

Globalisation in the amelioration of hotel industry – A study on the impact in hotels in Chennai

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Abstract

Globalisation is the availability of local product globally and global products locally. The impact of the globalization is an imminent factor on the business today in all parts of the business world. The globalization helps in the interaction between current and International standards of the business, also creates an integration of various cultures and traditions that are local and universal. The research mainly focuses on the impact of globalization in the hotel industry and its growth influences. The impacts that have churned and turned the various facets of the hotel operations. Globalization integrated with localization has created a scenario to learn the pattern of inflow of guests throughout the year from different parts of the world. The real-time data collection across five-star hotels in Chennai from the managers from revenue managers and sales managers. The different strategies used by the hotels for the handling of the current scenario are analysed. The suggestive methods to meet international standards of the global market and ways to increase the inflow of the guests. The economic growth is increasing at a steady phase with the influence of globalization and the head start in the developing countries like India.

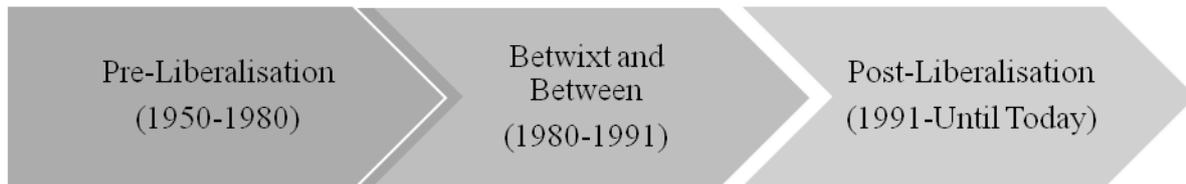
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INTRODUCTION

Globalization is the interaction and integration of different cultures, people and nations upon on traits and policies of an international trade in the country. The restriction-less movement of any physical entity in the economic fraternity can be defined as the Global thinking of the business properties. India being the highly populates country besides China with a population of 3.34 million and with a significant potential increase in the coming years. The gross domestic product is increased from \$2602.31 billion in 2017 to \$2689.99 billion in 2018 until the second quarter. India claimed the sixth largest economy in the world and is developing with a mixed economy. The Indian Economy has been integrated with the globalization in the late 20th Century and traces back to the year 1991.

Previously the interaction with the international market has multiple barriers to the annual growth rate such as low productivity, high costs, and more demand. The Indian globalization can be distinguished into two major phases- Pre Liberalisation and Post Liberalisation.

During the early phases, the Gross Domestic Product had stagnant growth nearly just 3% in the post-independence and until 1980. After the implementation globalization into the



struggling market, there seem to be significant changes in the overall performance and growth. The latter phase led to a steady increase to 13% in the period from 1991 and 2001.

The globalisation is the need of the hour to be competitive in the market place. The world is a ‘global village’ with difference places having different culture and traditions. To acquire larger customer base, the company must ‘go global’ and meet the international standards. The phase of globalisation in the world is not an ending phase but a dynamic every-changing and continuous process. The ‘glocalisation’ is the term that has evolved from this scenario where the local business are by the occurrences of universalizing and particularizing the practices.

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OBJECTIVES

The research mainly focuses to understand the influences and effects of globalization on the Hotel Industry from the roots of the tourism department role. Due to geographical restrictions, the research is restricted to five star hotels of Chennai. The objectives are

- To understand the impacts and influences of globalization in the tourism sector in India
- To study the effects of globalization on various departments in the hotel industry in India
- To suggest various methods to meet international standards and also use the maximum from the available positive effects of globalization

METHODOLOGY

The research was the methodology used is descriptive type. The research also involved empirical methodology where the experiences of the managers are considered as a major proof of how the globalization has impacted the sales and revenue generation of the hotel.

DATA COLLECTION

The research was conducted from the primary data sources – the data collected from various revenue managers of the five-star hotels in the form of a questionnaire as well as personal interviews and the reports from the government publications on globalization. The secondary

data are collected from various internal hotel data and the data from the external sources such as websites, journals generic to the hotel and tourism industry.

REVIEW OF LITERATURE

GLOBALISATION EFFECTS ON TOURISM INDUSTRY

The Tourism Industry is growing at an unremitting phase throughout the various stages of liberalization and globalization. The tourism sector has received FDI (Foreign Direct Investments) which in turn has held a major role to magnify the Indian Economy. The use of rapidly growing technology that was a mandate for the Indian Industry as the country was using antiquated methods. The advancement was a part and package of the globalization and created a delightful experience for the guests majorly from the international side of the market

GLOBALISATION IN HOTEL INDUSTRY

FOOD PRODUCTION

The globalization has created a significant shift in food production and patterns. This has triggered the availability of a variety of foods in all the parts of the world. In the 20th century, there was scarce availability of Indian restaurants in European countries. The globalization has given a chance for booming of many Indian restaurants fostering access to Indian food. On the flip side, the globalization has also led to the growth of processed food which has a negative impact on food security as well as out-compete local producers.

FOOD AND BEVERAGE SERVICE

During early times many hotels and companies were not 'global' but 'local'. With the rapid growth of ICT – Information, Communication, and Technology in the globalization has led to the beverage industry to be more environmentally friendly and health-friendly. This throttled the sea of change where the international food and beverage are made available at a lower reduced cost and maximum profit to the hotels. Service of food and beverage is complementing and bedding to other departments.

HOUSEKEEPING

Globalization has instigated the dynamic of the support service industry and local results considering the factors quality and cost factor involved along with the international standards. With an influx increase in the international brands of hotels in India has fomented the hygiene to a new level where the standards of the 'global expectations' need to be met. Workplace hygiene has also given employees the taste of friendly environment to work. The globalization has also binocularised the problem of "Third Hand Smoking" which highlights the settling of the hazardous organic volatile compound in the premises of the hotel. This is an important part of hygiene that needs to be maintained to meet the international standards.

FRONT OFFICE

The front office strategy is 'Thinking global and acting local'. As the marketplace of the hotel industry has become borderless. In a developing country like India, along with local language fluency, English literacy was a qualification during the pre-globalisation. The globalization has brought the need for multi-linguist staffs in the front office departments to attract more guests. The digitalization of the guest check-in process similar to web-check-in process is not away from implementing into the reality.

DATA ANALYSIS

Responses are collected from 27 respondents. The revenue and sales manager have experiences with the industry approximately more than a decade in association with the hotel industry. The responses were collected to understand the impact of globalization directly or indirectly on the growth of the hotel industry.

Among the 27 respondents, 26 of the respondents i.e. 96.3 percent felt the globalization has a positive impact and effect on the growth of hotel industry while rest 1 respondent, 3.7 percent says there may or may not be due to globalization. The growth areas were segregated based on hotel workflow and the respondents were asked to mark on basis of their experience about the area of development that has drastically improved and majority of the respondents about 77.8 percent i.e. 21 of the respondents say that globalization has led to economic growth whereas 63 percent of the respondents i.e. 17 of the respondents say that operational standards have been improved to meet the international standards and about 14.8% i.e. 4 of the respondents say that cultural development is also seen through globalization.

Based on the interaction of the guests the major areas of economic development were categorized. The respondents said that 74.1 percent i.e. 20 respondents the main area to contribute was technological development. This was followed by computerization and international marketing about 70.4 percent i.e. 19 of the respondents. About 29.6 percent or 8 respondents say that reservations systems have also improved since the implementation of globalization with least impact on standardization of setup to meet international standard with 18.5 percent i.e. 5 respondents.

The hotel as a property was undergoing globalization frenzy in various departments. The respondents' 40.7 percent or 11 respondents among the 27 say that front office otherwise the rooms division department has updated on the existing standard of procedure. Whereas 22.2 percent i.e. 6 respondents feel that the interiors and the construction designing have the need to meet the international standards and the global expectation. About 18.5 i.e. percent 5 respondents feel the sales and marketing style must be improved and the rest experience the change in the style of food and beverage production and service.

The impact of globalization in terms of overall revenue over the years has increased. The hotel managers say that about 13 respondents i.e. 48.1 percent of the hotels saw a growth of 41-60 percent in the revenue. About 11 hotels, 40.7 percent experienced a growth of 21-40 percent. The rest 3 hotels i.e. 11 percent say that the growth was 61-80 percentage during this phase of globalization.

FINDINGS

The impact of globalization has highly accelerated the market in every aspect. The changes are remarkable and created a rift apart from the past scenario to the future that enables a smooth transition.

SECULAR BUSINESS

The globalization has created the scenario where the competitive pricing by the competitors had effectively ended up in giving low-cost products to the customer around the globe. The travel maniacs also experience the new cultures in many varied destinations at an affordable cost. The tourism industry constituted by many other sectors within are now committed to catering people from different walks of life who meet through the line of globalization as tourists as well as providers.

TECHNOLOGICAL TRANSFORMATION

Technology is a vague term in the tourism industry. With respect to hotel industry that deals with tons and tons of data now experience the sweet of technology that gets data by just a click away. The travellers and tourists' from different parts of the globe rapidly shuttles between places with ease of technology. The check-in procedure that took minutes in the past now without physical entity takes seconds even without the human intervention. The technology enables the tourists to have up-to-date information about the hotel and the hotel also gets up-to-date details of the expected tourist. This created a progressive gaining that has revolutionized the experience of the guest with the maximum utilization of technology

FITFUL EMPLOYMENT

The climate of business highly based on the geographic condition of the place. The season of business varies with the type of property, the services provided, the nearby tourist attraction and local events. This has made tourism into a multifaceted business. The movement of travellers are unpredictable at times as the holidays and vacations also change from county to country that shows up with unexpected business patterns throughout the year

SUGGESTION

UNIVERSAL ACCESSIBILITY

Universally accessible means localization of any available product/ service to the end-user anywhere in the world. There are people with different view, varied thoughts that the industry is demanded to cater for. The understanding and the effective observation of needs and traits help to create a smart-action plan. For example, the simplest form of localization is understanding of the guests arriving in a particular place, say Pondicherry more inflow of guests who are local to the French language. It is essential to understand the need at the right spot and provide accessibility to the right guest by providing French terminologies in popular tourist spots as well as public signboards

GUEST PREFERENCE GATHERING

The hotel experiences the inflow of guests from various places who have varied holiday pattern. Depending on the location of the hotel one has to understand the pattern of guest arrival by monitor their movement as per the country of arrival as well as the proximity of any recurring events or festivals. For example, during the three-day Pongal festival in Tamil Nadu India the classical 2100 years old Jallikattu conducted by Jallikattu Peravvai and Chennai Jallikattu Amaipu in places across the state. During this season the state happens to experience more inflow of tourists and must be known the dates to maximize the profit by understanding the demand.

SAFETY & SECURITY OF TRAVELLERS

Women's safety is marked as one of the top concerns of international tourists planning a trip to India in the sites of Government of United Kingdom as a caution notice. The sexual harassment of lady tourists' has created a negative impact on the tourism of India. The cultural differences and the fascination towards the foreign goods make them an easy target for exploitation, theft, and harassment make them an easy target. To avoid any unlikely event, one must enable technology at its maximum. The major areas of concerns are exploitation, safety, and dignity for the tourists. There must be an easy way to locate the tourists in case of an emergency. The tourists must be enabled to travel in government authorized transportation methods to keep a close watch on the movements of the tourists and also to ensure a safe and comfortable service.

Introduction of "tourist cards" to ensure the safety of international guests – says The Union Tourism Ministry. The use of technology to ensure effective tracking of the tourists through fingerprints, photographs and also acts as a document of verification.

OPTIMUM HUMAN RESOURCE UTILISATION

Economist Intelligence Unit Report shows that 67 percent of international company executives found that the than the unilingual teams, the multi-cultural teams to be more innovative in the company. The hotel industry has definitely experienced globalization as a boon to host several nationality guests from across the globe. The tourists are now open and ready to travel every possible way to reach their desired destination. When a foreign language guest enters the hotel and receives a greeting in his own language starts with a positive note as a tourist in the new county. English and unilingual literacy are the quite popular need of the industry until the 1990s and the recent past has created a need for multi-linguistic employees with respect to national and international language fluency. The mastered ploy got is need of the hour demand for all the international chains of hotels and also can effectively boost the customer experience in every way possible way.

PRE-ARRIVAL BLISS

The experience of a guest with the hotels in the pre-globalisation period stage starts when the guest enters the hotel and then experiences the services of the hotel but the globalization has paved way for the guests to experience the hotel's service from the time one enquires about the hotel through chats, reservation process and all the pre-arrival requests that the hotel

accommodates. The hotel website plays a vital role in interaction with the guest. The website to be rightly compatible in all parts of the world. This ensures personal level interaction with all the guests who use the website for viewing all the hotel details and also for booking purposes.

ENVIRONMENT-FRIENDLY

The globalization has hiked the international and created an interacted business scenario. But there is considerable impact on the environmental factors by disrupting the ecological cycles creating stress on the environment. The environmental damage that was caused by the oil spill due to the leakage in the containers of British Petroleum in the year 2010 is one of the examples of the threat that globalization has left and seemed potential at all times. Developing countries like India must integrate globalization and environmentally friendly practices spearheading the negative impacts on the ecosystem.

CONCLUSION

To each and every criterion of life, globalization has its effects directly or indirectly. Although the globalization has created an interdependence on each other country. Also, the inequitable distribution is a major drawback as the things available remain as an advantage for the country that is making the final product and attains more end-users. The intervention of the international ties in the market scenario, there is a critical threat for sovereignty within the organization due to the external intervention in the decision made by the organizations. Though there are a number of subsisting gloomy role and peril effects still there are multitudinous positive effects on the economy in the race of the global economy as well to reach the international standards of products and services.

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