



Versatile Hospitality Industry Across The Globe A Case Study on Development and Challenges in Hospitality Industry in Switzerland

Siddharth Shah¹, Gaurav R Salian², Nandini Roy³, Ashish Nevgi³

Student, Thakur Institute of Hotel Management, Thakur Shyamnarayan Degree College, Mumbai, India¹

Assistant Professor, Thakur Institute of Hotel Management, Thakur Shyamnarayan Degree College, Mumbai, India^{2,3}

Coordinator, Thakur Institute of Hotel Management, Thakur Shyamnarayan Degree College, Mumbai, India⁴

Abstract: *The hospitality industry has gained significant importance in the changing market scenario of India over a protracted and long term period. In addition, the increase in domestic travel, as well as high disposable income levels, have all contributed to the good growth. It is expected that over the next few years, the aviation industry will certainly grow and it has a direct impact on the hospitality industry of India. Furthermore, social travel websites have gained increasingly significant growth in recent years due to the convenience and ease of access they offer. It has been also analyzed that the middle income groups prefer budget hotels and are also highly attracted to schemes and price reductions offers. Altogether, their potential suggests that the hospitality industry can look forward to growth in the forthcoming years specifically in the market. There are however, also negatively impacting factors that are degrading the rate at which the hospitality industry could enhance and grow in the market. The research methodology used for the study includes an inductive design through the use of case study or journal analysis in order to attain suitable qualitative data. The findings of the study revealed that the challenges including financial issues, global uncertainty, branding issues, human resources, financial viability, customer issues, operating cost creep, supply, safety, and security, all hugely impact the growth and development of the hospitality industry in India. On the other hand, the solutions to these issues include the development of effective policies and guidelines as well as effective talent management, which would both certainly assist to mitigate negative impacts. Conclusively, it can be stated that the challenges associated with the hospitality industry in India require immediate attention along with the inclusion of the inputs of stakeholders such as inter alia, policymakers, governmental bodies and firms in the particular sector. Historically speaking Switzerland has been a longstanding leader on the travel platform, beginning with the classical hotel model as early as the 1800s.*

Keywords: Product, Industry, Service, Guest

I. INTRODUCTION

Switzerland's hotel scene is often taken for granted—a basic requirement to attract global power moguls to Davos for the annual World Economic Forum, to keep the slopes of the Swiss Alps full of well-heeled skiers in winter and to facilitate the business travelers that help fuel the country's banking and finance economies.

But Switzerland's hotel industry has been evolving as visitor numbers keep growing. According to Switzerland's Federal Office of Statistics, the Swiss hotel industry recorded 18.4 million overnight stays in Switzerland in the first half of 2018, an increase of 670,000 over the same period in 2017, with over 10 million of those rooms booked by foreign visitors[1].

“In the last 15 to 20 years, billions have been invested in Switzerland's hotel industry, and that's partly independent properties that have renovated and also international chains that have discovered Switzerland,” said Alex Herrmann, director of the Americas at Switzerland Tourism. He cites as examples the InterContinental Davos, which opened in 2014, and the W Vervier, which opened in 2013. More recently, the country welcomed the new Radisson Blu Hotel & Gotthard Residences in Andermatt in 2018 and, later this year, openings are planned for the Swiss group Movenpick Hotels & Resorts new flagship property, located in Basel, and the debut of Marriott's Moxy brand in Lausanne.

These global hotel brands are establishing a Swiss presence that is in lockstep with the country's own economic growth. Herrmann called the banking and investment sector important, but also noted that the country's tech sector has also expanded. Google's third largest office—in the world—is in Switzerland and IBM has part of their European headquarters and a research center in Switzerland where Microsoft and Disney, too, have a presence.

"The business sector has played a crucial role in hotel development and this has helped drive investment in Swiss cities," Herrmann added.

An influx of international investment has helped fuel the country's expanding hotel segment. Burgenstock Resort, where Audrey Hepburn wed Mel Ferrer, was acquired by the

Qatari state fund in 2007 and after completing a major redesign that closed the property for nine years, the resort reopened in 2017 with four hotels, 12 restaurants, a spa and golf course, among other facilities.

But Herrmann also credited Swiss investors with playing a part as well. "They may not invest in a hotel for business reasons, but because they are looking to showcase their art collection, use it as a meeting place for business or charitable endeavors or they simply want to keep a property as part of their investment portfolio," he explained. These luxury hotels include the Dolder Grand Zurich and the Park Hotel Vitznau on Lake Lucerne.

Switzerland's architectural traditions have also inspired new hotels like The Chedi Andermatt and The Alpina Gstaad. Herrmann described the innovative design of these hotels as a marriage of old and new. "A lot of newer hotel projects in Switzerland try to bring Alpine chic and Swiss heritage into the future," he said.

The Chedi was built by local craftsmen using local wood, but still with Asian influences while The Alpina was constructed from wood salvaged from old stables and farms throughout the region for a traditional spin on modern luxury[2].

Pop-up hotels even had their moment in the spotlight last year when Switzerland Tourism launched a campaign encouraging existing Swiss hotels to open these temporary

accommodations in unusual spaces where guests couldn't typically spend a night, such as inside a historic clock tower. "Everything was fully booked and they added a lot to the rich tapestry of

tourism in Switzerland," said Herrmann. "But I don't know how long the pop-up trend will go on for."

More information on the country's range of lodging options is available through the travel agent education program The Switzerland Academy as well as the annual sales manual that Switzerland Tourism produces for agents[3].

II. LITERATURE REVIEW

Main Challenges in the Changing Climate

On an international level, and more specifically looking at the Alpine region, Switzerland sometimes struggles to compete against its ski-haven neighbours such as Germany, Austria and Italy when it comes to attracting clientele. Given its notoriously high prices, guests know all too well that they can reserve a stay in a German property, which will provide them the same seamless service, but also offer a more pocket-friendly experience with the euro. Beside this, many of these family-run hotels are very small featuring a mere 20 to 30 rooms in total against a growing plethora of larger hotel properties. Although this intimate size may of course be very much part of the attraction, relatively speaking it means that unlike before they are walking along a fairly precarious financial tightrope. Mr. Allemann explains what they need to do to remedy this: "They hotels should construct but they do not have the means to. They should cooperate,

but they are not willing to cooperate because you lose your freedom, your independence when you have to cooperate with other hotels." In other words, they need to grow by increasing the amount of rooms or they need to consider communicating with other hotels to gain perspective of the hotel market. Additionally, somewhat technophobic, these independents may not know, or be interested in knowing, the benefits of technology and how it can act as an expert tool in increasing their profit margins - a staggering 1/3 of these hotels do not even feature an up-to-date homepage with a clear booking system. Now well and truly in the digital age, hoteliers cannot afford to be digital-shy if they want to achieve a wide engagement with their target audience.

Taking advantage of the web to promote their identity and making them stand out amongst their new, tech savvy challengers is a vital step.

Reply to Hotel Reviews

Hotel reviews are a major feature that hotelleriesuisse has highlighted to help Swiss hoteliers. Over time smaller hotels have overlooked customer reviews, but with a view to create trust and cement a more personal hotel-guest relationship, hotelleriesuisse has highly encouraged this awareness and urged them to leave constructive responses to guests' reviews.

In addition, Mr. Allemann stresses that, "You [hoteliers] can learn quite a lot from the reviews to make a better product, to improve quality". After 5 years, it is understood that a substantial increase in hoteliers now know that they need to analyse reviews with TrustYou Analytics should they want to be on par in today's climate.

Make a Price Strategy

Price strategy is also significant to consider where hoteliers can assess where they stand in the market against their competitors. The obstacle is defining this term, and specifically the technology Aztec Global, to hoteliers as they do not necessarily understand it or know how to put it into practice, but it is indeed paramount when competition is high.

hotelleriesuisse has teamed up with Aztec Global Solutions and this is what came back: "We [hotelleriesuisse] offered the tool of Aztec Global to all of our members for free, for free, and do you know how many hotels are working with Aztec Global? 350 out of 2,000. 2/3 are not profiting from a tool they get for free because they do not understand that they have to not only make a price strategy and write if my neighbour has this price, then I make this price, but they have to see how I am developing and performing in the market, in regard to the market, not in regard to my competitor." This digital tool is new to smaller hotels and evidently is not being taken advantage of by the majority due to a fundamental lack of understanding. In order to prosper it is clear that the independents need to learn to embrace and invest in technologies and work together with their neighbouring competitors to invest and compete with the multitude of hotels in rival regions[4].

Forecasting the Effects of Coronavirus on Switzerland's Hotel and Tourism Industry

A novel coronavirus (formally known as 2019-nCoV) has sprung up over the last few weeks, with its epidemic center in Wuhan, the capital of Hubei province (China). Little is known about this virus, but we do know that has an incubation period of 2 to 14 days and a mortality rate of 2.07%, according to CNN. While urgent research is being carried out, authorities are taking steps to contain the spread of the virus by closing air traffic from China, cancelling package tours to and from the country and placing people in quarantine. These very necessary measures intended to protect people and lives come, however, at a cost[5].

III. SUMMARY

There is a significant relationship between service quality management and customer satisfaction. In hospitality industry, the customer satisfaction variables such as Availability, Access, Information, Time, delivery of service, availability of personal competence, Comfortable and safer atmosphere and pollution free environment are of prime concern to every hotelier. The industry continuously tries to improve upon their services to meet the levels of customer satisfaction. The intangible nature of the service as a product means that it could be very difficult to place quantifiable terms on the features that contribute to the quality and measurement of the quality of the product is a problem for Service quality management. The customer is frequently directly involved in the delivery of the service and as such introduces an unknown and unpredictable influence on the process[6].

IV. CONCLUSION

The hotel industry undoubtedly is facing several major challenges globally such as economy influx (fluctuations in economy), labour shortage & retaining quality personnel, rising technological demand, providing & maintaining absolute cleanliness & hygiene, providing & maintaining excellent & exceptional guest service standards, providing meaningful & memorable personal experiences, sustainability, increasing competition, lack of latest & sophisticated marketing techniques, difficulties in managing energy & resources, providing impeccable safety & security & providing nutshell cyber security & data privacy etc. The global hotel industry & therein working hoteliers need to sort, resolve, find & implement appropriate solutions to all the above mentioned major challenges by formulating efficient &



effective strategies henceforth with immediate effect in order to ensure smooth functioning of hotels & winning confidence, trust & faith of hotel guests worldwide.

REFERENCES

- [1]. Barton, Susan. Healthy living in the Alps: The origins of winter tourism in Switzerland, 1860-1914 (Manchester University Press, 2008).
- [2]. Dominici, Sara, and Robert Maitland. "The PTA: Promoting Swiss Tours, 1888–1939." *Annals of Tourism Research* 60 (2016): 31-47.
- [3]. Orland, Barbara. "Alpine Landscapes of Health: The Swiss Whey Cure and Therapeutic Tourism between 1750 and 1870." in *Connecting Territories* (Brill, 2021) pp. 210-241.
- [4]. Kanchana and Aditi Sharmab Research Scholar, bAsst. Professor Indira Gandhi University, Meerpur, Rewari, Haryana.
- [5]. KERRY MEDINA, DESTINATION & TOURISM.
- [6]. A Professional Insight into the Swiss Hospitality Industry by Triptease Team.
- [7]. <https://www.mordorintelligence.com/industry-reports/hospitality-industry-in-switzerland>
- [8]. <https://www.triptease.com/blog/a-professional-insight-into-the-swiss-hospitality-industry/>
- [9]. <https://www.travelpulse.com/news/destinations/switzerlands-hotel-industry-continues-to-innovate.html>
- [10]. https://www.ripublication.com/acst17/acstv10n6_08.pdf