



# Challenges, Opportunities and Economics of Indian Hospitality and Cooperative Tourism Sectors

Dr.Muhammed Anas .B<sup>1</sup>, Dr. V. Basil Hans<sup>2</sup>,  
Dr.Govindaswamy.BK<sup>3</sup>

<sup>1</sup>Secretary, Kerala State Co-operative Tourism Development Centre Ltd. Trivandrum, Kerala & D.Litt Fellow

<sup>2</sup>Research Professor, Srinivas University, Pandeswar, Mangalore,Karnataka,

<sup>3</sup>Assistant Professor of Economics,Government first Grade College for Women ,Davanagere, Karnataka,

---

**Abstract** – Over the past ten years, the hospitality business in India has grown a lot. This is due to higher disposable incomes, more tourists coming to India from both inside and outside the country, government programs like "Incredible India" and "Dekho Apna Desh," and the rapid construction of infrastructure. This industry, which includes hotels, restaurants, travel and tourism, and event planning, makes a big difference in the country's GDP and jobs. The industry has a lot of potential, but it also has a lot of problems to deal with. These include varying service standards, a lack of skilled workers, regulatory impediments, and the effects of outside events like the COVID-19 epidemic. Sustainability issues, digital transformation, and changing customer expectations all create both chances and problems. This article looks at the current state of the Indian hospitality sector, focussing on the main factors driving growth, market trends, and strategic areas for expansion. It also talks about the structural and operational problems that need to be solved in order to achieve long-term, sustainable success.

**Keywords** – The hospitality industry, Growth of tourism, India, Service Sector, Growth of the economy, Things that are hard and things that are good, Sustainable Tourism.

---

## I. INTRODUCTION

There are many sub-sectors in India's hospitality industry that offer places to stay, transportation, food and drink, and other services and facilities. Hotels and other places to stay, restaurants and places to eat and drink, amusements and recreational services, travel agencies, goods transit and airline services are all examples of businesses in the hospitality industry that offer these services. Tourism is the fourth largest industry in the world, and it is very important in emerging countries like India. The industry now makes up around 12% of Indian businesses, but it has a lot of room to grow and diversify. It makes up about 8.7% of the gross domestic product and employs about 7.3% of the workforce (Umesh R. Dangarwala and Krupa J. Rao, 2016).

## II. A LOOK INTO THE HOSPITALITY INDUSTRY

Tourism is now a very important part of the Indian economy. The hospitality business employs a lot of people and is an important part of government development objectives (S. Suradeeva and I. Arzumanova, 2012). There are many different types of places to stay in the country, such as hotel groups, transit housing, resorts, heritage buildings, palaces, homestays, pagodas, lodges, and backpackers. Millions of tourists come to see geographic characteristics, cultural heritage, and historical places every year, which brings in a lot of money for the country. Because of this, the hospitality business grew by 20% in 2009.

Tourism, travel, hospitality, and aviation are the four biggest money-making industries in India right now. The

sector directly adds 6.23% to the gross domestic product, 8.78% to total employment, and 5.56% to total gross capital formation. Inbound tourism has been rising rapidly, thanks to government efforts to make India a popular destination. This is because India has a rich history, a diverse terrain, and many places to visit. Still, there are some problems that need to be solved, as well as new opportunities that will shape the industry's future (Frater, 2001).

## III. THE EFFECT OF HOSPITALITY ON INDIA'S ECONOMY

India's hotel business makes up over 6.23% of the country's GDP and has become a major source of jobs and money. The sector provides more than 18 million jobs, including many management, supervisory, and direct service positions. It also brings in around 6.8% of the country's foreign exchange profits (Umesh R. Dangarwala and Krupa J. Rao, 2016). Its significance is progressively transcending economic ramifications, facilitating infrastructural advancement in areas such as transportation, healthcare, and sports, while also aiding in the preservation of historical sites and natural ecosystems. It also helps people feel like they belong and makes them proud of their culture.

There are many chances for more growth. For example, the Cricket World Cup in 2011 brought in a lot of international visitors, and digitalisation opens up new ways to network, market, compete, and save money. Because of this, the tourism industry is today very competitive. Even though there are rules that enable 100% foreign direct investment (FDI) in tourism, foreign investment still faces big problems, such as taxes and other regulatory impediments (J Anson and Avin, 2016). Another important goal is to



keep making transport better. The infrastructure is not well-developed, therefore only a few cities have metro service, which is a big problem for tourists. India is still working hard to improve its tourist and hospitality industries. We will look at these strategic problems and possibilities in more depth below.

#### IV. TRENDS IN INDIAN TOURISM

India is a great place for the tourism industry to expand in the next few years and decades. To take advantage of this chance, India's hospitality industry needs to prepare and grow to fulfil the needs of tourists and travellers who come to the country. It is therefore important to look at the state of the hospitality industry in India, including how important it is to the country, the current travel trends, the government's efforts to help the industry, the role of technology in the industry, the problems it faces, the chances for growth, and the things that affect it.

In order to boost tourism, India started the "Visit India Year 2009" campaign, which gave airlines, hotels, resorts, and tour operators incentives. The travel and tourism industry grew by 8% from 2016 to 2019, and by 2019 it is predicted to have over 40 million jobs, making it the second-largest employer in the world. In 2019, the sector made up 6% of the GDP. Some of the biggest problems are that the infrastructure is not good enough, like not having enough air capacity, not being easy to get there, and not having enough skilled workers. Visitors also have bad experiences because of infrastructure problems and harassment. Tourism has good effects, such creating jobs and income. In India, 78% of all jobs are related to tourism, and the industry brings in foreign currency at a pace of 4% each year. It helps protect historical sites like the Taj Mahal and Ajanta temples, as well as natural areas. Tourism also encourages the building of infrastructure, which helps the host community by providing transportation, healthcare, and sports facilities (Umesh R. Dangarwala and Krupa J. Rao, 2016).

#### V. POLICIES AND PROGRAMS OF THE GOVERNMENT

The Government of India has done a lot to help the hotel and tourism industries grow because they see how much money they can make. The "Visit India Year" campaign started in 2009 to make India a top vacation spot. Airlines, hotels, resorts, and tour operators all worked together on this project, which offered them bonuses and incentives from April to December of that year (Umesh R. Dangarwala and Krupa J. Rao, 2016). This kind of help has tried to improve the country's infrastructure and service quality, making it more appealing to travellers from around the world.

Policies still fit with the goal of making travel and tourism one of the biggest job creators by 2019, with more than 40 million direct jobs. People think that this industry has a lot of ways to make money, help people get out of poverty, and

help linked companies flourish (Bhan and Singh, 2014). Along with promoting leisure, business, and medical tourism, visitor happiness is also a goal. Infrastructure development focusses on transportation, hospitality, and information technology.

#### VI. IMPROVEMENTS IN TECHNOLOGY

The hospitality business relies heavily on information, which makes it very open to new technologies (Bilgihan and Wang, 2011). Innovations that are one-of-a-kind, hard to copy, and can make money or improve the guest experience provide a business a big edge over its competitors. Bilgihan and Wang talk about four stages of technology benefits: operation, improvement, strategy, and change. The operation stage includes technologies that help with normal chores that need to be done, don't need much management talent, and don't give the company much of a competitive edge. The enhancement stage is all about making the organisation more valuable by using technologies like property management and point-of-sale to boost productivity and efficiency. This level also requires more advanced managerial skills.

The COVID-19 epidemic has made people more interested in investing in technology, which is a chance for the hotel industry to get a competitive edge in the future (Lau, 2020). Hotel owners all across the world are working to create "smart hotels" by setting up full 5G networks, integrated terminals, and cloud-based apps. Planned implementations include AI-based face recognition for checking in guests, electronic room keys, service robots that work with 5G, and better live-streaming capabilities for conferences. Improvements in service quality include new food and drink delivery methods that meet brand requirements and follow the law, as well as the use of new hygiene technology. Self-service apps, kiosks, and robots that don't require contact are expected to draw customers. Market analysis says that the industry will recover to 2019 levels by 2023. Technological advances caused by the epidemic will also affect how the sector works in the future.

#### VII. SUSTAINABILITY IN THE HOTEL BUSINESS

More and more people are becoming conscious of the need to be environmentally friendly and conserve resources. This is leading to the hospitality industry adopting more responsible practices. Sustainable hospitality includes activities that save resources, treat people with respect, and help the community grow in both the short and long term. Travellers are becoming more aware of their environmental impact, and governments are putting more emphasis on sustainability. This is leading to the adoption of eco-friendly practices across the business.

However, insufficient levels of awareness about how to protect natural and cultural resources can slow down the promotion of homestays. The lack of mainstream ecotourism practices makes development even harder, and



bad resource management at tourist spots makes it harder for homestay businesses to stay open. Keeping the trip location peaceful, safe, and secure is also very important, as problems in these areas can make international tourists less likely to visit.

To help growth that lasts, the government could look into programs like "Leave Travel Concession" perks to get more public officials to stay in homes. Setting up community tourism funds can help with growing capacity and improving infrastructure in important ways. Better help will be possible if the roles of community and commercial sector homestay activities are made clearer. Also, creating a complete database of homestay tourism would help tourists with the steps of finding, choosing, and booking a place to stay. Recognising that the Indian tourism market remains underexploited, coordinated policies and strategies are required to fully capitalise on products like homestays; rural tourism promotion, in particular, represents a viable strategy for poverty mitigation by attracting international visitors to less developed areas (Bhan and Singh, 2014).

### VIII. CULTURAL FACTORS THAT AFFECT HOSPITALITY

India is a complicated, diversified, and lively country with a long history. It is also one of the fastest growing countries in the world and has the world's largest democracy, a society that values hospitality, business, economics, politics, and culture. Tourism and the hotel industry have long been essential parts of the country, and they are a big part of the country's total growth. India is one of the best places in the world to visit since it has so many cultural and natural features, including a lot of wildlife, beaches, forts, and monuments. The Indian hospitality business is presently the third-largest source of foreign exchange, after the diamond and garment industries. It brings in about six percent of the country's income. India is home to a wide range of cultures, festivals, rituals, and ceremonies, as well as stunning landscapes and traditions that go back thousands of years. Many of them are still very popular with tourists and the hotel sector. The tourist and hospitality business is strategically vital and has a huge impact on a country's political, economic, and social growth. also India and Nepal have some of the oldest existing cultures on Earth. They also have diverse cultures, modern cities, and chances to explore the quiet beauty of nature. India has 10 World Heritage Centres that are known around the world. The Indian hospitality industry is changing quickly from a disorganised, fragmented, and unbranded sector to one that is more focused on customers, services, and credibility, and that is recognised around the world.

Tourism is one of the most important parts of the economy throughout the world when it comes to jobs and national income. It was one of the top 15 international trade categories and seems to be the biggest service sector in the world (Frater, 2001). India is one of the most popular places for international tourists to visit because of its diverse and lively culture.

### IX. PROBLEMS THE INDUSTRY IS HAVING

The hospitality industry in India faces a lot of problems that make it hard for it to grow and compete with businesses around the world. The most important problems are regulatory issues, a lack of skilled workers, competition from companies based in other countries, and a lack of infrastructure.

- **Regulatory Challenges** Regulatory frameworks frequently make it hard for hospitality businesses to grow and expand by putting in place complicated rules and restrictions. Complicated approval processes, tax rules, and policies that aren't always the same across countries make things even more unpredictable, which makes it harder for people to start businesses and come up with new ideas.
- **Skill Shortages:** Even if there are a lot of people who can work in the business, there is a big gap between the number of people who need jobs and the number of people who can get jobs right away. The quality of service and efficiency of operations suffer when staff aren't properly taught, which hurts customer satisfaction and repeat business (Rogova, 2018). The sector could lose its standards and long-term viability if it doesn't have systematic skill development programs.
- **Competition from Global Players:** As international hotel chains and branded firms take advantage of India's economic expansion, the market has become more competitive. These companies use brand awareness, standardised service protocols, and modern marketing strategies to gain market share. This puts more pressure on local operators to improve their services and capabilities.
- **Infrastructure Problems** Poor infrastructure, such as bad transit networks, not enough places to stay, and unreliable utilities, makes things very difficult. These problems make it harder to suit the needs of both domestic and foreign tourists and make it harder to grow the business. These factors, together with the lack of hotels and the high prices that come with them, make it hard for the business to thrive (S. Suradeeva and I. Arzumanova, 2012).

### X. PROBLEMS WITH THE RULES

The hospitality business has had trouble because of strict and complicated trading rules. Getting a lot of licenses and permissions, following rules about taxes, labour, and operations, and following all of these rules makes it hard for businesses to develop and come up with new ideas.



### **Lack of Skills**

A lack of skilled workers has been named as one of the biggest problems that has hurt the expansion of the hospitality business, especially in emerging countries. A large part of the industry's workers are either unskilled or semi-skilled. In the business, hiring is typically predicated on things that can't be changed, such as immigration policies and tight labour markets, rather than on the state of the economy (Qian et al., 2022). The issue of skill shortages in the industry is also made worse by the fact that jobs are often irregular and casual, the status of jobs is low and the career structure is not appealing, there are no incentives, the hours are long and boring, there are no training and development opportunities, and there is a mismatch between the skills needed and the skills available. This problem makes it hard for both organisations and the country to compete.

### **Competition from Global Players**

For lodging companies that want to grow in the global hospitality sector, they need to have a strong worldwide presence. Researchers have noted that these companies generally focus on their worldwide hotel operations, but little is known about the strategic elements that affect their global growth. 94.2% of the total rooms inventory are in developed countries, and half of the new properties that U.S.-based corporations are looking at this year are in developed countries. This shows that international development outside of established countries is very limited. As worldwide hospitality operators seek to penetrate expanding tourism areas, targeted research may elucidate chosen markets and optimal techniques to inform their objectives. A more comprehensive comprehension of the strategic drivers that facilitate the international operations of the industry's leading entities aids in clarifying the potential structuring of future activities, as these corporations frequently spearhead significant industry advancements and shape ensuing transformations.

Globalisation has made the competition in the hotel industry more tougher, which makes it even more important to understand the nature of the competitive environment and the elements that affect competitiveness. The growing worldwide market makes competitive strategies even more important, and new technologies are still changing guest amenities, operational processes, human resources, marketing, and management practices. Future research may investigate the development of innovative ownership arrangements, the rise of timeshare operations, market expansion into international and underserved sectors, and the role of electronic distribution. While including a broader array of organisations may enhance data validity and reveal further trends, disparities in corporate history and structure could hinder comparability (Bender et al., 2007).

### **Problems with the infrastructure**

Infrastructure problems will have an effect on the future of the hospitality industry. In India, current inadequacies impede further growth and pose unanswered enquiries (Kotur Kaddi and Suklabaidya, 2014).

The hospitality sector includes places to stay, eat and drink, travel and tourism, and places to have fun. Infrastructure includes things like airports, highways, train stations, necessary services, communication networks, and other features that make up a place and affect visitors' choices and happiness. Some important parts of critical infrastructure are drinking water, energy, communication systems, aeroplanes, motor vehicle services, and other ways to get around and talk to people. Strategic investments have made the sector more mature, yet there are still sectors that need further work in the future.

## **XI. CHANCES TO GROW**

Even though there are problems, the Indian hotel industry has several ways to grow. As consumer tastes change, new markets are opening up, such as luxury, budget, medical tourism, and eco-tourism. Digital marketing and social media interaction are cheap ways to get more people to see your brand, get more travellers from across the world, and build a good brand image. As more people want to travel to experience new things, services that include local culture, arts, and food traditions becoming more popular. This helps make the experience more real. Wellness tourism, which includes Ayurveda and yoga, is a response to the growing interest in health and wellness around the world. Taking advantage of these opportunities could provide the industry a new lease on life, leading to long-term growth and a competitive edge (Umesh R. Dangarwala and Krupa J. Rao, 2016).

### **New Markets**

The hospitality business is thriving in India as substantial portions of the population ascend to the middle-income bracket (Umesh R. Dangarwala and Krupa J. Rao, 2016). Spire Research & Consulting says that the Indian hotel market will increase at a rate of 16% per year from now until 2016. The market is expected to be worth \$18.7 billion in 2015, up from \$10.7 billion in 2010. Euromonitor International's "Emerging Markets: India" gives information about the most important elements to consider while assessing the growing hospitality business in India. The sector is about to grow a lot, which will change the economy and create a lot of chances for investors, entrepreneurs, and talented workers. Government programs that help the industry and the tourism sector as a whole are also helping this rise.

### **Strategies for Digital Marketing**

Developing economies like India, which has a large client base and a relatively high buying power, are ready for quick change and might make gains in the global hospitality business. Tourism has been a big part of the expansion of the hospitality industry. The Indian culture, with its business procedures, religion, and food, has had an impact on the hospitality industry today, making it a popular place for travellers with different interests. The hospitality industry has grown a lot in the last few years, and it needs



trained workers to deal with the new problems (I Dinçer et al., 2016).

Digital marketing first came along as a basic way for many businesses to use electronic media to advertise their goods and services, improve how customers see them, and get them to buy from them again. The tourism and hospitality sector is a service industry that uses a number of digital marketing techniques to get and keep clients. In India, hotel owners and other people in the tourist business are using several digital marketing tactics to reach more clients and improve their image. Digital marketing tactics are currently employed to expand the reach of hospitality service providers, who want to have a more profound comprehension of the topic (Choudhury and Mohanty, 2018).

### **Travel that is based on experiences**

India has unique chances in a competitive global tourism market. In recent years, "experimental travel"—the search for real, active, participatory, and social connections with people, places, and cultures—has become more popular. This could be the next chapter in India's tourist story. Urbanisation, an increasing middle-class affluence, a burgeoning youth demographic, and extensive Internet accessibility via mobile technologies are creating new experience tourism niches. Experiential travel fits with India's tourism scene since it focusses on unique souvenirs, poetry, museums, cultural events, and museums—the same kinds of things that hundreds of thousands of tourists look for every year (Bhan and Singh, 2014).

### **Tourism for health**

The classical Chola temples in southern India have detailed images of several celestial bodies and cosmic cycles. This shows a complex cosmological framework that combines astronomical and temporal systems with architectural forms (Medhekar and Haq, 2012). India's rich spiritual tradition provides the basis for the enormous and expanding spiritual tourism industry, which is yet mostly untapped. The medical tourism sector is growing up, and there are still many potential for it to grow even more. There is a big market for economical and high-quality healthcare among both domestic and foreign patients that has not yet been tapped. India has a lot of resources that are perfect for wellness tourism, and the government can make the most of this chance by marketing wellness tourism products under the brand India (I Thal, 2015).

## **XII. HOW COVID-19 HAS AFFECTED THE HOSPITALITY INDUSTRY**

The COVID-19 epidemic has caused long-lasting problems in the hospitality industry, starting with travel restrictions around the world (Shagirbasha, 2022). Travel bans made it much harder for customers to get to their destinations, which was a big problem for both the hospitality and aviation companies. As a result, hundreds of hotel projects, many of which were already well along in their development, had to be put on hold or cancelled. The

change in investors' preferences led to more competition for hotel projects, which made banks and investors less excited at the same time.

During the pandemic, hotels and restaurants had to close temporarily or cut back on services and facilities. Property sales and pledge activities were more common. Hotel-specific mega disruptions (HSMD) are a wide range of multi-dimensional and cascading problems that have a big effect on all parts of the hotel ecosystem. HSMD is about government policies, tax systems, and the economy as a whole. To slow the spread of the pandemic, national and state governments put in place a number of restrictions, such as travel bans, curfews, and the closing of businesses. At the meso level, HSMD has to do with how industries change, economies of scale, and trade shows and fairs for certain sectors. All operating hotels closed down some of their operations, which cut down on hotel activity in the city by a lot. At the micro level, there are issues within the hotel, such how many guests are arriving, how many rooms are occupied, how much capacity is being used, how much money is being made, and what amenities are being offered. Because of the epidemic, hotels had to close completely, which meant no guests, no occupancy, and no income.

Hotels took steps including using social media as a way to communicate, stepping up their corporate social responsibility efforts, and coming up with new ways to deal with the problems caused by COVID-19.

## **XIII. TRENDS IN HOSPITALITY FOR THE FUTURE**

Four important trends will shape the future of hospitality (Tania Kapiki, 2012). As guests become more sophisticated and the Internet gives consumers more power, competition will get tougher and travel options will be affected. This will make people pay more attention to how they interact with customers and how they create unique, memorable experiences. The ageing population is a tremendous chance for future growth because it makes certain sorts of products and travel services more popular. Last but not least, economic uncertainty will make the consumer always worry about getting their money's worth. New technology, which is essential for staying competitive, will be a tremendous tool for operations.

After the SARS outbreak in 2003, several hotels in China changed their sanitary requirements to stop similar problems from happening again. Also, the World Travel and Tourism Council sends teams to look into how well each country's travel and tourism industry is prepared for and able to handle crises. Last but not least, continuous global efforts, including the creation of the Global Harmonised System of Classification and Labelling for Safety Data Sheets, make sure that everyone is at least somewhat ready for future disasters.



#### **XIV. CASE STUDIES OF HOSPITALITY BUSINESSES THAT HAVE DONE WELL**

The hospitality industry has become a major part of the Indian economy and has been very crucial to its growth. The World Travel and Tourism Council says that the business makes up 6.23% of the country's GDP and is the third-largest source of foreign exchange behind clothing and gems and jewellery. Tourism, both within the country and from other countries, is one of the main things that is making the business expand.

There are many parts to the industry, such as the hotel business, the travel and tourism business, the event planning business, and the restaurant business. India has a rich and varied culture that is centred in a number of cities. India is the 16th most popular place for business travellers to go and the 25th most popular place for leisure travellers to stay. Segmentation, Targeting, and Positioning (STP) have been suggested as useful marketing tactics for the hotel business.

##### **What Hospitality Education Does**

The hospitality industry hires more young people than any other service sector in the world. As the hospitality industry grows, the need for hospitality education will also grow. The hospitality sector in India is still growing. Training schools sometimes deliver hospitality education and training that are narrowly focused and fail to address the genuine needs of the diverse segments.

#### **XV. CUSTOMER SATISFACTION AND EXPERIENCE**

In a very competitive market, the hotel business needs to work hard to make sure that customers have memorable experiences. Enriching each traveler's trip from the first decision to the last thought might help increase segmentation and target marketing strategies (Shukla et al., 2019). Services that help people stay in private homes are popular with people on a wide range of budgets. They also let people stay longer and explore more, which makes seasonal places more popular. Adding information about travellers' profiles and behaviour can make customisation and brand alignment even better.

#### **XVI. STRATEGIES FOR MARKETING IN THE HOSPITALITY INDUSTRY**

One of the most important skills for a firm is marketing planning. The way a hotel works is based on what customers want, thus it is customer-centred. A hotel or restaurant should be able to predict how many customers will need service at any given time, what kinds of clients they will have to serve, and what those consumers want, need, and prefer. A good marketing plan can help you reach these goals. It is important to set marketing goals far in advance of the actual operation, and these goals should guide all strategic decisions.

Pricing, promotion, distribution, advertising, catering, and offering special offers are all parts of marketing decisions. With so many different rivals in the hospitality sector, marketing has become more and more important. On the other side, product life cycles are getting shorter, and customers are becoming more conscious and knowledgeable about them. When this happens, marketing needs to do more to keep a competitive advantage in the market.

Different types of businesses and products need different marketing techniques. The market segment that the product is aimed at and the price that the consumer is ready to pay for it also play a role. Strategic marketing ideas and methods are very important for making an organization's operations stronger.

Most of the time, hotels use market segmentation to meet the demands of different groups, like business travellers, families, and those on vacation. Key Areas of Focus: Competitive Advantage, Target Audience, Splash Advertising, and Press Opportunities.

You may market your hotel by choosing the right types of customers, getting business during the shoulder seasons, offering price breaks, getting people to talk about your hotel, choosing the right time to market it, and planning major local events. Social media has become a significant marketing tool that lets hotels reach more people than ever before, which improves brand recognition and makes it easier to manage a brand (I Dinçer et al., 2016) (Choudhury and Mohanty, 2018).

#### **XVII. WORKING TOGETHER AND FORMING PARTNERSHIPS**

The hospitality industry is known for being very divided, which makes partnerships and cooperation necessary. Strategic alliances can boost client solutions by making capabilities better and adding resources, technologies, or market reach (Sotiriadis and Shen, 2017). Many hotel chains work with other businesses that offer services, such as airlines and tour wholesalers. Companies that offer conference and incentive services can also be very important sales channels for hotels (K. Thomas and S. James, 2012). These kinds of partnerships have a big impact on what customers choose.

A single alliance may be all that an independent operator needs to be successful, but many cooperative efforts can give companies access to channels, economies, and coordination that they can't get on their own. As a result, operators look for partnerships on a local, regional, and global level so they may get the skills, resources, knowledge, and complementary technologies they need. Collaboration allows for a quick and adaptable response across a variety of products and marketplaces. But for companies to work together, they need to trust each other. The third-party market only works through hotels, therefore



providers try to keep customers loyal for a long time without hurting the direct relationship between buyers and sellers.

## **XVIII. THE EFFECT OF SOCIAL MEDIA**

Social media is a powerful instrument that has become more and more important in the digital revolution. It has a big impact on how people feel about a product or service, therefore it is very important in the design of those things. A lot of firms in the hotel and tourism industries utilise social media to advertise themselves and get others to do the same (Ristova and Dimitrov, 2019). Social media is becoming more important as the hotel industry's go-to digital tool. Digital platforms are more accessible and widespread than ever before. Eighty-seven percent of Americans use the Internet, and the number of people who own smartphones is expanding swiftly. More than half of all visits to hotel sector social media sites came from mobile phones.

Social media sites have the largest effect on the tourism industry. Forty percent of people who travel online use social networking sites to help them choose where to go. Eighty-seven percent are swayed by reviews when choosing hotels, eighty-four percent are swayed by comments about travel, and seventy-eight percent are swayed by reviews of local restaurants. Seventy percent of people believe suggestions from other people online, yet only fourteen percent trust ads. People who read blogs or go to travel review sites are very important. About three-quarters of those who read blogs and eighty-six percent of people who visit travel review sites use social media to leave comments, like reveals. Facebook has the biggest effect on what people do in their free time, especially for men and people between the ages of 25 and 34. TripAdvisor gets millions of visitors every month and has a big impact on how women make reservations. People are highly active on the site. Twitter gets about 600 million searches per day. About 336 million people use it every day and post 95 million tweets (Choudhury and Mohanty, 2018). The hospitality business needs to pay special attention to social media.

## **XIX. DIVERSITY AND INCLUSION IN THE HOSPITALITY INDUSTRY**

The hospitality industry is very people-oriented, and it can't be successful without trusting and effective relationships between individuals. So, a good HR strategy in the field must also deal with the diversity issue in a convincing way. Because the sector has a global focus, both in terms of its clients and the chance to outsource work, this problem is likely to get much worse over time. In the recreational sector, the HKASM must prioritise its appropriate adaptation to the increasing multicultural composition of the Geneva Canton community. Studies indicate that the existing methodology within the commerce sector is inadequate, resulting in ongoing inequities between minority groups and indigenous populations.

Kinicki's extensive definition of diversity includes all the main traits that people differ in and that the law says discrimination is not allowed, such as colour, gender, and ethnicity (Frater, 2001). Also, four supplementary traits have been added that cover all of the other important individual distinctions, such as religion income, political values, and status of marriage. These eight traits should be included of any model of workplace diversity since they are the main reasons why people in the workforce are different from one another.

## **XX. CONCLUSION**

Business travel, tourism, and retail travel services are all growing quickly in India's hospitality industry. Just like urbanisation, changes in lifestyle, globalisation, and digitalisation are affecting all areas of life, this progress is good for economic, social, and cultural growth. To meet the growing demand, the number of hotels, restaurants, and other services is also going up along with this change. The Indian government has put in place a number of policy changes to make tourism more appealing to investors. These include tax breaks, customs charges, and foreign equity limits; country-specific restrictions; and less licensing procedures. In addition, the Rules of Special Economic Zones (SEZ) make it easier to set up IT and tourism-related businesses. These rules make it easier for a lot of businesses to plan projects in the tourism industry.

So, the policy environment is mostly good for foreign investment in India's growing areas. Recent trends in business show that both foreign and domestic enterprises can find chances in both established and new markets. Four main sectors stand out in this landscape: automotive, travel and tourism, power generation and distribution, and food manufacturing. The hospitality and tourism business has grown a lot over the world. E-commerce and tourism have become popular, which has given businesses a new reason to grow and made numerous modifications necessary. Businesses need to know how e-tourism affects the environment and the way society is set up. The e-tourism industry is well-developed in Western nations, but Asian economies still depend a lot on their physical networks.

In terms of opportunities, the hotel business in India has a lot of them. These include rising disposable incomes, the opening up of global markets, liberalisation, privatisation, globalisation, and a rapidly growing service sector. India's hospitality and tourist industries also benefit from its exotic landscapes, diverse culture, and old customs. Recessionary patterns in markets that are already established push developing economies to make their economies better. More and more investors, businesses, and entrepreneurs are getting involved in niche tourist areas like health, spiritual, eco, rural, adventure, cruise line, medical, golf, and golf course tourism. Cultural diversity affects the selection of food, service standards, wines, and alcohol usage. The number of hotels and restaurants around the world is always going up, which is a good sign for the hospitality business



(Umesh R. Dangarwala and Krupa J. Rao, 2016); (Bhan and Singh, 2014).

## REFERENCES

1. D. Umesh R. Dangarwala & D. Krupa J. Rao. "Scenario of the Tourism Industry in India." 2016. Volume 2, Issue 5 of the International Research Journal of Multidisciplinary Studies
2. S. Suradeeva, V. and I. Arzumanova, N. "Key Characteristics of a Complex of Social-Humanitarian Factors Influencing Tourism Development in India at the Current Stage." 2012. European Researcher, Number 3. May 30, 2012 (in three parts)
3. Frater, Joel (2001) "The Need for Diversity in the Tourism and Hospitality Industry," *Visions in Leisure and Business: Vol. 20: No. 2, Article 3.* You may find it at: <https://scholarworks.bgsu.edu/visions/vol20/iss2/3>
4. J. Anson, K. and Avin, T. "A Study on Changes in GDP due to its Relative Dependence on Tourism Receipts." 2016. *Atna Journal of Tourism Studies* 11(1):17DOI:10.12727/ajts.15.2
5. Bhan, S. & Singh, L. "Homestay Tourism in India: Opportunities and Challenges." 2014. *African Journal of Hospitality, Tourism, and Leisure* Vol. ISSN: 2223-814X Copyright: © 2014 AJHTL - Open Access - Online @ <http://www.ajhtl.com>
6. Bilgihan, A. and Wang, Y. "How can Hospitality Organisations Create IT Induced Competitive Advantage? A Theoretical Framework." 2011. Florida Atlantic University 777 Glades Road Boca Raton, FL 33431
7. Lau, A. "New technologies employed during COVID-19 for business continuity: Perspectives from the Chinese hotel industry." 2020. *ncbi.nlm.nih.gov*
8. Rogova, I. "HOSPITALITY INDUSTRY IN MODERN CONDITIONS: RECENT TRENDS AND PROBLEMS OF DEVELOPMENT." 2018. *Vestnik Universiteta* DOI:10.26425/1816-4277-2018-6-83-87
9. Qian, J., M.C. Lin, P., Law, R., and Li, X. "Is education to blame for the lack of IT and digital marketing professionals in hospitality?" 2022. *ncbi.nlm.nih.gov*
10. Bender, B., G. Partlow, C., and S. M. Roth "An Examination of Strategic Drivers Impacting U.S. Multinational Lodging Corporations." 2007. *International Journal of Hospitality & Tourism Administration* 9(3):219-243DOI: 10.1080/15256480802095862
11. Kotur Kaddi and Suklabaidya, P. "An Empirical Analysis of Wine Tourists' Perspective on Tourism Infrastructure in Wine Regions of Maharashtra." 2014. *Atna Journal of Tourism Studies* 9(2):23DOI:10.12727/ajts.12.2
12. Dinçer, I., Dinçer, F., Avunduk, B., and Z. "Marketing strategies for boutique hotels: The case of Istanbul." 2016. *Journal of Global Business Insights* 1(2):94-106DOI:10.5038/2640-6489.1.2.1012
13. R. Choudhury & Mohanty, P. "Strategic Use of Social Media in Tourism Marketing: A Comparative Analysis of Official Tourism Boards." 2018. *Tourism Boards That Are Official*
14. December 2018 *Atna Journal of Tourism Studies* 13(2):41-56 DOI:10.12727/ajts.20.4
15. Medhekar, A. and Haq, F. "Development of Spiritual Tourism Circuits: The Case of India." 2012.
16. I Thal, K. "Self-Determination Theory and Wellness Tourism: How Do Wellness Facilities Contribute to Wellbeing?" 2015.
17. Shagirbasha, S. "Hotel-specific mega disruptions: An examination of multi-stakeholder viewpoints." 2022. *ncbi.nlm.nih.gov*
18. S. Tania Kapiki "Current and Future Trends in Tourism and Hospitality: The Case of Greece." 2012. *Soultana (Tania) Kapiki, 2012. "Current and Future Trends in Tourism and Hospitality: The Case of Greece," International Journal of Economic Practices and Theories, Academy of Economic Studies - Bucharest, Romania, vol. 2(1), pages 1-12, January. Handle: RePEc:aes:ijeptp:v:2:y:2012:i:1:p:1-12*
19. Shukla, R., Malini Singh, D., and Sanjeev Kr. Saxena, D. "Consumer Perception of Hospitality Services in JCI Accredited Hospitals in Delhi-NCR: An Exploratory Study on the Growth of Medical Tourism." 2019. *Humanities & Social Sciences Reviews* 7(1):413-422
20. Sotiriadis, Marios, and Shen, Shiwei (2017): The role of collaboration and branding in destination management within a globalised framework: A study of the UNWTO Silk Road Programme. Published in the *Journal of Tourism, Heritage, and Services Marketing*, Vol. 3, No. 2 (31 December 2017): pp. 8–16.
21. K. A. Thomas and S. James, P. "Surrogate Buyers in Corporate Acquisition of Luxury Hotel Rooms." 2012. <https://www.scribd.com/>
22. Ristova, C. & N. Dimitrov "The worth of social media as a digital instrument in the hospitality sector." 2019. *International Journal of Information, Business, and Management*, Volume 11, No. 3, 2019.