2.1 INTRODUCTION

There are lots of studies available on various aspects of tourism, discussing how tourism is helpful in providing employment, foreign exchange, and economic growth, on the one hand, while on the other hand, the ill effects of tourism on economy, culture, ecology, law and order. One of the fundamental supports to tourism is accommodation or hotels. The growth and development of both tourism and hotels depend upon each other. Even though during the last few years, there is an explosion of published research works on hotel and tourism, majority of these research works basically pertain to hotel industry in relation to tourism industry.

Some of the research works on hotel industry pertain to customer relationship management, use of information technology in hotel industry, employees perceptions, effectiveness of training programmes while others are survey reports, financial reports of well known hotels, chains of hotels or star hotels. Most of these studies are descriptive in nature at broad level and without any analytical rigor or empirical substitutability. Unfortunately, little research is carried out on the financial and operating performance of hotel industry in terms of profitability, operating efficiency, tariff structures, occupancy rates, earnings per room to bed. Even though the hotel industry in the recent past has attracted the attention of policy makers, investors and, above all, researchers and academicians all over the world, most of the research work is carried out in foreign countries. However, these works are confined to a single hotel or a micro function at a hotel. Further, as these relate to hotels which are operating in foreign countries under different environment as compared to that of Indian environment. So also the research
works carried out in Indian context refer to a single hotel or a group of Star hotels in the form of survey reports and their analysis. Hotel industry really suffers from various problems like higher taxation, government laws, availability of trained workforce, shortage of water and electricity and above all peaceful and original environment so that the tourist can visit a hotel. This chapter makes a humble attempt to review the existing relevant literature concerning hotel industry with special reference to India and Goa.

Hotel Standards and Rate Structure Committees (1957)\(^1\). This Committee was appointed by the Government of India with the objectives of: (i) classifying the hotels on international standards based on certain criteria (ii) to develop suitable rate structure (iii) to study whether any legislations are necessary for the hotel industry and any type of assistance required to develop hotel industry interalia promoting tourism. The main recommendation of the committee were (i) the hotels should be classified on Star basis, hotels with higher luxuries and amenities should be placed on top, followed by those with lesser amenities. The hotels are required to be classified as 1 to 5 Star; (ii) The Committee recommended the use of Hubert formula for rate structure in the hotel industry as recommended by the American Hotel Association, with required necessary modification to suit the Indian conditions; (iii) the committee also suggested the criterion to classify the hotels and the responsibility to classify hotels should be given to the Department of Tourism.

Hotel Classification Committee (1962)\(^2\). The Committee made extensive tour of the entire country and inspected 299 hotels and 123 restaurants spread across the country. Out of these, only 186 hotels were registered and classified into various Star categories. The Committee made 29 recommendation and all were accepted by the Government. One of the important recommendation concerning the hotel industry was that the classification should be reviewed at least once in 3 years.

Hotel Review and Survey Committee (1967)\(^3\). The main area of concern of the Committee was to review the classification of all hotels located at different locations, including the hotels which are newly constructed and are willing to be classified. The
Committee was also entrusted with the responsibility of calculating the total room requirement at the end of the 4th Five Year Plan. Another important task that was given to this committee was to review the rates charged by these hotels and to determine the rational basis of standardizing the rate structure. The Committee visited 221 hotels and 94 restaurants located at different locations throughout the country and noticed that only 178 hotels and 59 restaurants were found suitable to be approved. As regards rate structure, the Committee recommended that the hotels should be given a free hand to fix their rates within the modified Hubert Formula. The Committee estimated that by the end of 1981, the requirement of rooms in 3, 4 and 5 Star hotels will be 29,025. Another main recommendation of the Committee was to have a permanent committee to inspect the hotels for classification, as and when need arises.

Mahadev (1967)⁴, in his article, has suggested various physical planning decisions modifying the spatial trend. He has attempted to study the location pattern of different temporal stages. The author has analyzed the spatial structure of hotel industry in the city of Mysore.

Singh, T.V (1975)⁵, in his study, has assessed hotels capacity at twelve different locations of tourist importance in the State of Uttar Pradesh. The main findings of the study were that the domestic tourists are neither choosey about accommodation nor they demand superior service. But the foreign tourists demand better quality hotels. As such, there is a shortage of accommodation in relation to foreign tourist.

Anand, M.M. (1976)⁶, in his study, makes an attempt to analyze the nature of this multidimensional tourist plan whose activities range from the provision of comfortable lodging to facilitating a visit to a national monument. He has examined the structure and working of the plan. He says that the hotels and other supplementary accommodation are the core of the plan. According to him, the first prerequisite for the development of hotel industry is the forecast of the future demand, which would mean information about the number and type persons who would be making use of the facilities. It is in terms of demand that the right supply, at right place, right time and at right price is to be built up.
Failure to take into account future demand means either accommodation bottlenecks, which may hit the tourist industry adversely, or excess accommodation, which would result in loss to hotel industry. The wrong allocation of limited resources for this purpose means that the whole economy is affected as these funds are denied to other developmental sectors.

Bhatia, A.K. (1978)\(^7\) has made certain suggestions regarding the level of demand for accommodation services. He suggests that while calculating the requirement of rooms, various variables are required to be considered like duration of stay of a tourist and occupancy rates of tourist accommodation. If the annual occupancy would be higher, then the number of rooms or beds required for the visitors would be high and vice versa.

Malkarnekar, G.S. (1979)\(^8\) in a case study has observed that the accounting system of a company helps to show the true state of affairs in hotel industry. He suggests that the management should use operating charts for various departments to show profit / loss of various sections during different quarters, revenues and various operating expenses of these departments shows their contribution to the net earnings of the company.

Krishnaswamy, J. (1980)\(^9\) has suggested that in order to develop tourism, a country has to provide hotels facility at various destinations. Further, he states that from the countries from which India used to attract tourist have shown a slowdown in the growth rate. The slowdown in the arrival of tourist traffic is due to factors like political disturbances, rise in fuel cost, inflation and recession are attributable to the slow growth rate of tourist arrivals.

Dharmarajan (1981)\(^{10}\), in his study, has highlighted the importance of the public sector in the Hotel Industry. He mentions that hotel industry is built to support as an infrastructure for tourism industry, which has got tremendous potential to earn profit due to potential tourism growth. The industry has contributed immensely to the national exchequer and provided a large number of employment opportunities, besides many other multiplier effect in every segment of industry.
Guha (1981), while highlighting the importance of the hotel industry in Indian tourism has suggested that the hotel has to provide basic hospitality services besides doing marketing (promotions) of rooms, supply of food, etc. He suggests ways of maximum utilization of the capacity and ways to increase tourist inflow.

Kachru, Arun (1981), in his paper, concludes that each hotel room gives employment to 3 direct workers while indirectly 9 workers are employed. Further important role of hotel industry is the generation of employment and foreign exchange earnings.

Nadkarni, M.M. (1981) opines that due to neglect of buildings adequate infrastructure such as airports, road transport, communication, etc., are the main reasons for a setback to hotel industry. He points out that there still there is a shortage of rooms facilities in luxury and deluxe hotels. He concludes by saying that there should be a proper tourism planning.

Negi, Jag Mohan (1984) has tried to analyze different aspects of hotel industry, including hotel ownership, hotel franchise and investment in hotels. He raises a number of problems and difficulties, owing to inadequacies of statistical information. He has laid more emphasis upon construction of budget hotels for facilitating the flow of low and middle income groups of domestic tourists. He predicts that the future of hotel industry depends upon the proper planning by the Government for providing monetary and fiscal incentives so that it will attract many young hotel entrepreneurs to enter and invest in hotel business more and more in the future, ensuring a steady growth and development of the hotel industry in the country.

National Committee on Tourism (1986), The main findings and recommendations pertaining to accommodation were to offer a package of monetary, fiscal and other incentives to be provided so as to stimulate investment in the accommodation sector.
Seth, Ravindra (1988) argues in his article that the biggest challenge before the private companies is that they have to reconcile their expansion plans with futurist plans of 21st century; otherwise, much of the investment would be wasteful. Many chains of hotels are looking into long term perspectives.

Mohanty, Pragati (1992), in her research work, has analyzed the growth of hotel industry in Orissa. She has analyzed the growth trends of different classes of hotels in Orissa by using percentages, graphs, index numbers and linear and exponential growth trends. She has also examined the current spatial structure with particular stress on room-bed capacity. Secondly, she has studied the nature and character of a partial shift during the last decade and forecasted the emerging structure of the industry. She has also made an analysis of concentration of hotel industry by using Herfindhal Index, Entropy index and Linda Index. She has also studied potential competition and tariff structure in the industry by using regression analysis. Further, by applying Gronroos Model she has studied the quality of hotel services. She concludes that the growth of higher spending hotels is more impressive, the hotels are concentrated in only 6 cities. Due to the scarcity of data, the study could not pursue other issues like factor productivity, profitability, break-even point, capital:output ratio, quality output ratio, etc.

Menon, K.M (1999), in his research work, has analyzed the financial performance of Kerala Tourism Development Corporation (KTDC). For the purpose of analyzing financial performance of KTDC, he has used financial ratios like fixed assets ratio, working capital ratio, net capital employed ratio, net worth ratio, direct cost ratio, gross profit ratio, interest ratio, return on investment ratio, operating profit ratio, gross profit ratio, salary to sales ratio. Ratio analysis method is resorted for the analysis pertaining to financial management of KTDC. For analyzing the remaining data, various statistical tools were employed such as percentage, average, ratios. Besides tables, graphs and charts are also used. He has also studied the scope of tourism in Kerala and suggested steps to improve it. He concludes that the lack of financial planning is quite evident from the analysis. The trend shows that the corporation is determined to make loss only since
no visible efforts are being made to set the things right.

**Dash, M.K. (2002)**, in his article, observes that the Indian accommodation sector is mainly patronized by domestic tourists, while the rich tourists visit luxury hotel sector. He says that only a few luxury hotels have modern entertainment facilities, whereas others do not have any sort of family entertainment facilities. All hotel managements are against the present rate of taxes. The basic infrastructure is neglected. He further says that the average stay of tourists in hotels is decreasing. The basic suggestions given by him are: (i) better incentives and financial assistance to be provided to the entrepreneurs by the Government; (ii) the rooms sold by the hotels should be treated at par with the commodities sold; (iii) common business ethics should be worked out in accommodation sector and commissions are required to be banned and favors to be discouraged; (iv) tourist safety should be given utmost importance; (v) the information made available to the tourist should be upgraded, updated and automation should be followed. (vi) ecological awareness campaign should be encouraged.

**Dr.Amar Dev (2002)**, in his study on spatial perspective of the hotel industry in Himachal Pradesh, reveals the degree of significance of tourist potential places (TPP) and tourist potential regions (TPR) based on the variables, viz. the number of hotels, number of rooms and number of beds in the first part; and in the second part, tourist information centers, tours and travel agents and availability of computerized system of advance reservation of the seats in the buses. The main findings in the first part are in terms of hotel rooms and beds. Manali has emerged as intensively very significant tourist potential place (TPP); in the second part, there are four tourist potential regions, namely, Kullu Manali, Simla, Dharamsala- Palampar, and Kangra. Out of these, Manali occupies the first place as its TPP has attained a very significant attraction of a high degree and consequently, it has got placed itself over the world tourist map.

**Thadani, Manav (2005)**, in his report, has discussed the overview of the Indian economy to begin with. The Indian economy is growing at an impressive rate of 8.1%. Domestic political stability and a benign world economic environment have provided a
large backdrop conducive to development. The service sector has maintained a steady
growth pattern. The share of the service sector in the overall economy has increased in
the past few decades from 37.6% of GDP in the year 1983-1984 to 50.7% the year
2003-2004. Trade, hotels, transport and communication have witnessed their highest-
ever growth rates during the period. The domestic tourist flow grew around 24.2% in
the year 2004-2005, while the international tourist traffic observed a growth of 16%.
This growth is due to the initiative taken to make effective the peace process with Pakistan
and strengthen ties with other countries, the increase in international flights seat capacity
and decision to allow private airlines to fly abroad. The prospects of tourism growth are
very bright and as per the World Travel and Tourism Council, Indian tourism demand
will grow by 8.8% during the next 10 years. He has conducted a survey in different Star
hotels about their performances in 10 major cities. He has measured the performance of
hotels in terms of their occupancy rates and has analyzed the results in Rupee terms. His
main findings are: (i) the industry has an impressive growth at a rate of 20.7%; (ii) the
addition to the room supply has mostly been contributed by mid-market segments, (iii)
the highest annual growth rate in Rupee terms was witnessed by the 4-Star hotels followed
by 5-Star hotels, (iv) 5-Star deluxe hotels witnessed the highest increase in occupancy
rates followed by 5-Star hotels, (v) in terms of Rev PAR (Rooms revenue per available
rooms), all hotels experienced a healthy growth. The highest growth was achieved by 5-
Star hotels followed by 4-Star hotels, (vi) the demand for Goa market remains strong
and growth in occupancy was 5.9%. In the second section, he mentions that the hotel
supply is going to increase due to a boom in the demand. New 65 hotels are going to be
started in the cities of Bangalore, Hyderabad and Gurgon, with approximately 13,500
rooms, followed by the cities of Mumbai, Chennai and Kolkata with 8,000 rooms. He
predicts an increase of 85-90% in the next five years. While analyzing the future trends,
the report says that the hotels in Kolkata and Chennai have shown impressive gains,
while the gains of hotels in Bangalore and Hyderabad have shown a small decline.
However, the rates in both the markets will increase at a rate of 20-25% annually, while
Goa remains the most underestimated market among the major cities and will grow in
the next 2-3 years. While considering the opportunities, the report says that the four main metros and Goa continue to present best opportunities for luxury hotels development. There is a strong positive correlation between the hotel demand and the commercial development and airline capacity with growing number of domestic budget airlines. The Indian hotel industry is being increasingly viewed as investment-worthy, both within the country and outside and many international chains are keen to establish or enhance their presence here.

Singla (2006), in his article, has traced the development of the hotel industry in India. The origin of accommodation in ancient times and their growth over the period starting from the accommodation provided by the Pandas at the pilgrimage centers to the Dharmashalas built by the kings and Serais that were introduced by the Muslim rulers.

As the British rule came to India, western style of hotels began to emerge in major cities with the growth of high profile hotels like ITC Hotels, East India Hotels, Leela Venture Limited. While discussing recent trends in Indian tourism and hospitality industry. He says that the Asian Games of 1982 provided new opportunities to travel and hotel industry. The key operating characteristics of hotel business are the occupancy rates and the average room rates. Further, he explains the significance of tourism and hospitality industry. He has pointed out the problems faced by the hotel industry as: (i) problem of seasonality which affects the occupancy rates. The problem of seasonality maybe due to bad weather, international crises or disturbances; (ii) low profitability is the result of low occupancy rates due to which the average room revenue is less on the one hand, while on the other hand, food and beverages cost and labour cost are high, plus there are also other reasons like competition, global uncertainty, changing technology, high power and fuel costs, besides others; (iii) consumer satisfaction in terms of satisfaction they get through room and service. Many times, best of room service, comfort and choicest products of culinary arts fail to satisfy some guests; (iv) high direct and indirect taxes; the hotel industry do not get rebate in corporate income tax, service tax,
customs duty, municipal taxes, etc.; (v) it is very difficult to raise funds and lastly to develop tourism. While discussing the prospects, he tells that the prospects of the hotel industry are very bright. India is going to witness an increased flow of tourists due the hosting of the forthcoming Commonwealth Games in 2010 and the Cricket World Cup in 2011. In a nutshell, he concludes that there is a lot of potential for the growth of tourism and hotel industry in India.

Swain, Sampat Kumar and Babu P George (2007), in their article, have measured the employees perceptions of some of the human resource development practices prevailing in the classified hotels in Orissa. In all, four perceptions of employees were measured and analyzed, namely, employees perception that there is a positive association between professional training and organizational effectiveness and employee promotion. The employees who have undergone professional training have more positive perception of the benefits of professional training than their counterparts and employees of 5-Star category hotels perceive that there is a positive association between professional training and promotion than the employees of low star hotels. The sample size was 90 and collected data were analyzed by using SPSS Package. The main findings of the study were that hotel employees do appreciate the fact that there is a positive association between professional training and their chance of promotion. They also understand that their professional training can help promote organizational effectiveness as well. However, this understanding proved to be strong in the case of employees working in high Star categories of hotels than those working in lower Star categories. But no significant relationship existed between the level of professional training undergone by an employee and his perception about the benefits of professional training. However, the employees who have already undergone professional training have a more balanced and realistic view than those who are waiting to take training. The study has also found that the diverse roles of employees working in various departments like front-office, housekeeping, food and beverages, horticulture, accounts and administration to popularize the name and fame of the hotel by delivering outstanding services to the guest.
Dr. Premkumar (2006), in his article, emphasizes the use of common strategy to maximize revenue in hotel industry - a practice referred as revenue or yield management. Revenue management is a scientific technique that combines operational research, statistics and customer relationship management and categorizes customer into price bands based on various services. Statistical analysis of past data helps in forecasting demand and establish the appropriate price bands. Applied correctly revenue management helps hotels to expand market size and increase revenues. He emphasizes that: (i) proper market segmentation based on the price and willingness to pay; (ii) the hotel’s capacity is fixed in terms of rooms; (iii) the rooms are the inventory; if not occupied for a night, these will lose their revenue, as such, it is a perishable inventory; (iv) once the hotel recovers its initial fixed costs, the cost of servicing the additional customer is low, so that the hotel can sell the room at a lower margin. Thus, marginal cost makes price differentiation easy. The advanced booking system should be planned properly. Demand fluctuation should be taken care of. Therefore, the most critical challenge facing hotel industry is predicting potential capacity and developing a pricing strategy that will encourage maximum capacity utilization and revenue earnings. He suggests certain steps to price the room based on the physical characteristics like view, size, temporal aspects, etc., on which higher or lower prices can be charged. Secondly, based on the logical characteristics like the length of stay, flexibility, time of purchase; privileges, size of business provided and point of sale. Based on these, higher or lower prices can be charged depending upon the market segment. The second step is to have a proper demand forecast, followed by the allocation of different rooms to different segments and lastly, overbooking which is the practice of intentionally selling more rooms than are available in order to offset the effect of cancellation. Poor overbooking decisions are very harmful to the industry. It is very clear that revenue management can generate more revenues but there are challenges like competition, charging different prices for the same room will develop doubt and suspicion in the minds of the customers. To conclude, the revenue management will bring higher efficiency and increased profitability.
2.2 **Statement of the Problem**

This review of literature was carried out to have an idea of findings of earlier research works and the tools adopted therein. Various articles from research journals, reports and published theses were reviewed, which revealed the following:

1. The studies have scarcely covered the aspects, which are more relevant and have close relation with the performance of the hotel industry.

2. Majority of the studies have made a reference to hotel industry for the growth of tourism.

3. Majority of the studies reviewed were, more or less, descriptive or narrative in nature. These have hardly made an attempt to analyze the operating and financial performance in detail.

4. The analytical tools were not used properly.

5. The studies have highlighted the performance of the hotel industry but very little emphasis is given on highlighting the problems faced by these hotels.

6. The studies were either pertaining to chain of hotels or famous hotels; rarely an attempt was made to compare the operating and financial performance of one hotel with another hotel.

Understandably, there has been little work done on the hotel industry in the past. Research on the hotel industry has undoubtedly grown in recent years but no major work in terms of Operating and Financial Performance of hotel industry is being carried out. Keeping in view the aspects, which are not covered in the earlier studies the present study has given more emphasis on such neglected aspects.

The present work is an attempt to deal with the growth of hotel industry in Goa, in terms of profitability, occupancy, long-term solvency, short-term solvency, etc. It is hoped that the findings of this study will enable the Union and State Governments to reconsider the different aspects of their respective tourism policies. It would also enable
the financial institutions and commercial banks to lay down more precisely their financing policies towards hotel industry. It will also help the shareholders, hotel managements, investors, and creditors who are directly or indirectly related with the hotel industry.

Accordingly, the present work has been titled as ‘PERFORMANCE EVALUATION OF HOTEL INDUSTRY IN GOA’

2.3 Objectives of the Study

In view of the above introductory remarks, the following have been laid down as the specific objectives of the study

1. To take a historic review of the growth of the hotel industry in Goa;
2. To evaluate the operating and financial performance of the hotel industry in Goa;
3. To identify the operating and financial problems faced by the hotel industry in Goa and provide possible solutions;
4. To evaluate the future prospects of the hotel industry in Goa.

2.4 Hypotheses of the Study

Accordingly, the following hypotheses have been taken up for testing:

1. There is a significant difference in the growth of number of hotels in Star (A) hotels and non-Star hotels (B + C + D).
2. The performance of non-Star hotels (B,C,D) is excellent as compared to the performance of the Star (A) hotels.
3. Occupancy rate determines the profitability of a hotel in terms of its operating income.

2.5 Methodology adopted for the Study

The research is based on the primary as well as secondary data. For the analysis of the data, the hotels have been classified into Star and non-Star categories. A sample size of
20 each from Star hotels and each category of non-Star hotels has been selected randomly, so as to have proper representation. The required information has been collected by personally visiting the sampled hotels being studied and also from the Government Departments as well as from Tourism and Hotel Associations. In order to study the operating performance of these hotels, various ratios like operating income per bed, per room, per employee, operating expenses per bed, per room, food and beverage cost per bed, per room, repairs and maintenance cost per bed, per room, employee cost per bed, per room, occupancy rate, have been calculated and analyzed for the purpose of study.

For evaluating the financial performance, financial ratios like turnover ratio, capital employed ratio, gross profit ratio, net profit ratio, asset turnover ratio were calculated and analyzed.

2.6 Data Collection - Primary Data

2.6.1 Interview Schedules

Primary data was collected through an interview schedule administered to the owners of the sampled hotels spread over the study area. The interview schedule contained questions useful for drawing the profiles of the hotels as well as questions relating to core management, finance, marketing and personal problems.

2.6.2 Unstructured interviews

The data for extricating both the history and the contemporary scenario of the hotel industry in the study area, as also for ascertaining the intricacies of its working were collected through interview guides from the concerned Government authorities, industry professionals and academicians.

2.7 Data Collection - Secondary Data

2.7.1 Library Sources

Secondary data in the form of archival information was collected from Government offices, concerned institutions and organizations. For discussing the theoretical aspects,
published sources in various libraries, archives were used. Particularly useful were:

1. Central Library, Panjim, Goa;
2. College of Hotel Management and Catering Technology, Panjim, Goa;
3. Goa University Library;
4. Department of Tourism, Government of Goa, Panjim, Goa;
5. Department of Tourism Development, Government of India, Panjim, Goa;

2.8 Data Analysis and Interpretation

The primary data so collected was processed on a computer under expert supervision, analyzed and suitably interpreted to derive the findings that, in turn, were juxtaposed against the theoretical background/secondary data for drawing conclusions therefrom and presenting meaningful suggestions.

2.9 Scope of the Study

The geographical scope of the present study is confined to the boundaries of Goa state. The topical scope focuses on the performance evaluation of the hotel industry in Goa. The analytical scope covers the fulfillment of the objectives set out for the study. The functional scope is confined to offering a set of meaningful suggestions aimed at improving the performance of the hotel industry in Goa.

2.10 Limitations of the Study

1. The required historical data is collected only from the annual reports of the study organizations and hence, suffers from the limitations inherent therein.
2. The required information was made available by the concerned authorities only on the written assurance of non-disclosure of the identity of the hotels and to use the data only for academic purposes; hence, it suffers from the limitation of confidentiality.
3. Only the hotels registered under the Goa Tourist Trade Act, 1982, are covered and does not cover any other class of hotels.

4. Lastly, the limitations of statistical techniques and tools employed in the study, especially the ratio analysis, cannot be ruled out. However, we were very conscious of such limitations while interpreting the ratios.

5. The study covers only the operating and financial performance of the hotel industry in Goa and does not cover employee performance.

6. The financial performance of Hotel Industry could not be statistically tested.

2.11 Chapter Scheme of the Study

The Thesis is divided into Six Chapters as under:

Chapter-1 : Introduction

The Chapter begins by introducing various terms used in tourism industry. Further, it traces the development of tourism in India. During the second part, the Chapter discusses the tourism related accommodation, i.e. hotel industry and concludes by giving a historical development of the tourism in Goa.

Chapter-2 : Review of Literature and Research Methodology

The Chapter begins by reviewing various research articles. This is followed by the statement of the problem, objectives of the study, hypotheses of the study, methodology adopted for the study, data collection schedule and data analysis and interpretation. At the end, it gives the scope of the study, limitations of the study and the Chapter Scheme.

Chapter-3 : Hotel Industry in Goa

The Chapter begins by giving an introduction of the State of Goa, its history, geographic location, rainfall and temperatures, rivers and waterways, cross-cultural milieu and places of tourist interest, fairs and festivals, etc. In the concluding section, hotel industry in Goa id discussed and the Chapter ends by giving the classification of hotels in Goa.
Chapter-4: Growth of Hotel Industry in Goa

In the first section, the Chapter begins by giving an introduction, followed by the discussion of the growth of hotel industry in Goa. In the final section, it discusses the growth of ‘A’, ‘B’, ‘C’ and ‘D’ grade hotels in Goa.

Chapter-5: Operating and Financial Performance of Hotel Industry

The Chapter is divided into three sections. In the first section, the Chapter gives the information in terms of hotels, rooms and beds, occupancy rates. In the second section, it explains various operating ratios of the hotels and interprets the relevant data and in the third section, it explains various profitability and financial ratios of these hotels and interprets the relevant data.

Chapter-6: Conclusions and Suggestions

The Chapter begins by giving major conclusions of the present research work. Testing of hypotheses is given followed by major suggestions to improve the performance of hotels. The Chapter ends by giving the scope for further research.

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