

Hospitality Versatility Around the Globe A Case Study on Cuisine and Culture in Hospitality Industry in Monaco

Khushi Ghoghre¹, Chetan Motwani², Nandini Roy³, Ashish Nevgi⁴

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: *This aims at reporting key challenges and upcoming trends expected for the hospitality industry in India. The study unfolds the evolution and main characteristics of Indian Hotel Industry, discussing what is to be expected in near future and what are the key challenges that the Industry needs to tackle in an emerging global context and the impact of these changes on human resource development and management. The paper summarizes the key issues in the context of the hospitality industry in India in the areas of strategy and finance, licenses and policies, room inventory, technological handicaps, cost and revenue management, growth issues, safety and security concerns and talent management. The trends that are going to dominate the market are discussed which will enable the future researchers to take up apt topics for research. The paper concludes with suggestions to overcome these challenges which benefit the industry practitioner to make better decisions.*

Keywords: Hospitality, Food, Service, Accommodation

I. INTRODUCTION

The Indian Hotel Industry holds a huge potential due to the positive impact of demand-supply scenario, growth drivers, investments and government initiatives for the tourism sector. To develop a better understanding of the industry this research has discussed a comprehensive Industry insight of Indian Hotel Industry, which elaborates trends, future aspects and challenges keeping in mind the various factors determining Industry functioning. This paper attempts to analyse the characteristics of Indian Hospitality Industry since it is a major revenue earner for the country. Hotel industry is playing a vital role in the service sector with regard to the economic development of the country. Main characteristics for the Hospitality Industry in India were found out to be its high seasonality, labour intensive nature and being fragmented. The Indian Hospitality Industry faces numerous challenges which were dominantly identified as shortage of skilled employees, high turnover of quality workforce, excess of room inventory, competition faced amongst various players, safety issues in India which is a huge hindrance for tourism, high guest expectations, employee burnout in Hospitality Industry, infrastructural bottlenecks, compounding costs, stagnant innovation, uneven progress and poor organization

Hospitality Industry is one of the oldest industries in the world, patronized initially by businessmen (traders), philosophers, religious people and scholars, which is a part of Travel and Tourism Industry. The key constituents of this industry are hotels, motels, inns, resorts and restaurants. In a larger and broader perspective, the Hospitality Industry is involved in tourism, entertainment, accommodation, transportation (airlines, railways, car rentals, cruise liners and travel intermediaries including travel agents and tour operators. tour operators. Before the 2 World War, areas were visited by the Britishers and the Indian Nobility leading to the establishment of Hotels by British and Indian entrepreneurs and there were only a few Indian companies holding hotels in India like Indian Hotels Company Limited (The Taj Group) and East India Hotel (Oberoi Group). India gained independence in 1947, and the hotel industry saw an era in which no hotel expansion was undertaken. In the year 1956, Pandit Jawaharlal Nehru, who was the Prime Minister of India during that time, identified that the travel and tourism industry could act as a driving factor for the country's monetary development and instigated towards building class hotels in India for foreign personnel. This directed the Government of India to make their first ever investment in the hotel industry – The Ashoka Hotel, New

Delhi. In 1966, a merger took place between Jan-path Hotel India Ltd. and India Tourism Transport Undertaking Ltd giving birth to The India Tourism Development Corporation (ITDC). The Indian government gave another push to the tourism sector by creating the Ministry of Tourism and Civil Aviation in 1967, untying it from the Ministry of Transport and Shipping. The hospitality industry of India got a boost with the Asian Games which were held in the country in the year 1982.

The first national policy on tourism was announced during that time which highlighted the objectives that were to be achieved by developing tourism to help the country meet up with the huge requirement for hotel rooms in the capital city New Delhi, then the location of the Asian Games. The status of an industry in 1986. The government of India after conducting a critical assessment in 1987 allowed franchising of 3 and 4 star hotels by an Indian firm. In 1991, Tourism was made a priority sector, creating the hospitality industry eligible for regular approvals of hotels where 51 % of equity was being made available by a foreign partner.

Several major international hotel chains entered the country in 1998 after tourism gained Export House status. This made hotel proprietors, travel intermediaries, and tourist transport operators entitled for diverse incentives provided by the government.

Without focusing on the expansion of the hospitality sector, growth opportunities in travel & tourism cannot materialize. There are an estimated 114,000 hotel rooms spread across different hotel classes, which is approximately 150,000 rooms short in India proving that with many opportunities, the industry also has to deal with challenges as well. The Hotel industry being sensitive to economic cycles does face its depression as well as elevation based on the supply and demand of rooms. Issues like poor infrastructure, high cost of land procurement and multiple licenses heighten the challenge of development in India.

The Indian Hotel Industry has shown a downward trend lately which was earlier enjoying a period of high growth due to factors like soaring rates of interest, inflation, strategy stagnation in the government thereby causing reduction in the growth. The inflow of foreign tourists has also dropped owing to the weak economy across the globe, but the silver lining is that home tourism in the country has shown considerable improvement with better connectivity and is likely to defy any breakdown in the inbound tourist influx (US, UK and Eurozone). The future investment plans by the global and domestic players will have to take into account diverse consumer choices put forth by the domestic tourist. The [1] is at a very interesting crossroads at this moment.

II. CHARACTERISTICS OF INDIAN HOSPITALITY INDUSTRY

Labour Intensive

Hospitality Industry lays emphasis on the quality of manpower and employs skilled, semi-skilled, and unskilled workers both in a direct and indirect manner. The average employee-to-room ratio in India is at 1.6 (2008-09), which is way greater than international standards. Since the branded international hotels have entered and are determined to flourish in the Indian industry across different categories, the hotel companies in India need to reconsider their staffing requirements by becoming more competent in [2].

Fragmented

A large number of small and unorganized players account for a huge market share in the Indian hotel industry making it highly fragmented. The Taj, Oberoi, ITC Hotels, and East India Hotels comprise the major players in the organized segment.

High Seasonality

The Indian hotel industry usually faces high demand during October–April, whereas the monsoon months experience low demand. It is the quarter of December - March that earns 60% of the year's turnover for Indian hotels. During the preceding years earns 60% of the year's turnover for Indian hotels. During the preceding years a shift has been seen in the trends as hotels have initiated a variety of schemes to get better occupancy in the so-called lean period. These include targeting the MICE (Meetings, Incentives, Conferences and Entertainment) segment and offering attractive packages during the lean period.

Challenges faced by the hospitality industry in India License Issues

Indian hotels need to apply for multiple licenses undergoing a red-tapism by government agencies. An upcoming property could require approaching more than forty agencies to procure more than 100 licenses as per the state in which it is situated. This activity of procuring licenses delays the project by a year or which is very dreary as compared to progressive countries like Singapore where only six licenses are needed from six government agencies. This kind of ambiguity arising from delayed processes requires government of India to make the entire process quick, simple and transparent (Kashyap, 2014)

Shortage of skilled employees

Unavailability of excellent workforce in different skill levels is one of the biggest hurdles faced by the Indian Hospitality Industry, this is especially true in the interior regions of the country which attract tourists but unlike the metros and tier two cities are not able to sustain skilled and educated employees

High turnover of quality workforce

The hotel industry in India finds it very difficult to retain the workforce even with training and development and the attrition levels are very high. Hotel Industry professionals are easily absorbed at better paying industries like retail, banking, aviation and other service sectors

Excess of Room Inventory

Working income earnings of finest hotel categories are anticipated to decline in the coming financial years as there is a gap in the number of rooms coming up and the meager increase in international travelers. Due to surplus room inventory in 14 major metropolitan cities in the country, operating profit margins of these hotels are estimated to drop to the lowest as compared to the last ten years (Naidu, 2012).

Competition faced amongst various players

The industry is witnessing heightened competition with the arrival of new players, new products and new systems. The competition from neighboring countries is equally severe with South East Asia coming up as a cheaper destination with better infrastructure (Kannan, 2005).

Safety issues in India, a huge hindrance for tourism

The international tourists are wary of getting hassled, cheated and mugged in India. It also showed that foreign tourists have more incidents of being harassed, defrauded and robbed. Tourists' confidence of the protection and security in tourism destinations is a critical reason that affects visiting choices and the expansion of tourism industries. (Lin, 2011). The country's image is also tampered by poverty, political instability, women safety concerns and diseases. Scares about natural disasters like tsunami in the Indian Ocean and the potential of epidemic diseases (bird flu, swine flu, dengue, chikungunya etc) also affect the industry (Ninemeier, 2009). After the attack of 26/11, the hotels have focused a lot on scheduling special training courses for the guards and security personnel. A lot of thought and consideration is put into the blueprints designed with a lot of focus on the surveillance systems adopted along with superior lock and access control mechanisms (Kashyap, 2014)

High Guest Expectations

Due to an increase in the number of players in the hospitality sector there is a lot of competition both internally and externally and ever changing consumer demands compel the need for latest services and delivery channels. This results in the hospitality players to brave the challenge of reconciling the necessary short-term investments[3] with their long term business purpose (prosperity, business stability, operational competence, sustainability and investor worth creation) (Explore hospitality solutions, 2013).

Employee burnout in Hospitality Industry

Highly personalized services required in the tourism and hotel industries, and no amount of automation can replace personal service providers. This is related to the high burnout rate of hotel employees which is one of the highest. The reasons for burnout have been found out to be emotional exhaustion, depersonalizing customers and a lack of personal accomplishment (Ledgerwood, 2009). An annual study done in the Netherlands proved that hotel and restaurant workers experience burnout at a rate of one in seven. These results are consistent with other findings throughout the world (Hurley, 2013). The hospitality industry focuses on the customer first hence putting the employees on a back stage. The rate of staff turnover is extremely high in the hospitality industry which is not favorable to the employer as a lot of investment occurs in hiring and training an employee and whenever an employee quits it also leads to the loss of output and efficiency. Hence it is very important for an owner to focus on retaining the employees by providing a positive working environment while providing monetary benefits (Kashyap, 2014).

Infrastructural bottlenecks Infrastructural facilities are of mediocre quality and need to be upgraded as the hospitality industry is expected to increase the foreign exchange collection. There is a need to integrate domestic and foreign tourism. Improper synchronization between the types of transport and communication wastes time, money and the energy of tourists unnecessarily. Therefore a consumer centric approach and better access to infrastructure needs to be worked upon for the recognition of Indian Tourism Industry (Hans, 2008).

Compounding Costs

The Hotel Industry in India is losing its sheen as a cost-effective destination due to escalating costs in hotels. High cost of land in the country often discourages investors from putting money into the construction of new hotels. Also, there is no rationalization of taxes as states charge different rates. The other costs causing a lot of distress to the industry are utilities (electricity, fuel, water, solid waste disposal etc), payroll, taxes, social media and technology (Property Management Systems fees etc) (Mayock, 2012). According to Kashyap (2014), the declining economy of India leads to putting up branded hotels on sale as the return on investment is not always similar to what is expected. High rates of interest and problems related to funding are another issue which is faced by the hotel owners.

Stagnant innovation: In order to serve the guest in a superior manner and break out from commoditization, the next generation of hoteliers should think out of the box. Victorino, Verma, Plaschka & Dev (2005) revealed that service innovation plays a very important role when hotel guests are making a hotel selection. Innovation is at the heart of the hospitality organizations success as it allows them to improve the product quality, increase competence, reduce costs, meet the customer expectations, increase sales and profits and separate them from competitors by increasing their market share. The industry also needs to update itself on the technological front (Jones, 1996; Ottenbacher and Gnoth, 2005).

The key areas Hospitality Industry has to be watchful about the hospitality sector has been put on notice due to changing consumer habits and attitudes and for the attainment of future prosperity transition must be made now. Some key areas that need to be focused upon are:

1. Emerging Markets: According to the report released by Deloitte's Global Tourism, Hospitality & Leisure, by 2015 India and China will continue to be key markets and tourism growth would be greater than UK, France and Japan. The greatest future potential in these markets will lie in developing mid market and economy branded products aimed at domestic travelers.
2. Demographics: Two key driving economies for the World have been identified as India and China who will create new patterns of travel in the west and new source markets in the east.
3. It will be the middle class which will cause major changes in the future as their travel patterns progress from domestic to regional to international. India would contribute to 50 million outbound tourists by 2020.
4. Brand: Social Media's growth in the past few years has been tremendous and shall keep growing. Social Media offers both threats and opportunities for operators in spite of all advantages it provides in fast and effective communication. Brands would benefit by the clarity and not the ambiguity that social media is known for where it would draw attention to any discrepancy in delivery of service, providing a fast and improved channel between the brand providing the service and the end user.

5. Talent: Labor costs are up to 33 percent of revenues with employee turnover being as high as 31 percent. This high employee turnover continues to be a curse for the industry which requires operators to have strong strategic plans to retain good employees and cope up with turnover. In order to retain the employees it is extremely important to provide attractive salary packages to the employees with a positive and friendly work environment.
6. Sustainability will become a crucial issue for the hospitality industry by 2015 and post that. With population explosion and ever scarce resources the business environment will become challenging in which sustainability will have to be incorporated in all aspects of the industry.
7. The developments taking place in the field of hospitality should go hand in hand with the conservation of environment and natural resources. As the guests have become more aware about the environmental concerns and issues, it becomes the responsibility of the owners to incorporate such trends and practices as a part of their corporate social responsibility (Dinakaran, 2018).
8. Technology: For success hospitality companies will need to invest in technology. The proprietary websites will drive bookings but applications and websites for mobile devices will also need to be developed to meet the consumer demand. As hospitality organizations invest more and more in technology for better guest service, they come across a number of hurdles. In order to have a successful technology roll-out, issues pertaining to connections, integration tribulations and employee-training are some of the hurdles that an organization needs to conquer. These challenges in installing technology are not new as hospitality organizations as integration and training issues have always been there. To keep up with the needs of their guests and ever changing trends, hotels and restaurants have to invest in numerous technologies.
9. Crisis Management: Crisis Management helps endure unforeseen calamities . Suggestions to overcome the challenges faced by Hospitality Industry:

Better HR Practices:

1. Pay for Productivity: Hospitality industry, unlike other industries is labour intensive and the personalized service cannot be replaced by automation. Reconfiguring the work process and then sharing the benefits of increased productivity can have positive results. Raleigh (2016) suggests pay for productivity, stating an example of room attendants, that they could be offered additional pay for improved productivity as long as they conform to standards and measures.
2. Alternate Scheduling: This comprises a staffing schedule that differs from usual work-day from 9 am to 5 pm. This includes Part-Time and Flexi-Time, Compressed Work Schedules, and Job Sharing. Part-Time workers allow employers to fill in gaps and serve as helping hands reducing labour costs.
3. Develop Internal Programs: Hotels should design internal programs in order to generate attractive career opportunities for their employees. The employees should see their job as a professional development prospect with genuine potential for progression.

Better Communication: When goals, objectives and pertinent daily business information are poorly communicated, they result in confusion and loss of confidence amongst employees. Many times reports and communiqués are prepared without taking perspective of the end users' requirements, their aptitude, and possibly the limitations on their time to evaluate, examine, absorb and eventually act on the information made available. Therefore aligning communication to the ability and requirement of employees will yield favourable results.

III. HOSPITALITY DEVELOPMENT

M2 Leisure is a leisure and hospitality development company and is specialized in the development of leisure facilities. Hospitality development includes resort development, family holiday park development and water park development, but also hotels, restaurants, museums, outdoor activities and other leisure facilities. We can do complete turn-key hospitality development or we can assist in a specific phase of a hospitality project. No matter what type of project, with our experience, dedication and passion, we relieve you from any concerns.

Professional development

Professional development increases marketability of individuals and furthers their reach within the hospitality industry. It consists of several different types of opportunities for people in the workforce who want to learn more about their industry, their field, their job position and related technology. Ultimately, professional development can be defined as an opportunity that allows an individual to gain new knowledge or acquire additional skills in order to further their career.

Professional development has become increasingly important to those who are in the job market, particularly those who are seeking employment within the hospitality industry.

Hotels, restaurants, and other hospitality businesses are seeking applicants who not only have a general understanding of the field but who also can utilize the latest skills, technology and trends in order to perform well within their role. According to an article posted on LinkedIn, professional development is key to surviving in an increasingly competitive, global job market.

Professional development in the hospitality industry

LinkedIn's statistics reveal that more than 907,000 members of the professional social networking site list professional development as one of their skills. This staggering number proves that this characteristic is relevant across all industries, but it's particularly beneficial to those in the hospitality management field. By enhancing your hospitality degree with a specialized certificate or by enrolling in a professional development course that focuses on new technology within the hospitality industry, candidates become qualified for advanced positions and niche opportunities throughout the industry.

How does the hospitality industry help our society grow and develop?

The role of hospitality in a global economy

The benefits tourism and hospitality will have on a nation's economy are endless. The most obvious factor is the employment created as a result of hotels, airlines, travel agencies, and more. One in ten jobs around the world are in tourism.

Foreign investment also increases when a country is on the rise as a tourist destination. Many of its industries will see a boom and much of this interest will come from abroad. India and the UAE are examples of this.

Challenges impacting the hospitality sector

- Rising costs – though foreign travel is becoming popular, costs are also rising and this is something organisations across the sector are becoming aware of.
- Natural disasters – tragic events are out of our hands, however, they often have a long-lasting impact on a region and can mean tourists stay away for large periods of time.
- Changing customer expectations – as competition increases among hotels, restaurants etc. customers expect more and more and this is something business owners must cater to effectively.

Opportunities for the sector

- Developing nations – the tourism sector is able to give hope to many developing states and has the power to lift them out of poverty.
- Multiplier effect – when one sector booms in a local town, so do others. For example, if a tourist destination is popular, hotels and restaurants nearby will be required. This creates an opportunity for other businesses.
- Greater technology – a fast-moving sector such as this should focus on new technologies to create the best experience possible for customers.

Countries that rely on tourism

- There are many places around the world that rely on tourism. The majority are islands in the Caribbean and other places such as the Seychelles or Maldives.
- Tourism is a sector easily accessible to disadvantaged peoples around the world as it's made up of lower-

skilled jobs.

- As we have seen, the hospitality sector has a ripple effect which means plenty of industries benefit from its success, further raising the income of less developed nations.

IV. CONCLUSION

The research throws a light on the challenges faced by the Hospitality Industry in India, also suggesting some measures to combat them. These suggested measures if practiced could fuel economic growth not only for the hospitality Industry but would also contribute to the Indian Economy. Technological advances need to be adopted quickly for savvy guests' needs. The delayed process of license acquisition must be worked on by the government of India to make the entire process quick, simple and transparent. There should be rationalization of taxes and there should be uniformity of taxes charged in all the states throughout the country. India needs to project itself as a safe and tourist friendly country by initiating different marketing strategies for different parts of the world. Markets and trends shift as the economy changes and what is true today, might be obsolete in a few years and as the hotel industry is forever changing, there is a need for continuous research and innovation in this field. These days there is a slump in the market with excess room inventory, therefore there is a shift towards promoting Domestic Travel, this scenario may not hold good a few years down the line. It can be concluded that leisure and entertainment are growing industries globally. With provision of better infrastructural facilities along with a stable socio-political and economic environment, the sentiments of tourists will definitely improve towards India.

REFERENCES

- [1]. Samuel, Henry, Monaco to build into the sea to create more space
- [2]. Cloud.gouv.mc
- [3]. Zey, Michael G, Seizing the Future.
- [4]. Cardan, L. (2015). Origins and evolutions of the western diets; Health Implications for the 21st Century.
- [5]. Carlson A, Frazao E. (2012). Are Healthy Food Really Expensive? It depends on how you Measure the Price. Washington DC: National Academic Press.
- [6]. Cannors M Margaret, J. S. (2014). Sandwiching it in: Spillover of work on to Food Choices and Family Roles in low-and moderate-income urban households. Social Science and Medicine.
- [7]. Davies B, Lockwood A, Ioannis, P, & Alcott, P. (2008). Food and Beverage Management, 4th Ed. London: Hodder Education.
- [8]. Eric R, Alan Z, Shankar M & Christine S. (2008). Cross-sectional Versus Longitudinal Survey Research: Concepts, Findings and Guidelines. Journal of Marketing Research , 261-272