# HOTEL MANAGEMENT INDUSTRY

" The phenomenal growth is due to the unique asset-light model , that is great fit for the hospitality market in India"

- Ritesh Agarwal ( Founder & CEO , OYO rooms)

## WE CHAT

**Mr. Atul Shukla**

**Hotelier and Business Owner**

# ABOUT US

## OUR VISION

**"To nurture thought leaders and practitioners through inventive education"**

## CORE VALUES

**Breakthrough Thinking and Breakthrough Execution**

**Result Oriented, Process Driven Work Ethic**

**We Link and Care**

**Passion**

*"The illiterate of this century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn."* - Alvin Toffler

At WeSchool, we are deeply inspired by the words of this great American writer and futurist. Undoubtedly, being convinced of the need for a radical change in management education, we decided to tread the path that leads to corporate revolution.

Emerging unarticulated needs and realities require a new approach both in terms of thought as well as action. Cross-disciplinary learning, discovering, scrutinizing, prototyping, learning to create and destroy the mind's eye needs to be nurtured and differently so.

We school has chosen the 'design thinking' approach towards management education. All our efforts and manifestations as a result stem from the integration of design thinking into management education. We dream to create an environment conducive to experiential learning.

# MESSAGE FROM THE DIRECTOR

Dear Readers,

**Prof. Dr. Uday Salunkhe**
**Group Director**

It gives me great pride to introduce SAMVAD's edition every month. Our SAMVAD team's efforts seem to be paying off and our readers seem to be hooked onto our magazine. At WeSchool we try to acquire as much knowledge as we can and we try and share it with everyone.

As we begin a new journey with 2019, I sincerely hope that SAMVAD will reach new heights with the unmatched enthusiasm and talent of the entire team.

Here at WeSchool, we believe in the concept of AAA: Acquire Apply and Assimilate. The knowledge that you have acquired over the last couple of months will be applied somewhere down the line. When you carry out a process repeatedly it becomes ingrained in you and eventually tends to come out effortlessly. This is when you have really assimilated all the knowledge that you have gathered.

At WeSchool, we aspire to be the best and to be unique, and we expect nothing but the extraordinary from all those who join our college. From the point of view of our magazine, we look forward to having more readers and having more contributions from our new readers.

SAMVAD is a platform to share and acquire knowledge and develop ourselves into integrative managers. It is our earnest desire to disseminate our knowledge and experience with not only WeSchool students, but also the society at large.

**Prof. Dr. Uday Salunkhe,**
Group Director

# FROM THE EDITOR'S DESK

Dear Readers,

Welcome to the November Issue of SAMVAD for the year 2019!

SAMVAD is a platform for "***Inspiring Futuristic Ideas***" and we constantly strive to provide articles that are thought provoking and that add value to your management education.

With courses pertaining to all spheres of management at WeSchool, we too aspire to represent every industry by bringing you different themes every month. We have an audacious goal of becoming the most coveted business magazine for B-school students across the country. To help this dream become a reality we invite articles from all spheres of management giving a holistic view and bridge the gap between industry veterans and students through our WeChat section.

The response to SAMVAD has been overwhelming and the support and appreciation that we have received has truly encouraged and motivated us to work towards bringing out a better magazine every month. We bring to you the November Issue of SAMVAD which revolves around the theme of "Hotel Management Industry".

In this world of Airbnb and Oyo, hotel industry is undergoing a lot of changes. Right now, it is all about creating a good experience for your customers, and with technology in picture, many new methods have been adopted for the same. In this issue, we wanted to talk about the length and breadth of hotel industry and how management plays a key role in it.

We hope you read, share and grow with us!

Hope you have a great time reading SAMVAD!

Best Wishes,

Team SAMVAD.

*"There are no limits to what you can accomplish, except the limits you place on your own thinking"*

- *Brian Tracy.*

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# WECHAT

## Mr. Atul Shukla

Business Owner & Hotelier, Landmark Awadh

*Team SAMVAD*

**1. Could you please take us through your journey in the Hotel Management Industry?**

**Ans**. Way back in 2011, I started building my own 10 rooms and a banquet hall budget hotel. Then in 2012 I thought of doing MBA and got selected for PGDM in WeSchool. While I finished PGDM in marketing, the construction work of my hotel got completed and in April 2014, I moved back to Lucknow.

I had this advantage of the first mover as there were hardly any good hotels near Lucknow airport at that time and so our start was better than I anticipated. With the time passing, we turned this 10 keys property into 36 keys and now we have plans to expand to 60 in next 5 years. Meanwhile we also developed a premium budget hotel near Lucknow Airport and acquired a budget hotel in the heart of the city, Hazratganj. We are also expanding into wedding industry and for start we have also started organizing events in our own lawn which we have recently set up.

Since beginning I had this attitude of making the guests feel like they are in their own home and trained my staff likewise. It was a little tough earlier when we hardly had any sales, we had lesser contacts and limited resources. But with time and technology and with local marketing, we achieved better results. There were days when I myself went to all the taxi drivers, travel agencies around the airport. All Local vendors also helped a lot. Since our hotel lies on main Lucknow - Kanpur highway near Airport, there were customers who stopped at these local shops and asked them for some good hotel nearby. So all of this helped and the presence of OTA (online travel agencies) such as makemytrip, booking.com etc was like icing on the cake. I also made it a point of meeting each and every customer staying with us, getting their feedback, making every possible effort to make them truly happy. And till date I talk to many repeated customers who have been staying with us since 2014. Dealing with such a vast variety of people is not an easy task but always keeping a smile on the face is also not a difficult one.

**2. What would you say has been the proudest moment of your career?**

**Ans**. I have always loved each and every moment, whether it was a high or a low and I am proud of all of them. And now speaking materialistically, my proudest moment is yet to come. (Fingers crossed)

**3. What are the challenges that the industry is facing?**

**Ans**. Some of the major challenges being faced in the industry according to me are:

**Growing competition**: As I said earlier I had this first mover advantage but gradually lots of hotels came up near the Airport including Bigger players like Ramada, Cygnett etc. and with lots of budget hotels coming up, the sales do suffer.

**Staffing and training**: Hiring new staff and training them as per your own vision and your hotel standard at times becomes a hard job.

**Changing technology and infrastructure**: What must have been great in 2014 might become obsolete in 2020, so with changes in technology and infrastructure one needs to keep changing in order to cope up with the competition. This becomes expensive at times and is a major challenge.

**Maintenance and Renovations**: This is a constant in hotel industry. On-going construction, renovations, maintenance, and technology costs can add up fast. This makes balancing the books even harder.

**4. How does one create a 'WOW' customer experience in this industry? What would you say are the crucial elements for it?**

**Ans.** In layman's language, the 'Wow' factor can be different for different people. One should have a deep understanding and experience enough to realise or presume what that particular guest will feel happiest about, get it done and THAT will be WOW for that customer. We need to be flexible in this industry, and smart enough in understanding our guests. So, always try to 'KNOW YOUR GUESTS', if you know your guests you will be able to provide them with best personalised experience.

All in all, a great service, being courteous and helpful, knowing your guests and being proactive apart from basic and foremost important things like cleanliness, hygiene, good food, infrastructure of the hotel definitely helps in creating 'Wow' factor.

**5. What advice would you give to students who are interested in this industry and would start their professional career soon?**

I would advise them to work on the following attributes in order to be successful in the hospitality industry.

**Commitment**: One should be committed to making his/her guest happy. He should be committed to his job get it done in time in the most efficient manner. Its important to not make any excuses and give your 100% to get any job done.

**Team Work**: In hospitality industry what i feel is that it's a collective job being performed on daily basis today. If we are not working together in sync, we won't be able to perform best. I feel that it becomes extremely important that each and every professional in hospitality industry should perform their own best and also what is best for their team. That's the mantra for overall success.

**Leadership**: This is a quality which each and every person should possess if you want to reach the top. It's very important for the staff and other people associated to listen to you and follow you. If one is not a good leader, he won't be able to draw support from his staff and won't be able to make his business work.

**Time Management**: It's very important to get things done in time in hospitality sector. A single minute delay can cause immense damage sometimes. Any late delivery of an order can

frustrate the client.

**Being Proactive**: One should always be ready to deal with any situation that they can face at point in time. On the other hand if something goes wrong, one should be quick to react to the situation and get the things right ASAP.

**Always be Courteous and Polite**: This is one mantra i have always followed everywhere in life. Never be rude to anyone even if it's not related to your job. Treat this as your Job for life. Always treat your hotel's guest as your own guests who might be visiting your own place. Be friendly, polite, always ready to help, ignoring their little mistakes and make them feel like they are in their own HOME and not in any hotel.

**Adaptability**: Change is the only thing that is constant right? And the best managers adapt to changes and convey an attitude to employees which proves that change is a necessary element for the survival and success of any industry.

Change is constant and so should be our efforts, One should always keep a close eye on changing patterns in technologies, accommodation, marketing etc. and embrace the changes likewise.

**Passion**: One of the most vital qualities possessed by any hospitality professional is Passion. One should be passionate about his work. He should enjoy doing that. Without a genuine passion for providing outstanding guest experiences, and a real passion for the industry as a whole, it's hard to accomplish any significant target.

**Motivation**: One should be capable enough to keep his employees motivated at all times. It's like a fire that should be ignited and fanned which makes their employee give their best possible efforts.

We all make mistakes which are okay but repeating them is not. So one needs to learn from their mistakes, and keep on improving.

Life is journey of continuous learning and no one is perfect but if one tries his level best to keep on learning and improving, he can and he will be close to perfection.

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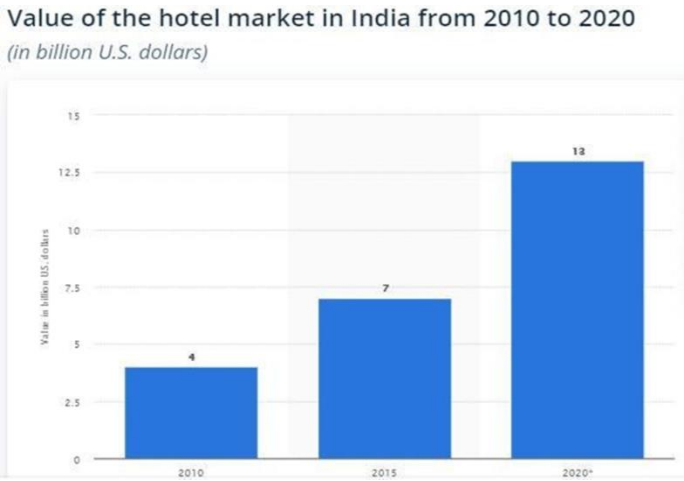
# OPERATIONS

## Quality Management System for the Hotel Industry

*Aditi Deshpande & Vishal Talreja – PGDM E-Business 2019-21, Prin L. N. Welingkar Institute of Management Development and Research, Mumbai*




Hospitality industry, which is the hotel industry, has emerged as one of the key drivers of growth among the services sector in India. As we can see from the graph above, the value of the hotel market in India has almost tripled from 2010 to 2020.

Even though the hotel industry is growing at such a fast pace, what is crucial is its QUALITY. Are the customers really happy with the services being offered?

These days, the management of hospitality organizations completely realizes that high quality of service has to be guaranteed in order for the business to develop in the lasting side. Creating value for the guest will lead to retain the guests successfully, thereby maintaining customer relations which will be beneficial for the business in long run.

The nature of the service industry acts as a challenge that is associated with the delivery of a high quality service in a hotel industry. Quality in a service can be improved by identifying the bottlenecks.

The problems faced in the hotel industry are: Constantly changing expectations of the customers, continued technological changes, regular innovation, skilled labour shortage, and booking and revenue challenges. There are also certain operational issues faced in the hotel industry .Right from managing the bookings, to attending customers and performing all front desk operations in the reception, making the hotel rooms and premises neat, tidy and well organized. From the bottlenecks identified above, now let's discuss how we can improve the quality.

One great operational strategy that should be used to improve the quality is Kaizen. Kaizen which means continuous improvement is a strategy where employees at all levels of a company are involved to work together proactively to achieve regular, incremental improvements to the service delivery process. In a sense, it combines the collective talents of all the employees within a company to create a powerful engine for improvement. Thus implementing Kaizen would make all the employees realise that everyone has a stack in company's success and everyone should strive at all times to help the business to grow better. Improvement can come from any employee at any time.

Implementing Quality at Source (Lean Manufacturing Concept) is the first basic thing that needs to be done to improve the quality. Right from escorting the customers to their respective rooms that are booked already, to the room services provided, every single aspect needs to be checked before the guests arrive for the stay. Implementing Quality at source also implies recruiting the correct skilled workforce working in that particular hotel. Analysing the requirements and standards of that particular hotel, managers should be hired accordingly. After all the quality of the services that they will provide, the way in which they will greet their customers and the kind of hospitality that will be offered to the customers will fetch good reviews for the hotel and will also lead to word of mouth marketing.

Also, providing and maintaining absolute cleanliness is of utmost important and an important parameter in quality. The demand for cleanliness is the basic primary need, especially within the hotel industry. In fact, cleanliness and hygiene is ranked as number one priority for choosing and recommending hotels post stay. The majority of hotel guests and customers would happily give up on complimentary luxuries and technology, such as Wi-Fi access etc., than to stay in a dirty, unclean and an unorganized hotel. Efficient and well trained housekeeping teams are very critical for brand reputation management and to drive and increase loyalty amongst hotel guests. Managers need to make sure the lodging rooms have clean, odour-free, eco-friendly and spacious conditions.

For overcoming the operational issues, the best way is to adopt an integrated Hotel Software Management System. A hotel PMS system seamlessly integrated with a channel manager and a Booking engine work together to streamline all the day-to-day operations and bring more reservations. Hotel management software is an all-inclusive system which simplifies the end to end of hotel operations such as front office, hotel reservations, billing, housekeeping, payments, and more by automating them. Due to this everyone comes under one single platform thereby avoiding miscommunication. Tracking of different tasks simultaneously would be much easier on this software system. Thus the efficiency would increase thereby improving the quality and productivity of the services.

From above; we can say that Quality Management and continuous improvement are closely associated concepts, so customer satisfaction and recalling loyalty are very important to any hospitality organization because of the strong market competition within this industry.

Quality Components in Hospitality Industry.

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|---|
| Consider the guests being served |
| Determine what the guests desire |
| Develop procedures to deliver what guests want |
| Train and empower staff |
| Implement revised systems |
| Evaluate and modify service delivery systems. |

**Source: Foundations of lodging management, p. 48, Pearson Education (2011)**

Thus to conclude, in the industry of hospitality that is hotel, total quality management (TQM) is a sharing process that authorizes employees in different levels to work in groups in order to start guest service prospects and determine the most suitable approach to meet or exceed these prospects. And in order to have those groups

formed an organization needs to employ a leader who creates the required motivation to incorporate guests and employees in the process of setting goals and objectives. Implementing

TQM in hotels and other such organizations in particular will improve customer satisfaction, competition condition and cost effectiveness as well. In the hotel industry it is rightly said that Customer is the King. Quality Problems in the hotel industry and firms are having a direct impact instantly on the organization operation via customer complaints, feedback and reviews. In order to end up with a successful TQM implementation in the hotel industry and firms, they have to incorporate the quality management within the whole business strategy and to direct the goals toward quality within the organization among all levels. Implementing

Quality in general in any Hotel organization enables the organization to increase their market share and price advantage which at the end is the ultimate goal.

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# FINANCE

## Inculcating Cost Crunching Techniques in Hotel Industry

*Anisha Naik– PGDM RBA 2019-21, Prin L. N. Welingkar Institute of Management Development and Research, Mumbai*

Millennial generation influenced greatly by social media culture take pride in calling themselves foodie and adventurous individuals, and this generation has successfully made career out of social media like Youtubers, bloggers, etc. The trend of exploring various food junctions, restaurants and places have been popularized in India thanks to the dedicated Blogger community and with growing middle class and increasing disposable income, the hospitality and tourism industry saw immense boost. Hotel industry in India is expected to reach up to 2796 crore by 2022.

With growth comes competition and hotel industry is one of the industries which involve heavy capital expenditure and so it is very important for the players to effectively manage their cost , so let us discuss how these players inculcate cost crunching strategies in their business operation to sustain in industry and gain the competitive advantage over others.

Effect of technology has been seen on every industry, Hotel industry is no exception. With the use of cloud technology, they are able to bring down data storage cost as now they don't have to purchase physical servers, and other data storage devices. Even their PMS that is Property Management System is now managed through cloud. Also integrating it with mobile device has further added to their efficient performance. For example House Keeping Staff can receive updates on their mobile through front desk on which areas or room requires cleaning and so on.

Also Hotels have started to adapt system of self-check-ins. The self-check-in kiosks cannot actually replace entire front desk staff but has helped hotels to reduce dependence on huge amount of manual labor, thereby helping them to reduce cost. Also research has shown that guest prefer to speed up their check-ins with self-check-in system thereby adding to their satisfaction level.

Hotels can at times be understaffed or overstaffed to avoid such conditions they go for more flexible shift based staffing approach. They also adopt cross-training of employees so that staff members can lend helping hand in other roles as and when needed. Also with shift based approach, they try to keep their pool of permanent employees small and in case of peak season if they speculate that they would face understaffing problem even with cross-trained employees then they go for hiring temporary contract based workers during that season. These strategies greatly help hotels to save on employee cost.

With the popularity of various social media platforms, Hotels have started to capitalize on using social media for their marketing rather than going for heavily paid promotions.

Proper and timely maintenance of all the systems placed in hotel is essential. Regular maintenance will extend equipment life, minimize energy consumption and reduce the chances of sudden breakdown. System breakdown and other maintenance related issue almost always proves costly to hotels and causes

inconvenience to the guests.

Adopting green policies has helped Hotels not only to reduce their cost but also to build their corporate image. Adopting low energy consuming LED lights, water recycling methods, and so on. Sustainable practice also helps in building their brand image and we all know once the brand image is developed and popularized not much resources are spent on marketing because the brand itself is able to attract customer and win customer loyalty.

They also capitalize on renting out underutilized hotel space and by hosting multiple events, or renting it for some temporary yoga class, cooking class and so on. Another area where hotels try to effectively manage cost is their food and beverage department. They do so by trying to reduce wastage, preventing over stocking by adopting KANBAN method of effective operation management, which ensures there is no over stocking or under stocking of resources.

Also with use of proper analytics, they try to understand customers taste and accordingly maintain small menus to avoid wastage. This helps hotels to save a lot on their cost.

Also IOT (Internet of Thing), is playing major role in Hotel Industry. Adoption of IOT is allowing the hotel industry to provide customize guest experience, richer guest data collection and management, reducing the maintenance cost, save cost on HR, front desk and housekeeping. Hilton Hotels and Marriot group are the ones who have already incorporated this technology in many of their outlets. While Hilton Hotels are focused on creating their own IOT based technology, Marriot Groups have partnered with Legrand and Samsung to give life to their IOT Guest Rooms.

Now days with customer being the king, use of technology in collaboration with other management techniques have paved way for hospitality industry to enhance customer experience and optimize their capital allocation and maximize their profits.

Another emerging trend seen in past few year in hospitality sector is going for asset light models. This model distinguishes hotel owners from hotel operators, this strategy thus takes care of majority of fixed cost portion thus freeing fund which can be optimized for operational purpose. International hotel brands like Marriot, Accor and others have successfully been improving their business with asset light strategy and now since past few years' even domestic brands like Taj, Leela, ITC, and Oberio are looking forward towards adopting this strategy. In fact in 2018 unveiled which stated 60% of their assets will not be owned by the company by 2022. Asset light model strategy also helps hotels to effectively manage cost.

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# MARKETING

## Influencer Marketing – Strategy to reach a wider audience in the hospitality sector

*Ishani Maheshwari– PGDM 2019-21, Prin L. N. Welingkar Institute of Management Development and Research, Mumbai*

Tourism and Hospitality is part and parcel of Indian culture. It has emerged as one of the key drivers of the growth of India. Due to rich cultural and historical heritage, variety in ecology, terrains, and places of natural beauty spread in the country, tourism in India has gained significant potential. Tourism and hospitality are also one of the biggest employment generation sectors besides being a major source of foreign exchange in the country. India ranked third among 185 countries in terms of travel and tourism's total contribution to GDP in 2018. India ranked 34thas per World Economic Forum report on Travel & Tourism Competitiveness Report 2019.

**MARKET SIZE AND INVESTMENTS:**

India is one of the most digitally forward traveller nations in context of planning and experiencing a journey, India's increasing middle class and rising disposable incomes has continued to sustain the growth of domestic and international tourism. During the period April 2000-June 2019, the hotel and tourism sector bought in approx. US$ 12.99 billion of FDI, according to the data mentioned by the Department for Promotion of Industry and Internal Trade (DPIIT).

**Role of Influencer's Marketers**

Influencer marketing is one of the most prominent marketing strategies in the Hospitality sector. It has taken the storm in this industry. The Hospitality sector is lavishing freebies to Instagram and YouTube stars in traveller on the travel and hospitality industries is creating an indelible mark. In new bookings for travel brands, the impact of social media influencers on various social media platforms will equal more than 5 figures. Influencers have become an integral part of the marketing campaigns of many brands, as today's customer's trust peer reviews above all other marketing types.

Influencers produce their content in the form of text, image or video depending on the platform they use. That content can reach millions of people, usually within a specific niche. The results on traffic created for a website and the bookings obtained will differ according to the popularity of the influencer, the quality of their content and the kind of public they have.

**EXCELLENT INFLUENCERS ARE:**

1 Help in content creation – As influencers act as a freelancer and create content without your involvement. So it saves a lot of time in the hospitality sector. Influencers are an excellent source of compelling content, especially those on highly visual platforms such as Instagram and Snapchat. Because of its reliability, the content is not only accessible to customers, but brands can also exploit it across all marketing channels. Partnership with an influencer can be a cost-effective method to increase the production of your content while helping the influencer to grow.

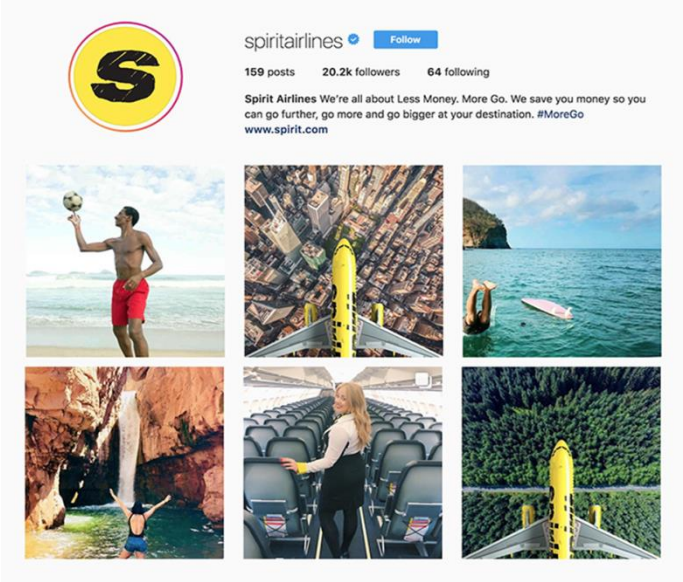
2. Help in generating revenue and drive booking – If the target group is convinced by the

influencer, then this will increase your ROI. Millennial spend between $200 billion and $300 billion a year on travel, a number expected to continue to rise. The Millennial Traveller prioritizes traveling experiences, rather than only buying things. As a result, the hospitality industry is finding new ways of selling and giving Millennial just what they are looking for in a travel destination. Travel influencers from Instagram have transformed documenting their journeys into a company and earned followings from cults. Partnership with successful, trustworthy influencers helps brands reach existing customers and attract new fans.

3. Helps in spreading awareness – Influencers play a vital role in increasing or generating brand awareness. They make your brand more authentic and trustworthy.

4. Helps in creating trust and brand authenticity – People many times trust a brand and their advertisement based on the influencer. When influencer promotes your brand, it makes easy for people to believe it. Travel influencers may not necessarily have to be celebrities or famous personalities. Many influencers are regular people who get large social media followed based on their attractive content. They provide social proof to confirm a location and brand credibility to potential guests.

5. Help in cultivating trusted reviewers – Recommendations and feedback are among the key ways customers make decisions about travel. Converting potential customers into brand loyalists is improved by using influencers to review products and services. Influencers can be a powerful source of inspiration and feedback. Influencer endorsements can be an excellent way to reach a broader audience, raise brand awareness and promote brand loyalty, but it should be authentic.




**SUMMARY –**

Travel influencers have such a powerful, positive effect on the marketing of hospitality that many companies spend a significant portion of their marketing budget on influencers. Consumers of today are searching for genuine experiences when they fly and are fully aware of when someone sells to them. Taking advantage of the traveller's need for knowledge and motivation, collected on peer recommendations. So the investment in influencers can create massive results.

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# HUMAN RESOURCES

## Challenges faced by Human Resource Manager in Hotel Management Sector

*Prarthana Fabyani - MBA 2019-21, Symbiosis Centre For Management, Pune*

The hospitality sector is one of the most important sectors in India that contributes to a higher percentage of GDP. With the continuous improvement in the hospitality sector, there is an increase in the tourism sector as well.

To be successful in any sector whether in hospitality or any other sector is to have a good employee and workforce. From Hotel Taj to Oyo or any other hotel it is important to have a good workforce.

"Hospitality is impossible to teach. It's all about hiring the right people". HRM always plays people a major role in hiring the right people in the hospitality sector.

HR manager faces a lot of challenges such as-

Competence of HR managers- HR manager is the asset for the organization as they select the right people for the right job motivate them and retain them in the organization. Example –as HR needs to look at various competencies and skills before he employees the necessary skills like operating a computer to communication skills as in the hospitality sector communication is of at most importance.

Managing Change- Change is inevitable in this business environment and if an organization avoids changing in the dynamic environment so it will leave behind and Globalization and Technology are the two major factors that drive the change. Many a times the staff and workers refuse to accept change. It is important that the HR is able to devise policies such that they cater to all the levels of employees.

Challenges in the recruitment process- Recruitment is a tedious process as it involves induce a large number of people to apply for a job. The greatest challenge in recruitment for the hospitality sector is attracting talent. Working in the hospitality industry is often stereotyped as low-wage and entry-level with little opportunity for career advancement. In some cultures, hotel jobs are considered to be inferior, poorly paid positions associated with servitude. This is why the hotel industry needs to revamp its image to attract the right talent.

Challenges in the selection process- After recruitment the HR have to select the employee through the various processes by taking various test interviews checking references and backgrounds etc. After this tiring process a component employee is selected but after all this, the HR manager is never thanked for the efforts he put to select the best candidate. The role of HR is never appreciated in the organization. The HR has to perform correct job analysis deciding a particular, chooses the person who is fit for the organization. If the HR fails to perform their necessity it will lead to the hiring of inappropriate candidate. Usually in the hospitality sector it is very important to hire employees which have good communication skills, teamwork, leadership and flexible hours. Shortage of skilled employee- A quality and skilled workforce is required in the hospitality.

There are less skilled employees and the customers are increasing by the day and hence affecting the quality service. This decline affects the hotel name and also raises the questions for the HR. Again, employee retention is the major problem as there are numerous reasons because of which employees leave their jobs.

To overcome this problem, the following steps could be taken by the HRM-

**Job Design** – The job should be designed according to the employee not according to the organization. The job design should be based on feedback job significance and designing tasks according to their skills.

**Training and Development**- Is one of the most important parts of the hospitality sector. as training as it provides the employee to upgrade their existing skills and give them a chance to inculcate new skills.

**Motivation** – Motivation plays an important role as it gives employees to achieve, they are personal along with professional goals. It gives the employee to achieve organizational goals as well as personal goals. Motivation also plays an important role for HR never appreciated for executing such a tedious task to select the capable employee for the organization

**Work-Life Balance**- "Train people well enough so they can leave, treat them well enough so they do not want to," said Richard Branson founder of Virgin Hotels. The work-life balance is very important for the people working in the organization, as without them there will be a negative effect on the people - they could suffer from various mental problems like depression anxiety and may not be able to give their 100%. There should be proper working hours to be provided and give weekends and several vacations every year.

Give opportunities – Everybody has an aim in life it can be providing an ample number of opportunities to the employee so they can achieve their aim. For example – various people want to become the leader, the HR here should identify their needs and should allow them to showcase their talent as well as achieve their goals. This is beneficial to both for the employee as well as for the organization as the employee will achieve its aim and the organization can also achieve their desired result.

One of the well-known HR is Malaika Myers the chief human resource officer of the Hyatt hotels. After she joined there is a tremendous improvement in HR policies. According to workforce100 which gives ranking to world top companies for HR, the Hyatt hotels and co. rank 39th worldwide. Malaika was responsible for implementing and setting Hyatt's global HR enterprise worldwide as she was selected as the CHRO, who implements the employment policies and forms the rules and regulations for the employees.

Human resource always plays a very important role in every sector. The role of human resource is extremely tough the hospitality sector as it includes the challenges from hiring the employees to providing the best training and development and also makes sure that the employees make the customer satisfied. The role of HR also includes making sure that the employees also remain satisfied as well as there is high attrition in the organization. With the increasing challenges, there is also improvement in the policies of the human resource it provides a room for new opportunities for the HR manager.

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## AirBnb vs Hotels: Difference in management strategies.

*Sohini Sengupta– PGDM RBA 2019-21, Prin L. N. Welingkar Institute of Management Development and Research, Mumbai*

In this volatile world, change is the new constant .The hotel industry is no exception. It's highly dynamic and everyday someone or the other is coming with creative business models. Changes can be attributed to uncertain economic conditions of the competitive environment. Advancement in technology is also a big factor where are constant process of unlearn and relearn is driving us to a better creative and innovative business world.

Hotel industry is a very successful and well known one. People will look for hotels at the first place the moment they fix their outstation stay. But the interesting fact is India's huge population and diversity different people have different criteria to choose one hotel over the other and that's why marketing strategies like targeting segmentation come into the picture.

On a contrary, Airbnb is a comparatively new concept. One interesting factor that Airbnb has ensured is that it attracts generation X instantly unlike any other innovation; this is because Airbnb provides you all the features of a happy stay but in a homely atmosphere.

Hotel Management strategies

•Customer retention is the main goal here. It is cheaper than customer acquiring. If customers are back to the same hotel ever and ever again, it indicates the services are not being repeated.

It's improving.

• **Curiosity is in the air** - In this era of online hotel booking, still photos are not enough to create a mental map of the hotel by customer. A virtual tour to the hotel can help out! This will show the potential guests the standard of accommodation, the ambience thereby solidifying their mind to fix it here.

• **Building relationships**- Today's marketing consists of a huge part of trust and loyalty. Social media is the best medium for this. People see other people having recommendable experiences and they are convinced. Research says more and more people are finding their states through Facebook and Instagram. It's reliable. One easiest and cheapest way to attend this is by asking guests to share their photos and memories of their stay and then we can produce content that shows the hotel and there stays (with due permission).

• **Search engine optimization** – There is absolutely no point in having a well- equipped website if its customers have to find it through their preferred search engine. Content has to be designed in such a manner that it is rich in strong potential keywords usually which the customer searches. Focus is also to be kept on secondary key words like nearby areas districts etc.

• Once a hotel is listed with the local tourist offices or on a prominent link of a reputed tourism website, customers are more likely to rely when it comes to booking. Even the local

marketing and event management companies can help out! Good reviews and recommendations are always the best ways to promote your business for free.

• Taking care of internal customers is an internal part to keep business running. Yes I'm in the hotel staff! Happy employees create a happy environment. This can be achieved by avoiding regular bonus, granting periodic holidays to the employees. This would be resulting in a mutually beneficial relationship which is important for the long run business. The guests or anyways going to leave in their schedule date. The least we can do is to ensure that they live with a smile.

**Airbnb Management Strategies**

• Comparatively newer to the market air bnb has truly positioned itself as one of the best choices to stay when we are out of our hometown. The best part of Airbnb is that tourists get a readymade guide. Yes the host itself! Selling the local experience is the best way to retain customers. But how to acquire them? Well, host need to craft themselves as a unique experience for the guests the biography should be designed accordingly.

• To stay in business one has to survive the competitive environment. In our case keeping dynamic prices can serve the purpose. Study of computers price, market analysis, demand forecasting is necessary. For example in festive season holiday seasons the rates are high.

Even the minimum night days can be optimised. Last minute discounts can add a cherry to the cake for the customers.

• Customers like to be relaxed and hands free when they check into a hotel. Airbnb do provide the homeless they must provide adequate facilities of housekeeping, laundry toiletries. Privacy of the guests has to be a priority.

• There's one feature where Airbnb stands out.

Yes, talking about the food! Food can be customised with the facility of providing a fully equipped kitchen. This will definitely attract customers who are accompanied by children, elderly parents, diabetic patients or any other suffering from any disease with having specific restrictions on diet.

• Social media is an integral part of every person in today's world. Promoting a property at social media has a positive correlation with customer acquisition. Hosts these days rely less on air bnb site to traffic their listings. An obvious strategy to increase the revenue is to promote the property across the web.

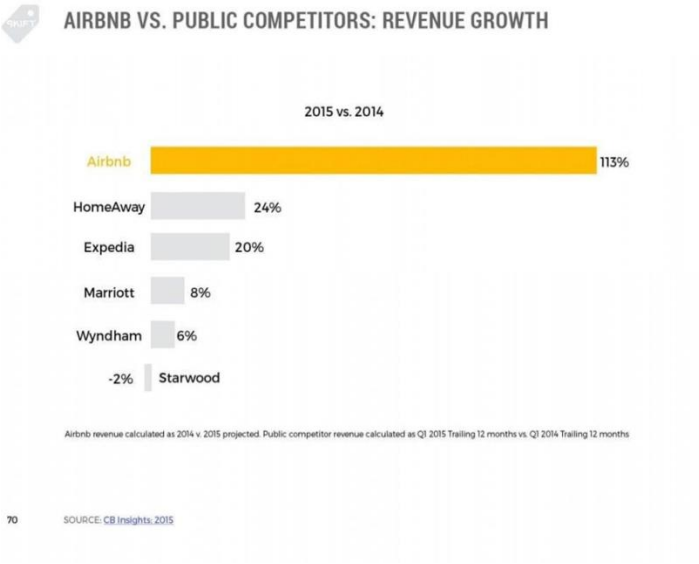
• Successful house knows where to place their property to generate maximum revenue. Yes the initial costs are high, but it's a onetime investment. Locating the property in a heart of metropolitan city or tourist spot (preferably season independent) will help one run the business successfully.

Both hotels and Airbnb have their own advantages and disadvantages. However the only key to any successful business is to differentiate you from the rest. Offer something unique to the customers.

Customise something for them which would uplift their mood. Walking that extra mile is going to fetch maximum returns to the business.

The following graphs depict the changes in hotel industry that Airbnb has brought about, and at the same time, the prevailing dominance of the traditional hotels:-

Is Airbnb Really Cheaper Than A Hotel Room?
Average room price per night in selected major cities in January 2018*
Hotel
Airbnb
$ saved through Airbnb
$306
$187
$240
$191
$220
$93
$217
$179
$193
$114
$167
$110
$118
$65
$114
$92
New York
$119
Sydney
$49
Tokyo
$127
London
$38
Toronto
$79
Paris
$57
Moscow
$53
Berlin
$22
* Converted from EUR to USD on 1/22/18
@StatistaCharts
Sources: AirDNA, HRS
statista


AIRBNB VS. PUBLIC COMPETITORS: REVENUE GROWTH
2015 vs. 2014
Airbnb
113%
HomeAway
24%
Expedia
20%
Marriott
8%
Wyndham
6%
-2%
Starwood
Airbnb revenue calculated as 2014 v. 2015 projected. Public competitor revenue calculated as Q1 2015 Trailing 12 months vs. Q1 2014 Trailing 12 months
70
SOURCE: CB Insights, 2015

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# CALL FOR ARTICLES

We invite articles for the December, 2019 Issue of SAMVAD.

The Theme for the month of **December - "Beauty and Personal Care Industry"**

The articles can be from Finance, Marketing, Human Resources, Operations or General Management domains.

You may also refer to sub-themes on Dare2Compete.

**Submission Guidelines:**

- Word limit: 1000 words or a maximum of 4 pages with relevant images.
- Cover page should include your name, institute name, course details & contact no.
- The references for the images used in the article should be mentioned clearly and explicitly below the images.
- Send in your article in .doc or .docx format, Font size: 12, Font: Constantia, Line spacing: 1.05' to **samvad.we@gmail.com. Deadline for submission of articles: 31st November, 2019**
- Please name your file as: <Your Name>_<title>_<section name e.g. Marketing/Finance>
- Subject line: <Your Name>_<Course>_<Year>_<Institute Name>
- Ensure that there is no plagiarism and all references are clearly mentioned.
- Clearly provide source credit for any images used in the article.

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“Some people dream of success, while other people get up every morning and make it happen.”

WAYNE HUIZENGA