Chapter-I

Introduction
Chapter 1

Introduction

Hoteliering sector has now become an eminent economic force, globally. Last five decades in particular have witnessed tremendous ‘qualitative and quantitative’ growth in ‘hospitality perspective’ in general and ‘hotel business’ in particular. Obviously, the dramatic increase in the number of travelers, particularly ‘the tourists’ has been the predominant ‘cause and effect’ in this regard, which has not only led to sustained increase in the demand of ‘hotels’ but also guided extensive diversification in the ‘types and standards of requisite amenities, facilities and services’. Since, the prognosis made by almost every futurologist indicate towards a big tourism boom in future, the hospitality sector is also thus expected to grow with same magnitude.

There is no dearth of evidences to conveniently prove that travel has been a nomadic urge in man ever-since the very birth of the humanity which in-turn paved way for the need and urgency of the requisite facilities enroute and at the destination in terms of means of travel, place to stay, and of course, food, drinks and, recreation and entertainment etc. The intricate inter-play between ‘consistent enhancement in social awareness, discretionary income and democratization of leisure time’ vis-à-vis ‘revolution in modernization and sustained growth of urbanization and industrialization has been steadily giving tremendous impetus to the phenomenon of travel, especially tourism which in turn led to extensive growth, diversification, and professionalism in hospitality sector with enthusiastic input of the latest technology. The dramatic pace of growth in international tourism, particularly after World War II is aptly evident from the fact that as against 14.4 million and 1.4 billion in 1948, the number of international tourist arrivals and tourism receipts were respectively recorded to be 831 million and 754 billion US$ in the year 2006. Adding-on the
number of domestic tourists and other travels undertaken by the people on various other pretexts, the statistics would obviously come to be mind-boggling and so would be the magnitude of demand for hospitality related services, facilities and amenities. Thanks to the remarkable intensification and escalation in travel trends that hospitality sector has now emerged forth as a mega industry with hotel and hoteliering being its eminent core. This industry is as much appreciated on account of its promising growth prospects as for its contribution in the growth of various micro and macro-economic sectors, as well as, the inherently rich income and employment multipliers.

Though the sojourn related facilities existed all through the ages and were consistently strengthened by the contemporary rulers, philanthropists and religious institutions of the yore, their nature, nomenclature, provision of service and facility inputs, magnitude of operations and quality and diversity perspectives kept on changing with prevailing socio-cultural, economic and ecological environment. Although there is no known reference to inns or other such establishments during pre – Greco-Roman Era, there must have been places with provision for rest stops, probably near or accessible to water, and these may well have been used for this purpose for generations.

One can conveniently derive from the available reference that initially the accommodation was too meager and of primitive type, providing bare shelter and the barest of sustenance, at times, operated with the help of slaves belonging to the temples or holy places. Gradually, the slaves were replaced by free men - mainly those from lower social strata. While the mention of hospitality related structures in the Scriptures and the Great Epics is an apt evidence that India has been the pioneer of the concept, the philosophy of Atithi Devo Bhav coined by our religio-spiritual ancestors speaks of the fact that they eagerly wanted to promote traveling as a social movement to ensure ever-better understanding and goodwill in the society. References of hospitality establishment in the Biblical Literature further reveal that the concept has also not been new in the other part of the world, as well. The
perception that readily comes from the olden writings is that, _offering hospitality to strangers was considered necessary towards religious well-being, as part of religious dicta, or at times, on account of superstitious fears._ Perhaps this was the reason that _the well to class of the society_, the kings and the nobles with religious inclination, always and in all parts of the world played lead role in creating stay provisions, particularly at and _enroute_ religious sites since missionaries, priests, and pilgrims formed a very large part of the traveling public. 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. Even now, religious institutions continue to be significant players in creating accommodation for the pilgrims at the destination, and at times, also in transit. An explanation, perhaps more logical in terms of modern-day thinking in providing hospitality or creating relevant facilities, may also have been as part of “give and take” philosophy; i.e., if strangers are offered food and lodging the same may sometime be reciprocated. Of course, over time, zeal for socialization, interpersonal reasons, and off late, monetary gains have become the stronger factors contributing in qualitative and quantitative growth of the hospitality sector.

_Hospitality – An Over View on Growth & Development Perspective_

As briefly observed in the foregoing, the concept of hospitality is as old as civilization itself. However, its transformation from the ancient custom of breaking bread with a passing stranger to the highly professional and diverse hospitality operations of today has not been less than a fairy tale.

Origin of the term _hospitality_ can be traced back to Roman times and to the Latin word ‘_Hospitare_’, meaning ‘to receive as a guest’. Subsequently, it got substituted by other such Latin terms like _hospital, hospice, and hostel etc._ Generically the meaning of all these words revolves around _the process of receiving a guest by the_
host and catering to the needs of the former by the latter. ‘To receive a guest’ implies that a host blissfully welcomes a guest, and depending on the need of the latter offers food, beverages, lodging and allied facilities. However, some social scientists believe that the word hospitality has come from French word hospice, meaning ‘to provide care/shelter for travelers’. Incidentally, one of the historic hospice, Hospice de Beaune in the Burgundy region of France, also called the Hotel Dieu (the House of God) was founded as a charity hospital in 1443 by Nicolas Rolin, the Chancellor of Burgundy, as a refuge for the poor. The Hospice de Beaune is located in one of the most beautiful regions in France, the Côte de Beaune. The Côte de Beaune owes its name to the town it embraces, Beaune – then a center of about sixteen thousand people. A thriving community during the Roman ages, Beaune became an important city in Burgundy during the Middle Ages. Today Beaune is rightly considered the capital of the Burgundian wine land. The wines of the Côte de Beaune are among the finest of their type. The delicacy of the reds compensates for the slight lack of fullness, thus making them particularly appropriate to accompany dishes of subtle flavor. The whites are commonly regarded as the finest in the world. Something about the fine wines also appears to inspire the muses: Where good wines are made, literature, music, poetry, cuisine, and architecture flourish. The extravagance of the architecture of the Hospice de Beaune is staggering, with ornate fretwork, gabled courtyards, and a dazzling polychrome tile roof. The medieval structure of the outside is mirrored in the inside; however, the building hides modern, twentieth-century medical devices, such as X-ray machines and operating rooms. The hospital is still functioning, partly because of its role in the wine world. Throughout the centuries, several Burgundian landowners have donated vineyards to the Hospice to help pay for maintaining its costs. Every autumn the wines from these vineyards—about a hundred acres of vines—are sold at a characteristic and colorful wine auction on the third Thursday in November, which determines the prices for the next year’s Burgundy wines. Concept of taverns as hospitality providing establishments can also be traced back to the zenith of Greco-Roman empires with beginning of the Code of Hammurabi (Circa 1700 B.C.).
With the extension of Roman Empire beyond the Italy, there was sudden increase in the movement of non-pilgrim traveler including consuls, proconsuls, governors, army personnel and businessmen traveling between Rome and the countries particularly those located in the Eastern Mediterranean which lead to emergence of inns, and subsequently strengthening of inn-keeping as a new avenue of business. Since, the inns used to be mostly located in towns and cities the military travelers had to depend on self-pitched tented accommodation. Army personnel, at times, may also avoid staying in the inns on account of the safety reasons or even due to rather distorted image of the inns. In contrast, in ancient Persia, traveling was done in large caravans, which used to carry elaborate tents for use along the caravan routes. However, at certain points of these routes, fixed accommodation in the form of khans was then available. The khans were simple walled structures to protect the inmates from the harsh nature, as well as the miscreants. Platforms constructed inside the four walls of the khans used to be then the substitute of the modern cozy beds. Obviously, provision of accommodation was still in its nascence with living rooms but no stables or provision stables but no living rooms. The high point of that era was the development of post houses by the Persians along the caravan routes. Marco Polo, in his travelogue has mentioned these post houses as Yams, specifically meant for the kings and nobles. Interestingly, these Yams were generally constructed at a distance of every 25 miles, perhaps to match the average distance that was conveniently possible to cover in a day. Interestingly, Marco Polo has estimated the number of such post houses to be approximately over 10,000 on way to his journey to the Far East.

After the period of the long dark age, rejuvenation of the development process during Middle Ages also gave the obvious impetus to the travel and sojourn process as well. The era of Renaissance, followed by the Grand Tours, played pivotal role to this effect. The institution of Churches and Monasteries played decisive role in this regard, immensely strengthening the role of inns, sarais and dharmshalas. It was also high time for the growth of xenodocheions, meaning inns or resting places in Greek. Charlemagne, during his reign, enacted laws setting out the duty of a
Christian to provide a free resting place for a traveler. However, in consideration perhaps of the possibility that a traveler might overstay his welcome, and also perhaps of the burden of providing free food for an indefinite period of time, the law limited the stay of any traveler in any one place to three nights.

As such, till first half of the Thirteenth Century, there has been no mention of the travelers being charged for his or her accommodations or food as rendering of hospitality was considered a charitable donation, springing from religious beliefs rather than a business venture. But all this was to change in the year 1282 in Florence, Italy when the innkeepers constituted a guild or association for the purpose of turning hospitality into a business. Inns became licensed and were permitted to import and resell wine. The inns themselves belonged not to the innkeepers but to the city, and they were operated under 3-year leases sold by auction. Nevertheless, they were presumably profitable. Thus, in the year 1290, as many as 86 inns in Florence became members of the guild. The concept did not remain confined to Florence for long, as shortly thereafter, the business of hospitality spread to Rome and other Italian cities. It is interesting to note that, during that period, many of the innkeepers were German rather than Italian probably due to reason that majority of the merchants then traveling were Germans.

During ‘Sixteenth to Eighteenth Centuries’, considerable improvement in the quality of accommodations took place, particularly in England. The common mode of transportation used then was the stagecoach. Long journeys within the country involved several days thus involving multiple stopovers, and in turn requiring food and shelter for the traveler as well as the mount. This resulted in construction of inns or taverns at suitable locations along the stagecoach routes. Since their passengers were mainly wealthy people, accustomed to certain luxuries, the stagecoaches contributed not only to growth in the number of inns but also to improvements in their quality. Alongside the travelers, the inns or taverns also gradually started becoming popular meeting places for local nobility, politicians, priests, and others, thereby requiring more elaborate conveniences. Thus inns turned into real profit
making ventures to which condition of licensing by the authority local lord or knight was imposed to enhance the revenue of the concerned administrative body. Obviously, the norms and policies governing the type of inns and services to be provided by it must have been the guiding criteria for such licensing.

Fig 1.1
Layout of 17th Century Inn

Tavern

Accommodations for Drivers, Staff, etc. or Two Large Rooms)

First Class accommodations
(Individual Rooms)

Courtyard

Stables

Entrance Vaulted Gateway

The inns were built in a relatively standard design, a sample of which is shown in Figure 1.1 As can be seen, the design was in the form of a quadrangle, with a vaulted gateway. The yard within the quadrangle was used for many purposes, such as weddings or fairs, and often as a theater. The quadrangular form provided outside walls as a protection against enemies, and the single entrance was easy to control and protect. The various buildings or sections within provided sleeping accommodations for the travelers, a facility in which food and drink was served, and shelter for both the drivers and the horses. In the eighteenth century, coffeehouses became extremely popular in Europe and were incorporated into many of the inns. During the sixteenth to eighteenth centuries, early inns were built in North America in much the same fashion as in England. However, while the English inns were built along stagecoach routes, the American inns were mainly in seaport towns.
Interestingly, an inn in New York City played a major role in the American Revolution. Previously the DeLancey mansion, it was bought in 1762 and converted to an inn by Samuel Fraunces, a West Indian, who named it the Queens Head Tavern. The Queens Head was a major meeting place for such organizations as the Sons of Liberty before the Revolution, and for British officers when they occupied the city. It became the scene of many dinners and parties, and in 1783, Washington bade farewell to his officers there. The building itself has been preserved as a historical landmark and now functions as a popular restaurant, known as Fraunces Tavern. In 1975, it drew particular attention when it was the scene of a bombing incident in which several people were killed. In other parts of the world, the signs for lodging establishments during the contemporary period, may display some unfamiliar words. Some examples include Parador - an old Spanish monastery or castle converted for use as a hotel; pension or Pensione - a French or Italian home providing with room and board; Chateau - a French castle or elegant country home used as a hotel; Ryokan - a Japanese inn that observed traditional customs; and Hostel - a lodging facility providing budget accommodations to students and others maintained on rather not-for-profit basis. Gradually, as the frontiers of travel increased in terms of number of travels vis-à-vis ‘time and space’, there has been obvious growth and development in hospitality sector in terms of number and types of establishment, magnitude of operations, and degree of professionalism.

Emergence of the Concept of Hotel and Hoteliering

The onset of era of Industrialization paved way for organized growth in travel and tourism accelerated magnanimous qualitative and quantitative growth in the supplementary sector of accommodation, which is now represented by a wide variety of establishments, such as Boatels, Floaters, Motels, Apartotels, Roatels, Youth Hostels, Guest Houses, Rest Houses, Dak Bungalows, Dormitories, Pensions, Retiring Rooms, Inns, Caravans, Camping Grounds, Travellers’ Lodges, Second Homes and Paying Guest Accommodation, etc. As regards hotels, the origin of the term is variably traced back from early 17th to late 18th
Century by various scholars. Going by authentic reference, *Hotel de Henri IV*, built in Nantes in 1788 at the cost of £17,500 – *then a whooping amount*, is credited to be the First Hotel in Europe.

Having had a total capacity of 60 beds it was then considered to be one of the finest establishment of its kind in the continent. Likewise, the onus of being first Hotel of America goes to *The City Hotel* which became operational New York City in the year 1794. It had elegantly furnished 70 rooms with provision of a beautiful central dining hall. Over the years, more such properties came on the fore in other major cities of North America, but it was not until 1829 that the pioneering *first-class hotel* - the *Boston’s Tremont House* came into existence. It had a total of 170 guest rooms. It was the first hotel to introduce such innovative features like, private rooms with locks, soap and water for each room, bellboys, and even the provision of relishing French cuisine. Thus, it realistically paved way to modernization of hotels and hotelering business by setting an effective example for the prospective hotel properties. Consequently, the remaining over seven decades of Nineteenth Century and early Twentieth Century witnessed tremendous growth both in qualitative and quantitative terms. Indeed, *'dramatic growth in traveling’*, *‘revolutionary advancements in technology’* and *‘sustained increase in discretionary income and leisure time’* together played decisive role in energizing the ever-stronger motivation for more and more innovations in accommodation sector, especially with regard to the hotel industry. Since by then it started strongly emerging as a highly profitable business, the ensuing vigor among the effective and potential competitors for better share obviously prompted them to provide new and better amenities and facilities to the guests. Some notable milestones in such growth during Nineteenth Century are:

**1834**: Indoor plumbing was introduced into the hotel industry by Astor.

**1853**: Steam elevators were first used in a hotel.

**1875**: The Palace was built in San Francisco, at a cost of $5 million. It was the
biggest and the best of its time, with 800 rooms, and was a favorite meeting place of celebrities such as Oscar Wilde and Sarah Bernhardt. It was destroyed in the earthquake in 1906, but was immediately rebuilt in all its grandeur.

1894: The Netherlands Hotel in New York City became the first to have telephones in the rooms.

1896: The Waldorf Astoria was built in New York City. The next 20 years were glorious for the Waldorf, but it was razed to the ground in 1929 to make room for the Empire State Building. The new Waldorf Astoria was built in 1931 at its present location on Park Avenue.

In the late Nineteenth Century, while many elegant and luxurious hotels were being built, there was also extensive construction across America of small railroad-station-type hotels catering to the commercial traveler. As the number of commercial travelers grew, so did their demands for service and comfort. A man justifiably regarded as the father of the modern commercial-hotel industry, Elsworth M. Statler, had the vision to see that the growth in numbers of commercial travelers provided the opportunity for a successful hotel industry. In 1907 he built the Buffalo Statler, introducing many innovations, not the least of which was a private bath in every room. Statler must be considered the originator of the hotel-chain concept, to be followed later by Hilton, Sheraton, and many others. The years from 1910 to 1930 saw the construction of many new hotels—nearly 100 from 1927 through 1930 alone—but very few of them were to survive the Great Depression. Nearly 85 percent of all hotels were bankrupt in the period from 1930 to 1935. These bankruptcies, however, proved to be a bonanza for the chains, giving them the opportunity to acquire quality properties at low prices—a substantial break in terms of low-cost real estate.

The hotel industry witnessed remarkable progress during late 1920s, in terms of
the rate of construction. But new concepts in hotel design have been developed
more recently in an effort to meet the changing preferences and new charac-
teristics of the traveling public. Standard, rectangular, medium-sized,
downtown hotels have been replaced (in fewer numbers) by fine examples of new
and innovative architecture. Roof-high atriums, outside scenic elevators, and
other innovations have become features of such hotels as the Century Plaza in Los
Angeles and the Regency Hyatt in Atlanta. Large convention hotels with
extensive public areas, function space, and convention facilities have been built to
meet the ever-growing group market. In this regard, the New York Hilton takes
the credit to establish itself as a role model for specialized convention hotels of
today.

There have also been great changes in the location of hotels. In the early 1900s,
most of the traveling was done by train, so hotels had to be located close to
railway stations. The tremendous increase in automobiles and airline travel, and
the corresponding decrease in the use of railroads, opened up many new areas that
could not previously be considered proper sites for hotel development. As a
result, newer hotels are frequently located outside the city, at airports, and on the
highways. In particular, the increase in automobile travel produced a new phe-
nomenon in the hospitality field, the motel industry. Talking in present context,
the magnitude of the diversity in the hotel industry is effectively illustrated by the
fact that hotels are classified along vividly diverse parameters, i.e., on the basis of
‘location’, ‘size’, ‘ownership’, ‘tariff structure’, ‘range of amenities and facilities
offered, ‘specialty services and products’, ‘addressed niche market’ and, ‘quality
perspectives’ etc; generic nomenclature of the modern hotel, viz. International
Hotel, Commercial Hotel, Downtown Hotel, Star Hotel, Budget Hotel, Ecotels,
Airtels, Highway Hotels, Sub-urban Hotels, Sports Hotel and Convention Hotel
etc speaks of the on-going diversification in the hoteliering sector obviously
guided by special interest clientele. While in addition to the inherent essential
facilities, input of Health Clubs, Conference Halls, Board Rooms, Multi-cuisine
Restaurants and Bars, Indoor/Outdoor Sports and Entertainment Provisions and Travel Facilitation/Information Centers etc., have become almost an integral part of a Contemporary International Hotel, the concept of High Way Hotels has long transformed into a parallel of Hotel Industry, namely the Motel Sector. Off late, Resorts are making strong grounds on account of the ever-elaborate and innovative packaging of the inputs concerning recreation, conference/convention/Exhibition, health, sports and even outdoor touristic activities, in an exquisite ambience at or close to some unique destination.

Changing Management & Marketing Trends in the Global Hotel Industry

Putting Hotels, motels, resorts and the various types of supplementary accommodation together, the international lodging industry, is estimated to account an annual market of US $300 billion, with well over 30 million guestrooms in the world. Interestingly, small, independent, family-run lodging properties account for approximately 75% of the total guest rooms available globally, falling the category of small properties (i.e., fewer than 100 rooms in North America, under 50 rooms elsewhere). Nevertheless, the market share of the larger properties accounts for over 70% of all hotel rooms and approximately 76% of all hotel revenues generated worldwide.

Interestingly, there have been sea changes in approach with regard to management of hotels. Initially, the hoteliers were real estate oriented. The entrepreneurs owned the property and buildings but operated the business in terms of fundamental real estate values rather than hotel management. Managing a hotel was thus largely incidental to the goal of increasing the market value of a property over its book value, then selling the property and using the profits for other hotels. Hyatt was one of the first chains to recognize the advantages of separating a hotel's basic real estate from its operations, in terms of businesses versus property by setting-up one company to operate the properties and another to own the real estate; a model many international hotel chains follow today. Eventually, most of
the U.S. chains expanded by selling-off much of their capital intensive real estate, while retaining management rights. Through the redeployment of assets, the process enabled chains to grow more rapidly, with emphasis on the acquisition of better properties. During 1970s and 1980s in particular, chains worked with owners and developers to open in a big way, and most upscale hotels, as the role of independent hotels became significantly reduced. Even now, the combined effect of economies of scale and the sheer size of the major chains is consistently making it disadvantageous to larger single developer properties. Thus, the ultimate boost to chains was given by lenders who were generally more willing to advance funds for new properties when they were operated by a reputable chain.

The tremendous increase in cross-national travels largely due to dramatic growth in world tourism has been consistently motivating the hoteliers to develop their products and services. Accordingly. As a result, now an over 50,000 hotels are actively involved in marketing their services to the world. Initially, American hotel companies took lead in this respect dominated the scene for quite some time. Inception of Inter-Continental Hotels Corporation, as a subsidiary of Pan American Airways in 1946 was the effective beginning of the concept of transnational hotel sector. In more recent years hotel companies from the United Kingdom, France, Germany, Japan, and Hong Kong have etc have also come forward strongly. The on-going process of ‘Globalization’ alongside ‘rapid growth in tourism’ and the resulting demand dynamics vis-à-vis sustained innovation in advertising towards global promotions, introduction of central reservation systems, steadily increasing trends of bulk purchasing of hotel services by travel trade players, operational standardization and specialized input of design and construction are together working as ‘cause and effect’ in steadily leading to ever-increasing pace of internationalization of accommodation industry in general and hotel industry in particular. Because of worldwide brand-name recognition and reservations access the cross-national and multinational hotel chains are better equipped to ensure organized flow of guests to their properties. Because of the ‘magnitude of their turn-over’ and ‘vast experience of working in
different political, economic and socio-cultural environments’ multinational chains have inherent advantage in terms of ‘professional staffing’, ‘management and technical expertise’, ‘quality training programs’ and, ‘operating standards and systems’ - all of which pivotal in so far as ‘running a capital-intensive service enterprise dependent on sound internal operations for cash flow and asset growth’ are concerned. However, fact remains that with evolution of the industry over the years, its structure has become increasingly more complex with respect to scope, ownership, management, and affiliation etc. With the ever-increasing customer awareness resulting into micro-demand patterns vis-à-vis greater concern for value for money, skyrocketing real estate prices, highly competitive business environment and consistently increasing cost of marketing together with increasing fear of losing brand loyal segment on the other, the hotel chains are increasingly vying to extend franchising to the destination based establishments or are extending management consultancy to them through management contracts. Where-ever possible, take-over and joint ventures are also been looked upon to ensure an ever-larger share in the steadily flourishing but highly competitive hotel business.

On the whole, the existing hotel enterprises generally fall in one of the following models:

- **Independently owned and operated properties**
- **Independently owned properties with chain affiliation**
- **Chain-owned and operated properties**
- **Independently owned, chain-operated properties**
- **Franchised properties**
- **Referral group properties**
- **Others**

*Independently owned and operated properties* outnumber *chain-affiliated properties* worldwide, but in terms of number of rooms, *chain hotels* are the dominant sector. *Independently owned and operated properties* tend to be smaller; they may be owned by individuals, families, partnerships, syndicates, or corporations. Likewise, *large chain-affiliated hotels* may be owned by one or
more individuals or a group (for example, a pension fund, a government, a development bank, a large conglomerate). Among hotel chains, there are companies that own and operate hotels; management companies that operate hotels through the use of management agreements with little or no financial involvement; and companies that simply franchise their hotel name without providing any management or operating expertise aside from marketing. There are also other hotel management companies that manage franchised or non-franchised hotels for their owners; and hotel referral organizations that provide reservation services and limited marketing services for their members. In practice, many different combinations of the fore-going exist, and the line distinguishing one type of arrangement from another is often fuzzy. Furthermore, the industry's structure tends to be influenced by geographical orientation, e.g., whereas North American hotel firms are more inclined to expand on the basis of contractual agreements (either management contracts or franchising), Asian companies typically seek equity investments while European companies typically prefer at least some equity involvement in conjunction with management contracts.

Airline-affiliated hotels represent another important segment. Airlines have been a major factor in internationalizing the lodging industry, but airlines have had different attitudes toward such involvement. Some have established or purchased hotel management companies outright, and treats their hotel divisions as autonomous or semi-autonomous profit centers. Other airlines have entered the hotel business (though not necessarily through ownership) in a bid to exploit new routes or markets, and the relationship has been characterized by partnership, reciprocating agreements, or some other arrangement.

Some hotel chains and management companies are part of a larger enterprise or group of enterprises. For example, Sheraton Corporation is part of the ITT conglomerate, and the Prince Hotel Group is part of the Seibu Group - a Japanese conglomerate including railways, a baseball team, hotels, and other businesses. Large tour operators, particularly in Europe, have also been known to own or
manage hotels. Fact remains that properties may be affiliated with a number of hotel companies, either through ownership, management, franchise, or referral group arrangements, but the matter may be further complicated when two or more chains are involved in the operation of a hotel. Such is the case of some Oberoi properties in New Delhi, which are part of the Oberoi group of hotels but nevertheless have a marketing-franchise agreement with Inter-Continental or Sheraton.

**India Context**

As observed in the foregoing, the philosophy of 'Atithi Devo Bhav' itself speaks of the age-old legacy of India that hospitality to the guests should be religiously offered to the guests. Incidentally, the country also has had one of the oldest and glorious traditions of tourism in the form of pilgrimages, dating back to pre-Epic Period. Due care was taken by the states, as well as, the religious institutions to extend wayside facilities to the travelers in terms of halting places, drinking water and possible social security. Thus, with the institutionalization and steady growth of pilgrimage, provision of Dharamshalas, Viharas, Sarais and Musaphirkhanas for stay purposes enroute and at the destinations got simultaneously improved, particularly during Mauryan and Gupta periods. Ashoka, in particular, is said to have intensified not only the provision of drinking water and well-maintained Dharamshalas and Viharas at all important religious sites of Hindus and Bhuddhists respectively, but also ensured that shady trees are planted all along the busy pilgrim routes. The accounts of such devout voyagers like Fa-Hien, Huen Tsang and, Marco Polo effectively furnish an eloquent testimony to India's rich legacy of hospitality provision through the ages. On the whole, facilitating travels along entire length and breadth of the country was taken care of by the rulers and elite families on religious, ethical and moral grounds. They used to build dharmnshalas, constructed roads, and planted trees alongside roads for shade and, wells and tanks were dug for drinking water. With the arrival of Muslims, 'Sarais' were introduced and they over shadowed
their counterparts. Some of the 'Sarais' were built in Sindh after the invasion of Arabs. During the reign of particularly Gulum and Tughlak dynasties, beautiful 'Sarais' were built in abundance. While Mohammed Tughlak and Feroz Tughlak are credited for extensive construction of Sarais in northern part of the country, Sher Shah Suri and Mughals took it to nearly perfection. Akbar, Jahangir and Shah Jahan were great philanthropists by virtue of creating quality 'Sarais' equipped with best possible facilities then available. Going by historical evidences Jahanara Begum is credited to contribute the most magnificent structure planned amid a sprawling garden in Sahibabad or Begamabad, in Delhi. 'Jahanara Begum Sarai', as it has been mentioned and appreciated by many distinguished visitors, particularly wealthy Persian travellers to be a splendid building. is said to have beautiful garden and fountains. Especially noteworthy was the upper fountain playing in front of the main entrance. on which was inscribed in Persian. Ghar Firdaus Bar Rul Zaminast-Haminasto. Haminasto. Haminasto (if there is a paradise on earth it is here, it is here, it is here!). Though the Sarai is non-existent now, the garden known as Queen's Park or Azad Park still proudly stands.

Improvements in the means of transport and communication resulted in the establishment of 'inns' and 'taverns' in the principal cities of the country. These were of two types - those catering to the well-to-do class of the society, and the other for commoners. After the downfall of the Mughal Empire and the advent of Britishers the 'Sarais' started giving way to hotel like establishments, particularly in such important cities like Delhi, Bombay and Calcutta. Of them, predominantly Western - style units catered the demand of British Masters. visitors from abroad and some affluent Indians, upper middle and middle class countrymen could only afford to the tariff of typically Indian-style budget enterprises. Subsequently, with the steady increase in number of foreign travelers, mostly the Portuguese, French and English, concept of taverns entered the country. On the whole, as evident from the inferences of some foreign
visitors, during 18th Century there seems to have been good place for stay in the country for different segments of travelers. In 1778, a traveller Philip Stanhope who stayed in a tavern in Bombay, observed, 'indeed there were very good shelters in India which served as lodging places for travellers'. Likewise, David Prince who visited India in Eighteenth Century stayed at the Macfarlane's hotel described it to be 'luxurious and expensive'. By the end of the Century, there were many prestigious hotel properties operating in India such as, Macleen's Hotels, Paddy George's Albion Hotel, Victory Hotel, luxmious Hope Hall, Portuguese George's, Parse George's etc in Bombay which had provision of attached bathrooms, billiard table, three meals, a variety of snacks, and tea and coffee. However, still there was extreme dearth of good hotels or hotel like structures, and perhaps not many of them were even needed as the bare needs of common travellers for food and accommodation were mostly met-out by the dharmnshalas. Sarais and other traditional type of accommodation, while good deal of the demand was addressed by hospitable households – a tradition that still thrives particularly in remoter parts of the country. Indeed, the Western-style residential hotels are comparatively of recent origin in India, the progress made by the hotel sector particularly: onwards the latter half of the Nineteenth Century cannot be undermined. more so, in view of the higher initial investment, costlier operating techniques comparatively lower profit margins and a number of other such constraints.

Talking in chronological order. 'British Hotel' invented by Pailoniee Postoniee in the year 1840 in Bombay is credited to be the first western style hotel in the country, followed by Esplanade Hotel in 1871 in Bombay established by John Wackson who had earned huge fortune as silk draper. He is said to have himself been the architect and builder of the hotel, which had 130 rooms. Green Eastern Hotel (1886) originally belonged to the Nawab of Wallaiah was subsequently owned by John Binny and E.P.Cokhot in that order. Subsequentiv many more hotelier took the lead and thus, by the end of nineteenth century some of the
noteworthy western style hotels operational in the country were *Imperial, Belgrania, Albany, Bunkingham, Central Dents Garden, Capper House, New Wooland, Ashok Oceanic, Savera, Esplanade, Elphinstone, Napier, Pandyam in Madurai, Bangalore International, Stay Longer, Shilton, West End (Banglore) Krishnaraja Sagar (Mysore Sealand and International (Ernaculam), Savoy, Desaparakash and Ritz (Hyderabad) and Sun-n-Sea and Palm Beach (Vishakapattanam) etc. Interestingly, till about the end of fourth decade of the last century, except for Taj Mahal in Bombay, almost all hotels in India were owned and operated by foreigners, Britishers and Swiss families. As of now, some of the most prestigious hotel chains of the country are owned by Indian Groups.

The 20th century, in real sense ushered as a turning point for real growth and development in accommodation sector in general and hotel industry, in particular. Mr. Jam shed Jee Taja commissioned the Indian Hotel Company on April 1, 1902 with Hotel Taj mahal Bombay, to be its first hotel. Subsequently, Spenser hotel in Bombay and Ritz hotel in Hyderabad became the other important properties in the year 1903 and 1946, respectively. In 1943 Oberoi brought the controlling interest in Associated Hotels of India, by which Maiden in Delhi and Cecil in Shimla came under the sway of Oberai Hotel Private Ltd which was subsequently rechristened as East India Hotel Company in 1949 which entered into collaboration with inter-continental hotel corporation in 1962 and thus came Oberoi Inter-continental in Delhi in the year 1965 which also marked the first success of joint hotel Venture in India. Mr Rama Prasad who opened two hotels in Mussourie in 1946 and one in New Delhi. was first to emphasize on the need of trained personal for hotel industry which proved instrumental in inception Hotel Management Institute at Bombay, Calcutta, Delhi and Madras. Later on clerks groups of hotels was established in 1961. The magnificent places and residence of former Maharaia’s were converted into hotels. In Julv 1971. Air India set up a corporation called Hotel Corporation of India. It is running flight kitchens in Bombay and Delhi. Then the century note was opened at Bombay airport in 1974.
As a follow-up to the recommendations of the high power Jha Committee constitute in 1962 by Govt of India to critically examine India’s performance in international tourism, three corporation to respectively take care of accommodation, tourist transportation and tourist facilitation were constituted but only to be finally amalgamated into one corporation, namely India Tourism Development Corporation (ITDC) was formed in 1966 and a number of hotels were opened in different parts of the country. The corporation realistically revolutionized the growth of Hotel industry by way of commissioning a series of hotel at popular tourist destination under Ashoka Group of Hotels, thereby setting befitting example for the potential hotel entrepreneurs of the country. Indian Tobacco Company (ITC) entered the hotel industry in 1976 with the opening of the Chola Hotel in Madras. Later on they opened hotel in Agra, Delhi, and in many other places and later on become to be known as “WELCOME GROUP CHAIN” Holiday started in April 1975 in Agra. It was incidentally the time when the wide interest for investment in the hoteliering sector started mounting among the effective and potential investors on account of the consistently increasing demand for hotel services. The strong political will to promote tourism, which realistically started emerging with the onset of 1980s, resulted into provision of a series of fiscal and non-fiscal incentives for tourism and hospitality sectors further motivated the desire of the prospective investors to come forward. Award of industry status to tourism, inception Tourism Finance Corporation and formulation of a well defined tourism policy further intensified the growth of hotel industry, especially due to growing interest of leading multinational and international chains to en-cash the promising long-term tourism potential of the country. As a result, now the reputed hotel chains operating in India include such illustrious global brands like, Holiday Inn, Worldwide, USA, Choice Hotel International, USA, Marriot, USA, ITT Sheraton, USA, Accor, France, Hyatt International, USA, Carlson/Radission, USA, Club Mediterraneau, France, Hilton International, UK, Ramada International, HongKong, Meridien, France, Nikko International, Japan, Four Season Hotels, Canada, Ritz Carlton, USA, Park Inn International, USA etc., while the chains of Indian origin, viz., Oberoi (East India
Hotels), Taj Group of Hotels(The Indian Hotels), Welcome Group (Indian Tobacco Company), Sterling Resorts, Jaypee Group, Leela Venture, Suman Motels, Ashok Group (ITDC), Asian Hotels, Sayaji Hotels, Bharat Hotels etc., have also made the world to feel their presence.

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