CHAPTER 1

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1.1. THE HOSPITALITY INDUSTRY

The hospitality industry can probably be termed as one of pioneering commercial undertakings of this world. It is part of the larger business initiative-the tourism industry. This industry supplies a gamut of services ranging from travel arrangements, accommodation facilities, food & beverages to leisure activities; i.e. all requirements of the modern day traveller, who could be travelling for business, pleasure, vacation, adventure, religious purpose or medical treatment.

The term ‘Hospitality’ means the cheerful welcoming of people, who may be known or may be strangers. It is the relationship between a guest and host. The hospitality industry is a service industry. According to Swain & Mishra (2011) the hospitality business is based on the culture of serving guests with warmth and care so that they feel comfortable and secure. They have also stated that hospitality is the fundamental need for travellers, pilgrims, wanderers, tourists etc. because it gives them a strong feel of ‘home away from home.’

From the beginning, hospitality has been an important element in enriching experiences of guests through its consistent service quality. They further elaborate that it includes hotels, resorts, restaurants, houseboats, catering establishments, bed and breakfast outlets, casinos, clubs, lounges and bars.

As per British law, a hotel is a place where a bonafide traveller can get food and shelter, provided he is able to pay for it, and is in a fit condition to be received. Here, the products being sold are perishable and intangible. A hotel is thus a commercial
establishment that provides accommodation, meals and other services to the guests. Hotels range from economical or limited service, to those providing world class services.

Tewari (2009) stated that in general to be called a hotel, an establishment must have a minimum of six guest rooms, at least three of which must have attached private bathroom facilities. Hotels are also classified as per the star rating system, ranging from one star to five star, with the number of facilities increasing with every star. This system of classification is accepted throughout the world, and ratings of hotels in the various countries are done by the government, independent rating agencies, or sometimes by the hotel operators themselves.

Restaurants are institutions that serve food and beverages to guests. These range from economy style dining halls, to fast food outlets, to takeaways, to expensive fine dining restaurants based on a particular theme.

This industry is one of the largest and most rapidly growing industries in the world, and is influenced by ups and downs in the economy. Global occurrences, such as the terrorist attacks on the World Trade Centre in the United States of America on 11\textsuperscript{th} September 2001, bombing of a hotel in Bali, Indonesia on 12\textsuperscript{th} October 2002, a tsunami in South and South-East Asia on 26\textsuperscript{th} December 2004, terrorist attacks on the Taj Mahal and Oberoi hotels in Mumbai, India on 26\textsuperscript{th} November 2008, all of which saw a massive loss of human life, have had a negative impact on the hospitality as well as tourism industry. In Pune region, after the German Bakery bomb blast in 2010, for some time there was a dip in the tourist arrivals.

The hospitality industry generates a lot of employment all over the world, directly as well as indirectly for example guides and escorts, suppliers and sellers of local handicrafts. It also brings a lot of valuable foreign exchange, as people who travel to other countries spend money on accommodation, transport, shopping, sightseeing etc.
1.2. GROWTH AND DEVELOPMENT OF THE HOTEL INDUSTRY AROUND THE WORLD

The development of the travel and tourism industry played a major role in the origin, growth and development of the hospitality industry. As mentioned above, people travel from one place to another for a variety of reasons such as commercial, personal, to visit friends and relatives, for recreation, educational purpose, or some kind of religious activity or to get access to quality health care facilities. If people travel for a few days, it is not possible for them to carry their food and a place to shelter along with them. So, this necessity is taken care of by the hospitality industry. Thus, hospitality services and tourism services are dependent on each other.

In the ancient times, the common mode of transport for men comprised of animals like horses and camels. For security reasons, they would travel in groups called caravans; and would stay put at a particular destination during the night, to avoid being looted as well as for protection from wild animals. Due to the animals getting tired, there were constraints on the distance that was being covered by them during day time. So, a place that offered water, food and safety was their main anchor for the night halt.
The concept of inns and lodging houses came into being to satisfy this need of the travellers. The earliest recorded inns were in 500 years B.C. They were the earliest form of hospitality service. Swain & Mishra (2011) stated that the term ‘inn’ is derived from the word ‘malon’ signifying a resting place for the night'. Such inns and lodging houses were known as taverns & inns in Europe, ryokans in Japan, dharamshalas & sarais in India, cabarets and hostelries in France, katalumas in Greece. They were created in the homes of the local people, who made their living by providing accommodation and other services.

Inns at first were usually managed by families, or husband- wife teams who offered large halls to travellers to sleep, in the beginning with many beds, like modern dormitories. They also had stable facilities for the animal, for feeding, watering & to rest for the night. Simple homely fare was offered to the visitors as refreshments, at an additional charge. Changing travel patterns resulted in upgrading of facilities. However, there were no high standards of cleanliness or hygiene, as is evident in the modern day hospitality industry.

Religious tourism was popularized during the Middle Ages. Churches started maintaining guest houses for pilgrims. Temples and monasteries too started providing the facility of overnight stay to pilgrims. The Muslim rulers constructed buildings in the vicinity of mosques for travellers.

Eventually roads developed on a grander scale in around the third century A.D. and horse-pulled carriages came into existence after the invention of the wheel. Large towns and cities evolved and all this led to frequent travel between destinations. People who ran inns realized that this business would yield high returns over a period of time and started constructing large guest houses for providing accommodation to travellers.

Men started travelling for trading purpose in around the fifteenth century A.D and looked for safe venues where they could rest during their long voyage. These were merchants and were not satisfied with plain inns and their simple fare; they wanted something more luxurious with delicacies for the palate. With the beginning of the seventeenth century A.D comfortable and hardy carriages were routinely used for travelling longer distances, with frequent stops at roadside inns. These inns by now had evolved into good places of accommodation where the guests could relax in a safe
environment and were operational round the year. They had become more spacious and looked after the privacy of the guests. The dormitories gave way to individual bedrooms with basic furniture.

Gradually, vertical buildings were constructed and it became commonplace to have a parlor kind of a room on the ground floor to receive guests and offer them food and beverages, with bedrooms on the higher floors. Monasteries and churches too upgraded their lodging facilities in order to cater to their visitors in a better way.

In the eighteen century A.D, travel by stagecoaches became one of the most preferred modes of transport for the upkeep of roads and bridges, tollgates were put in place and travellers using that particular stretch of road had to pay a fixed amount of money. They rubbed shoulders with the locals at the inns, who would drop in for refreshments.

With the development of the railway services and steamships, after the Industrial Revolution in England, road travel became less popular. Travellers preferred travelling by train as it was more convenient, quicker and safer, hence the volume of business of inns reduced. A few were closed down, while others changed their product in order to suit the local market, and became taverns. Soon, more and more towns and cities developed due to better connectivity by railway, and hotels started being constructed near the railway stations.

1.2.1. GROWTH OF INDUSTRY IN EUROPE

The early history of accommodation for travelers in Europe can be traced back to the Greek word 'Xenia', which encompassed hospitality as well as shelter given to a traveler from discomforts. It decreed that the city was bound to offer hospitality. However, in the city of Sparta, the severe customs did not encourage visitors, still the goddess Athena was considered to be the protector of any outsiders, and so she was known as 'Xenia Athena'.

In the early period, diplomats, philosophers, intellectuals and researchers were the main travelers. Noblemen invited guests to come and stay with them. There were buildings known as 'Leonidio' constructed in the 4th century.
The Greek put up thermal baths in villages that were meant for relaxation and convalescence. The Romans constructed lodges for use by government officers when they travelled on business.

Structured hotel business probably first originated in Europe, especially Switzerland, the patrons of which were the noblemen of that era. In the fifteenth century, France & England started having legal requirements governing hotels like keeping a register. Inns in England also became famous for their hospitality around this time, which had rooms off a courtyard on both sides and public rooms in front. Hotels started advertising their special gastronomical offerings using special signboards outside their properties.

During the end of the 1600’s there were stagecoaches that started operating at fixed intervals in England. As mentioned earlier, the Industrial Revolution in the 1760’s enabled the proliferation of hotels.

It was in the early 1800’s that the Royal Hotel opened in London, and resorts came up on the Riviera in France, (at Monte Carlo, Nice and Cannes) followed by the Italian Riviera.

The ‘Grand Tour’ of Europe- a concept that emerged in the second half of the eighteenth century was very helpful to the development of the hotel industry of this time, especially in Italy, France, Germany, Austria, Switzerland and Ireland. Heirs of rich British families and aristocracy were sent on this tour, which often lasted for up to a few years and required lodging, transport and entertainment facilities. It was a precursor to the modern day hospitality industry.

Tewari (2009) says that a few of the hotels that came up in this period include the Dolder Grand in Zurich, The Imperial in Vienna, the Vier Jahreszeiten in Hamburg and Des Bergues in Geneva. The world’s first tour operator was Thomas Cook, a British cabinet maker and part-time publisher, who organized an excursion of eleven miles from Leicester to Loughborough by rail transport in 1841, and thus gained this title. He later started a travel agency that offered package tours throughout Europe to tourists, by coordinating with the railways and steamship companies. His company too played a vital role in the expansion of the travel business throughout the world.
After the invention of air transport and commercial passenger flights, international travel received a boost, as tourists started travelling longer distances and stayed at destinations for a longer period of time. They started travelling across the Atlantic Ocean. This resulted in greater turnover for both the hospitality, as well as the tourism industry. The needs of leisure as well as travellers increased and they demanded better facilities, which led to the building of large hotels in cities and towns to satisfy them.

The world’s first ski resorts opened in the Swiss towns of St. Moritz & Gstaad in the early 1920’s, which saw a lot of foreign tourists making their way to these places.

This was followed by the emergence of destinations like Spain, Greece & Yugoslavia, as well as Portugal and the Scandinavian countries as popular tourist destinations.

1.2.2 GROWTH OF THE INDUSTRY IN AMERICA

In early times, the lodging facilities in America were based on European-style taverns. Later on, it was the American businessmen who caused a transformation in the perception of hotels, due to their revolutionary concepts and strong marketing skills. The 73 room City Hotel opened its doors to the public in New York in 1794, and it was precursor to today’s hotel industry. This was followed by the Exchange Coffee House in Boston, the second City Hotel in Baltimore and the Mansion house in Philadelphia. The Tremont House in Boston was launched as a luxury hotel with 170 rooms having modern conveniences and was the first to offer running water, indoor plumbing and bathing facilities, as well as front office facilities like reception and bell boys. Hotels started operating around city centres.

The nineteenth century saw the launch of more luxury properties like Grand Pacific, the Palmer House, The Sherman House in Chicago and the 800 room The Palace in San Francisco. The 450 room Statler Hotel in Buffalo, New York was the first business hotel, which commenced operations in the year 1908.

The hotel industry continued to flourish for the next few years, till the Great Depression hit America in the 1930s, which saw a lot of owners being forced to sell their hotels in order to stay afloat. In the 1940s again the industry started picking up.
Travelling reduced after the Second World War due to wide-spread destruction and economic melt-down, but slowly regained its fascination among people in the 1950s. Road transport improved with the construction of highways, leading to hotels on highways, called as motels. Tourists started visiting seashores, mountains, hills, rivers and lakes, for pleasure and to spend vacations, which led to the creation of resorts at these venues.

Motels grew at a rapid rate in the next few decades and budget hotels providing limited facilities at lesser rates came into existence. All these developed into country-wide and international chains.

In the 1970’s, hotels started being built exclusively for business people. i.e. business hotels. They started presenting a larger number of facilities, as well as a greater variety of cuisines to the discerning travellers.

In the 1980’s and the 1990’s, this development continued unhindered, with more and more properties opening up, offering a plethora of services. At a certain point of time however, the events occurring in Middle East Asia i.e. the Gulf war adversely impacted the hotel business. It was at this time that hoteliers started coming up with innovative marketing strategies like tie-ups with airlines to have ‘frequent flier programmes’ to increase their business.

Today there are various types of hotels; apart from resorts and motels. Airport hotels are located near the airports. Business hotels are located near the commercial centers of cities. Heritage hotels are those that have been converted from erstwhile castles, palaces and forts, built before 1950. Apartment hotels have suites with kitchen facilities, where the guests can make their own food. Casino hotels are those that have gambling facilities on the premises. Convention hotels have plenty of space to hold large gatherings and conferences. Timeshare properties are those properties that sell ownership to an individual for a specific part of the year.
1.3. HISTORY, GROWTH AND DEVELOPMENT OF THE HOTEL INDUSTRY IN ASIA

Asia is a vast continent, the largest amongst all the continents in this world. It is a large land mass, with about 50 different countries. Some of these are amongst the most popular tourist destinations of this world, and include Japan, China, India, Malaysia, Sri Lanka, the Gulf countries of the mid-east such as Israel, Jordan, Dubai, Oman etc. Sri Lanka, Thailand, Singapore, Indonesia etc. today witness high tourist traffic.

But, how did it all begin?

In the middle-ages, caravan-serais were built in the mid-east for resting-places for caravans. In the 1200’s, China and Mongolia had staging posts that were constructed for travellers and the benefit of couriers. As the hotel industry developed around the world, so did it develop in Asia, with traditional inns known as Ryokans that came up in Japan. After this period not much is known in detail.

In 1869, the Suez Canal opened, and with it, travels to Asia from Europe started on a large scale, with the arrival of steamships. The Eastern & Oriental Hotel, with more than a 100 rooms was built in Malaysia, at Penang. At around the same time, the colonial-style Raffles hotel was constructed in 1880’s in Singapore, named after Stamford Raffles, the founder of modern-day Singapore. Both of these were constructed by four Armenian brothers. They later on acquired The Strand, which was built in Rangoon, Burma (today known as Yangon, in Myanmar) by a British gentleman. All these hotels primarily catered to the British officers in the colonial times.

In China, before the 1970’s travel was only done by government officials. It was only after this period that modern-day hospitality business started developing with the construction of hotels, resorts, rest-houses etc.

In the 1970’s with the emergence of the middle-eastern countries as the main suppliers of petroleum in the world, there was tremendous increase in business travel to these destinations. To cater to the upsurge in the number of visitors, more and more hotels started coming up in the cities of Dubai, Abu Dhabi etc.
In the 1980’s in Turkey, the Sultan’s Ciragan palace in Istanbul underwent massive revamping and restoration in order to be converted into a hotel, which commenced operations in 1991 as part of the Kempinski Chain.

In the 1990’s in Dubai, the Burj Al Khalifa was built, a super-luxurious hotel, standing on a man-made island, and one of the greatest attractions of the city today.
1.4. HISTORY, GROWTH AND DEVELOPMENT OF THE HOTEL INDUSTRY IN INDIA

The hotel industry in India existed even in the era of the Indus Valley Civilization as people travelled then primarily for the purpose of trade as well as religious pilgrimages. The old texts and literature, including Hindu mythology has references to provision of accommodation and food to travellers. India was famous for gold, precious stones, spices and silks and trade existed with countries like Malaysia, China, Japan, Greece and Italy. Travellers used animals for covering distances on land and boats to cross seas and rivers.

Tewari (2009) stated that the history, growth & development of the hotel industry in India can be studied on the basis of three definite eras-

1. The Ancient & Medieval Era- which existed from the days of the Indus Valley Civilization to up to the 1600’s.

2. The Colonial Era- when the British ruled India which lasted up to 1947.

3. The Modern Era- which existed from the year 1947 onwards, after India gained independence.

1.4.1. THE ANCIENT PERIOD

Ancient Indian philosophy says that ‘atithi devo bhava’ which means that the guest is god. Though there was no organized hospitality industry in India at that time, travellers and guests got accommodation in lodging houses known as ‘dharamshalas’. Famous Chinese scholars like Fa Hien & Huan Tsang who visited the country during the rule of Chandragupta Vikramaditya & Harshvardhana respectively spoke about the presence of lodging facilities for travellers. Huein Tsang specifically mentioned the facility of providing food to 10,000 students at the Nalanda University, which was a world famous centre of learning.

The Muslim rulers of the medieval era, between the eleventh & thirteenth centuries, constructed musafirkhanas & sarais where messengers of the postal service could rest. Allaudin Khiljjee was instrumental in starting dak chowkies for postal delivery using horse runners.
The Mughal emperors built sarais for travellers that gave them shelter, provided water and stables for the animals. Till this day, Delhi bears testimony to the fact, proved by the existence of localities named Katwaria Sarai, Lado Sarai etc to name a few.

1.4.2. THE COLONIAL PERIOD

However, the Indian hotel industry, a precursor of modern day hospitality is said to have started developing in the seventeenth century, after the Europeans arrived. At that time, it was the foreigners who themselves started running hotels for the Europeans as well as the British rulers. The Racquent Court and the Portuguese Georges were the earliest hotels that opened in Mumbai, Maharashtra, (known as Bombay at that time) in the 1800’s.

The Victoria hotel, also known as the British hotel was a famous property of that era. Watson’s, which catered exclusively to the Europeans & the Auckland Hotel in Kolkata were some other famous properties.

It was in 1903 that the Taj Mahal Palace & Tower opened its doors to the public in Mumbai. It was built by Mr. Jamshetji Tata after he was not allowed to enter Watson’s Hotel, as he was an Indian. This was the first luxury hotel for Indians, started by an Indian and is amongst the country’s best hotels till date, a landmark in Mumbai and remains one of the places that a tourist in Mumbai must visit on his trip to the financial capital of the country.

Mr. Shapurji Sorabji built the Grand Hotel in Mumbai in 1923.

The Oberoi group of hotels was founded in the 1930’s by Mr. Rai Bahadur Mohan Singh Oberoi, took over the Cecil Hotel Shimla that was once owned by a European.

1.4.3. THE MODERN PERIOD

After the British formally left India the hotel industry continued to flourish rapidly. The Taj and Oberoi groups that were already present on the scene continued their rise by taking over properties that had been set up by the erstwhile colonial masters and expanded their business overseas as well. In the 1970’s the ITC (Indian Tobacco Company) group entered the hotel industry after forming the ITC Welcomgroup, with the Sheraton Chola at Chennai (then known as Madras). Today the brand is known for
its tagline of ‘Responsible Luxury’ and is one of the most environment-friendly hotel brands in the country.

Regional hotel and restaurant associations came up in 1949 with head offices in New Delhi, Mumbai (Bombay), Kolkata (Calcutta) and Chennai (Madras), which formed the Federation of Hotel and Restaurant Association of India (FHRAI) in 1955. This body works as a co-coordinator between the industry, government policy makers, international tourism and hotel associations and others who have an interest in the field.

The Government of India started The Ashok Hotel in 1956, one of the largest and most luxurious hotels in New Delhi, popular amongst tourists as well as businessmen. The Indian Tourism Development Corporation (ITDC) was constituted in 1966, which opened more hotels as well as related services across the country.

The Leela group, Sarovar Group, Shalimar group, Pride group, The Lalit group, The Kamat group etc are all Indian hotel chains that came into existence in the last few decades.

International hotel companies like Hyatt, Best Western International, Marriott, Carlson, Four Points, Starwood etc. have made a successful foray into the Indian market.

1.5. CLASSIFICATION OF HOTELS IN INDIA

To classify operational hotels into different categories, the Ministry of Tourism (2014) has framed a voluntary scheme, so as to offer modern and uniform standards of facilities and services to the guests. Hotels in India are divided into two categories depending on the approval from the Ministry of Tourism:

1. DoT (Department of Tourism) classified hotels
2. DoT (Department of Tourism) unclassified hotels

1.5.1. CLASSIFIED HOTELS

Hotels are classified based on the number of facilities and services provided by them.
Such hotels that are classified under the Ministry of Tourism are entitled to various aids like tax incentives, interest subsidies, and import benefits. However, since the classification process is complex and time-consuming, a substantial number of the hotels in India are as yet unclassified. The Ministry of Tourism classifies hotels in the following manner:

- Star category hotels
- Heritage hotels
- Licensed units

1.5.2. STAR CATEGORY HOTELS

This system of classification of hotels is popular all over the world. This rating of hotels is carried out by the government or semi-government sources or independent rating agencies. In India, the classification of hotels is carried out by the Hotel and Restaurant Approval Classification Committee (HRACC) - a central government committee that checks and evaluates the hotels depending on the facilities and services offered.

This committee consists of the Chairman (HRACC) and other members selected from government and industry associations such as the Federation of Hotel and Restaurant Association of India (FHRAI), Hotel Association of India (HAI), Indian Association of Tour Operators (IATO), Travel Agents Association of India (TAAI) or Institute of Hotel Management and Catering Technology and Applied Nutrition (IHMCTAN). The committee visits the hotels to assess the facilities and services offered by the hotel and then depending on this, will award the grade. Some facilities are mandatory, while others are desirable for a hotel to be classified under the star category.

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

i. One Star Hotels
Such properties are usually small, with basic facilities and plain food. Although main meals like lunch may not be served, or there may not be attached bathrooms for each room, standards of hygiene, comfort and cleanliness have to be maintained.

ii. Two Star Hotels

These hotels are small to medium sized with more facilities as compared to one star hotels. There are attached bathrooms with well-furnished bedrooms and food & beverages are available.

iii. Three Star Hotels

These hotels are bigger in size as compared to one and two star category ones. There usually is one restaurant with a prominent reception and larger public areas. Guest rooms will be well-furnished with attached shower & good quality supplies in the bathrooms. There will be direct dialing phone service, as well as room service available.

iv. Four Star Hotels

Here, guests expect a certain amount of luxury and style in the overall furnishing style and ambience of the hotel. Guestrooms are large and have co-ordinated furnishing and décor. The attached bathrooms are spacious and have both a bath as well as shower area. Staff to guest ratio is high, and there is a bell desk, twenty four hour room service, multi-cuisine restaurant, laundry & dry-cleaning service.

v. Five Star hotels

These hotels have spacious and luxurious accommodation, that are at par with international standards. Great attention is paid to interior designing, which should be elegant and offer the utmost comfort. Soft furnishings should be spotless and perfect. Service standards are formal, with highly skilled and technically sound staff members who are well-supervised and extremely attentive to guests every requirement.

**1.5.3. HERITAGE HOTELS**

These hotels operate from forts, palaces, castles, jungles, river lodges and heritage
buildings. They are representatives of an era gone by, of the riches and opulence of the past. The categories within heritage classification include heritage grand, heritage classic and heritage basic, as per the Ministry of Tourism.

i. Heritage Basic

These should have architecture that fulfills the requirements of a heritage hotel.

ii. Heritage Classic

These are palaces, forts, havelis, hunting lodges, and grand homes etc., constructed between 1920 & before 1935, that have been converted into hotels.

iii. Heritage Grand

These are palaces, forts, havelis, hunting lodges, and grand homes etc., constructed before 1920, that have been converted into hotels.

1.5.4. 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.

1.5.5. UNCLASSIFIED HOTELS

These are the hotels that have not opted for the star classification. They also cannot be considered under heritage hotels.

1.5.6. BRANDED HOTELS

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, Homotel, and Ibis are some of the popular budget hotels.

1.5.7. OTHER SMALLER MEMBERS

These are small hotels, motels and lodges that are spread across the country. This segment is highly unorganized and low prices are their unique selling point.
1.6. PROFILE OF THE INDIAN HOTEL INDUSTRY OVER A PERIOD OF 10 YEARS- FROM 2002 TO 2012

If there is one constant in the lodging industry, it is that everything changes. For example, changes in transportation technology brought about an increase in both hotel supply (number of rooms available to rent) and demand (people who want to rent rooms on use services). More people began traveling more frequently than ever before. With the rise in demand came an influx of new supply - hotels judiciously located and designed to service guests.

Vardharajan, Goel & Karulkar (2011) observed that the Indian hospitality industry recorded a healthy growth in the first half of the millennium, i.e. from the year 2000 to 2005. There were high occupancy rates during 2005 -2006 and 2006-2007. This resulted in higher Average Room Rates (ARR) for hotel rooms. The discrepancy between the number of hotel rooms available and the number required, led to an increase in average rates. This was commonly seen in the metros. Indian hotels were charging higher rates, at times much higher than that those charged by those in the other countries.

Due to the lucrative returns observed in the hotel industry in India, a number of hotel groups, domestic as well as international, made a foray into the market. Thus, India transformed into a much sought-after destination for such investments, that came in at a swift rate.

However, the meteoric rise in room rates made corporates search for alternate lodging possibilities. To fulfill this niche, there emerged corporate guesthouses and service apartments in the large cities and metros, which were definitely more affordable than hotel rooms. The increase in Average Room Rates in 2006-2007 led to a drop in the occupancy rates. Then due to the global economic slowdown in the ensuing years, the demand declined further. The Mumbai terrorist attacks that struck at the heart of the symbols of Indian hospitality-The Taj Mahal Palace & Towers & The Oberoi further led to the occupancy levels hitting rock-bottom during 2009-2010 and reduction in the number of international tourists coming to the country. In the year 2008, there were 5.28 million foreign tourist arrivals in the country, which went down to 5.17 million in 2009, as per the Ministry of Tourism- Government of India statistics.
There was a silver lining to this cloud, as it was during this period that the number of domestic tourists moving within the country surged. While average rates remained lower, occupancy rates rose, supported by surge in domestic tourist movements across India. The industry now has reported a positive development from 2010-2011 onwards, due to an increase in domestic travel, as well as international tourist arrivals. It is observed that robust increase in the per capita income in India has a positive impact on the domestic tourism market. There is a definite shift in the demography of the country. The rising young population along with its changing lifestyles and disposal income, has resulted in more and more expenditure on leisure services.

As per Ministry of Tourism- Government of India Statistics (2012) There were 57, 75, 692 foreign arrivals in the country in 2010, which increased to 63, 09, 222 in the year 2011. At the end of December 2012, there were 65, 77, 745 foreign arrivals in India. Consequently, the amount of foreign exchange earned by the country in Indian rupees was Rs. 64, 889 crores in the year 2010. This increased to Rs. 77,591 crores in 2011 and at the end of 2012, stood at Rs. 94, 487 crores at the end of 2012.

1.7. CURRENT STATUS OF THE INDUSTRY

The Indian hotel industry is a highly divided one, with a large number of small and unorganized players accounting for the major portion. Some of the main stakeholders in the organized segment include Indian Hotel Company (Taj group of hotels, The East India Company (Oberoi group of hotels), the ITC Welcomgroup Hotels, the Leela group of hotels (Hotel Leela Venture Ltd). Dun and Bradstreet (2010) opined that the fragmented nature of the Indian hospitality industry is reflected in the Herfindahl Index of Concentration, which was at 0.062 in FY07.

There is high seasonality in the Indian hospitality industry, with the demand peaking during the months of October to April. The monsoon period is generally the off-season. It was observed that Indian hoteliers made most of their money in the December and March quarters. However, one can see this trend changing in the past few years. To boost occupancy during the lean months and thereby generate revenue, hotels have introduced various offerings, such as targeting the MICE (Meetings,
Incentives, Conferences and Exhibitions/Expositions) segment and offering them attractive packages.

HVS Global Hospitality Services (2011) says that this industry is a labor-intensive industry. Thus, quality of manpower is of vital importance. The industry generates employment directly as well as indirectly, to skilled, semi-skilled as well as unskilled labor. The average employee-to-room ratio in India is 2.7 for luxury hotels, 2.11 for upscale, 1.52 for mid-market and 0.72 for budget hotels. The Indian average is 2.01, which is twice that of the world. It is observed that Hotel owners in India have higher manpower requirement. Today, well-known international hotel chains have forayed into the Indian market, across the various categories. In a bid to sustain themselves in the face of competition, Indian hotel companies have been forced to re-think on their manpower planning and use staff efficiently.

In the past few years, one sees that the hotel industry has developed rapidly in Tier II cities like Pune, Chandigarh, Jaipur, Kochi, Agra etc. apart from the Tier I cities like Mumbai, New Delhi, and Chennai & Kolkata. This is because of the rapid rise in estate prices, because of which commencing business operations and hotels in major metros entails a lot of costs. So, hotel companies prefer setting up their properties in these cities. Thus the hotel industry has progressed and expanded in these places in the country where international hotel companies like Radisson, Hyatt, Starwood group (Westin, Le Meridien and Four Points by Sheraton), Ibis etc. have launched their properties during the period of this study (i.e. from the year 2002 to 2012).

The country is observed to be one of the fastest growing medical tourism destinations in the world. According to the Market Analysis Report by RNCOS Business Consultancy Services (2013), the Indian medical tourism industry is anticipated to register a Compound Annual Growth Rate (CAGR) of more than 20 per cent during 2013-2015, therefore, creating vast possibilities for investments.

To illustrate this point further, one can give the example of a number of international hotel companies who are in the process of expanding their business in India, such as Hilton Worldwide which has opened its upscale brand of hotel, Hilton Garden Inn at Thiruvananthapuram. Hilton also plans to launch its operations in prime city centre locations across India.
Marriott International plans to open more than a dozen hotels in India by the end of 2016, adding to its existing count of 23 properties.

The French hotel chain operator Accor has expanded its Novotel hotel network across India, and has opened its eighth hotel under this brand in the country at Pune, Maharashtra. US-based hospitality and entertainment firm Hard Rock Hotels and Casinos plans to open its first five-star property in India.

In this industry micro markets have developed, particularly in primary cities. Due to the expansion of cities and augmentation of the business districts, to save time and energy spent in commuting, guests and travelers choose to check into hotels that are in the proximity of their area of work or visit. As a consequence, we see that a hotel company develops hotels in multiple locations in the same city to tap this market potential. A prime example of this in the area of this study, namely Pune region is the J.W. Marriott, (earlier known as ) Pune Marriott & Convention Centre, located in Shivajinagar, Courtyard by Marriott Citi Centre near the Railway station, Courtyard by Marriott at Hinjewadi near the Information Technology Park, followed by Courtyard by Marriott, Chakan near the upcoming Pune airport. Another example is of the Hyatt Regency & the Grand Hyatt in Mumbai.

1.8. INITIATIVES BY THE GOVERNMENT OF INDIA TO PROMOTE THIS INDUSTRY

As per the consolidated FDI Policy, released by DIPP, Ministry of Commerce and Industry, Government of India, 100 per cent Foreign Direct Investment has now been permitted in the hotel and tourism sector. Moreover, the Government is designing a single tax structure to be followed across the entire country and thus rationalize the taxation charged on hospitality industry.

As per data released by Department of Industrial Policy and Promotion, Government of India(2013), the foreign direct investment (FDI) inflows in hotel and tourism sector during April 2000 to September 2013 stood at US$ 6796 million.

To endorse its hospitality and tourism industry across the globe and attract travellers from all corners of the world, the Indian Government has launched various campaigns.
like ‘Atithi Devo Bhava’, ‘Colors of India’, and ‘Incredible India’ to name a few. A Hospitality Development and Promotion Board has also been established to monitor and expedite hotel project approvals.

The Ministry of Tourism has been making efforts to develop quality tourism infrastructure at tourist destinations and circuits in the country. As per the 11th plan, Ministry of Tourism Statistics (2013), it has sanctioned Rs 4,090.31 crore (US$ 652.42 million) for tourism projects, which includes projects related to Product/Infrastructure Development for Destination and Circuits (PIDDC), Human Resource Development (HRD), Fairs and Festivals and Adventure & Rural Tourism for infrastructure augmentation.

In the year 2002, there were 2.38 million foreign tourist arrivals in India which went up to 6.58 million in the year 2012, over a span of 10 years, as per the Ministry of Tourism, Government of India (2012) Statistics.

To promote the medical tourism and health sector, the Government of India has allowed free medical visas for Maldivian nationals for 90 days. The Ministry of Tourism, Government of India and the Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism, Government of Japan have signed a memorandum of understanding (MoU) for strengthening cooperation in the field of tourism. This would simplify travel and tourist visits and further fortify the tourism partnership between the two countries.

In order to attract foreign visitors, India has a system of Visa on Arrival for citizens of foreign countries like Finland, Japan, Luxembourg, New Zealand & Singapore from January 2010, and extended it to six more countries-Cambodia, Indonesia, Vietnam, The Philippines, Laos and Myanmar in January 2011.

In the near future, the Government of India will try to create and market new and upcoming tourist destinations in order to satisfy the increasing requirement for tourism and hospitality in India.
1.9. PROFILE OF THE INDUSTRY IN MAHARASHTRA

The Confederation of Indian Industry (2010) says that Maharashtra has always led the country's industrial development scenario and continues to attract the largest quantum of investments, both domestic and foreign. The State has established strengths in every sector including engineering, automobiles and auto components, chemicals, drugs and pharmaceuticals, textiles, information technology, biotechnology and many others. Around 30 per cent of India's exports - gems/jewelry, textiles/garments, leather goods, engineering goods, plastics, pharmaceuticals, electronics/information technology, horticulture - are from Maharashtra.

The State boasts of one of the best financial infrastructures in the country and is commonly referred to as an economic powerhouse. Important financial institutions like the Bombay Stock Exchange, the National Stock Exchange and Reserve bank of India are located in the State. In fact, Maharashtra is justly proud of its investor-friendly environment. It has consistently been ranked the best among major Indian States in World Bank’s Investment Climate Assessment surveys, especially in terms of having better infrastructure, less corruption and a relatively deregulated business environment. Maharashtra is indeed a growing economy with a growth rate of 7.1% for the last decade.

The State of Maharashtra is home to one of the fastest-growing contributors to India’s economy, the hotel industry. Today, in addition to the previously existing chains like the Taj group, the ITC Welcomgroup, the Leela group & the East India Company (Oberoi group), we see that there are international hotel chains that have established themselves as leaders in the market, such as Hilton, Hyatt, Marriott, Starwood and Accor, to name a few.

The cities of Mumbai, Pune, Aurangabad, Nagpur, Nashik, Kolhapur as well as the Konkan coast are witness to this phenomenon. Maharashtra is blessed with a 720 km long coastline, which offers tourists access to the famous chowpatties as well as little known beaches that are a sight to behold, like Anjarle and Velas in Dapoli & Tarkarli in Malvan, apart from the famous ones at Alibaug and Mumbai. There are beautiful hill-stations like Lonavala, Khandala, Panchgani, Mahabaleshwar, Matheran, Amboli
and Bhandardhara. The Kaas Plateau near Satara is a UNESCO declared World heritage site, which is home to exotic flora, visited by thousands of tourists during the flowering season every year.

So there is something on offer for every traveller. These travellers need accommodation and food, thus the hotel industry has thrived. There are numerous types of accommodation facilities ranging from guest houses and lodges, to star category hotels and resorts to suit every pocket. There are different category hotels like luxury hotels, apartment hotels, business hotels and airport hotels, to name a few.

This industry is responsible for not only getting valuable foreign exchange, but it also positively impacts the economy in other ways by generating employment, directly as well as indirectly, through the Multiplier effect of tourism.
1.10. PROFILE OF THE INDUSTRY IN PUNE REGION

Pune city is the cultural capital of the State of Maharashtra. It has a rich and vibrant history and culture, due to its relationship with the Maratha empire, being the seat of the Peshwas. It is also the Mecca of education and acknowledged as the Oxford of the East far & wide, due to there being numerous institutes of repute offering higher studies. Students from within the country as well as other countries come here every year to seek admission for a range of professional courses, traditional as well as upcoming ones.

The ancient Khandoba temple at Jejuri near Saswad, and the Ekvira temple on the hills of Malavli near Lonavala & Khandala see scores of pilgrims visiting every day, to seek the blessings of these benevolent deities. The Chaturshringi temple as well the ancient Pataleshwar temple are famous amongst locals as well as visitors. Other historical monuments in Pune city include the Aga Khan Palace and the Shaniwar Wada. Museums like Raja Kelkar Museum, Mahatma Phule Museum and the Tribal Museum display the emblems of the city’s glorious past. Earlier renowned for its automobile and forging industries, today Pune is famous for Information Technology companies, BPO’s and KPO’s.

Since Pune has no Central Business District as is present in most large cities, the industrial areas are located in proximity to the city and are concentrated in places like Pimpri, Chinchwad, Bhosari, Talegaon, Pirangut, Hinjewadi, Chakan, Ranjangaon, Kharadi and Magarpatta. With the growth of the industrial sector, especially manufacturing, automobile & information technology, it is seen that there are a lot of corporates & business travellers stopping over for a few days.

Moreover, its proximity to Mumbai makes it an easily accessible destination, connected to most parts of the country by air, railways or roadways. The opening of the Mumbai-Pune Expressway in the year 1999 has greatly reduced the travelling time between these two cities, and contributed greatly to the proliferation of industry here.

The profile of guests who visit Pune hotels ranges from business travellers to people who have come to participate in MICE (Meetings, Incentives, Conferences, Exhibitions/Expositions) Tourism, for which Pune has emerged as a popular destination. This is due to better connectivity with Mumbai as well as better air
connectivity to most of the destinations within the country as well as a few international destinations.

Earlier, there were few good star-category hotels in the city. The Blue Diamond, Holiday Inn, Le Meridien, The Pride Hotel and Aurora Towers were some of the established hotels, that catered to the demand of the guests till the late 1990’s. It was in the year 1999 that the Taj group made is entrance in the city, taking over The Blue Diamond Hotel and renaming it as the Taj Blue Diamond.

The current scenario is a far cry from those days. International hotel brands vie for attention of prospective guests in Pune region. HVS Global Hospitality Survey (2012) stated that there were 5672 hotel rooms available in Pune city in the year 2011-2012, as against 777 hotel rooms in the year 2006-2007.

At this moment, there are properties like the J.W.Mariott, Courtyard by Marriott, Hyatt Pune & Hyatt Regency, The Westin, Oakwood Premier, Oakwood Residences, VITS & Orchid, Holiday Inn, Sayaji, Radisson, Sun n Sand, Ibis, Novotel, Ramee Grand etc., running operations in and around Pune, Pimpri, Chinchwad, Chakan & Kharadi areas. There are resorts like the Fariyas resort, The Duke’s Retreat, Lagoona in the hill-stations of Lonavala & Khandala. The Mercure Lavasa is doing good business at Lavasa. The State’s only fort hotel-Fort Jadhavgadh, a five star heritage property is located in Saswad town, in Pune district. These are but a few of the representatives of the hotels in Pune city operational till 2012.

Thus, the Researcher has elected to base this study on the period between 2002 to 2012 when growth & development of hotels in Pune region was actively recorded.
1.11. BACKGROUND OF THE STUDY

Nowadays, we hear a lot about saving the environment, conservation of natural resources, implementation of eco-friendly practices in our day to day life etc. Right from school, children are taught the importance of saving natural resources, planting trees, segregating garbage and recycling.

Going green has become the new mantra for every consumer to show his or her awareness about the environment. The different industries too are doing their level best to showcase themselves as eco-friendly, so as to build a loyal base amongst these newly aware consumers. The hotel industry is no different. Most hotels say they promote green practices in their daily operations, so as to target these customers. They also do it to save costs in the long run and opt for certifications from independent auditing agencies to get approved. But why is it so?

1.11.1 CONCEPT OF GREEN/ECO-FRIENDLY/ENVIRONMENT-FRIENDLY HOTELS

A few years ago, the perception of eco-friendly awareness in the hospitality industry around the globe involved putting up tent cards in the bathrooms that requested hotel guests to reuse their bath towels and bed sheets, instead of asking for a change of bath and bed linen, after using it once. Another way, in vogue, was to use recycled paper stationery & newspaper bags. In India too, the case was hardly different, with most of the hotels limiting themselves to these simple and basic ways of showing their environmental awareness. There was no concrete action plan in most hotels, with specific guide-lines for following green initiatives in hospitality operations.

However, today we find that there is a trend internationally towards greening of hotels i.e. following eco-friendly practices, in all aspects of operations and in as many departments as possible. It includes using solar energy, harnessing wind energy, rainwater harvesting, waste management, organic farming, using local produce, constructing green buildings etc. This trend is mainly due to the fact that the hotel industry has realized that greening of hotel and resort properties is not only one of the main factors in saving costs, but also satisfies the requirements dictated by today’s discerning, environment-conscious traveller. Such a traveller or a hotel guest wants to contribute in saving the earth’s natural resources and support the environment by
using eco-friendly measures. These guests prefer to stay in hotels that use these measures while providing accommodation, food & other facilities that are as per their decided standards.

Walker. J.R. & Walker J.T. (2010) have said that Eco efficiency, termed “green” is based on the concept of creating more goods and services while using fewer resources and creating less waste and pollution. They further stated that sustainable lodging, also known as “green hotels” has become a powerful movement. Corporations as well as independent properties are becoming greener in their operating practices.

Sloan, Legrand & Chen (2013) stated that sustainable hospitality operations or ‘green hotels’ aim to reduce their impact on the environment and society.

The movement towards sustainability has expanded across the globe, in all fields. We see that Government & Non-Government organizations, corporations, as well as consumers are increasingly focusing on the need to exist in harmony with their surroundings, and reduce their environmental footprints. The Hospitality Industry is no exception, and finally, the concept of sustainability has begun to gain momentum in this sector.

Brundtland Commission’s “Our Common Future” (1987) sponsored by the United Nations brought out notion of sustainability. According to the WTTC (1996), three International organizations-The World Travel & Tourism Council, The World Tourism organization & the Earth Council developed the Global Environmental Certification Programme for the Travel & Tourism Industry in the year 1996. An action plan –‘Agenda 21 for the Travel & Tourism Industry: Towards Environmentally Sustainable Development’ was lodged jointly by these organizations. This eventually led to the launch of the ‘Green Globe’ an international benchmarking certification & performance-improvement programme based on the Agenda 21 principles.

Sloan, Legrand & Chen (2013) opined that the hospitality industry set about incorporating the philosophy of sustainability in the early 1990’s. With the publishing, of Agenda 21 for the Travel and Tourism Industry for the first time individual businesses and the hospitality industry were encouraged to adopt codes of conduct promoting sustainable travel and tourism best practices.
This programme seeks to identify the various environmental & developmental issues that threaten the economy & ecological balance. It also advocates a strategy for gradual transition to more sustainable development practices. Hotels can get ‘Green Globe’ certified by addressing important environmental issues in critical areas such as greenhouse emissions, energy efficiency, management of freshwater resources, ecosystem conservation & waste water and solid waste management. In addition to Green Globe & Agenda 21, the Hospitality Industry has numerous regional certification programmes developed by the governments of those countries, as well as the private hotel companies.

With this background in mind, if one observes the developments across the past 10 years, it is seen that travelers have become greatly aware about the environment that they live in. Modern day travelers have become conscious about their carbon footprint; and to fulfill a part of their responsibility towards the environment & the ecology, they are increasingly being drawn to stay in hotels, which too, are environment conscious. Hence today, we find that a lot of hotels are incorporating green practices in their day to day operations, to cater to the need of these travelers, as well as to do their bit, for the environment.

Over the past few years, hotels have followed the trend of using more and more local produce in their food & beverage operations as a part of this initiative. They grow herbs and vegetables in their own garden, and serve them to their guests. Also, the use of industrial chemical cleaning agents has reduced, with the hotels going in for green cleaning products, that do not leave residual chemicals in the area, long after the housekeeping has finished with the cleaning. This is a welcome change for the housekeeping staff, as prolonged exposure to such chemicals almost always leads to respiratory illnesses.

Over the last decade, the movement towards ecologically sound tourism has swept across the world, and the various practices being implemented are as diverse as the countries in which they are implemented. Hotels companies are being prompted by rising energy costs, governmental pressure, consumer expectations & the competitive landscape to increasingly make sustainability a top priority. They are thus increasingly promoting environmentally-friendly practices; as well accepting sustainability through both developmental and operational strategies. This includes
taking steps to implement these green practices in all aspects of their day to day operations, or at any rate, those areas where these practices can be incorporated. This focus on environment-related issues is not just a passing phase, and is anticipated to continue for a long period of time.
1.11.2. GREEN HOTEL CERTIFICATIONS FROM AROUND THE WORLD

With the hotel and tourism industry becoming more and more conscious of environment-friendly practices, and their clientele too preferring green practices, it is seen that there have emerged several green certification programmes for the hospitality industry. There are several such programmes that hotels can go in for, each with its benefits and limitations. Hotels can go in for multiple classifications. Some of the more well-known certifications are mentioned below.

1. **Green Key Global**

This certification came into being in the 1990’s and as part of its Green key Eco-rating Programme, consists of an online audit of 140 questions. Hotels answer these on the basis of their responses and are awarded one to five Green Key eco-ratings. They are then shown way to reduce their operating costs and impacts on the environment, thereby earning more keys. The Green Key audit focuses on energy conservation, water conservation, solid waste management, hazardous waste management, indoor air quality, community outreach, building infrastructure & land use. One of the prominent hotel chains that has been certified by this is the Fairmont group of hotels in the United States of America.

2. **Green Globe International**

Green hotels, resorts, conference centres, transportation, travel industry, including MICE centres, Spa and golf courses generally apply for this certification and it has been recognized by the tourism industry since 1993. Hotels in Europe, Latin America, China, Middle-East, Caribbean and America have applied for this recognition in the past. To get this international certification, a hotel is scrutinized by an independent third party auditor on-site to check the facilities and products. The hotels have to reapply for recognition annually, while fulfilling an increasing number of requirements made mandatory for certification every year in order to ensure that highest standards are maintained. Movenpick Hotel and Spa, at Bangalore, Karnataka is certified under this programme.

3. **Energy Star**

The United States Environmental Protection Agency started the Energy Star
programme to reduce consumption of energy and emission of greenhouse gases. There are various categories of commercial buildings that apply for this rating, hotels are just one category.

4. Green Seal

Hotels have been certified under the Green Seal since 1995. This certification is not only for hotels, but is applicable to about forty different kinds of products. It started in 1989. To get certified under this, hotels have to apply for a primary assessment, an audit on-site and monitoring once a year to ensure adherence with standards. Waste management, recycling, conservation of freshwater resources, achieving energy efficiency and green purchasing are a few of the areas where the hotels need to fulfill the requirements. Since Green Seal certification is for different types of products, the hotel guests too would find it more authentic, as they may already be familiar with this kind of certification.

5. Audubon Green Leaf

It was in 1998 that the Audubon Green Leaf Programme started in order to help the hotel industry to provide good quality services to the guests while at the same time reducing its negative effect on the environment. Hotels first do a self-audit of their facilities & processes, followed by a Green Leaf assessment & survey. As a result, the hotels are given ratings ranging from one to five Green Leaves depending on how suitably they fulfill the criteria for energy-saving, waste reduction, resources and water conservation and prevention of pollution. The Green Leaf has a tie-up with Audubon International, which is a third-party internationally well-known environmental group.

6. Leadership in Energy & Environmental Design (LEED)

The LEED certification is a standard that is meant for the construction of green buildings in the United States. It differs from the other green certification in that it is not concerned with assessing how green the hotel’s operations are, before certifying. The programme classifies buildings as per their category i.e. Hotel, school, an existing structure, a new construction etc. and then meticulously judges them on a 110 point scale. Depending upon how many points the building earns, it earns its certification—certified, silver, gold or platinum. It is a third-party certification that assures that the
building was planned or constructed in such a way as to ensure energy efficiency, conservation of water and other resources, waste management, pollution control etc. It is one of the most trusted green certification programmes around the world. The ITC Grand Chola at Chennai, Tamil Nadu India is the world’s largest Platinum LEED certified hotel in the world.

7. **Eco Rooms & Eco Suites**

EcoRooms & EcoSuites programme emphasizes on the need for more sustainability and eco-friendly practices in the hospitality industry. They have a stringent group of EcoCriteria to promote green practices in hospitality. It offers two levels of green certifications. The first one is ‘approved’ for those who have successfully applied after fulfilling the criteria. The second one is ‘certified’ which is given after the property is audited by a member of this programme’s advisory board. There are eight main criteria, that the properties need to completely comply with, in order to get certified. Thus this is a highly difficult programme to get certified under. Some of the benchmarks include use of Green Seal products, Reuse programme for bed and bath linen, energy-efficient lighting, dispensers for bathroom amenities, efficient plumbing, smoke-free hotel etc.

8. **Sustainable Tourism Eco-Certification Programme (STEP)**

This programme was started in 2007 by Sustainable travel International which is a non-profit organization. It follows the principles laid down in the Global Sustainable Tourism Criteria that are norms for the tourism industry stake-holders to implement environment-friendly practices. Hotels in United States, United Kingdom, Asia and Australia are getting themselves certified under it.

9. **Ecotels**

This is an environment certification for the hospitality industry which aims to have a completely green/environment-friendly hotel. It seeks to do this not only through the construction, but also every aspect of operations. It is managed by the HVS Services which operates from India and the United States. The Orchid, Mumbai is India’s first Ecotel.
1.12. GREEN HOTELS

1.12.1. GREEN HOTELS IN ASIA

It was in the year 1994 that 16 well-known hotel chains like Shangri-la hotels and resorts, the Mandarin Oriental as well as the Okura hotels and resorts world-wide started the Asia-Pacific Hotels Environmental Initiative (HEI), which catalyzed Asian hotels to embrace green practices. The HEI is an offshoot of the United Nations Department of Economics and Social Affair’s division of Sustainable Development that came into existence in 1993. The Prince of Wale’s International Business Leaders Forum introduced this. The Association of South East Asian Nations (ASEAN) has established the ASEAN Green Hotel Standards which recognizes the hotels that match their standards by honoring them with ASEAN Green Hotel Awards.

Hotel companies like Thailand’s Sixth Senses Resort and Spa and Singapore’s Banyan Tree Hotels and Resorts have intelligently included green ventures in their approach towards business. A few of the Banyan Tree’s endeavors include conservation of marine life in Seychelles and Bangkok. The Sixth Senses Hua Hin Spa in Thailand used material from renewable sources (for example straw, rice husks & clay-like mud) to make green buildings.

In Bali, Indonesia, a hotel named Damai Lovina Villas obtains more than three-fourths of its ingredients through its organic farms as well as local gardens.

In Japan, budget as well as luxury hotels are following green practices in daily operations. It is seen that these hotels are even following standards set in the west for building green buildings.

1.12.2. GREEN HOTELS IN INDIA

In India, almost one-third of the energy & water usage is consumed by commercial buildings, including hotels. Thus there is a significant opportunity to assess the implementation of environmentally- sustainable practices in the hospitality industry in the country. Such practices in Indian hotels span from constructional design, to operational planning. To be a little more precise, they would entail everything from
educating guests & employees, marketing initiatives, recycling programmes, use of alternative technology & energy-saving programmes etc. Moreover, these eco-friendly initiatives help in increasing efficiency as well as saving costs.

With rapid globalization and increased exposure to world travel, one observes that this trend has percolated into the Indian hotel industry as well as into the psyche of the Indian traveller/hotel guest. It was an independently-owned business hotel, The Orchid that laid the foundation of this green revolution in the Indian hotel industry in the year 1997, by being certified as the first five star ‘Ecotel’ in Asia. This certification was done by the Hospitality Valuation Services, HVS International, New York, a global consulting and services organization which is also an ISO certified body.

An ‘Ecotel’ certification signifies that the hotel so certified, is totally environment-friendly in all operational aspects. It implements particular methods to conserve water, energy & reduce solid waste. In order to be recognized as an Ecotel, it is imperative that the hotel fulfills the criteria laid down with respect to energy efficiency, conservation of water, management of solid waste, educating employees & building community awareness as well as commitment to the environment. These are the ‘five globes’ of an Ecotel that a hotel must follow, in order to maintain its classification as an Ecotel. The HVS sends environment experts to inspect the property annually, to ascertain that it follows the norms specified by it, so as to ensure its continuation as an Ecotel.

The initial costs of setting up an Ecotel or an environment-friendly hotel are high. However in the long run it is more profitable, as the running costs are lowered. These hotels are usually constructed using environment-friendly materials like PPC cement (Portland Pozzalana cement), which last long, save energy (almost 40 per cent more) and insulate against extremities of weather. The windows are sealed thermally and double-glazed, thereby preventing heat and noise from entering the room. These measures lower air-conditioning or room heating costs and save electricity.

All lighting requirements of the property are fulfilled using low energy lamps (compact fluorescent lamps). When guests insert the room’s key cards, then only the room lights and air-conditioning are switched on. Sometimes, the rooms may have
interactive television sets, which are used to send or receive messages and clear bills, thus saving paper or phone costs. Water is preserved and recycled. All taps in the guest rooms, toilets, cafeteria and the kitchen contain special devices that increase force and decrease water outflow, saving nearly 50 per cent water. Recycled water is used for gardening & air-conditioning. Rain water may be collected in rain-harvesting wells, which helps to restore the water table.

India’s largest as well as oldest hotel chain, the Taj group of hotels, is working under the Taj Earth initiative (Environment Awareness and Renewal at the Taj group), with EC3 Global, an international environmental advisory group to reduce its carbon emissions.

While the concept of global greening is more than a decade old, in the country, it has picked up speed in the past few years, or specifically the past ten years, through government initiatives and increasing awareness. Realizing the long-term commercial benefits, Indian hotels have also welcomed the trend. Sustainable practices are not only here to stay but are also anticipated to further become a focus of the hospitality industry in the future.

The Taj Hotels, Resorts & Palaces (The Indian Hotel Company), India’s oldest hotel chain has shown its commitment towards the environment by implementing the Taj EARTH (Environment Awareness and Renewal at Taj Hotels) programme in all the properties belonging to this chain. It was recognized for its energy-conservation & environmental management efforts by EarthCheck, which is a global certification programme in the hospitality industry. This movement seeks to greatly reduce, in fact to minimize the negative impact of its business operations on the environment. There are energy audits done every three years & each employee of the group must undergo environment training. The group also emphasizes on a phase by phase reduction of its freshwater consumption.

Across its properties where there is sufficient land, waste from the kitchens & dry leaves are utilized efficiently to make compost, that will be used in the hotel’s garden. A few properties have grown their own herbs like basil and celery in their kitchen garden, which are used in the kitchens. A few ways common to all the Taj properties
include converting paper that was used for printing and left blank on the other side into writing pads. Used bed sheets are converted into cleaning cloths & dust sheets.

Each property does its bit for the environment, for e.g. The Taj Lake Palace at Udaipur, Rajasthan located in the middle of the well-known Pichola Lake, takes special precautions to prevent spoiling of the water and causing harm to the aquatic life. Here, battery-operated boats are used to transport guests from the mainland to the hotel, instead of gasoline powered ones. The wastewater that is generated daily is recycled and used for irrigation.

The Taj Coromandel at Chennai obtains its electricity from a grid that is fed by windmills; while The Rambagh Palace at Jaipur has set up a biogas plant to reduce its energy costs. The Taj Mahal Hotel at New Delhi, has installed solar panels on its rooftop in order to increase its energy supply.

Another example is that of The Taj Garden Retreat at Kumarakom. This property is located in the proximity of the Vembanad Lake and the Kumarakom Bird Sanctuary. Several species of migratory birds have made it their favorite haunt. Here, special lighting is used to reduce the glare in order to prevent disturbances to the animal life, and wastewater is treated before being discharged.

The Courtyard by Marriott hotels in India have a company-wide ECHO programme (Environmentally Conscious Hospitality Operations) in place to provide guidance in five key areas: Water and energy conservation, clean air initiatives, waste management, clean-up campaigns and wildlife preservation.

The ITC group of hotels has its own environment-awareness programme, the WelcomEnviron. Each hotel property has its own programme, involving local participation, participation of the employees and internal conservation of energy using such tools and environment-friendly materials. This group in fact has become a global green leader in the hospitality industry.

The ITC luxury hotels group was awarded the LEED (Leadership in Energy and Environmental Design) Platinum rating a few years ago and now has become the greenest luxury hotel chain in the world. This is the most well-known standard for
green building in the world. Certified projects can achieve a higher rating of Silver, Gold, or Platinum if they receive enough additional credits. The group acquired this status due to its commitment to green buildings, which are energy efficient, utilize renewable energy, conserve and recycle water, and manage waste. In fact, the main office of this hotel group, located at Gurgaon, is in the ITC Green Centre, which is the first among large buildings in the world to get a LEED Platinum rating.

ITC Sonar Bangla, Kolkata is the first hotel in the world to obtain carbon credits. These are Certified Emission Reductions (CERs) or climate credits, issued by the clean Development Mechanism (CDM) Executive Board, for emission reductions achieved by CDM projects and verified under the rules of the Kyoto Protocol. The ITC Maurya in New Delhi has a solar concentration on its roof-top in order to fulfill its thermal requirements. ITC Grand Central, Mumbai has pioneered the concept of Green Banqueting in hotels to further reduce carbon footprints. This involves avoiding the use of disposable cutlery/cups, encouraging carpooling for the participants of conferences etc.

The Leela Palaces, Hotels and Resorts have also made an effort to reduce the impact of their products or services on the environment by using eco-friendly practices for better energy efficiency, and use of raw material obtained from sustainable or renewable sources as far as possible. The Leela Palace at Bangalore, uses solar panels installed on the roof of its porch to warm up the water in its swimming pool; while The Leela Palace at New Delhi, has the latest sewage treatment plant for treatment of wastewater, through a multi-stage process before reusing or recycling it.

Apart from the large hotel chains in the country, it is seen that even small chains, as well as stand-alone hotels have become aware of the environment issues and have started incorporating green practices in their daily operations. The Green Hotel in Mysore is a good example of a sustainable hotel in India. It was set up by a UK based charitable organization. It is located in an old restored palace; the Chittaranjan Palace originally built for the princesses of Mysore. There is a beautiful garden that is used as a restaurant. The hotel strives to be an equal opportunities employer, to incorporate environmentally friendly and energy saving practices, and to use Indian crafts in its furnishing. All profit earned goes to charitable and environmental projects in India.
The Rain Tree in Chennai is South India’s first certified Ecotel. A few ways of showing its concern for the environment include use of medium-density wood for indoor purposes, making it more manageable. All rooms in the hotel are equipped with a ‘green button’, which if pushed, reduces the strain on resources by stabilizing room temperatures. There are energy-saving lights fitted in the hotel. Moreover, only steel & glass is used in the furniture, as it is low maintenance & durable. Instead of having a platter of cut-fruits left in the guest rooms for the guests, the hotel provides a card in each room to request for fruits, if the guest so desires. The waiters here are instructed to not fill water glasses up to the brim, but pour out the required quantity of drinking water.

The Heritage, at Madurai in Tamil Nadu collects its leftover food and sends it to a local piggery farm on a daily basis. Efforts like these are on the rise in a number of hotels across India. Several hotels work with NGOs, corporate groups and educational institutions to conduct environmental community awareness programs.

Thus it is seen that there is increasing awareness in Indian hotels about environment-friendly practices. The hotel industry has started realizing that ‘going green’ would translate into higher initial costs but an overall saving in operational costs; at the same time making guests happy. However, still a lot more has to be done in the industry to promote environment-friendly practices to offset rising energy costs & the impact of global warming.

1.12.3. GREEN HOTELS IN MAHARASHTRA

It was in the year 1997, that Dr. Vithal Kamat constructed The Orchid, at Mumbai, Maharashtra. It was Asia’s first five star Ecotel. The ITC luxury hotel group too started incorporating eco-friendly practices in its hotels in the 1990’s. Its ITC Maratha at Mumbai has been honored with the FHRAI environment Champion award.

Slowly, other hotels followed. Today, we see that every large hotel group is following some kind of green practices or the other. The Rodas at Mumbai is another Ecotel that is committed to this cause. All big hotel groups having their properties in Maharashtra, such as the Taj group, Oberoi group, J.W. Marriott, Starwood (which owns Le Meridien & The Westin hotels among others), Hyatt group (now taken over
by Starwood in the year 2015), Accor group etc. today implement green practices to some extent in their daily operations.

1.12.4. GREEN HOTELS IN PUNE REGION

Apart from the hotels mentioned above, a special mention must be made about the Kamat group’s Hotel VITS and Orchid in Pune, which is following all the green practices that are in existence at The Orchid, Mumbai. However, it is not an Ecotel. The majestic five star Fort Jadhavgadh (also belonging to the Kamat group) at Saswad town, Maharashtra’s first fort heritage property, keenly implements environment-friendly practices in daily operations. An example is that of growing vegetables for the hotel kitchen and staff meals in the vast fields in the vicinity of the fort. It has gone one step ahead, in not allowing any mobile phone towers to be put up in its vicinity as the birds and local fauna get disturbed and affected by the mobile phone signals. Though, this does inconvenience the guests somewhat as they do not get full range for their mobile phones.
1.13. PUNE REGION AS DEFINED IN THE COURSE OF RESEARCH WORK FROM TOURISM POINT OF VIEW-PUNE, PIMPRI, CHINCHWAD, LONAVALA, KHANDALA, MULSHI AND SASWAD.

For the purpose of this research work, the Researcher has defined Pune region from the tourism point of view. Based on this concept, the area of study will be concentrated on Pune city, the townships of Pimpri & Chinchwad, Lonavala, Khandala, Mulshi and Saswad.

LIST OF 2 TO 5 STAR HOTELS AND RESORTS SURVEYED IN PUNE REGION-WEST, SOUTH, EAST AND NORTH OF PUNE, PIMPRI, CHINCHWAD, LONAVALA, KHANDALA, MULSHI, SASWAD.

Most of these hotels are self-declared star category hotels, i.e. they have the necessary facilities which are mandatory for that particular category, however, they have not formally approached the government agencies for star-category ratings. In all, 51 hotels responded to the questionnaire.

**Graph 1-1 Total number of 2 to 5 star hotels and resorts surveyed**
PUNE

1. Five Star Hotels
   i. J.W. Marriott
   ii. The Pride Hotel
   iii. Sun N Sand
   iv. The E Square Hotel
   v. Hyatt Regency
   vi. Vivanta by Taj Blue Diamond
   vii. Le Meridien
   viii. Radisson Blue
   ix. The Oakwood Premier
   x. O-Hotel
   xi. The Westin Pune Koregaon Park
   xii. Hyatt, Pune

2. Four Star Hotels
   i. The Central Park Hotel
   ii. Ramee Grand
   iii. Deccan Rendezvous
   iv. Seasons-An Apartment Hotel
   v. Royal Orchid Golden Suites
   vi. Hotel Aurora Towers
   vii. The President Hotel
   viii. Sagar Plaza

3. Three Star Hotels
   i. Centurion, Pune
   ii. Royal Orchid Central
   iii. Shree Panchratna
   iv. Orbett Hotel
   v. Brookside
   vi. Ashish Plaza
4. Two Star Hotels
   
   i. Hotel Madhav
   ii. The Ambassador
   iii. The Ambience Hotel
   iv. Hotel Ritz
   v. Hotel Suyash

**PIMPRI & CHINCHWAD**

1. Five Star Hotels
   
   i. Hotel VITS and Orchid
   ii. Holiday Inn

2. Four Star Hotels
   
   i. Sayaji

3. Three Star Hotels
   
   i. Lemon Tree
   ii. Fortune Inn Exotica
   iii. Doubletree By Hilton
   iv. Keys Hotel
   v. Citrus Hotel
   vi. Hotel Kalasagar

4. Two Star Hotel
   
   i. Celebrations Inn

**LONAVALA AND KHANDALA**

1. Five Star Hotels
   
   i. Fariyas
   ii. The Duke’s Retreat

2. Three Star Hotels
i. Lagoona Resort
ii. Citrus
iii. Orchard Resort
iv. Zara’s Resort

**MULSHI**

1. Four Star Hotels
   i. ITC Fortune Select

2. Three Star Hotels
   i. Spree Longer
   ii. Malhar Machi

**SASWAD**

1. Five Star Hotels
   i. Fort Jadhavgadh- a Heritage hotel