrum of job seekers, from the unskilled to the specialized, even in the remote parts of the country. The sector's employment-generation potential has also been highlighted by the World Travel & Tourism Council (WTTC), which says India's travel and tourism sector is expected to be the second-largest employer in the world, employing approximately 50 lac people, directly or indirectly by 2019.

#### ***Factors Responsible for Growth in India***

- Rising income in households
- Increase in niche tourism such as eco-tourism, luxury tourism and medical tourism
- Tourism and hospitality sector attracted second highest FDI i.e. US \$3.2 billion in the year 2013
- 100 percent FDI allowed through automatic route in hotel and tourism sector
- Diversity of the country attracts an ever increasing number of tourists every year
- Government initiatives in improvement of infrastructure like airports, highways, ports and railways
- India is a labour intensive country
- India has been ranked as the fourth most preferred travel destination by Lonely Planet selecting the country among the top five destinations from 167 countries.

#### ***Employment Opportunities***

The hospitality industry is a labour intensive one and India has a large concentration of English speaking individuals, which prove as a catalyst in advancement and prosperity of the



industry. Besides the regular jobs of a travel agent, tour guide, air hostess, chef, waiter and managers other opportunities await those who are keen on taking up a job in the sector.

The new trends that have been emerging off late are as follows:

- Cruise Ship Management
- Club Management and Recreation and Healthcare Management
- Airline Catering and Cabin Service
- Hotel Tourism and Association
- Fast Food Joint Management and Restaurant Management
- Beverage, food and confectionery production
- Institutional and Industrial Catering and
- Government owned catering departments like armed forces mess, ministerial conventions and railways services.

### ***The Future of Hospitality***

The Indian economy is opening up its horizons as it continues to integrate with the world economy. Therefore, the advantages of conducting business with and in India are many. This has led to the maneuvering of variety of jobs to the shores of India, bringing in its wake transit travellers, business travellers, business meets and holiday seekers. India is the ninth largest civil aviation market in the world in 2014. The sector is projected to be the third largest aviation market globally by 2020. India's aviation market caters to 117 million domestic and 43 million international passengers in 2014. Over the next decade the market could reach 337 million domestic and 84 million international passengers.

### ***Government Initiative***

The Government of India and the Ministry of Tourism have contributed significantly to the growth and development of the industry by providing various policy measures, tax incentives and infrastructural support such as

- Promotion of rural tourism by Ministry of Tourism in collaboration with the United Nations Development Programme
- Availability of Medical Visa for tourists coming into the country for medical treatment
- 100 percent FDI allowed through automatic route in hotel and tourism sector



- Insurance of visa on arrival for tourists from select countries like Finland, Japan and New Zealand
- Capital subsidy programmes for budget hotels
- Elimination of customs duty for import of raw materials, equipment, liquor etc.

## **CONCLUSIONS**

Further, the tourism policy of the government aims at development of integrated tourism circuits, speedy implementation of tourism projects, special capacity building in the hospitality sector and new marketing strategies. Funding is available and mergers are happening. Demand is slowly creeping back in to somewhere match mad supply so days of blood bath may be soon over and 2016 will bring some clarity to owner's general managers and everybody else and hopefully they won't take knee jerk cash flow based decisions now.

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