



Peer-Reviewed, Refereed
and
UGC Listed Journal
(Journal No. 40774)



AN INTERNATIONAL MULTIDISCIPLINARY
QUARTERLY RESEARCH JOURNAL
ISSN 2277-5730



AJANTA

Volume - VI, Issue - IV
English Part - VIII

IMPACT FACTOR / INDEXING
2018 - 5.5

October - December - 2018

www.sjfactor.com

AJANTA PRAKASHAN

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9. The Dark Side of the Hospitality Industries with Special Reference to Unorganized Hotels

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Introduction

There were some group of people who were very proud to be called as a part of successful hospitality industries in India. Their names were well known in the Indian Market and abroad. Even they were very influential in every aspect of an economy. They claimed to be decision makers in many endeavours. It means to say that hospitality industry prospered during the 18th 19th and 20th century. It became a backbone of Indian Industries. Today some states in India solely dependent on tourism as the source of income for the state. India being bestowed with varieties of natural beauty and flora and fauna. The formation of Indian continent itself is a blessing in disguise for tourism Industries. The peninsular India, varieties of beaches, beautiful mountains, Thar Desert, Rann of Kutch, beautiful rivers, backwaters etc attracted the tourist to India. To name some places like Goa, Delhi, Mumbai, Shimla, gods own country etc and some religious places people from abroad also visit these places. Even spiritualism in India has attracted millions of people from other countries. These are some of the reasons for the prosperity of Tourism and Hospitality in India. As the time passed the Hotel industries which is a part of Hospitality industries prospered and the owners of the hotels were in the limelight. The number of hotels started coming up which gave employment to many. Specialization and innovation were thought of. The whole new concept of Hotel business started and prospered. The government of India realized the importance of Hotel Industries and their contribution towards the development of the economy was felt.

Rationale of the Study

Hospitality has been existing since the ages and even if we study the Greek scriptures we will find that during that period also the hospitality industries prevailed. Indian history is also a

testimony of prevailing of hospitality Industries and the best example is dharmashalas during great kings like Raja Vikramaditya and Chandragupta Maurya. With the passage of time , the concept of hospitality industries widened and the hotel industries emerged as a prime concept. Hotel industries today not merely provides food and drinks but provides varieties of services like the wifi , tourist guides , transport facilities, and many more facilities.

The problem of this study is that the hotel industries face different problems which are very grave danger in nature and could not be sorted out .Day by day the turnover of hotel industry is deteriorating and the owner find it great problems in various ways and difficult in managing the same. There are several problems faced by them which are not easily solved. Increase in competition , technology , government interventions, taxation, monetary policies and many more reasons have ruined the growth of hotel industries in India. Every Hotel tries to attract the customers one or the other way and thereby survive in the market. Education and awareness has spread far and wide and the customers are aware about the different facilities provided by the hotels and choice of different customer varies in term of price , quality of service and many more things.

Objective of the Study

1. To study the problems faced in the development of hotel industries
2. To study the ways and means to solve the problems faced by the hotel industries
3. To suggest the different modes of survival in this competitive world with special respect to unorganized hotels

Research Methodology

Primary data collection from different places in and around Mumbai are made and in case of secondary data , it is collected from the newsmagazine and journals related to hotel industries. Use of internet has been made for the study .Visits to different hotels has been done and interviews of different hotel owners has been taken into consideration

Findings of the Study

1. Hard to find the Qualified Workers

It hard to find the polished workers who has the thinking process. The worker should think what next, so that they can survive in the market. The worker who has the quality acting as per the need of the hour. They are only for the wages they get .They are not interested in the management of the business or they are not interested in helping the owner in getting the customers

2. Customer Retention

Once the customer enters our hotel then they should be treated in such a manner that they should return next time to our hotel. This does not happens because of several reasons like the attractive advertisement by our competitors , lack of special services,locations etc. It should be the endeavour of every member of the hotel to see that the customers should return next time to the same hotel

3. Growth of Quick Service Restaurants Day by Day

Lack of Employment opportunities in our country and lack of indForeign Direct Investments and the existence of Quick service Restaurants has been one of the cause of the decline of hotel business in Mumbai. The competition between the Hotels and the Quick Service Restaurants has led to the closure of hotels. The price and the quality and the speed of service of Quick Service Restaurant are far better than the hotels in Mumbai.Since taste of people have changed and they need quick services so they turn towards fast food chains ie quick service restaurants

4. Cut Throat Competitions

Most of the hotel owners find it hard to survive in this competitive world. Every hotel try to be innovative and even the schemes they bring are unimaginable.The customers are baffled with these schemes that they try to bargain also . Even media has play an important role in developing the competition.Different prices can be compared. Some websites gives the correct suggestions and comparisons of different prices and facilities provided by these hotels. Even 100% cancellation facilities made the way for cut throat competitions

5. Customer Expectations

The effect of media has made the customers to expect more and more from the hotel industries and since they are not bothered about the money and they are ready to shell out any amount , they expect more and more facilities and services. And the hotel industries at the end of the day have to upgrade themselves and incur extra amount leading to high cost of operations

6. Less Digital in Nature

Other countries are far ahead of us interms of attracting the customers.The media supports them.They are digitally strong enough .As compared to other countries ,our hotels are less digitalised. Reservations and booking process are very slow which leads to diversion of tourist to some other destination.Still today the hoteliers depend on agent for their customers but they should make use of websites to attract the customers through web hosting

7. Lack of Training to the Staff

First of all our country does not have excellent hotel industry training institute , secondly the owners don't care about their staff personal growth and so they are less training and they are of the opinion that if the workers in the hotel are more trained they may quit the hotel after the training and it will be simply the cost to the hotel so the owners are not interested in training the workers

8. Ever Increasing Utility Cost

The ever increasing cost of petrol , diesel and other things have contributed to increase in the utility cost .It has to be incurred to satisfy the customers. Different taste and fashion of the customers has to be satisfied and this eats into the cost of operations

9. Thinking of Safety Measures

The terrorist attack at different places in our country has made the foreign tourist to think many times regarding the tourism to any country.Safety and security of main concern.The natural calamities also contributes to the less tourism in such prone areas. Recent cases of Kamla Mill Copound has posed fear in the minds of the hoteliers that safety measure should be focused or else customers will not turn up. Most of the customers thinks of safety criterion at the hotel.

10 Fundings and Loan Facility

Today we find different fraud cases regarding the loans given for various activities. It has been also seen that loan are sanctioned for tourist activities also but some banks are apprehensive to give loans to hotels and since the business of hotel industries are declining that may lead to Non performing Assets. So availability of loan or funding from outside agency has been a dream for some hotels

11. Taxation Evasion

Some customers are very calculative and they don't want to waste money which will not benefit them like the tax payments .So they may visit such hotels which may give some discounts regarding the tax.Theres are some hotels they don't reflect tax or go for tax evasion they agree to exempt t he customers from paying the taxes so that the customers will be attracted.With the advent of GST (Goods and Service Tax), the rate of tax has increased and the visitors or the tourist are unaware about the actual rate for rooms including GST. So they are afraid to stay in certain posh hotels. It has been found that some tourist were looted in the name of GST. Since the Tariff has increased due to GST , the tourist are unable to decide where to stay.Before GST has been introduced, different taxes like entertainment tax, luxury tax, central excise , fire tax etc has been levied.It has been also found that small hotels and shack owners don't pay right amount of taxes so the government is suspicious

12. VISA Issues

After the serious threat from the terrorist attack at many countries now the country emphasis on the visa norms and are strict regarding the same and this distracts the cutomers to visit that country. Many hotels with foreign tourist especially the organized hotels find difficult to solve the VISA issues. Their Hoteliers body had been making representation regarding the same but it is found that the government is not keen on solving their problems which has really created problems in the hotel business. This leads to a type of harassment and thereby less tourist

13. Licensing Problems

Outsiders feel that doing business in Mumbai is a tedious job. Obtaining license is a Himalayan task. You have to visit particular offices several hundred times to get the licenses

14. Corruptions

For obtaining permission or licenses you have to pay bribe to the concerned officer or else you will not get permission. Even there will be raid in some star hotels to search the tourist whose visa has expired. Even there are certain governments work according to the directions of the ministers issuing licences or any other matters. The Personal Assistant of some ministers intervening while issuing the license

15. Lack of Standardization

Every customer thinks himself as the king of the market and so he expects to be pampered. His expectations are very high. There should be standardization in food quality and service quality because the tourist always believe in the standard food and service and if at all it differs then don't expect them to come again

Recommendations

- The government should play a greater role in terms of licensing, taxation and provision of supplementary help
- The safety concerns for the tourist to be priority and tourist spot should be well developed and advertised like the Disneyland, so that tourists will be attracted
- The government should take specific measures to curb corruption by licensing authorities
- It is the duty of the government to fund for the excellent infrastructure to be provided
- Highly skilled workers should be introduced and compulsory training program every six month that every hotel conduct for their employees so that they can be highly skilled

- Day by day the technology changes and the hoteliers should withstand the changes in the technology to attract the customers and see that there should be technological upgradation in the hotel and the hotel owner should be always aware of the development of latest technology
- A special task force to be introduced for the safety and security of the tourists
- The hotel should provide multi-speciality such as money exchange, air ticket booking , information centre , vehicle services at reasonable rate , pick and drop ,escorts etc...
- There should be a strong body to represent the problems of hotels
- There should be uniformity in the different aspects like uniform rate of tax , licensing policy , hours of working etc..
- The funding agencies should take care of hotels whichever the possible way and help them to survive
- The hotels should devise best methods of meeting expenses so that they can face competition and not to suffer loss
- The provision of comforts and best services will bring more customers which will increase revenue to the hotel.

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