CHAPTER I

INTRODUCTION

Ancient India upheld the dictum “Athithi Devo Bhava”, which indicates that the ancient sages advocated the guest as part of the god. Hotel is considered to be the most essential factor and in fact the basic element of tourism infrastructure. It provides the basic services and facilities for the travellers. The growth of the Indian tourism industry has fuelled the growth of Indian hotel industry. The thriving economy and increased business opportunities in India have acted as a boon for Indian hotel industry. The ‘Incredible India’ destination campaign and the recently launched 'Atithi Devo Bhavah' (ADB) campaign have also helped in the growth of domestic and international tourism and consequently the hotel industry.

Hotel is generally considered to be a trade or an industry. It is one of the seventh largest industries in the world. It directly increases the revenue to the tourist industry and it is also a cause for the global employment generation. The hotel industry ranks as one of the major foreign exchange earners. Hotel industry contributes 50% to the total business for the foreign exchange earnings¹.

¹-Ravi N Wadhawan “Hotels– Tourism back bone”, Indian hotel keepers and travellers, June 1985, P-38
The success of the tourism industry depends upon a great extent on the availability of accommodation facilities (i.e.) hotel and are the most vital and essential component of tourist industry. So they can be called the key star in the arc of global tourism. It brings people from all parts of the world and from all walks of life into a common vertex.

A demand for hotel eventually generates activities in a number of industries and ancillaries. It is concerned in supplying product and raw product to hotel. In other words hotels have an additional backward linkage to the rest of the Indian economy.

Hotels are no larger stereotypical places of board of tourist, more they are viewed merely as peripheral a luxury oriented activities. Hotels are meant for the business and the richer section of the society. The ramification of hotel living and related activities have reached to many section of the economy economy. With their growing importance hotels have became centre of a wide grant of social, commercial, cultural, diplomatic and reports activities.

Consequently hotel industry ranks one of the major foreign exchange earnings. Beside hotels are also foster international good will and understanding through their tiling of diplomats and stores match from various part of the world under the same hospital roof.

The significance of hotel industry crosses other major concern such as employment and foreign exchange earnings etc.
CHANGE IN BUSINESS MOTIVE

Asia has found enormous change in the business motive of industrialists in service sector industry compared to the other factors like agriculture, mining, housing business, etc. These business have found a considerable less in the profit when compared to the past decades. Hotel industry is also called as smokeless industry. Mostly hotel industry is occupied and developed by tourists.

DEVELOPMENT OF HOTEL INDUSTRY

Hotel industry being a service industry has certain unique features which basically provide service for the money paid by the guest. These services are intangible and not amenable to precise standardization. The profitability and excessive demand for rooms and the glammours of the hotel are the key factors governing for the development of hotel industry.

DEFINITION AND CLASSIFICATION OF HOTEL

There is no international recognized definition for the term hotel. British defines a “Hotel” or “Inn” as ‘a place where a bonafide traveller can receive food and shelter, provided they are is in a position to pay for it and is in a fit condition to be received. “Therefore, a hotel must provide food (and beverages) and lodging to travellers, on payment and has, in turn, the right to refuse admission if the traveller in drink, disorder, unkempt or and are not in a position to pay for the services”.

The word “hotel” is derived from the Greek word and it means as “temporary home” offering services to travellers, guests. With this tradition, hotels have always been in a place where visitors and guests always dress to look at their best. The guests also have to show financial creditability. Earlier, inns and hotels have insisted on advance payment before guests were allotted the rooms. The credit card has made the issue of financial credibility easier. A hotel, in other words, has the full right to expel a guest for valid reasons of doubt. “The hotel is defined as a building which provides lodging, meals and service to the public”\(^2\).

The workable definition for hotel is an institution operating for profit. It removes the institution, guest houses and hotel operated by the religious philanthropic. In 1933, national recovery administration stated that the fundamentals of these quarters are assembly of people for social, business and for entertainment purpose. The British post master in 1936 bonafide hotel as premise having a full excise license containing accommodation for permanent casual guest. This is the only official accommodation on record in Great Britain. According to the Catering Wages Committee 1944, stipulated hotel should have a minimum four rooms.

An move towards a formal definition, hotel was taken by the international hotel association at its First Post War Congress in Paris in 1947. The new international code was framed by the national hotel association. It recommends that the “Hotel normally with first classes should have 50% of rooms with private bath rooms”.

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2-Hotel: Collier Encyclopaedia , 1960,ed
Hotel with modern comforts should have rooms with 30% private bath rooms. The hotels should have running hot and cold water in all the rooms. Small hotel should have one private bath room for every ten accommodation rooms” 3. Hotels are required for providing food, shelter, accommodation and pleasing the customers in goodwill. The guests who stay in hotel have happy experience and a pleasing reminisces. According to collier encyclopedia, hotel is considered as a building or institution providing lodging, meals and services for the money that guest pay. The British were the first to proprietor this act at 1956. According to this act, a hotel should provide food, drinks, sleeping accommodation without special contract providing these facilities seasonality, opportunities who is in fit to be received. The common law says that hotel is a place where all conduct themselves properly and are able and ready to pay for their entertainment, accommodation and other services including the boarding like a temporary home. It is a home away from home where all the modern amenities and facilities are available on payment basis.

OPERATIONAL DEFINITIONS:

Hotel

A hotel is an establishment that provides lodging and usually meals and other services for travellers and other paying guests. Generally a hotel is a commercial establishment offering living quarters and facilities for the assemblage of people for social, business or entertainment purposes and may engage in renting out portions of its premises for shops and business whose contiguity to a hotel is deemed desirable.

Boarding

Boarding refers to the provision of regular meals when one stays somewhere, in return for payment on services. 4

EMERGENCE OF HOTELS

Hospitality was found and quoted in ancient Greece and in biblical Rome. In the ancient past inn were licensed and permitted. Homer odyssey and illiad writing gave rise to two possible explanation. “The ancient people felt the requirement of the inns for stay and for the purpose of food”5.

4-Manish .op.cit.3

5-William s.grey and Selvators C.liquor :“Hotel and Motel management and Operation: Prentice hall inc, london ,1980, P-171
The superstitious beliefs were been the principle motivation for the
development of inns. People believed that the travellers were the representatives
of god or they may also be the representative of the evil spirit⁶. The hotel industry
grew with travellers as people needed places for shelter and food along the routes
they traveled be it by land, water or air.

The Hotel Industry is closely linked with travel. The first Inns go back to
3000 BC. These were established for the people on the move, spurred by the urge
to travel. The earliest Inns were private homes of men and women who provided
halls for travellers and rolled out their own beds and slept on the floor. Many early
innkeepers did not clean the rooms.

Several travellers had to share the same room, and sometimes even the
same bed. Innkeepers also provided modest wholesome food like cheese,
vegetables and a variety of cakes and meat when available. They quenched thirst
with wine. The host’s wife provided entertainment and recreation by singing folk
songs and by dancing. The inns were to provide stable facilities for horses. These
conditions prevailed for several hundred years in the Roman Empire. Inns were the
commonplace because of the need for political, initiative and military travel.

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⁶-william s.grey and Selvators C.liquor :“Hotel and Motel management and
Operation” : Prentice hall inc,london ,1980,p-34
In the first century AD, one of the important lodging places was the church pilgrims. The Roman Catholic Church maintained hospices, monasteries and hostels for pilgrims during the middle ages. The Knights of Saint John of Jerusalem (founded in 1048) established inns to shelter pilgrims travelling to Jerusalem. The church operated as the first ‘hotel chain’ religious travel. The quality of inns kept improving over the years as travel became more frequent for the purpose of conquests, religious travel and commercial travels become more frequent as empires expanded. The advent of the industrial revolution in England brought ensued the progress the business of inn. The development of railways and steamships made more permanent.

Travel of people also changed from social or government travel to business travel. Travellers were in need of quick and clean service. The inn Hotel keeping was taken by the emerging of Europe especially Switzerland. It was in hope that the birth of an organized hotel industry place in the shape of chalets and small hotels provided a variety of services and were mainly used by the aristocrats of the day. Aristocrats have their education by travelling to Europe over a periods ranging from three to six months. The accommodation for these travels made possible chalets and superior inns of the day.

With the discovery of new continent, inns soon proliferated to America. Samuel Cole is credited with the opening of the first inn in 1634 in Boston, called Cole’s Ordinary. It provided wines and plentiful cheap food. Taverns and Inns modelled themselves after the European style. The hotels were established, much later gradually.
The real growth of the modern hotel industry took place in the USA, beginning with the opening of hotel in New York in 1794. Then New York was a busy seaport with a population of 30,000 people. At New York the first building especially was erected for hotel purposes and had 73 guest rooms. The eventually great competition between different cities resulted in frenzied hotel building activities. The Exchange Coffee House was established in Boston. It was followed by the second city Hotel in Baltimore, then the House in Philadelphia and the Adelphi Hotel in New York. These soon became the centres of activity in their respective cities. In 1829, the Tremont House in Boston had the distinction of being the first luxury hotel in America. It was the first to offer private rooms with locks, a wash basin, pitcher and soap. It had a French restaurant and uniformed service personnel. This signaled the developed of luxury hotels in the USA during the 1800s. The Grand Pacific in Chicago, The Palmer House and Sherman House in St. Louis and the paxton hotel in Omaha were such luxury pre-runners in luxury hotel development.

In 1874, William Chapman Ralston established a super luxury property called the Palace Hotel in California during the Gold Rush. It was built on the lines of a European palace with domed glass roof, marble floors, own water supply, fire sprinkler system and air-conditioning. It had 800 plus rooms spread over seven floors.

In 1908, Ellsworth M.Statler saw the need for providing accommodation for a new segment – the business traveller. He created the Statler Hotel in Buffalo, New York. It was built specifically for the commercial sector. It involved big investments, big profits and trained professionals to manage the business. The
Statler Hotel provided private baths and full-length mirrors in each room. Statler engineering, architecture and service ideas became the standard for future commercial hotels. The Statler went into chain operations and was credited to be the first hotel chain. In 1927, the Stevens Hotel, which had 3000 room hotel (later renamed as the Conrad Hilton) became the largest hotel in the world.

The depression in 1930 had a disastrous effect on the hotel industry 85% of the hotels went bankrupt. It was felt that the industry would never recover any future. One hotelier who kept afloat was Conrad Hilton who made the Mobley, Cisco, Texas a profitable venture. The outbreak of World War II brought a tremendous upsurge.

**DEVELOPMENT OF THE INNS AND POST HOUSES:**

The inns were considered to be the place that provide food, drinks, accommodation for travelers. During the ancient periods there were room for travellers but no stables for horses or stable for horses but no rooms for the travellers.

**POST HOUSES:**

The post houses were considered as yams or as apartments suitable for accommodation. They were established at 25 km apart. Fresh horse were supplied to the messenger. The post house was used by the travelers to spread message throughout the world.
According to the “Marcopolos estimate there were 10000 such post houses in existence at the time of his journey to the far east”\(^7\) Travellers were increasing because for the religious and pilgrimage purpose. Many monasteries and cathedrals were established and they welcomed the travellers. They made their stay a comfortable experience. Accommodation was provided at free of cost. Some monasteries and churches were constructed as separate buildings to accommodate travellers. “These building were known as xenodocheions, a Greek word meaning inn or resting places”\(^8\). “The king Charlemagne during his reign passed law stating that it is the duty of Christian to provide free resting places for the travellers. As there were possibilities of travellers to stay over night because of this welcome, any one could stay at one place for 3 nights only”\(^9\). It reduced the burden of providing free accommodation for an indefinite period of time.

**CHANGE OF HOSPITALITY TO PROFIT MOTIVE:**

Inn was created for boarding and lodging. It earned huge profits. It favoured the emergency of new large and prestigious inns. The small inns were carrying only less type of hotel operation. Change in the basis of hospitality took place except the charitable donation inns. Inns carried out from religious belief.

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7-ibid, p-5
8-ibid, p-5
9-ibid, p-5
In 1282, in Florence the great innkeepers at Italy incorporated a guild or association for the purpose of turning hospitality into a business which took place successfully. Inns were licensed and were permitted to import and resell wine\textsuperscript{10}.

**DEVELOPMENT OF HOTEL INDUSTRY DURING 19\textsuperscript{TH} CENTURIES:**

“During 19\textsuperscript{th} century London was the pioneer with type of first class international hotels. The capital city of Europe had established hotel with 5000 letting rooms. The hotel was considered to be a big one in England, in the United States it was considered to be medium sized hotel.”\textsuperscript{11} Hotel business was accepted as an industry only after 19\textsuperscript{th} century. The word hotel means traditional inns (or) sarias. The sarias are the one whose keepers were legally bound to entertain travellers who were made to provide service for the pay by the guests.

**DEVELOPMENT OF HOTEL DURING 15 TO 17 CENTURIES**

During the 15\textsuperscript{th} century Europe especially in England and France the development of hotel was significant. At 1634 the accommodation of tavern was opened by Samuel Coles in U.S.A. In 1783 General George washington bid farewell to his top ranking officers at the fiancé tower in new York cities.

\textsuperscript{10}william s.grey and Selvators C.liquor :“Hotel and Motel management and Operations”: Prentice hall inc, london ,1980, p-15

The meeting place of the people brought about American revolution. The Boston tea party planned at tower is called as Green Dragon. “During 17th century progress in inn keeping especially in England was found out whose inn became a standard for the world cleanliness, comfort and good items became the hallmark of the development of the English inn”\textsuperscript{12}

**ANCIENT HOTEL ACCOMODATION IN INDIA.**

India with her unique culture, traditions and above all natural resources had attracted people from all parts of the world and provided temporary shelter to utter strangers and mere 'birds of passage' in institutions such as 'Saraikhanas' or 'Panth Niwas' or 'Dharma Salas' or 'Vihar' or 'Hospice' or 'Musa Firkhana'. All these institutions were intended to be public houses for lodging for travellers, similar to the inns in western countries. The Buddhist vihars or monasteries were meant for housing monks who looked after the guests and provided material and spiritual comforts to them free of cost.

\textsuperscript{12}Pran Nath Seth :"Successful Tourism Management"; sterling publishers (P) Ltd., New Delhi ,1987,p-183
The “Buddhist monks were the first to establish chaitya(sanctuary) for worship with vihar(monastery).”\textsuperscript{13}. The traders were carrying money and merchandise to the vihar. For the travellers vihar were their hotel. The support of the state exchequer and the generous donations of the grateful guests helped in the upkeep of vihars.

Dharamsalas were built by affluent sections of the society particularly royalty as an offering to the poor and meant for weaker sections of the society. Artha Sastra of Kautilya mentions that travellers were provided with accommodation at almost no cost at these Dharamsalas. They provided only accommodation.

The Muslim counterpart of Dharmasalas are Musafirkhanas. During the Muslim rule in India they were built by affluent Muslims to provide free or cheap residential accommodation mostly to Muslim travellers. The Sheir Shaw Suri the great builders of Grand Trunk road had set up the caravans saris at the high way catering favourable conditions for commerce.

In 1794 the city hotel was first founded by the american. In 1829, Isai Rogers built a new hotel at Boston. Thus at the ancient accommodation in India was vihars, dharmasalas sarais,yatrikas and musafirkhans. It was the home to the travellers.

HOTEL IN INDIA

During 17th century, the first hotel in Asia was established in Calcutta. Under their patronage western type of hotel were established in cities like Bombay at 1840, Esplanade hotel was established in 1871, Great Eastern hotel at Calcutta formerly known as Auckland hotel was established in 1843 and other western type hotels were established at Delhi and chennai. Actually development and movement was started after railway establishment. Eating house and primitive was established near railway station. In India Hotel business has been accepted as an industry only recently. Before 1937, there were hardly any establishment that could entertain more than five hundred tourists at a time. After world war important cities in India witnessed the emergence of many hotels and restaurants because the market witnessed continuous inflow of international visitors.

HOTEL INDUSTRY AND ITS NATURE

The hotel industry is called as an industry mainly concerned with hospitality. The basic reason was the friendly reception and treatment to strangers. The service that was provided to the strangers by hotelier was courtesy and warm welcome. They provided lodge, food and services to the strangers. The major portions of the accommodations have been in the form of cottages, lodge, boat house, star hotel.
HOTEL GRADING SCHEMES

United national conference at international travel and tourism in Rome in 1963 stressed the need for some regulation of the hotel accommodation for safe guarding the interest of the guests. Star Rating is one of the most definitive standards which guide travelers as to what they expect. The hotels are classified into 1 star, 2 star, 3 star, 4 star, 5 star, 5 star deluxe based on the availability of facilities and services provided by the hotelier. The 1 star and 2 star are governed by the ministry of tourism by respective state government, where else 3 star, 4 star, 5 star and 5 star deluxe hotels are governed by the central government. The Star categories are identified by conventional sign in conformity with the set of standard norms.

One star hotel

The one star hotel have acceptable facilities and furnishing facilities provided to the guests.

Two star hotel

The two star have high standard of accommodation, private bath rooms and a wide choice of food.

Three star hotel

The three star hotels provide more spacious accommodation, large number of bed rooms with private bath rooms with showers attached to it. Full meal facilities are provided to the guests.
Four star hotel

In four star hotel High standard of service and comfort were provided to the guests.

Five star hotel

Highest international standard service is provided to these hotels to the guests.

Heritage hotel

The heritage hotel exists since 15th century. Heritage hotels are really an Indian concept, where ancient Indian maharajas converted their palaces into hotels after they were stripped off their princely privileges. These types of heritage hotels were located in the historical places. These types of hotels are formed by the conversion of palaces, fort and ancient buildings. The property of heritage hotels are governed, maintained and undertaken by the various state and central governments. The numbers of the heritage hotels found in India are only few in number and they had gone away due to the disuse and negligence of the government. It acts as an important source for the development of tourism industry.

HOTEL MODELS

With the evolution of hotels and their proliferation around the world it is impossible to categories them under one term. The various classification of the hotels are discussed below.
**International hotels**

The International hotels acts as the primary appeal to international travelers and group travelers. The international hotels are situated at the metropolitan cities, industrial centre, and principal tourist centre classified on internationally accepted system of classification. The various facilities provided are well appointed reception, banquet halls, conference facilities, restaurant facilities, money changing facilities etc. The fully licensed International hotel exists with restaurants, Grill Room, Garages facilities for the travellers. It is located at large industrial towns providing services operating with European plan. As these hotels primarily cater to people who are visiting a place for commerce (or) business, these are located in important commercial and industrial centers. The fully licensed international hotel have restaurants, grill room and garages leveling facilities.

**Downtown Hotels**

Downtown Hotels are located at the centre of the city in busy commercial and shopping districts. Everyone likes to stay in downtown within easy reach of government and private offices, shopping malls and entertainment centers. Usually downtown hotels cater to guests on short visits of a maximum of one weeks stay.

**Suburban Hotels**

Suburban Hotels are located on the outskirts of a city where land is cheaper than downtown locations. Suburban hotels are sprawling constructions with ample parking spaces. They attract clientele that are cost-conscious, though not necessarily budget travelers. Participants like to get away from the hustle and bustle of the city and find the environment peaceful for learning.
**Airport Hotels**

Airport Hotels, as the name suggests, are located in the precincts of an airport. They cater mostly to transient airline passengers who may be catching another flight to complete their journey. Such guests need only a room to sleep before catching the next flight. They cater to those passengers with cancelled flights or delayed flights. Most of the foreigners who visit our country have been introduced only by the warm welcome of airport hotel.

**Resort hotels**

Resort Properties are located at natural and manmade sites. Resort hotels are found at hill stations, seaside resorts, ski resorts, canyons, waterfalls etc. The resorts are considered for pleasure gains. The resort caters the holiday make tourist desire a change for the atmosphere abounding with natural beauty. Rest, relaxation and entertainment are the key factors to build these resorts hotels.

**Floating Hotels**

Floating Hotels are those found on passenger ships. The ships are five star hotels with every conceivable luxury including several restaurants with multi-cuisine, suites, ball rooms, shopping arcades etc. Guests are served by well-trained and talented personnel. Houseboats are fitted to suit all budgets from the economical to the ultra luxurious.
CATEGORISATION OF HOTELS BASED ON NUMBER OF ROOMS

The hotels are categorised based upon the number of rooms available in the hotel. The classification of the hotels are given below. The hotels having rooms under 25 and less are classified as small hotels. The hotel rooms having rooms between 26-100 rooms are classified as medium hotels. The hotel rooms having rooms between 101-300 rooms are classified as large hotels. The hotel rooms having rooms between 301-1000 rooms classified as very large hotels. The hotel having rooms above 1000 rooms classified as Mega hotels

Pricing Plans

The Pricing Plans is another way to classify hotels. The slide below gives the various pricing plans and they are discussed in detail.

- European : Room charges only
- American : Room + all meals
- Modified American : Room + Breakfast + Lunch or dinner
- Continental Plan : Room + Continental Breakfast
- Bed & Breakfast : Room + English Breakfast

It may be pertinent to mention that Downtown hotels may prefer offering the European Plan as guests come on short stays and want the flexibility of meals. The American Plan is often found at resorts where vacationers prefer to have all meal options so that they can concentrate on holidaying and relaxing. The modified American Plan is found in hotels that cater to tour groups who like to start the day with a hearty breakfast before proceeding on their sightseeing tours only to return in the evening for a warm dinner. The Continental Plan is found mostly in Europe
or to European travelers visiting other countries. Bed and Breakfast meal option is
offered by sole proprietors running small loading places or city hotels where guests
prefer the flexibility of eating out with friends and office colleagues.

VARIOUS CATEGORIES OF HOTELS IN CHENNAI

Keeping in mind the complexities of the division of hotels into numerous
categories and sub-categories and the problems involve in understanding of all
these complex division to the distinguished clients and their facilities, Culture
Holidays broadly divided all the categories and sub-categories of hotels into five
groups known as Heritage Hotels, Luxury Hotels, Royal Hotels, Classic Hotels and
Economy Hotels so that the clients should not face any difficulty while selecting
the hotels of their choice. According to Culture Holidays, the Heritage Hotels falls
under the category of cultural holiday hotels. It includes all those palaces,
residences, forts and havelis of the royal families which are converted into the
hotels for the travellers to experience the royal life style of the kings and queens of
the bygone era. Luxury Hotels are those topmost selected Five Star Deluxe Hotels
which are well equipped with all the modern facilities of world class standard
combined with world class hospitality. Royal Hotels as categorized by Culture
Holidays are those hotels which are rated as Five Star Hotels with all the amenities
of international standard the difference is only of ambiance and magnificence
between the royal hotels and luxury hotels. As per the division of Culture Holidays,
Classic Hotels are those hotels which are rated as Four Star Hotels and are in
between the Royal Hotels and Economy Hotels so far as facilities and amenities
are concerned. Economy Hotels under Culture Holidays stand for two and three
star hotels which are also known as Budget Hotels. These hotels are mostly preferred by the budget or economy travellers.

SIGNIFICANCE OF HOTELS

Hotels are no more stereo-type places of boarding and lodging for tourists. It is significant because of assuming for social, economical, cultural, governmental, diplomatic and sports activities. Hotel industry is bestowed with employment opportunities. Hotel sector is capable of generating direct employment of around 600 persons for every crores of rupees invested. “Another assessment is that every 1000 bed created in the hotel sector provide job opportunities for 416 person.”14 In a country like India, with so many diverse culture, promotion of tourism can lead to a feeling of oneness among people and this will be a major stepping stone towards national integration. Besides it will foster good international will and understanding among the people. Tourism activities can be promoted by the development of infrastructure of hotel in india.

ABOUT THE STUDY AREA-CHENNAI

Chennai is the capital of Tamilnadu. It had been formed in 1639. It was named as state of Madras. Later it was renamed as Tamilnadu. It has three industrial estate and six million of people across the state. It is the fourth largest state in man power in the southern India. The chennai city is one of the metropolis of India and serves as the gateway of the culture of south India. Inspite of being the capital of Tamil speaking state, it has emerged as a cosmopolitan city playing an important role in the historical, cultural and intellectual development of india, representing still the distinct components of the highest form of Dravidian
civilization. In addition it holds out an interesting fair of south Indian Architecture, Music, Dance, Drama, Sculpture and other arts crafts.

Travel and tourism fair is a great crowd puller both from Tamilnadu as well as the tourists from the neighbouring areas to showcase their products and gain profits. In 2008, 115 private stalls, 42 pavilions by government department and agencies and 26 showrooms were established. The government stalls provided information about the functioning of the various efforts made by the government with the help of models and photographs. Thus, Travel & Tourism Fair of Chennai is the perfect way to know and explore about the culture, society and tourism of Tamilnadu. Tourism Minister told press persons that the fair world directly or indirectly employ about 5000 persons.

The India tourist Anna centenary industrial fair, hosted by the Tamil Nadu tourism Development corporation fairs provide an excellent opportunity to people to enjoy and gain information. There are a number of stalls exhibiting merchandise and providing good bargain. One such fair is held in Chennai and is known as the Tourism fair which is held at the island ground every year. In the year 2008, Tamil Nadu State Government inaugurated the 70 daylong events from 24.12.2008. It is known for its vivid display of all the facts of the cultural heritage by elaborating on the places of interest and the economy of both the state and city.

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14-The Hindu,Sunday Nov 1,1987
IMPORTANT TOURIST CENTRES IN CHENNAI DISTRICT

Chennai is one of the chief tourist destinations in Tamil Nadu. It has some of the ancient reminiscence and history of Tamil Nadu. Many people from various parts of our country visit Chennai and they select different kinds of hotels for their stay. Some of the tourist spots in this district are listed below.

RELIGIOUS PILGRIMS

1) Mylapore Kapaleswara Temple
2) Parthasarathy temple
3) Asthalakshmi temple
4) Thousand light mosque
5) Thomas basilica church

TOURIST SPOTS

The Chennai is surrounded by various tourist spots such as

1) Connemara public library
2) MGM theme park
3) Guindy national park
4) Snake park
5) Elliot’s beach
6) Marina Beach
7) VGP universal
8) National art gallery
9) Government Museum
10) Amir mahal
MEMORIAL MANDABAM

11. Gandhi Mandapam
12. Annadurai Memorial Mandapam
13. Rajaji Memorial Mandapam
14. Tiruvalluivar Mandapam
15. Sikh Gurudhuwar Mandapam.

STUDY AREA PROFILE

The study area covers Chennai only. In Chennai there are more than 51 star category hotels. Among these, the researcher has selected only 34 star category size hotels.

Table 1.1

<table>
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<th>Star category</th>
<th>No of hotel</th>
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<tr>
<td>5 star category</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>34</strong></td>
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The above mentioned hotels do satisfy the needs of their guests. The study focuses on the various problems faced and strategies adopted by the hotels such as pricing, promotion, and facilities which help to meet their requirements.

**STATEMENT OF THE PROBLEM**

Tourism is the single largest industry in the world generating a very large earning. According to the world travel and tourism council tourism had doubled more than the base level of 1994. Around 50% of the earning of tourism is from hotel industry only. The share of India in the global tourist traffic is only few million. The reason for the less tourist traffic had been studied. It had been found that one of the major constraints of Indian tourists is non availability of suitable hotel accommodation. India is able to attract both Indian and foreign tourists by its natural beauty and tourist spot. This fact had been repeatedly brought out by various committees like Estimate committee on tourism-1956, Sergeant committee on tourism-1956, PATA study in 1962, Adhoc committee on tourism-1962, Hotel review and survey committee-1968, Ratnakar committee etc. Hotel tariff rates are not fixed and are of free play of demand and supply.

A primary analysis has shown that the hotel industry is affected by a number of problems. Hoteliers are facing problems in availing themselves in getting timely financial assistance, concession and incentives from the government, permission on projects, a burden tax rate, marketing activities, fluctuation in tourist arrival causing reduction in real income. High hotel tariff is yet other problem for the development of the hotel industry. These existing problems provide sufficient scope for research in the sphere of the hotel industry. Hence the
present status of the hotel industry in Chennai make the researchers attempt to delineate the factors that hamper the growth of the industry in Chennai.

**NEED OR PURPOSE OF THE STUDY**

Hotels are recognized as a powerful tool for the tourism development of any nation. So the evaluation of the growth of the hotel industry becomes necessary in general. This research is done in order to assess the prospects of the hotel industry particular at chennai.

During the year 2004-05 tourism emerged as one of the major sectors for growth of Indian economy, with the total earnings from the tourism sector reaching US$4810 Million. As per World Travel and Tourism Council estimates, the contribution of tourism in GDP reached 4.9%. Similarly during the last year, tourism industry registered a growth rate of 24% in foreign tourist arrivals, which has been the highest in last 10 years. Witnessing the ensuring boom in the foreign as well as domestic tourist arrivals, the Ministry of Tourism in particular as well as different State Tourism Departments have started realizing the potential and have started investing in tourism projects as well as in hotel projects. India had geared itself up for commonwealth games at 2010 by which time the country had identified the most crucial being required number of rooms for the purpose of accommodation to the domestic as well as international tourists. As an essential pre-requisite, focus has primarily shifted to improvement of hotel infrastructure at important destinations centres.

Chennai is attracting a lot of foreign tourists as well as domestic tourists. There is also a big contingent of floating population, who come to the city for work
and stays for a period ranging from three months to one year. Hotel industry is one of the most important significant sectors in tourism. Hence an attempt has been made in order to study the problems and prospects of the hotel industry in Chennai. The study had been undertaken with the view to present the facts relating to the financial performance of hotels in order to help the investor to come forward to invest their money in this developing sector. The study has been confined to the hotel industry of various star category. Again the basic reason for the study of star category hotel only is because the data relating to the star hotel are published and recorded and registered properly.

Hotel industry is recognized as a powerful tool for the economic development of the nation. It acts as a source for foreign exchange earners, generating employment opportunities to the local communities as well as to catalysts the tourism sector. So the study on the problem and prospects of the hotel industry becomes necessary in general and to assess the growth of the hotel industry particularly in Chennai. Further, the study is carried out with a view to understand the opinions of the tourists regarding the facilities and services available in the hotel industry and suggestions for the development of hotel industry, support schemes available for the development of hotel industry, all pertaining to the units of hotels located in Chennai.

**OBJECTIVE OF THE STUDY**

This study has been made with the following objectives:

1. To study the present status of hotel industry in Chennai.

2. To analyse the facilities and services provided to tourists by the hotel.
3. To study the problems encountered by the hotel industry in relation to market challenges like promotion method, tourist satisfaction on facilities and tourist expectation on hotel facilities and finance.

4. To give suggestions and recommendations for the prospects of hotel industry in Chennai.

PILOT STUDY

Pilot study is necessary for carrying out a proper research. Pilot study is the preliminary study of the universe to get an early idea about the study. Pilot study was conducted in Chennai after evaluation by academicians and experts in the hospitality industry. This ensured reliability and validity of the schedule. The pilot study was conducted with fifteen guests in the hotel and six hotel owners in Chennai. After conducting the pilot study necessary modifications were made in the interview schedule.

DATA COLLECTION

To accomplish the objectives of the study the researchers have to depend both on primary and secondary data. Primary Data are those which are collected a fresh and for the first time and thus happen to be original in character. In this study primary data collection has helped the researcher to a great extent to arrive the result. The primary data is collected by interviewing the hoteliers, foreign and domestic tourists. The secondary data were collected from the tourist departments, annual reports, journals, standard books, websites, magazines, etc. The study covers a period of 5 years from 2007-08 to 2011-12.
STATISTICAL TOOLS

The data collected through the interview schedule were scrutinized and the statistical package for social studies (SPSS) was used for analysis. The data collected were analyzed by using appropriate statistical tools such as percentages, one way anova f tests, t test, chi–square tests. Tables are also be used to present the processed data.

SAMPLING DESIGN

In this study judgment sampling is used. Population characteristics or qualities may not be known, but sample has to be selected. In such instances, judgement sampling method is used. In this method, the sample selection is purely based on the judgment of the investigator or the researcher. This is because the researcher may lack information regarding the population from which he has to collect the sample.

SAMPLING TECHNIQUE

The study is confined to chennai which is mainly concerned with the tourists of the classified star hotels. The primary data is collected from 100 foreign tourists and 100 domestic tourists who stay in the classified star hotels. Out of the total population of 51 star hotels sampling are done on 34 classified star hotels at chennai. Owing to non response to some questions and non cooperation of the hotelier, 17 respondent hotels have been ignored and only 34 classified star hotels are considered for analysis. A possible list of tourists to be contacted for data collection purpose was arrived with the help of hoteliers.
Hypothesis (Null)

1. There is no significant difference between Indian and foreign tourist of the respondents and their opinion about Location of the hotel, Quality of Food and Beverage, Room services, Car parking facilities, Standard of Restaurant services, Hygienic of swimming pool, Guidance given by front office, Cleanliness of the room and toilet and Mini bar content.

2. There is no significant difference between purpose of stay in Indian and foreign tourist of the respondents and their opinion about Location of the hotel, Quality of Food and Beverage, Room services, Car parking facilities, Standard of Restaurant services, Hygienic of swimming pool, Guidance given by front office, Cleanliness of the room and toilet and Mini bar content.

3. There is no significant difference between Indian and foreign tourist of the respondents and their opinion about Credit card, Telephone, Television in Room, Conference Hall, Entertainment, Outdoor sports, Foreign Exchange, Air conditioner, Bar facilities, Safety locker and Hot water, Restaurant services, Room services, Medical Facilities, Travel agent and Yoga.

4. There is a significant difference between purpose of stay in Indian and foreign tourist of the respondents and their opinion about Credit card, Telephone, Television in Room, Conference Hall, Entertainment, Outdoor sports, Foreign Exchange, Air conditioner, Bar facilities, Safety locker and Hot water, Restaurant services, Room services, Medical Facilities, Travel agent and Yoga.

5. There is no significant difference between Indian and foreign tourist of the respondents and their opinion about food, beverage and accommodation.
6. There is no significant difference between purpose of stay of Indian and foreign tourist of the respondents and their opinion about food, beverage and accommodation.

7. There is no significant difference between purpose of stay in Indian and foreign tourist of the respondents and their opinion about taste and variety of foods.

8. There is no significant difference between Indian and foreign tourist of the respondents and their opinion about taste of foods and variety of foods.

9. There is no significant difference between purpose of stay in Indian and foreign tourist of the respondents and their opinion about sales, luxury and service taxes.

10. There is no significant difference between Indian and foreign tourist of the respondents and their opinion about sales, luxury and service taxes.

11. There is no significant difference between purpose of stay in Indian and foreign tourist of the respondents and their opinion about room boy and receptionist.

12. There is no significant difference between purpose of stay in Indian and foreign tourist of the respondents and their opinion about room area, furniture and furnishing in this hotel.

13. There is no significant difference between purpose of stay in Indian and foreign tourist of the respondents and their opinion about the standards of Indian hotel compared to international hotel abroad.

14. There is no significant association between type of hotel of the respondents and their Opinion about facing problem in getting assistance from financial institution, Grace Period and Loan repayment opinion provided by the financial institution.

15. There is no significant difference between type of hotel of the respondents and their Opinion about Press Media, Travel agent, tourist office and Sign board.
LIMITATION OF THE STUDY

The data which was collected by survey method has its own limitation. Out of the total population only 200 respondents were selected for collecting the information. In view of time and monetary constrains, it was not possible to contact more than the selected number of respondents.

Various statistical tools were extensively used for the study. They have their own limitations.

CHAPTER SCHEMES

This thesis is divided into Six Chapters

In chapter one, the researcher intends to provide here, a brief idea of the study and the nature of the topic in detail. In this chapter, definitions of hotel, the brief history of the hotels, the importance of hotel industry, general information regarding the hotels are elaborated in detail. It also explains the study area profile, need, scope, objectives, methodology, limitations and chapterisations of the study.

The second chapter “Review Of Literature” comprises the views of the eminent researchers in the field. They are generally and specially with reference to the objectives of the study.

The third chapter deals with the “Growth of the hotel industry”. It exposes the interrelation between the growth of hotel industry and tourist arrival to chennai. In addition, this chapter brings out the socio–economic aspects of the hotel industry and its role in foreign exchange earnings.
The fourth chapter deals with the “Facilities and Services provided to the tourists”. Here the researcher analyses the various facilities and services provided to the tourists by the hotel industry in Chennai and it also explains the various facilities considered essential for the tourists.

The fifth chapter deals with the “Problems and Prospects of hotel industry”. It analyses the prospects and various problems of hotel industry in terms of financing and taxation.

The sixth chapter presents with the finding, suggestions and conclusions for the development of the hotel industry.

**INDIAN GOVERNMENT INITIATIVES ON HOTEL**

1. Incredible India campaign has been launched to promote tourism both in domestic and international markets.

2. Guidelines are issued for classification of apartment hotels.

3. The ministry of tourism has sanctioned 781 projects in 34 states/ Union Territories in the country amounting to US$ 511.82 million during the last three years up to June 2010.

4. According to the FDI policy, the Ministry of Commerce and Industry, had allowed 100 per cent foreign investment under the automatic route in the hotel and tourism related industry.

5. Social awareness had been created among Service providers and capacity building of Taxi drivers and Guides through “Atithi Devo Bavah” Campaign.  


OTHER INITIATIVES TAKEN BY INDIAN GOVERNMENT ON HOTEL INDUSTRY

Government has undertaken following initiatives to attract both inbound and outbound tourists:

• Incredible India-Under this programme the Government promotes India through various integrated marketing programmes.

• Athithi devo bhava (Guests are equal to God) - Under this programme the Government create awareness among Indian people who come in contact with the tourist.

• Various Infrastructure building initiatives.

• Encourage religious tourism

CONCLUSION

This chapter outlines what is analyzed in this thesis. This includes brief introduction about origin and emergence of hotel industry, objectives of the study, study area profile, limitations of the study research design, chapterisation and government initiative for hotel industries. With this background the researcher collected research works related to this study and presented the review of literature.

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