

UNIT - I

INTRODUCTION TO HOSPITALITY AND HOTEL INDUSTRY

Introduction to Hospitality Industry - Industries related to Tourism - Evolution and Growth of Hotel industry in The World (Ancient Era, Grand Tour, Modern Era)-Evolution and Growth of Hotel Industry in India) Ancient and Medieval Era, Colonial Era, Modern Era)

LAND MARKS IN THE GROWTH OF HOTEL INDUSTRY

1650: Pascal opened a café in Paris and Café house in London.

1794: City hotel at 115 Broadway, New York, first building specially made For a hotel.

1829: Tremont House, Adam and Eve of modern hotel industry was opened At Boston (170 rooms).

1833: The "TREMONT HOUSE" first class hotel was constructed in BOSTON, U.S.A.

1875: The most expensive hotel of its days called "THE PALACE" was built in SAN FRANCISCO, With 755 guest rooms

1889: Cesar Ritz introduced luxury hotels such as Savoy, Carlton and Hyde Park hotels in England.

1890 – 1899: Fredrick Gordon and Sir Blonde maple launched Gordon Hotels and Fredrick Hotels Ltd.

Late 19th Century: Famous Waldron of Astoria in New York.

18. 1. 1908: Ellsworth Milton Statler started the first commercial chain hotel called "THE BUFFALO" .It was a 450 rooms multi storey

1927: Stevens Hotels in Chicago, later Hilton Hotels (3000 rooms)

Hotel Russia or Rossiya: Moscow (remained largest hotel of world for Quiet sometime.)

Western Stanford: Singapore (remained largest hotel of world for Quiet sometime.)

1930 Depression in World Economy: Decline in Hotel Industry.

World War Period: Up surge in hotels.

1950: Two new concepts 'Motels' and 'International Chain Operation'

GREAT FIRSTS IN THE HOTEL INDUSTRY

(some of the important developments in US hotel industry)

1846: Central heating

1859: Elevator

1881: Electric lights (two years after patent)

1907: In room telephones (31 years after invention)

1910: American Hotel Association (later AHMA) was formed (now AHLA)

1927: Radio in room (21 years after invention)

1940: Air Conditioning (mostly in public areas)

1950: Electric Elevator

1958: Free Television

1964: Hotel Inn Reservation system with central computer.

1965: Message light on telephone.

1965: Initial FO systems followed by room status.

1970: Color TV. (Invented in 1954)

1970 (early): E.C.R. (Electronic Cash Register)

1970 (middle): POS system.

1973: Free in room movies (Sheraton)

1983: In room personal computers.

TOURISM INDUSTRY & ITS IMPORTANCE

Tourism is a structured break from routine life. It involves a separation from everyday life and offers an entry in to another moral and mental state, where expressive and cultural needs become more important. Hence it may be identified with recreation or renewal of life. It can be considered as a modern ritual in which people “get away from it all”; particularly the usual work world (which include the home as well as the work place)

Tourism is one of the world’s fastest growing industries and a major source of foreign exchange and employment generation for many countries. According to the data available with the United Nations World Tourism organization(UNWTO) a global forum for promoting tourism, the number of international arrivals in the world grew from 25 million in 1950 to 806million in 2005, i.e, a 30 fold increase an annual growth rate of 6.5. Presently, the sphere of tourism is a world - wide phenomenon. It is regarded as a part of the globalization process. In essence, globalization involves the exchange flow of economic and intellectual items in terms of goods, knowledge, values and images, as well as people on a global scale.

The word ‘tour ‘is derived from the Latin word tornus meaning a tool for making a circle. **Tourism may be defined as the movement of people from their normal place of residence to another place (with the intention to return) for a minimum period of twenty-four hours to a maximum of six months for the sole purpose of leisure and pleasure.**

Tourism as a product can be defined as “An amalgam of three main components a) Attractions of the destination b) The facilities of destination and c) The accessibility of it”

INDUSTRIES RELATED TO TOURISM:-

Hotels
Restaurants
Retail and Shopping
Transportation
Travel Agencies
Tour Operators
Tourist Destinations
Cultural Industries
Leisure Recreation and Sport



Tourism can be categorized as

- International Tourism
- Domestic Tourism
- **INTERNATIONAL TOURISM**

When people visit a foreign country, it is referred to as international tourism

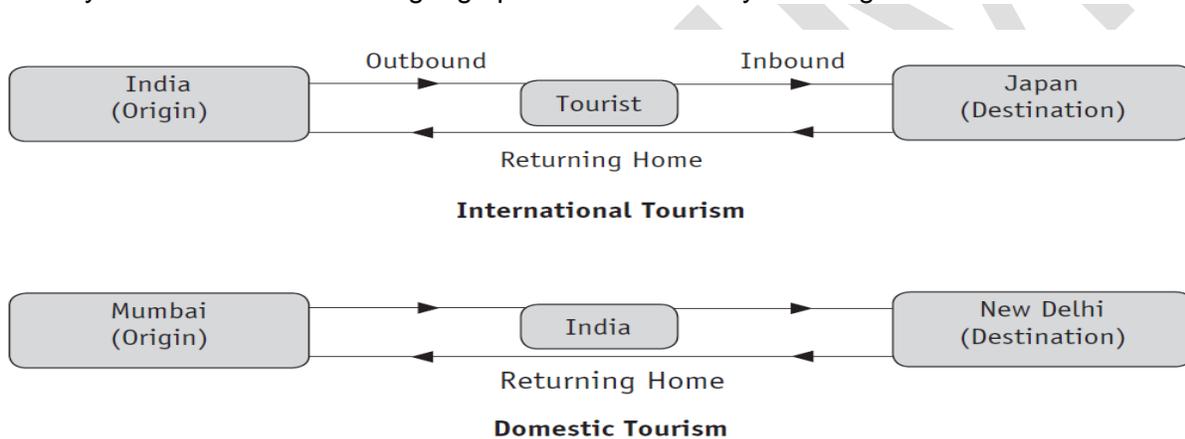
International tourist may be of following type:

Inbound (When tourist from other country come to destination)

Outbound (Tourist originated from country of residence and move to other country)

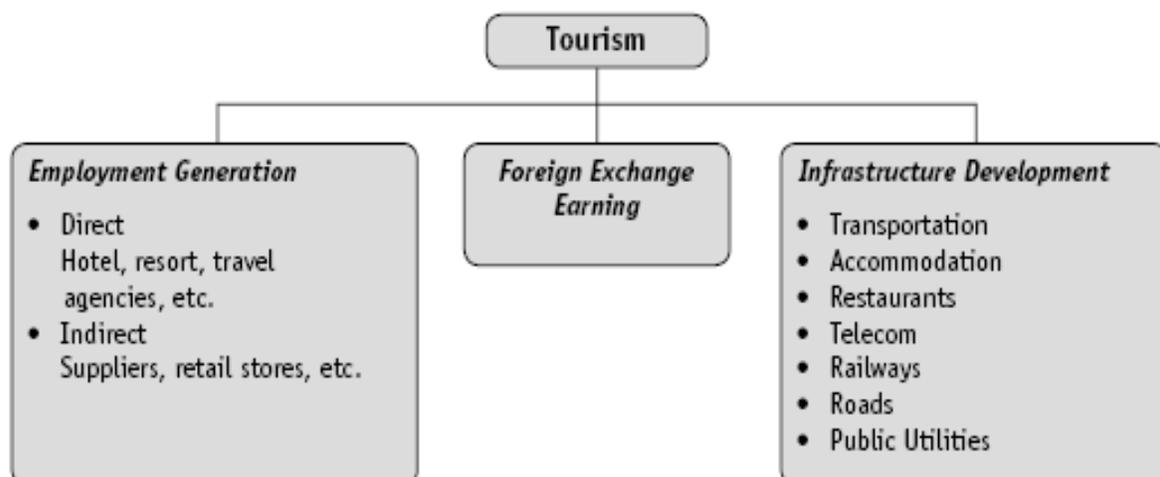
- **DOMESTIC TOURISM**

The tourism activity of people within their own country is known as domestic tourism. Travelling within the same country is easier because it does not require formal travel documents and tedious formalities like compulsory health checks and foreign exchange. In domestic tourism, a traveler generally does not face much language problem or currency exchange issues.



IMPORTANCE OF TOURISM

Tourism is the major revenue earning enterprises in the world. They happen to be the top employers too.



1. **Stimulation of Economic Growth:** There are many countries in the world whose economy is fully dependent on tourism. It greatly influences the economy of the country. It contributes significantly to a country's gross domestic product (GDP).
2. **Foreign Exchange Earnings:** The major economic benefit in promoting the tourism industry is the, earning of foreign exchange. Foreign travelers must exchange their currency into local currency for their spending purposes. This means that initially the foreign exchange earnings of the host country increase by the amount of tourism expenditure.
3. **Employment generation:** Tourism has brought many employment opportunities to people especially in the service related industries, retail sector, catering and transport ones. The tourism industry is a highly labor intensive service industry and hence is a valuable source of direct and indirect employment to millions of people.
4. **Development of infrastructure:** Development and improvement of infrastructure is another important benefit. To become an important commercial or pleasure destination, any location would require the entire necessary infrastructure. The benefits from tourism infrastructure like airports, roads, water supply and other public utilities may be widely shared by other sectors of the economy.

HISTORY & ORIGIN OF HOSPITALITY

Man is a social animal & he is not confined to a particular place. He needs to another, so traveling has become a part of man's life.

In ancient days, people used to travel by bullock carts, horseback or by walking covering long distance. It used to take several days to reach their destination. They used to travel by day & rest during the night. They took shelter under a tree & were thus always at a risk from bad weather & also of being attacked by wild animals. Early travelers were either warriors or traders or people in search of knowledge. Small road side lodges were constructed due to increase in the road transport. During the Industrial Revolution in 1700s, the Europeans began to combine food and beverage service with lodging.

In order to provide safe shelter for travelers "inns" were started. These inns provided food shelter to the travelers at a price, which were run by "husband & wife". Wife used to cook and husband used to serve. These inns later developed into commercial properties & thus the largest of the world was born which has come to be known as "hotel industry" or "hospitality industry today".

According to British law the term "hotel" **was used in England in 1760. Hotel or inn is defined as "a place where a bonafide traveler can receive food & shelter, provided he is in a position to pay for the same & is in a fit condition to receive it"**.

In the 3rd century ad, the Roman Empire developed an extensive network of brick paved roads throughout Europe & Asia Minor & a chain of road side lodge was constructed along the major through fare from Spain to Turkey.

The Europeans were the pioneers of inn keeping, known as taverns, which was later taken over by the French people who developed it further. It is believed a hotel in true classical sense was built in Paris in the year 1312. **Pascal** in Paris & London opened café & coffee house

simultaneously in the year 1650. **The opening of city hotel in New York in the year 1794 marks the history of hotel industry.**

Accommodations were still primitive. Sometimes there were rooms for the people but no stables for the horses; more often there were stables but no rooms.

Throughout the world hospitality houses were known by different names:

Dharamshala and Sarai in India

Ryokans in Japan

Paradors in Spain

Pousadas in Portugal

Coffee houses in America

Taverns and Inns in Europe

Cabarets and Hostelrys in France

Mansions and Hospitia in Switzerland

Relay Houses in China

EVOLUTION AND GROWTH OF HOTEL INDUSTRY:-

The origin and growth of the hotel industry in the world can be broadly studied under the following periods:

- Ancient Era
- Grand Tour
- Modern Era

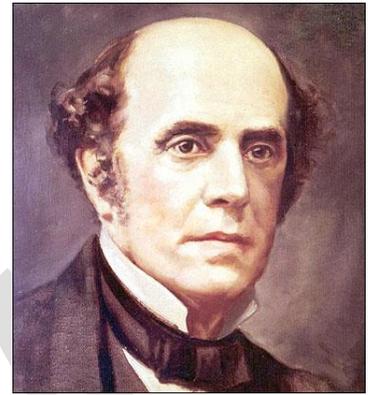
1. Ancient Era

The earliest recorded evidence of the hospitality facilities in Europe dates back to 500 BC. Ancient cities, such as Corinth in Greece, had a substantial number of establishments that offered food and drink as well as beds to travellers. Travellers used to stay in a larger hall. Privacy and personal sanitation were non-existent. In the 3rd century AD, numerous lodging premises mushroomed along the extensive network of brick paved roads throughout Europe and minor Asia (part of Asia adjoining Europe). The lodging houses were known as mansions during that time.

These conditions prevailed for several hundred years, till the Industrial Revolution in England led to the development of railways and steamships, making travelling more efficient, comfortable, and faster. The lead in organized hotel keeping, as we see it today, was taken by the emerging nations of Europe, especially Switzerland. The early establishments were mainly patronized by the aristocracy, and took shape in **chalets**(small cottages) and small hotels that provided a variety of services. Between **1750 and 1825**, inns in Britain gained the reputation of being the finest hospitality establishments.

2. Grand Tour

The second half of the eighteenth century, prior to the French Revolution (1789-99), is referred as the 'golden era of travel' as the popularity of the 'Grand Tour' gave a big push to the hotel industry. In those days, a Grand Tour of the European continent constituted as indispensable element of the education of scions of wealthy families in Britain. As this tour often lasted several years, it was a good business opportunity for people in the prominent cities of France, Italy, Germany, Austria, Switzerland, and Ireland to establish lodging, transportation, and recreation facilities.



Prominent among the hotels that emerged during this period were Dolder Grand in Zurich, The Imperial in Vienna, the, and Des Bergues in Geneva. In 1841, a simple cabinet maker, **Thomas Cook**, organized a rail tour from Leicester to Loughborough and immortalized himself as the world's first tour operator.

3. Modern Era

The improvisation in modes of transport made journeys safer, easier, and faster, enabling economical as well as frequent mass movement. The introduction of Funiculars (the ropeway) made high altitude mountains accessible, leading to the growth of many hotels in the Alpine ranges. Bürgenstock and Giessbach are among the hotels in Switzerland that owe their existence to the development of the ropeways.

The two world wars, especially the second (1939-45), took their toll on the hospitality industry. The massive destruction caused by the war and the resulting economic depression proved to be a major setback for travel business. The 1950s witnessed slow and steady growth of travel in the European continent. The development of aircraft and commercial passenger flights across the Atlantic stimulated travel across the globe.

But it is the American entrepreneurs who are credited with literally changing the face of the hospitality industry with their innovations and aggressive marketing. **The inauguration of the City Hotel in New York in 1794 marked the beginning of the present-day hotel industry. It was a 'giant' building at that time, with 73 rooms, and it went on to become a favorite meeting ground for socialites.**

.The City Hotel, however, triggered a race of sorts among American hoteliers, resulting in the construction of large hotels like the Exchange Coffee House in Boston, the second City Hotel in Baltimore, Mansion House in Philadelphia, etc. the opening of the Tremont House in Boston is another landmark in the evolution of the hotel industry. Regarded as a forerunner of luxury hotels, the 170-room hotel had many

Modern Era



The City hotel

- 1794-The City hotel in new york with73 rooms took place
- Tremont House in Boston - 170 room with luxurious facilities
- Palmer house & Sherman House- Chicago
- The palace –Chicago with 800 rooms
- First business hotel – 1908 – buffalo –The Statler Hotel- 450 rooms



The palace



The Statler

firsts to its credit. For example, it was the first to provide locks, running water, and bathing facilities, besides providing a bowl, pitcher, and free soaps in its rooms. It was also the first to provide front office services like bell boys and a reception. It was also the first hotel to serve French cuisine in the US.

Throughout the 19th century, the contest among hoteliers to build better, larger, and most luxurious hotels continued. Some of the innovations included an attached bathroom with hot and cold water in each room, an electric lamp on the desk, and the radio in each room.

The decade of the great depression in the 1930s witnessed the liquidity of most the hotels in America. The hotel industry streamlined with slow and steady growth during the 1940s. The increase in automobile travel in the 1950s led to the rise of 'motor hotels' or motels, a new category in the hotel industry. The motels, which offered free parking facilities, served as rest houses for people travelling between two cities or tourist destinations. Gradually, with the passage of time, these evolved into countrywide and international chains.

HOTELS EVOLUTION IN INDIA

Ancient & Medieval Era (until 1600 AD)

In India the concept of shelter for travelers is not new. In fact, it is as old as its recorded history. The historical records are replete with mention of viharas, dharamshalas, sarais, musafirkhanas, etc.

The ancient Buddhist monks were probably the first to institutionalize the concept of a shelter in India. The cave temples scattered all over the south-western region of India have both a chaitya (sanctuary) for worship and prayer and a vihara (monastery).

It is interesting to note that these monasteries are located on the ancient trade routes between important deities of the region., providing food and shelter.

It is gathered from some inscriptions that merchants gave liberal donations for the construction and maintenance of these establishments. Mere charity was obviously not the motivation in these displays of generosity. The trader travelled with their merchandise and money on these routes and the Viharas were their hotels.

Ancient and Medieval Era



- It is started with *Atithi Devo Bhava*
- Started with dharmasalas (dharma means religion sala means school)
- Choupals
- Zamindars
- Anna-Kshetras
- Paakshala
- Bhojanalaya
- Panthnagar (panht road/way agar means house)

In the medieval period this ancient institution gradually assumed a more secular character. Although religious centers invariably had

dharamshalas and Musafir Khanas attached to them, the caravan or sarai appeared as an exclusive traveler's lodge with a room or cook attached with it.

Sher Shah Suri, the Afghan Emperor and the builder of the Grand Trunk Road, is credited with having built caravans at regular intervals all along this highway creating favorable conditions for commerce and travel. However, he was not alone in this venture. The Mughals built such facilities all over their empire.

The sarais in India like inns in Europe or the stagecoach stations in the USA of the 18th and 19th century stood all along the well-travelled routes. They provided food and shelter to the travelers and fodder to their horses. With the passage of time the age-old institution of the sarai or the inn adapted itself to the ever-changing and constantly growing requirements of the market and has evolved into the modern hotel.

Colonial Era (1601-1947)

The development of hotel industry in India is also continuous and satisfactory. The British introduced hotels in India mainly for their own use or for foreign visitors.

Some seventy years back, barring the Taj Mahal Hotel in Mumbai, almost all hotels in India were owned and operated by the British and the Swiss. There were Albion Hotels, Victory Hotel and the Hope Hall. The arrangement in these was an excellent one.

Western-style residential hotels are comparatively of recent origin in India. These hotels were first started about 160 years ago mainly for princes and aristocrats and high dignitaries.

The credit for opening the first Western-style hotel in India in the name of British Hotel in Mumbai in 1840 goes to Pestonjee who is the pioneer of Western-style hotels in India. The Auckland Hotel was started in 1843 and in 1858 it was renamed as the Great Eastern Hotel.

Today there are a number of western-style hotels in Kolkata Great Eastern, Oberoi Grand, Kenilworth, Park, Hindustan International, Taj Bengal Etc. By the end of the 19th century, there were many western-style hotels in

South, like Imperial, Albany, New Woodland, Elphinstone, Pandyan (Madurai), Bangalore International, West End (Bangalore), Savoy, Ritz (Hyderabad), Palm Beach (Visakhapatnam) etc.

Colonial Era :- 1601 -1947

The Taj mahal palace

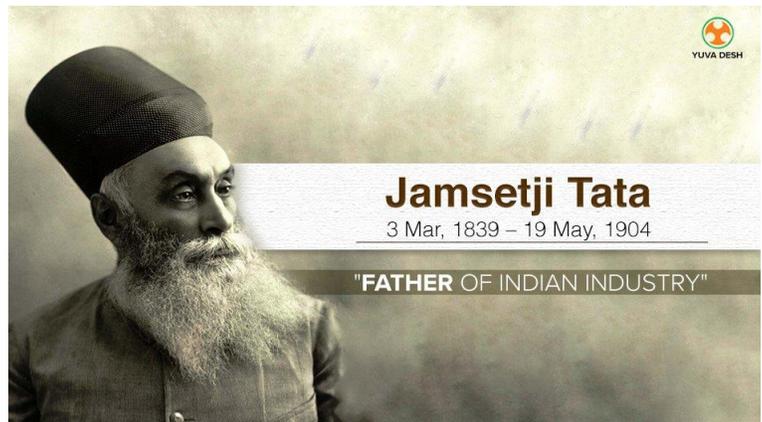


- In 17th century hotels started taking shape by Europeans
- Europeans officials opened travens first in Mumbai in year 137-1840
- Portuguese Georges and paddy goose and Racquent court in Mumbai
- Later Traven's disappeared
- 1840- Hotel Victory
- 1841-Esplanande Hotel
- 1841- Auckland Hotel –Kolkata
- 1903-The Taj mahal palace – nusserwanji- tata
- 1923-Grand hotel in Mumbai- shapurji sorabji

Modern Era (1947 onwards)

The twentieth century can be called the turning point in the history of the hotel industry in India. It was during this period many big business owners entered into the field. In 1903, Jamsetji Nusserwanji Tata opened the Taj Mahal Hotel in Mumbai. Front facing the Mumbai harbor and overlooking the Gateway of India, it was until recently, the largest hotel in the East.

It is rated among the top ten hotels in the world. Jamsetji felt that it was essential for the advancement of the country that it should have an up-to-date hotel to provide facilities and comforts to visitors from all parts of the world. Today there are many hotels in the chain including the President Hotel, the Fort Aguada Beach Resort, the Lake Palace (Udaipur), the Rambagh Palace, Taj Palace (New Delhi), Taj Bengal (Kolkata) and many more. The Indian Hotels Company Limited (IHCL), owned by Tata's manages the famous Taj group of Hotels. This chain has fifty-five properties in India and abroad. It has drawn up a plan of Rs. 1,500/- crores to add fifty more hotels to its present sixty. The Taj Hotel in Mumbai, the Taj Palace Intercontinental in New Delhi and the Taj Bengal in Kolkata account for 76 per cent of its profits. In 1923, Shapurji Sorabji built the Grand hotel in Mumbai. A few years later the Majestic Hotel was opened



Another entrepreneur who entered the field of hotel industry is Rai Bahadur Mohan Singh Oberoi who opened a chain of Oberoi Hotels in India and abroad. Mr. Oberoi started his career as a clerk but later became a partner in the Clarks Hotels, Shimla. In 1933, Mr. Oberoi took over the Grand Hotel, Kolkata on lease and gave it a new look and new life. Mr. Oberoi built a hotel on Gopalpur on sea, in Orissa, Mount Everest in Darjeeling, the Mount View in Chandigarh and the Palace in Srinagar to his chain of hotels.

In 1973, Oberoi commissioned the 500-room luxury hotels the Oberoi Sheraton, Mumbai. It is a product of Indo- American partnership. Other hotels of Oberoi chain are Oberoi in Singapore, Abu Dhabi, Sudan, Zambia, Egypt, Saudi Arabia, Fiji, Mauritius, Indonesia, Zanzibar and Colombo. Oberoi's School of Hotel Management in Delhi recognized by the International Hotel Association, Paris, trains up young people from different countries.

KEY WORDS

1. **TOURISM:** Tourism may be defined as the movement of people from their normal place of residence to another place (with the intention to return) for a minimum period of twenty-four hours to a maximum of six months for the sole purpose of leisure and pleasure.
2. **HOTEL:** Hotel or inn is defined as “a place where a bonafide traveler can receive food & shelter, provided he is in a position to pay for the same & is in a fit condition to receive it”.
3. **GRAND TOUR:** The second half of the eighteenth century, prior to the French Revolution (1789-99), is referred as the ‘golden era of travel’ or popularly as the ‘Grand Tour’. Thomas Cook was the world’s first tour operator to have organized this Grand Tour.
4. **THE TAJ, MUMBAI:** In 1903, Jamsetji Nusserwanji Tata opened the Taj Mahal Hotel in Mumbai. Front facing the Mumbai harbor and overlooking the Gateway of India.