

HOSPITALITY INDUSTRY WITH SPECIAL REFERENCE TO RAJASTHAN

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Introduction

Rajasthan is the largest state of India in terms of area. Located in the north-western region of India, Rajasthan embraces the golden sand dunes of the Great Indian Desert and one of the oldest mountain ranges of the world - Aravali. The Vibrant state of India is well known for its rich heritage and culture and is one of the famous tourist destinations of India. It is the tradition and vividness of the state which attracts a number of tourists each year.

The palaces, forts, festivals, cultural fairs, wild life, historical wonders, handicrafts and rich heritage of the Rajasthan have played a significant role in the development of the state and making it as a centre of attraction for tourists.



Figure 1.1: Map showing the state of Rajasthan, source: Rajasthan: The State Profile, April 2011.

Considering the popularity of Rajasthan as a tourist destination and as an important contributor in the economic growth of the state, the government of Rajasthan declared tourism as an industry in the year 1989. Ever since, Rajasthan has established itself as a well-liked and significant tourist destination on domestic as well as world map.

Rajasthan is a preferred tourist destination among domestic as well as foreign tourists. Tourism contributes around 15 percent in Rajasthan's economy and more than ten percent (10%) of foreign tourists visiting India come to Rajasthan annually.

The scope of tourism in Rajasthan in future seems promising after the addition of Jantar Mantar¹ (sited in Jaipur) and the Hill Forts of Rajasthan (the hill forts of Rajasthan includes six majestic forts in Chittorgarh; Kumbhalgarh; Sawai Madhopur; Jhalawar; Jaipur, and Jaisalmer) in UNESCO's list of World Heritage Sites.⁴

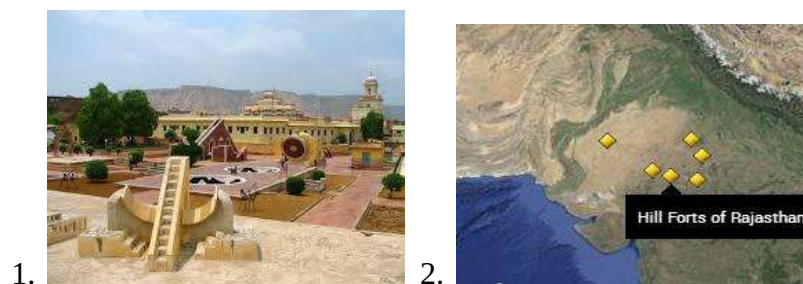


Figure 1.2: Picture 1 showing Jantar Mantar (Jaipur) and picture 2 showing the Hill Forts of Rajasthan. Source: whc.unesco.org, Imagery@2013 NASA.

1.1 Meaning of Hospitality Industry

The word hospitality is derived from the Latin word *hospes*, meaning “stranger”, “guest”, or “host”. Hospitality refers to the relationship shared between the host and guest. Also, it can be referred as the act or practice of being hospitable. Reception and entertainment of visitors or guest is imbibed in the term hospitality.

Hospitality Industry can also be defined as the specialized field delivering services to customers directly. The hospitality industry makes sure that the customers, recipients enjoy their leisure time to the fullest and that they are well treated. Some of these fields include hotels, restaurants, and other service providers like flight attendants and tour guides.

Hotels are an essential part of hospitality industry. Basically, a hotel is a place offering accommodation on temporary basis. There is no official standard definition of hotel. However, in general terms, Oxford English Dictionary online has described hotel as an establishment which provides meals, accommodation and certain other services for travellers and visitors by the night.

Tourism and Hospitality Profile of Rajasthan

2.1 Tourism

Tourism is the largest and fastest growing industry in the world. Likewise, it is a fairly established and growing industry in India, especially in Rajasthan. The state has remarkable potential to attract domestic as well as foreign tourists.

Rajasthan is celebrated as a destination for every age group of tourists belonging to any background. It offers a wide choice of destinations to tourists who are visiting. The desert land of Rajasthan represents an unusual diversity in almost all its forms including music, people, cuisines, costumes, culture, and dialects. The forests, temples, forts, palaces and the glistening Thar Desert belt charms with an exceptional and amazing sight. Tourists can visit the state with the purpose of knowledge, enjoyment, relaxation, medical, wedding, adventure, sports, cultural and pilgrimage. Rajasthan is also quite famous for its tourism products and hospitality. Some of the significant tourism products of Rajasthan which includes heritage hotels, desert festivals, camel safari, palace-on-wheels, national parks, and wild life sanctuaries have become internationally popular among tourists.

Tourists coming to Rajasthan include domestic as well as foreign tourists. Domestic tourists are the tourists who travel within the geographical boundaries of their own country whereas foreign tourists are those who travel outside their own country.

The trend in tourist arrival has undergone a lot of change since 2001. During the last few years the tourists preferences have changed as a result of development of certain tourist destinations. With the availability of more enhanced services and easy access to several attractions the tourist movement in the state has witnessed change.

The below mentioned table and graph provides information regarding tourist arrivals in Rajasthan starting from the year 1971 to 2014:

S. No.	Year	Number of Tourists			Previous Year's Comparison in %		
		Domestic	Foreign	Total	Domestic	Foreign	Total
1.	1971	880694	42500	923194			
2.	1972	902769	48350	951119	2.51	13.76	3.02
3.	1973	1157959	54611	1212570	28.27	12.95	27.49
4.	1974	998227	55781	1054008	-13.79	2.14	-13.08
5.	1975	1117663	66207	1182870	11.96	18.69	12.32
6.	1976	1303633	92272	1395905	16.64	39.37	17.91
7.	1977	1618822	125112	1743934	24.18	35.59	24.93
8.	1978	2042586	160134	2202720	26.18	27.99	26.31
9.	1979	2306550	195837	2502387	12.92	22.30	13.60
10.	1980	2450282	208216	2658498	6.23	6.32	6.24
11.	1981	2600407	220440	2820847	6.13	5.87	6.11
12.	1982	2780109	237444	3017553	6.91	7.71	6.97

13.	1983	2932622	266221	3198843	5.49	12.12	6.01
14.	1984	3040197	259637	3299834	3.67	-2.47	3.16
15.	1985	3120944	268774	3389718	2.66	3.52	2.72
16.	1986	3214113	291763	3505976	2.99	8.55	3.45
17.	1987	3424324	348260	3772584	6.54	19.36	7.61
18.	1988	3495158	366435	3861593	2.07	5.22	2.36
19.	1989	3833008	419651	4252659	9.67	14.52	10.13
20.	1990	3735174	417641	4152815	-2.55	-0.48	-2.35
21.	1991	4300857	494150	4795007	15.14	18.32	15.46
22.	1992	5263121	547802	5810923	22.37	10.86	21.19
23.	1993	5252321	540738	5995059	3.63	-1.29	3.17
24.	1994	4699886	436801	5136687	-13.83	-19.22	-14.32
25.	1995	5248862	534749	5783611	11.68	22.42	12.59
26.	1996	5726441	560946	6287387	9.10	4.90	8.71
27.	1997	6290115	605060	6895175	9.84	7.86	9.67
28.	1998	6403310	591369	6994679	1.80	-2.26	1.44
29.	1999	6675528	562685	7238213	4.25	-4.85	3.48
30.	2000	7374391	623100	7997491	10.47	10.74	10.48
31.	2001	7757217	608283	8365500	5.19	-2.38	4.60
32.	2002	8300190	428437	8728627	6.99	-29.57	4.34
33.	2003	12545135	628560	13173635	51.14	46.71	50.92
34.	2004	16033896	971772	17005668	27.81	54.60	29.09
35.	2005	18787295	1131164	19918462	17.17	16.40	17.13
36.	2006	23483287	1220164	24703451	25.00	7.87	24.02
37.	2007	25920529	1401042	27321571	10.38	14.82	10.60
38.	2008	28358918	1477646	29836564	9.41	5.47	9.21
39.	2009	25558691	1073414	26632105	-9.87	-27.36	-10.74
40.	2010	25543877	1278523	26822400	-0.06	19.11	0.71
41.	2011	27137323	1351974	28489297	6.24	5.74	6.21
42.	2012	28611831	1451370	30063201	5.43	7.35	5.52
43.	2013	30298150	1437162	31735312	5.89	-0.98	5.56
44.	2014	33076491	1525574	34602065	9.17	6.15	9.03

Table 2.1.1: Showing number of tourist arrival in Rajasthan from 1971 to 2014, Source: Pragati

Prativedan, Paryatan Vibhag, Rajasthan 2014-2015

Given below is the graphic presentation of month wise domestic and foreign tourist arrivals in Rajasthan for years 2013 and 2014 :

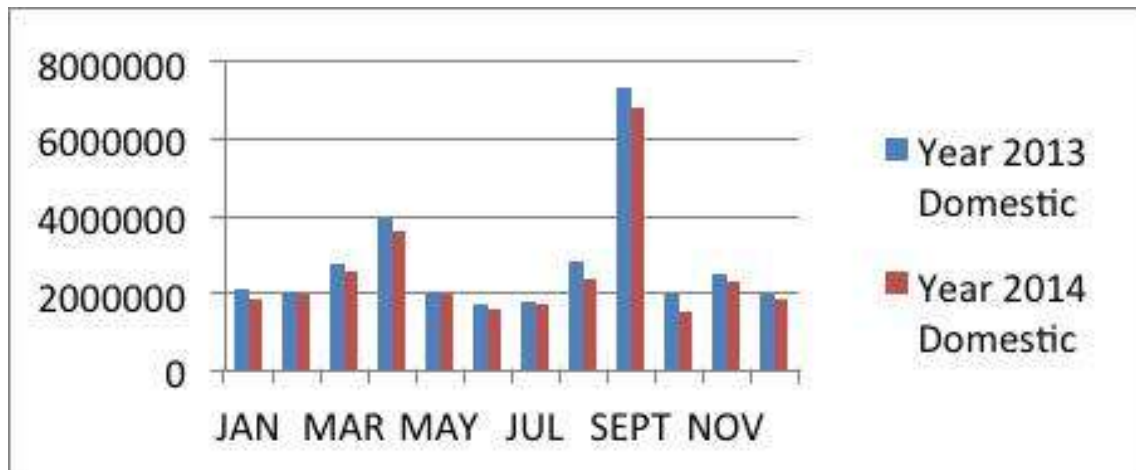


Figure 2.1.2: Showing month wise domestic tourist arrivals in 2013-2014

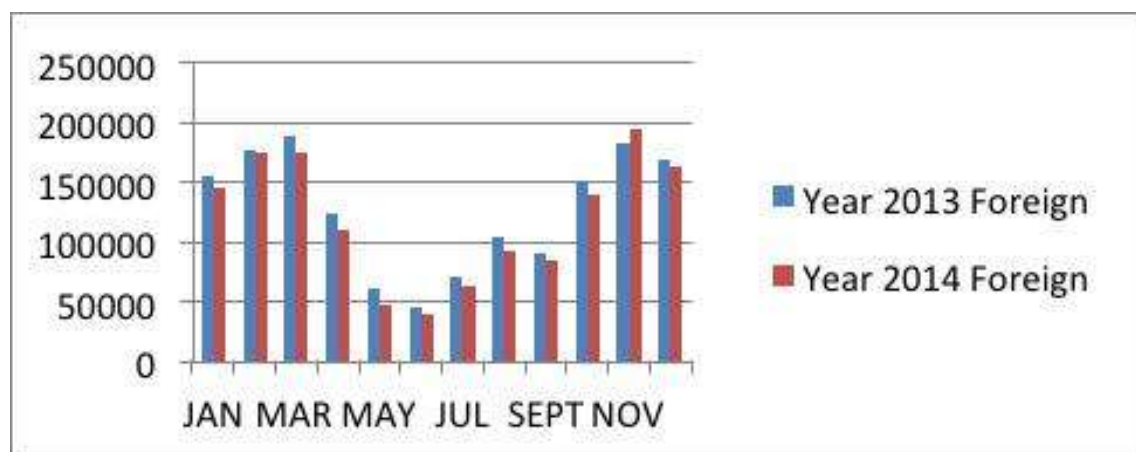


Figure 2.1.3: Showing month wise foreign tourist arrivals in 2013-2014

Though tourism in the Rajasthan extends through the entire state, however it is noticed that there are six major cities which take in main tourist activities. The cities which serve as “tourist hub” are Jodhpur, Jaipur, Udaipur, Mount Abu, Jaisalmer, and Bikaner. It is found that almost every tourist who visits Rajasthan would possibly visit one of these major cities.

- Jaipur, capital of Rajasthan is very popular with foreign tourists
- Jodhpur, Bikaner and Jaisalmer are popular for desert tourism
- Udaipur is well identified by major tourist activity because of glorious attractions
- Mount Abu is the only hill station in Rajasthan, hence is very popular with domestic tourists.

The inflow of tourists and the places visited by domestic and foreign tourists can be best understood by looking at the major tourist destinations in Rajasthan (i.e. major tourist circuits). The Department of Tourism (DoT) Rajasthan has identified nine tourists circuits based on their main attractions, geography and coverage by tourist groups/individuals. Given below is map of Rajasthan showing the nine circuits:

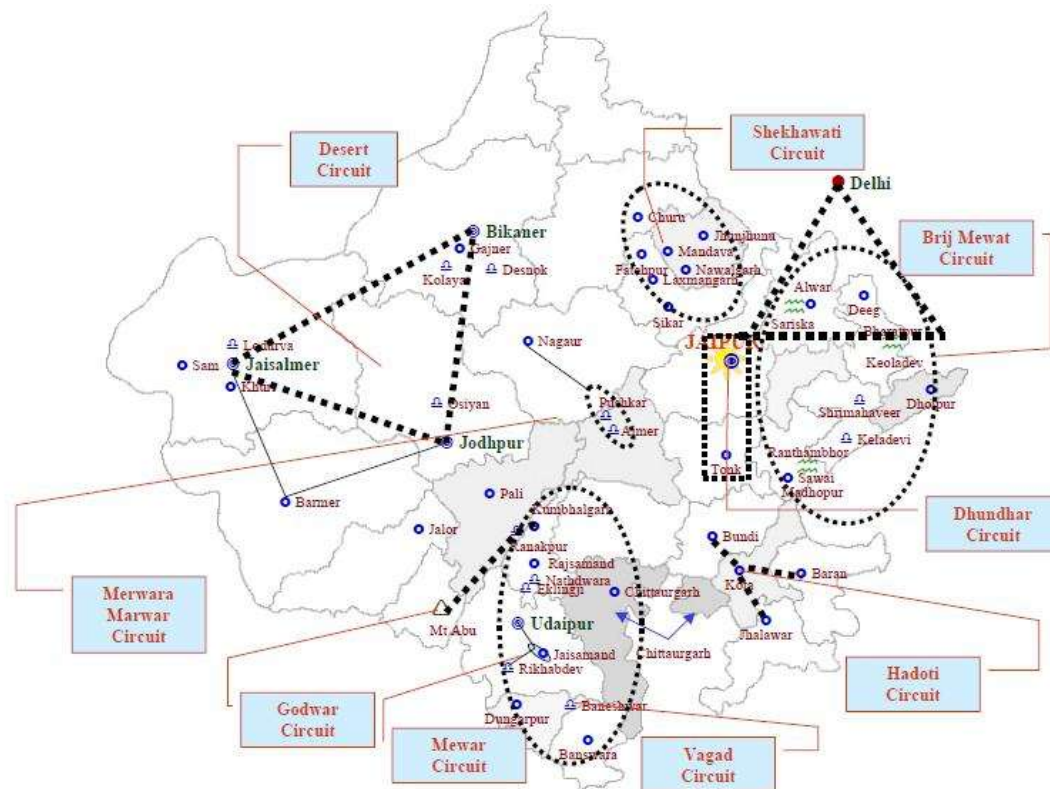


Figure 2.1.5: Map of Rajasthan showing the nine circuits, Source: A. F. Ferguson & Co., Department of Tourism Ministry of Tourism.

The various cities of Rajasthan welcome a huge number of tourists each year be it domestic or foreign. Tourism in the state is growing; with it domestic tourism is also growing at a faster rate¹⁴. Given below is the snap shot of number of domestic and foreign tourists who visited Rajasthan from the year 2011-2014. The table takes in centre wise details of tourists visiting various cities of Rajasthan.

Sr. No.		D* 2011	F* 2011	D* 2012	F* 2012	D* 2013	F* 2013	D* 2014	F* 2014
1.	Mount Abu	2193535	12928	2312448	11386	2249322	9057	2376831	4376
2.	Udaipur	574444	177699	588239	189373	662092	185313	720120	166936
3.	Jaipur	1035885	416824	998703	534256	1104905	566429	1170152	568234
4.	Pushkar	2032020	69891	2323050	70766	2659720	62353	3234750	70603
5.	Jodhpur	404640	103034	383357	121034	435919	119927	520198	139640
6.	Ajmer	2726585	30767	3753260	30750	4241880	27016	4245710	33069
7.	Jaisalmer	281159	122969	126490	73299	122883	73607	250716	91759
8.	Nathdwara	624802	72	616095	8	638751	10	702801	21
9.	Chittorgrah	465996	52184	488652	47644	521619	40296	612587	48374
10.	Bharatpur	52566	34643	67676	41326	69370	43166	69225	40386
11.	Bikaner	277546	74820	324988	76497	325653	74539	347294	67098
12.	Ranakpur	573708	107897	616172	110094	573295	93753	555951	122403
13.	Kota	69640	2441	62029	1881	63051	2889	51467	3516
14.	Sawai Madhopur	63800	50255	65800	48335	68800	52320	77800	61495
15.	Jhunjhunu	133151	43625	128283	42718	104155	36316	126184	46828
16.	Banswara	98441	45	101616	50	112155	75	114040	141
17.	Alwar	117275	13147	122783	13692	97760	11818	104418	18650
18.	Sariska	13179	2407	15234	1327	11498	994	13087	237
19.	Rishabhdeo	2954	0	2763	0	22140	0	12489	0
20.	Bundi	58001	17148	50788	16523	49434	15739	49925	15063
21.	Sikar	43909	260	68659	142	83012	0	116905	0
22.	Siliseth	2367	0	2142	0	2679	0	1910	0

23.	Behror	6420	38	5650	9	4863	34	4402	2
24.	Jhalawar	88805	213	86019	121	88974	80	93344	108
25.	Others	15195495	18667	15300935	20139	15984256	21611	17504185	26635
TOTAL		27137323	1351974	28611831	1451370	30298150	1437162	33076491	1525574

D* - Domestic F* - Foreign

Table 2.1.4: Table showing comparative details of foreign tourists visiting Rajasthan against foreign tourists visiting India, Source: Pragati Prativedan, Paryatan Vibhag, Rajasthan 2014-2015.

As a result of focussed efforts of various State Government agencies, individuals, and private players, Tourism in Rajasthan is greater than before. The Department of Tourism (DoT) has played a vital role in promotion and growth of tourism in the state. Apart from DoT, Rajasthan Tourism Development Corporation (RTDC) principally acts as a supporting system by developing and catering amenities like accommodation, sight-seeing and by organizing tours. Established in the year 1978, RTDC has played major role since then in development of tourism infrastructure facilities.

2.2 Hospitality Industry

With increase in number of tourist arrivals, the issue of providing staying facilities – boarding and lodging, services to be provided, and planning the trip emerges.

In order to accommodate the great numbers of domestic as well as foreign tourists, a web of hotels is available across the state. Apart from hotels, the government of Rajasthan and the private owners has also introduced dharamshala's and paying guest houses. Plentiful accommodation facilities available in Rajasthan comprise of one star to five star category hotels including classified hotels, Heritage Hotels, other Hotels, Dharamshalas / Inns, Rest Houses, Rajasthan State Hotel Corporation and Rajasthan Tourism Dev. Corporation Hotels and accommodation units and Paying Guest Houses.

A number of foreign tourists visit India each year to see and experience the royalty, glories of the times memorial and to enjoy the beauties of present. In view of the inflow of tourists the state government announced a new Hotel Policy in the year 2006. The policy was announced to bridge the gap between demand and supply of hotel accommodation in Rajasthan.

In the year 2012-13, the "Paying Guest AwasYojana" has been introduced to enhance tourism in the state. Furthermore, a good amount of Rs. 18.2 crore has been invested for the development and promotion of tourism in Rajasthan during the year 2012-13 up to December 2012. The department of tourism in the state has launched Paying Guest Scheme at certain cities of tourism importance. The cities include Udaipur, Jaisalmer, Jodhpur, Jaipur, Mt. Abu, Bikaner, Bundi,

Bharatpur, Alwar and Ajmer. Under this special scheme of tourism department, about 306 guest houses are being acquired by foreign tourists in the above mentioned cities.

The state government and private players contribute in smooth functioning of the hospitality industry. East India Hotels (EIH) and Indian Hotels Company (IHC) are the key players of the hotel industry of the state. EIH limited's some of renowned projects include the Trident in Jaipur and Udaipur, Oberoi Udaivilas in Udaipur, Rajvilas, a deluxe Oberoi hotel in Jaipur. On the other hand, the Indian Hotels Company is well known for Rambagh palace and Jai Mahal palace in Jaipur, Taj Hari Mahal in Jodhpur and Lake Palace in Udaipur. IHC operates in the state with over 400 rooms in eight hotels and resorts across Jaipur, Jaisalmer, Jodhpur, Udaipur, and Ranthambore National Park.

Indian Tourism and Hospitality Industry at a Glance

The Indian hospitality industry has become one of the leading players in the global industry as a result of healthy inflow of tourists and enhanced tourist movement within the country. In terms of increased capital investment and enhanced performance, the industry has emerged as one of the important Industry motivating growth of the service sector in India.

Each year India greets a huge number of tourists from all over the world. The number of Foreign Tourist Arrivals (FTAs) in India during 2010 increased to 5.78 million as compared to 5.17 million in 2009. The growth rate in FTAs during 2010 over 2009 was 11.8% as compared to (-) 2.2% during 2009 over 2008. India generated about 200 billion US dollars in 2008 and that is expected to increase to US\$375.5 billion by 2018 at a 9.4% annual growth rate, (India Tourism Statistics, 2010). The growth rate of 11.8% in 2010 for India was better than UNWTO's projected growth rate of 5% to 6% for the world in 2010 (India Tourism Statistics 2010, Ministry of tourism).

The Tourism Satellite Accounting (TSA) research report released by World Travel and Tourism Council (WTTC) states that the demand for travel and tourism in India is expected to grow by 8.2% between 2010 and 2019. This would place India at the third place in the world, as a result travel and tourism sector of India is expected to become the second largest employer in the world.

The number of Foreign Tourist Arrivals (FTAs) in India during 2011 increased to 6.31 million as compared to 5.78 million in 2010. The growth rate in FTAs during 2011 over 2010 was 9.2% as compared to 11.8% during 2010 over 2009. The growth rate of 9.2% in 2011 for India was better than growth rate of 5% for the International Tourist Arrivals in 2011.

The share of India in international tourist arrivals in 2011 was 0.64%, while being 0.61% in 2010. However, India's rank in the world improved to 38 in 2011 from 42 in 2010. India

accounted for 2.9% of the tourist arrivals in Asia Pacific Region in 2011, occupying 9th rank in the Region.

Tourism sector continues to play an important role as a foreign exchange earner for the country. In 2011, foreign exchange earnings (FEE) from the tourism were US\$ 16.56 billion as compared to US\$ 14.19 billion in 2010, registering a growth of 16.7%.

With tourism, the hospitality industry is also spreading in terms of increased capital investment, enhanced performance and growth worldwide. The hotel industry is linked with tourism and the growth in the tourism industry has resulted in the growth of hospitality industry in India. Also, increased business opportunities and prospering economy of India have acted as an advantage for the hotel industry.

The Indian hospitality industry has emerged as one of the key industries. A large number of organized and small players including The Taj, Oberoi, ITC Hotels, and East India Hotels imply the fragmented nature of the Indian hotel industry. Furthermore, the hotels are classified by the ministry of tourism in two broad categories: 1) DoT (Department of Tourism) classified hotels 2) DoT (Department of Tourism) unclassified hotels. The services and facilities offered by the hotels acts as the base of classification. Classified hotels are further divided into three categories: 1) Heritage hotels, 2) Star hotels, and 3) Licensed hotels, and unclassified hotels are divided into two categories: 1) Branded hotels and 2) Other smaller players.²⁴

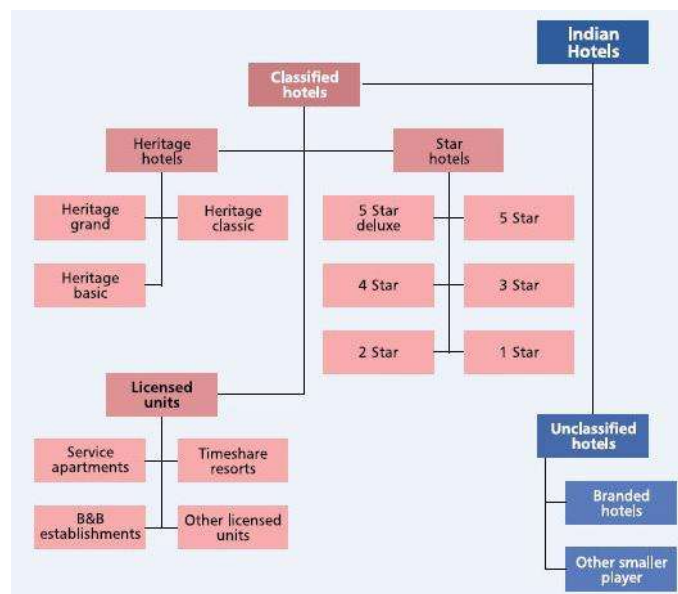


Figure 3.1: Figure showing structure of Indian hotel industry, Source: Indian Brand Equity Foundation, Rajasthan Key industries and players

In early-2000, the hospitality industry recorded healthy growth. The initiatives and various policy measures taken by the ministry of tourism played vital role in the growth of hotel

industry. Some of the measures include allowance of 100% Foreign Direct Investment (FDI) in the hotel industry, issuance of visa-on-arrival for tourists from select countries, promotion of rural tourism in collaboration with the United Nations Development Programme (UNDP), five-year income tax holidays for 2-4 star hotels established in specified districts having UNESCO-declared 'World Heritage Sites'.²⁴

Other initiatives taken by the Government of India also helped in enhancing growth in tourism and hospitality industry. Government run campaigns like 'Incredible India' and 'Athithi Devo Bhava' have also helped in the growth of domestic and international tourism and consequently the hotel industry.

Looking at the growth of tourism and hospitality industry in India, several renowned international hotel chains like the Accor, Hilton, Cabana Hotels, Marriott International, InterContinental Hotels group among others have announced significant investment plans for the country.²³ Hilton plans to launch hotels in prime locations across India whereas Marriott International plans to open a dozen hotels in India by 2015. Also, French hotel chain operator Accor has plans for expansion of its Novotel hotel network across India. The Indian hospitality industry is growing at an annual rate of 14 per cent every year. The industry is adding noteworthy amount of foreign exchange to the economy of the country

Conclusion

Tourism is a fairly established and growing industry in India, where Rajasthan is no exception. The hospitality industry of Rajasthan is growing along with the growth of tourism in the state.⁶ The desert state has remarkable potential to attract domestic as well as foreign tourists.⁸ As a matter of fact, tourism is considered to be the backbone for associated sector like hospitality. Hotel industry is an important and indispensable part of tourism industry. The sectors, tourism and hospitality are linked therefore growth recorded in one sector is related to the other.

The prospects for the hotel industry in India are bright. Along with the expansion of the hotel industry, hosting of events of international repute like sports events and trade fairs and exhibitions in the country are expected to help in attracting good number of domestic as well as international tourists.

On national as well as state level, the hospitality industry takes in immense opportunities for further growth and development. Initiatives and measures taken by the central and the state governments for enhancement of tourism and hospitality industries are making way for expansion of the existing hotels and also opening avenues for new players.

