



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