

# The Inclusive Growth of Hotel and Restaurants with Tourism Sustainability in India

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**Abstract:** The tourism has enhanced the business of hotel and restaurant sector in India and provided plenty of job opportunities. Due to a diverse landscapes, beliefs and societies and also by provides greatest attraction to tourist. India has many states and each state is comprised with varied cultures and customs being followed by ancestors, accordingly every state has its own distinct cuisine. The hotel and restaurant sector in India has been developed gradually from the last two decades and the progression will be expected in forthcoming years. A phenomenal growth of Quick Service Restaurants (QSR) is due to the change in Indian food habits simultaneously it also assist in meeting the demand of international tourist, since it belongs to various cuisines like Italian, Mexican, Chinese and American. The Food and beverage outlets are raised to more than 1 million, with a growth rate of 16%. Whereas the QSR reached to a growth rate 21%, the recent reports states that the Food outlets will be estimated to be nearly rupees 5 Lakh Crores worth in 2021, marking a growth rate of 10% yearly and this sector will contribute almost 2.1 percent to the India's GDP. The aim of this study is to analyze the growth of hotels and restaurants in India with sustainable tourism, Secondly it focuses on the contribution of hotel and restaurant sector towards Indian economy. The findings of this study shows that the tourism, hotel and restaurant sector contributes their major role in getting Foreign Direct Investment (FDI) in comparison with other business sectors of India.

**Keywords:** Sustainable tourism, Restaurants, Hotels, Quick Service Restaurants.

## INTRODUCTION

The tourism has a huge pertinence in regard with Indian economy, during the year 1998 the amount of international tourist visited to India was more than 2 million and now in 2018 it is

multiplied to more than 5 times the majority of tourist in India are Indians. The hotel and restaurant sector flourished mainly through tourism and travel of India. There is an upsurge in tourism because of huge development of International and domestic tourists from the past few decades. The emergence of luxury hotels in to metropolitan cities of India are increased along with budget class hotels, in order to accommodate huge amount of tourist. The emergence of multinational companies complemented the elevation in hotel business through business class guest. There is a discrepancy on availability of accommodation for domestic and foreign tourist, which in turn provided an opportunity for the development of hotel and restaurant sector in India. This country has a diverse nature with beautiful landscapes, forests, caves, water falls, rivers and Mount Everest marked as the highest peak of the world, as well as through cultural heritage that shows the life styles followed in India through the temples, mosques, forts, palaces and with “TajMahal” named as one of the wonder of world. The distinct Indian climate oscillates from cold to hot according to geographic location, which is comprised with a comprehensive choice of weather conditions for tourist like dry deserts of west, high-altitude cold Mountains in north, a moist tropical regions with mountains, rivers and denser forest in the southwest along with the magnificent extensive beaches on the sea coast makes India as a best tourism attraction in world. The tourism in India with hotel and restaurant sector has appeared as the major revenue generating source of India which contributes the country’s GDP of 6.5 percent. The tourism and hospitality sector employs around 2.5 million people, with a functional progress in improving their standards.

### **International Tourist Arrivals**

Tourism of India embraces a superior position in the international world of tourism and hospitality with the distinct nature of cultures and landscapes. This country provides an exceptional convenience for every individual International tourist. The Hotel Industry of India has the highly professional and qualified employees in luxury hotels with charm and elegance. The contribution of International Tourist Arrivals in India during 2018 through the list of countries are marked from highest to lower 15 and the majority is from Bangladesh (25.92%) trailed by USA (20.88%), UK (6.25%), Malaysia (3.99%), Australia (2.61%), China (2.47%), Canada (2.37%), Sri Lanka (2.36%), Japan (2.31%), Singapore (2.29%), Germany (1.98%), France (1.97%), Nepal (1.92%), Republic of Korea (1.47%) & Afghanistan (1.17%). In this current scenario the government of India has engaged with the development activities for tourism and has taken various initiatives in order to enhance the

experience of tourism, hospitality and travel in India for international tourist and simultaneously it enriched the hotel Industry. The Government has also reduced the tax rates for domestic air travel tax to 8% previously it was 15 % and removed the various barriers for international tourism in India.

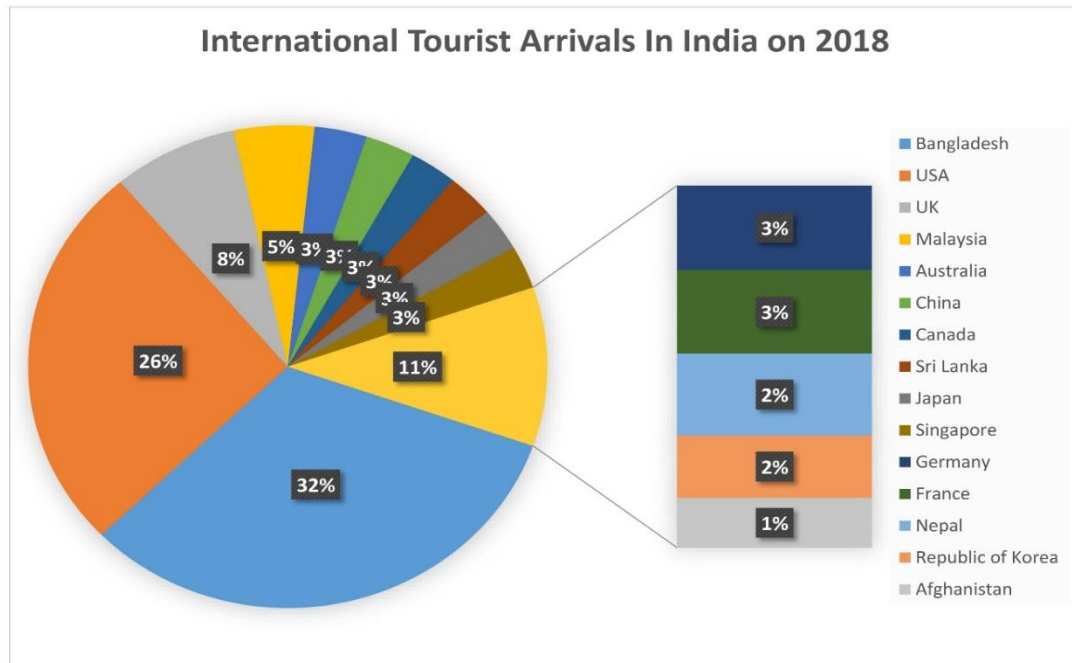


Figure 1 International Tourist Arrivals in India Country wise

**Rise of Luxury Hotels**

The rapid increase of tourism in India favored the growth of hospitality industry with plenty of international chain group of hotels like Hilton, Hyatt, Marriott, Holiday Inn, Radisson and Sheraton. Indian domestic tourists are extravagantly spends on travel like never before to domestic and overseas travel. The International chain group of luxury and branded hotels are recording a gain in the contribution of revenue through Indian tourist. Apart from their accommodation in hotel, these tourist are willing to spend their sum money for facilities and services of the Luxury Hotels. The Indian lifestyle of upper class group supported the rise in domestic tourism as well as luxury hotels. The international tourist to India flourished through greatest tourism attractions for sightseeing and relaxation. According to the Ministry of Tourism the International tourist arrivals are raised in last few years, this simultaneously enhanced the expansion of luxury hotel industry with numerous international chain group of hotels in Indian cities with elegant appearance, abundant facilities and services through advanced technology.



Figure. 2; Rise of Luxury Hotels

### Progression of International Quick Service Restaurant Chains

The International Quick Service Restaurant chains (IQSRC) have been expanded due to change in taste and food habits of Indian food consumers and concurrently it is boosted through domestic and international tourism in India. The food industry of India has been flourished in the recent years, due to the rising income exclusive of the deduction and taxes paid by middle class. The International quick service restaurant sector was valued at 230 billion in US dollars on 2018, it is estimated and develop in future up to 245 billion in US dollars by 2019, the report from National Restaurant Association of India (NRAI) shows that some of the leading international Quick service restaurant chains (IQSRC) have been rising more rapidly in the recent years. The vital area of Indian Food Services advertise and have become more popular throughout the years on account of their attention on reasonable and aggressive estimating clubbed with obliging such developing purchaser need as comfort, more hunger, and longing for nourishment from new trend. Various IQSRC affixes have run to India in the course of recent years, with explicit cooking styles and item contributions, fuelling the market's development. The section of various IQSRC space has extended the chain market to an expected size of 55 billion rupees in Indian currency. Further, this is anticipated to develop at a CAGR of 25% to achieve USD 2,248 million (USD 3,230 million) by 2018. This fragment is required to observe expanded movement by means of market

extension and passage by different players. At the city level, a huge offer of the QSR advertise rests in metros and smaller than usual metros because of higher utilization, elevated shopper mindfulness, and introduction in key urban communities, for example, Delhi, Mumbai, and Bangalore. Gradually, QSRs have built up their dependable balance in the significant urban communities and are presently venturing into littler urban areas with minimum arrangements.

### **Contribution of Hotels and Restaurants**

There is a great influence of hotel and restaurant sector is noticed in the growth of GDP in India and it is anticipated to rise up to Rupees 32 trillion in 2019 as well as it is estimated to grow till 2028. The consistent raise in middle class disposable income aided the tourism, hotel and restaurant industry with 7.5 per cent of the country's GDP also by acknowledging a strong growth in Indian economy on contribution through taxes. The Hotel and restaurant sector comprised with a varied type of job, straight away it provides plenty of job opportunities to the job seekers in India. Hotel and restaurant sector not only has a vital part in drawing FDI (Foreign Direct Investment) entry to India, as well as it is the essential and maximum foreign exchange source for this country. The quick service restaurant and cafe is contributed Rupees 22,400 crore through tax and provided more than 6 million jobs in 2018, Indian Food Services Report (IFSR) revealed that the restaurant industry will contribute close to 2.1 per cent to India's GDP by 2021, The hotel and restaurant business is mostly based on manpower as India has a huge community of English talking people who are suitable for this sector and acts as a source for growth of hotel and restaurant Industry, which demonstrate as an impetus in headway and thriving of the business. Other than the customary employments of a front office executives, food and beverage staff, housekeeping staff and food production cooks and director's different open doors anticipate those who are enthused about taking up an occupation in the segment.

The focused markets and the mindfulness among the visitors have made it important to put accentuation on and connect the aptitude hole in the cordiality segment. The Ministry of The travel industry, Government of India has set up the accompanying methodologies to fill the basic holes as existing methods has been coordinated to begin momentary courses in Services and Production and a plan has been devoted for the preparing and up evaluating the aptitudes of the current specialist organizations of employable aptitudes. The Ministry of Tourism has likewise chosen to acquire courses Tour and goes into the standard through

professional schools, polytechnic establishments, Industrial Training Institutes, Government schools and Universities. Rules have likewise been reserved for use of monetary help for the formation of foundation.

At the end of FY18, the nation saw macroeconomic dependability with the financial deficiency and current record shortfall. Going ahead, the Union Budget for the financial year 2019 has distinguished some significant supports that will bolster financial development for the nation that incorporates charge changes in tax, financial control, interest in foundation, simplicity of working together, horticulture and welfare, country division, social area, training and occupation creation. This is said to have converted into a general get in the monetary exercises, along these lines positively affecting the interest for inns industry in the nation going ahead, CARE anticipates that the business should enlist a generally sound development in income on back of financial development and reliably developing working class alongside expanding extra cash. There are different other key factors that drive the market, including India's allure as a medicinal the travel industry goal; relentlessly developing Meetings, Incentives, Conferences what's more, Exhibitions (MICE) fragment; and, an expanding affection among millennial to travel. Also, the normal future stock in 11 significant markets (acrosscategories - just marked) is lower at around 57,000 spaces for the following 5 years Financial Year 2019 to Financial Year 25. Accordingly, with expanding request on back of progress in financial exercises and lower room increments, we expect the significant markets in the industry to continue the normal room rates going advance and develop at a normal of 3.5% per annum. Additionally, we anticipate that the inhabitance should crawl up to a normal of about 66% by the finish of FY21 contrasted and 64.4% in FY18.

## **CONCLUSION**

The domestic and International tourism in India is continuously boosted the hotel and restaurant sectors in previous years and it is expected to be multiplied in future and provides an opportunity to be ranked among top 5 in International travel and tourism market. The tourism, hospitality and restaurant sector draws the maximum Foreign Direct Investment (FDI) among other business sectors in India. The Nature and beautiful landscapes of India has attracted the highest amount of International tourist and gave an inclusive growth to hotel and restaurant sector of India with numerous international group of luxury hotel chains and quick service restaurants. The overall contribution by travel and tourism sector to India's GDP

is expected to increase from Rs 15.24 trillion in 2017 to Rs 32.05 trillion in future. India was positioned seventh among 184 nations in regard with Hotel and travel industries along with the rise of GDP in 2018. Tourism, hotel and restaurant sector is the third biggest remote trade worker for India. Indian Government is additionally promising the tourism and hotel industry in order to enhance the income and advancement of tourism, hotel and restaurant sector towards International market, This will assist and boost the Luxury Hotels in multiple ways.

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