

Emerging Hotel Business Trend - The Budget Segment Theme: 'Exploring Research Avenues in Hospitality'

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Abstract

This research segments the global markets into four key regions; United States of America, Asia Pacific, Europe and rest of the world. In India, an emergence of growing number of properties in the budget segment across the hotel corporations are testimony to the fact that this is one of the fastest growing segment in the world of hotels.

And by the multiplying masses of travelers with varied and various tastes have resulted into a sudden and fastening dominance of budget segment hotels. Where the tourist is not only business, corporate, MICE, adventure but leisure too.

There is a clear influence of evolving Indian traveler not only in India but in Mumbai being the financial capital such Budget services are been preferred not only by leisure travelers but also by Corporates, Researchers, Students, Adventure, First Timers, Transit, Cabin Crew, Politicians, Defense Services, Diplomats, Government Officials and where the bracket of different type and capacity of guests is ongoing and increasing rapidly.

As the overall segment of Budget is redefined to the new era, where such hospitality strategic business units, are reasonably priced with good service, style, ambience and they demonstrate professionalism.

Therefore, budget hotels are an increasingly important segment of the varied and traditional Hospitality brands. As the core, auxiliary and mainly service attributes which matter the most as the guest always is into the net of comparative analysis of service excellence and financials. Where is he getting the VFM - Value for Money content and at a calculated cost to it. And when it comes from the hotels point of view matter the most is the 'Experience' as that would be an intention to revisit and value.

As per to this the Budget segment is the new business class as to corporates as not only new brands like wise

Carlson Rezidor, Clarks Inn, Keys, Royal Orchid and many more. But also the traditional hotel chain have come up with independent corporations like Roots Corporation- a subsidiary of Indian Hotels Company Limited, A TATA Enterprise, ITC Fortune Select Exotica, Novotel & IBIS by Accor, The Fern Meluha and many more.

Believing not only as an upcoming trend of Budget hotels but also being cost efficient and reversing with 'Return on Investments' with a positive sign at each step. Not only at pre-opening but also through vigorous operations like Seasonal, Off Seasonal, Peak and low of incomings as cost and business. Where the chances of matching the input's, and bringing it to the 'Break Even' is possible to an earlier stage.

Keywords: Ultimately, Spirit to Experiment and Zeal to Excel must Continue.

METHODOLOGY

The research is based on several aspects such as personalized study, experience and in-person discussions with hospitality professionals. The personalized study has been by visiting such sampled budget hotels in Mumbai.

In order to also understand the incoming business to budget hotels had to consider various ratios like operating income per bed, per room, per employee, operating expenses per bed, per room, food and beverage cost per bed, per room, employed cost per bed, per room, occupancy rate, for the purpose of the study.

As ultimately what matters the most is revenue generation for any hotel corporation likewise for budget. A sampled

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survey also of the facilities provided by budget hotels and as compared to other segments was personally carried away. Where we got to speak initially with the 'Central Reservations' of certain hotels and standalone hotels where we were able to draw a fair desire of guests of various types with their wanting experiences and as initial emphasis on value for money content.

Where we got to know the requirements as to the say of experience are very much cleared by budget hotels than that with any other segments and at a best rate.

Its liked becoming the world of customization with getting business from budget hotels and guest is who prefers customization and that too at competitive prices and leading with best experience and satisfaction.

Data is acquired from interview guides like Hospitality Buzz, Upper Crust also from Hospitality Academicians and Industry Professionals. Industry professionals not only from the core departments but also from ancillary's which provide a big time back end support for the operations and specifically revenue generation and overall business structure. Also on personal interview with Mr. Mandar Abhyankar Financial Controller with Marriott Group as he has seen many corporations over the map of India where his views were very clear and précised like, 'Budget segment is a very good to steer the business of the overall corporation or it's the only way at today's business scenario. He also said in budget hotels the high personnel costs and expenses on personnel are very large parts of the business costs and because of this it is very important to keep the costs under control and wherein is his role into it. Therefore, to his inputs the challenge to operate any segment is Human Resource, and to show up high results in Budget segment its of very importance as other costs are very much in control and as per requirements as compared to other segments.

RESULTS & DISCUSSIONS

Managing Budget segment is an extremely uphill task. Professional operations of this segment cannot be said to be a smooth journey, because the expectations of the guests are liable as they are free on cert to do comparisons. Central to successful & profitable operations are having logical ratios on human resource. A precise need of professionally eligible managerial cadre as well as the team members is essential.

Eventually there are many corporations and establishments which face a dire shortage of trained and skilled human resource. As discussed with Mr. Sanjay Sharma and Mr. Harish Kulkarni from Accor Group (Novotel & Ibis).

In current business era, outburst of these hotels, what can be foreseen is neck to neck competition among similar types in business. More points can be represented in terms of discounting, the hotel managers in the event of competition.

There are also some vital factors called as 'Critical Success Factor's' such as;

1. Factual Product
2. Quality of Service
3. Value for Money - Pricing
4. Branding
5. Location

One more additional importance at interview and discussions with industrial professionals was the factor of Information Technology used also matters the most as it directly affairs with the initial experience of the guests literally from reservation stage.

As while reservation by a GDS, CRS or by Hotels Reservations department, guest experience at all POS – Point of Sale, Billing Instructions and Method of Settlement, Check In and Check Out.

When we call it as an experience it actually starts at times also with having a check on reviews of the particular budget hotel which the guest is desiring to go for. Where from the nascent initial steps the factor load of I.T. is felt and where in Mr. Harish Chandra – Chief Information Office (CIO) for the Sarovar Group discussed these majors where the guest experience is also contributed by the Information Technology provided by the hotel.

When discussed the same Topic with Mr. Sajid Khan and Mr. Ashish Salian General Manager with Radisson Blu Kandla Gujrat and Hyderabad they were very clear with the concept as Small sized commercial hotels are catering to budget hotels. Such new alternatives are broadening the foundation of services and technology that can strengthen the future and business consistency of Budget segment. Regardless of other segments, considering budget all together as independent small and mid-scale hotels will continue

to be a variable budget brand alternative which will be tasted initially.

Also, as per the research inputs in South Asian Journal of Tourism and Heritage, 2010 - The continuous changing demographics, evolving product, emerging environments and updating technology will add strength to the budget segment.

This genre of budget hotels are poised to grow and slowly shaping themselves to be class to be reckon with. At also not being in any of the star categories this segment of Budget Hotels is steadily inching forward to convince and claim recognition among the large spectrum of potential guests. Budget hotels are now big enough to function in the lines of full service hotels. Providing all sorts of facilities in a unique and customized manner.

CONCLUSION

Emergence of budget hotels and transforming of all budget hotels in Indian has been overwhelming. In order to manage and handle the situation the industry itself needs to craft up certain skilled and potential managers and staff members, at the same time hospitality schools also have the high time process ownership of producing fresh hospitality learners.

These hotels are not limited by word budget, they are professionally succeeded, compact full service business class hotels limited by their size, luxury and scale of operation. Budget hotels are now entity of attraction and in fact only where the competition is growing to the moss speed.

They key is they have to create and succeed with challenges only by presenting themselves as the most unique product possible in the current market and as per

the requirements and especially considering the point of guest customization.

Therefore, as said the importance should be at the Uniqueness of your hotel as a product, service excellence are necessary ways in order to put best as these always remain the key area of the key to success.

And now it's the era of this segment where it's said, Budget Segment is the new Business Class.

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