

HOTEL & CATERING INDUSTRY

Introduction to hotel industry & growth of hotel industry in India

Hotels and the catering industry as we know it started late in the 19th century with the development of the major cities, easier sea travel and the coming of the railways.

In ancient times, travellers were a rarity, but could always rely on a meal whilst passing through. As the centuries progressed, travellers mostly pilgrims would be cared for in the temple or monasteries. During the mughal rule, the forts and surrounds would cater to the needs of the traveller- often in exchange of no more than the stories of their adventure during their travels or any news from other towns and villages.

During the later part of the 18th Century, and the formation of the East India Company by the British, it was apparent that catering requires on a more formal basis were required and with the advent of the railways in the mid-19th Century, small hotels & clubs were becoming part of everyday life of those who could afford to eat out.

For the ordinary man in the street kerb side catering was a way of life and for many hundreds of years the scene of cooking delicacies like pakora & samosa and other spicy tit bits was a way of ensuring that anyone with a few paises to spare need never go hungry.

Prior to the formation of hotels and hotel companies the club provided any lodging amenities that were required. These clubs were restricted unfortunately to Europeans or upper class Indians. However it did give many Indians the opportunity to work in a Hotel type environment and become skilled in kitchen & restaurants. These skills were often passed down from father to son.

The vast Indian army too, required catering on a different scale, and officer's messes then as now resembled high class restaurant with usually a very good kitchen attached.

The princely palaces of the many royal Indian Maharajas and families were also run on hotel lines of the present day at least as far as food & drinks were concerned.

Kitchen with Indian & European chefs were considered normal and the banquets of yester years far out shone anything that is provided today even of the best 5 star hotels.

India & Indians have a long cultured heritage of catering and hospitality. The diversity of the regional dishes and the talent to produce them has long been inherent and it is because of this fruitful history that India with its numerous Hotels & Restaurants rank among the world's leading hospitality & tourist venues.

RAILWAY CATERING

In the mid 19th century, the railway network began in India with an operation that was to grow the length & breadth of the vast sub continent. With travel made easier, people were transported from one part of the country to the other, subsequently requiring food & drink en route.

At most of the larger stations catering to the big cities refreshment rooms were established. The trains would halt for an appropriate length of time so that the passengers could alight and obtain a simple meal.

3rd class passengers, unable to afford to the luxury of eating in the refreshment room could avail themselves on the wares from the numerous vendors on the station platform.

Railway companies (and for the most part each region had its own) even went to the extent of setting up hotels attached to the stations so that passengers who were changing from one region to another could spend the night before or after in relative comfort. The luxury of sleeping cars & restaurants were a much later development.

At the turn of the century, most of the companies decided that catering was becoming a major part of railway travel & the expertise to run efficient catering operations of a mobile variety was not necessarily within the scope of regional railway bodies.

In the early year of the new century, it was decided naturally to contract out the catering requirements to private companies or hotels with a catering background so that the traveller could be more professionally served during the often long and arduous journey.

THE ROLE OF SPENCERS IN RAILWAY CATERING

The association of spencers with railway began as early as 1910. Spencers was a company of repute with a very large network all over India. Catering was done on a contractual basis. The catering division of Spencers was responsible for this operation. They virtually had a monopoly.

Spencers were catering under their own name to the M & SM (Madras & Southern Maratha Railway) co. and the S.I.R. (Southern Indian Railway) under the name Brandons, they were catering to the G.I.T.R. (Great Indian Peninsula Railways) whose head quarters was in Bombay. This unit catered to all trains running north from Bombay' E.g.: Bombay, Gujrat etc.

Under the name Kellners, they catered the BNR (Bengal Nagpur Rail) and also the N.W.F.R. (North West Frontier railway) between Delhi, Amritsar & Lahore.

Even at that time Spencers had as many as 180 refreshment rooms all over India. The size of the restaurant, the staff & the menu were structured to meet the demands of the people passing through that particular area.

Even the smallest restaurant had:

1. A manager
2. A cook cum waiter (known as a butler in those days)
3. A cleaner

The biggest refreshment room had a bar attached since prohibition was nonexistent then.

Still lager facilities even dispensed such items as simple drugs and basic grocery, aerated waters and tobacco.

Railway catering today

The present railway catering services is managed both departmentally (The Indian Railway), and through licensed contractors.

Catering facilities are available at 2995 stations and in 88 pairs of trains, the majority being catered by contractors.

With the hundreds of thousands traveling by train every day throughout the country, the turnover is enormous. For the departmental catering alone for the year 1984-85, was more than Rs.40 crores and the license fees from the contractors in the same year was more than Rs.80 lakhs.

The Indian Tourism Development Corporation (ITDC) had been appointed as consultant for the improvement of railway catering. To this end, a new type of service of meals in disposable aluminum foils casseroles has been introduced on some of the major routes.

Similar to airline catering, the food is cooked in the base kitchens (the major stations) and kept in hot cases in the pantry cars. This service has been extended to 30 pairs of trains- resulting in 20% increase in meal sales.

The railways also own and operate two railway Hotels at Ranchi & Puri.

Airline catering

Unlike any other transport system – rail or ocean liner –air transport has to carry pre prepared food on board, as there are no facilities available on any airline for cooking or presentation.

Most Airlines design and plan flight catering establishments / kitchens to meet their own requirements.

As aviation catering has become more sophisticated with the introduction of the vast, wide-bodied modern jet aircraft with ample space to serve appetizing hot meals to passengers it has become necessary to employ highly skilled personnel for such establishments.

The History of Airline Catering in India

Civil aviation progressed rapidly after the Second World War when large numbers of surplus DC-3 & C-47 aircraft were available for disposal. From 1946 private commercial airlines began the subsequent food requirements. Initially food was provided in boxes, pre-packed as the majority of aircraft were without facilities of in-flight catering services. At that time the International carriers operating through India had no Flight Kitchens, nor were there any public/private flight kitchens, they largely

depended on Airport Restaurants or hotels situated in nearby cities to cater to their requirements.

This system was continued until the industry was nationalized and was formed into separate corporations; one for domestic routes and the others for International Flights. (Indian Airlines & Air India).

Modernization and expansion of the fleets increased the carrying capacity of the passengers in both the airlines. It was necessary to improve & expand the catering services to provide passengers with a service compatible with the cost of the airline ticket.

Several Flight Kitchens have been established in Delhi, Mumbai & Kolkata to cope with the needs of International Carriers. Air India floated a subsidiary company known as HCI (Hotel corporation Of India) with a view to operate flight kitchens known as Chef Air and also to accommodate travellers in five star category hotels at major airports(The Centaur group of hotels)

Indian Airlines has also launched a subsidiary company known as Allied Services in order to establish flight kitchen at Airports where there are no HCI flight catering establishments.

Technological Development

Most airlines meals are deep frozen after cooking in blast freezer units, (which freeze hot food within seconds to prevent loss of flavour as well as bacteria). The food items in individual casseroles are stored in freezer units until required. They are transported in portable freezer or in dry ice to the aircraft. They are then heated as required with the aid of microwave ovens and served to the passengers.

Oberoi Hotels- the story of M.S. Oberoi

Mohan Singh Oberoi, Chairman and founder of Oberoi Hotels was born in august 1900 in Bhaun, a small village now in Pakistan.

Soon after his marriage in 1922, he arrived penniless in Shimla and found a job as a Front Office Clerk in the Cecil Hotel at a salary of Rs.40 per month. Some years later moved to Clarkes Hotel (also in Shimla) and gained experience in all aspects of hotel operations. In 1934, he bought Clarkes hotel by mortgaging all his assets and selling of his wife's jewellery. In the early 1930's a cholera epidemic struck Kolkata. Grand

hotel was forced to close. In 1938 Mr. Oberoi acquired the Grand and converted it into a profitable venture. The Oberoi Grand remains to this day Kolkata's one of the leading hotels.

In 1943, Mr. Oberoi took over the Associated Hotels of India (AHI) with 8 hotels in Northern India including the Cecil, Ceorstorphans in Shimla, Maidens & Imperial in Delhi and 4 hotels now in Pakistan. The Oberoi group of hotels grew rapidly with hotels in Gopalpur, Darjeeling, Chandigarh and Srinagar.

The Oberoi Intercontinental in Delhi which opened in 1965 was the first modern luxury hotel in the capital. 35 Storied Oberoi Towers in Mumbai in 1973 was the tallest building in India then.

Mr. Oberoi's dedication to the industry is evident in the Oberoi School of Hotel management based in Delhi.

Oberoi are now the parts of international chain of hotels with properties not only in India but also in Australia, Indonesia, Egypt, Iraq, Srilanka, Zanzibar, Nepal, Singapore etc. Mr. Oberoi was named as Man of the World in 1983 at the Annual Convention of the International Hotel Association in New York and selected as the outstanding hotelier of the year by the Hotels and Restaurants international.

Nine Oberoi Hotels are members of the leading small hotels of the world, a select association of international luxury hotels chosen for their extraordinary level of guest comfort and service. Additionally, 7 Oberoi hotels are also members of small luxury hotels of the world, a collection of exclusive hotels carefully selected for their style, sophistication and the highest standards of service.

Trident hotels are superior 1st class international hotels with contemporary facilities offering quality and value. Friendly and efficient service in a warm and relaxed atmosphere makes them the ideal choice for both business and leisure travellers. The group opened its first Trident Hotel in Chennai in 1988. Trident hotels have since opened in India in Agra, Udaipur, Cochin, Jaipur, Bhubaneswar, Chennai, Gurgaon etc. The group also operates Trident Hotels in the Saudi Arabian city of Jeddah and khamis Mashayt.

The group recently announced a strategic alliance for Trident Hotels with Hilton International Company. This alliance covers nine hotels with

approximately 1900 rooms across Indian under the” TRIDENT HILTON” brand.

THE TAJ GROUP OF HOTELS

The Taj Group of Hotels is the largest chain in India with several hotels abroad also. The parent hotel “The Taj Mahal” hotel in Mumbai is rated among the 10 best hotels in the world.

The story of the Taj

The founder of the house of Tatas, Mr. Jamshedji Nusserwanji Tata in 1897 formed the Indian Hotels Comapany and built the exquisitely beautiful “Taj mahal Hotel” in Mumbai. The door opened in 1903 and has been a landmark by the Gateway of India ever since.

In 1971, 225 roomed Taj Mahal hotel in Mumbai was converted to a 565 room hotel and a multi-storeyed building adjoining the original property.

In 1972, the Lake palace, Udiapur and the Rambagh palace in jaipur were also linked to the Taj and a chain was born.

In 1974, a new company was floated, which created the Taj Coromondal in Chennai. In the same year the chain broadened with the acquisition of the Fort Aguada beach resort in Goa.

In 1976, the Fisherman’s cove was built 13 minutes’ drive from Chennai to the Bay of Bengal with a private beach.

In the same year the Taj group opened the Taj flight kitchen in Mumbai catering to both domestic & International Flight.

In 1978, the glittering Taj Mahal Hotel was opened in Delhi and this was followed two years later in Varanasi-“The Taj Ganges”

The 1980’s was to see the rapid expansion of the group of gigantic Taj Palace in New Delhi, the Shiv Niwas Palace at Udaipur and another flight kitchen in New delhi airport, The Taj Residency in Bangalore, the Connemara Hotel in Chennai, the Westend in Bangalore, the Savoy hotel in Ooty, The Taj Mahal palace at jaipur and the Taj View in Agra.

In 1980, the Taj Group took its first step internationally by opening its first hotel outside India, the Taj Sheba Hotel in Sana'a, Yemen and in the late 1980s, acquired interests in the Crown Plaza, London, St. James

Court, London and 51 Buckingham Gate Luxury Suites and Apartments in London

Taj Kerala Hotels & Resorts Limited was set up in the early 1990s along with the Kerala Tourism Development Corporation. In 1998 the Taj Group opened the Taj Exotica Bentota which strengthened the Taj Group's market position in Sri Lanka. In 2000, the launch of the 56 acre Taj Exotica, Goa and the Taj Hari Mahal in Jodhpur were completed.

In 2000, the Taj Group entered into a partnership with the GVK Reddy Group to set up Taj GVK Hotels and Resorts Limited and thereby obtained a prominent position in the market in the southern business city of Hyderabad, holding three hotels and a major share of the market.

In 2004 the Taj Group opened Wellington Mews, its first luxury serviced apartment in Mumbai. In the same year, the Taj Group also launched the first of its "value-for-money" hotels in Bangalore branded 'Ginger', which division has 11 hotels in various locations in India and is owned through its wholly owned subsidiary.

The Company enhanced its position as an operator of converted palaces by entering into a management contract for Umaid Bhawan Palace, Jodhpur in the princely state of Rajasthan in India. The Company, through a subsidiary, acquired the erstwhile 'W' hotel in Sydney, Australia in February 2006 and renamed it as 'Blue Bay'. To expand its presence in the US market, the Company acquired in early 2007 Ritz Carlton in Boston (Taj Boston) and Taj Campton Place in San Francisco.

Hotels operated by the Taj Group internationally are located in US, Australia, Dubai, Maldives, Malaysia, Sri Lanka, the United Kingdom, Yemen and Zambia.

TYPES CATERING ESTABLISHMENTS

The food service industry (catering industry in British English) encompasses those places, institutions and companies that provide meals eaten away from home. This industry includes hotels, restaurants, schools and hospital cafeterias, catering operations, and many other formats, including 'on-premises' and 'off-premises' caterings. Catering is a multifaceted segment of the food service industry. There is a niche for all types of catering businesses within the segment of catering. **The food service industry is divided into two general types: commercial segment and non-commercial segment.** Catering management may be defined as the task of planning, organizing, controlling and executing. Each activity influences the preparation and delivery of food, beverage, and related services at a competitive, yet profitable price. These activities work together to meet and exceed the customer's perception of value for his money.

CLASSIFICATION OF CATERING ESTABLISHMENT

A) Primary or Commercial Catering

These are the establishments whose main aim is to earn profit by providing food and beverage to the guests as per their demand. Hence, they are also referred as commercial catering, establishments. Such as hotels, restaurants, fast food outlets, bars, pubs, etc.

1) Residential- These type of establishment provides food n beverage along with accommodation. Such as hotels, motels, resorts etc

2) Non-Residential- These type of establishment provides only Food & beverage. Such as restaurants, pubs, night clubs etc.

B) Secondary or Non Commercial Catering

These are the establishments that provide food and beverage as a part of another business. Their aim is not to earn money. Instead, the establishments are there to provide welfare services at affordable prices, such as industrial canteens, hospital canteens, school/college canteens, railways caterings, airline caterings, ship or cruise lines, etc. The quality and the quantity of the food should be equally good, through this type of menu offered in this type of catering might be different from another. May be deemed as those operations in which making a profit from catering facility is not the outlet's main concern. Since the operations are completely or partially subsidized by a parent body, such establishments'

primary obligation is in the well being or care of their guests/ customers/ patients.

Unlike commercial catering establishment the guests/ customers/ patients do not have choice of catering facilities.

1) Institutional Catering

Institutional catering includes school, colleges, universities, hospitals, orphanages, old age homes, prisons etc. In some of these establishments no charge is made to certain group of customers to for the provision of food & beverage services as they are completely or partially subsidized by various government funds.

2) Transport Catering

The provision of food and beverages to passengers, before, during and after a journey on trains, aircraft and ships and in buses or private vehicles is termed as transport catering. These services may also be utilized by the general public, who are in the vicinity of a transport catering unit. The major forms of modern day transport catering are airline-catering, railways catering, ship catering and surface catering in coaches or buses which operate on long distance routes.

• Airline Catering

Catering to airline passengers on board the air craft, as well as at restaurants situated at airport terminals is termed as airline catering. Modern airports have a variety of food and beverage outlets to cater to the increasing number of air passengers. Catering to passengers *en route* is normally contracted out to a flight catering unit of a reputed hotel or to a catering contractor or to the catering unit operated by the airline itself as an independent entity.

• Railway Catering

Catering to railway passengers both during the journey as well as during halts at different railway stations is called railway catering. Travelling by train for long distances can be very tiring; hence a constant supply of a variety of refreshment choices helps to make the journey less tedious. On-board meal services are also provided on long distance trains.

• Ship Catering

Ship catering is catering to cargo crew and passenger ship passengers. Ships have kitchens and restaurants on board. The quality of service and facilities offered depends on the class of the ship and the price the passengers are willing to pay. There are cruises to suit every pocket.

They range from room service and cocktail bars to speciality dining restaurants.

- **Surface Catering**

Catering to passengers traveling by surface transport such as buses and private vehicles is called surface catering. These eating establishments are normally located around a bus terminus or on highways. They may be either government run restaurants, or privately owned establishments. Of late there has been a growing popularity of Punjabi style eateries called dhabas on the highways.

3) **Industrial Catering**

The provision of food and beverages to 'people at work,' in industries and factories at highly subsidized rates is called industrial catering. It is based on the assumption that better fed employees at concessional rates are happy and more productive. Catering for a large workforce may be undertaken by the management itself, or may be contracted out to professional caterers. Depending on the choice of the menu suggested by the management, catering contractors undertake to feed the workforce for a fixed period of time at a predetermined price.

STRUCTURE OF CATERING INDUSTRY

The structure of catering industry includes both commercial and non commercial catering establishments. Some of the more popular and common ones are as under.

- 1) **Five Star Hotels:** These usually have several restaurants, grill rooms, ethnic (Indian, Chinese, Italian etc. among the most popular), European and coffee shops are included. Service in these hotels is usually attentive and entertainment is nearly always available. Prices in these establishments tend to be high.
- 2) **Medium Class Hotels:** Similar to the 5 star, though surroundings are less luxurious and prices are reflected in this.
- 3) **Free Standing Restaurants:** Often quite high class, offering good Ala Carte menus- service is usually of high standard.
- 4) **Snacks Bar:** popular with the working public offering everyday fare, at very reasonable prices.
- 5) **Fast Food Centres:** The "eating out" of 80's growing in popularity in India especially with the young, these restaurants offer fast,

clean service at popular prices. Service is minimal and turnover is high.

- 6) **Night Clubs:** usually situated only in the larger cities and offering high class entertainment with food.
- 7) **Industrial Canteens:** Operated as a facility to staff in large factories or similar. Food of a high standard but managements working to tight budgets. Food cost is usually subsidized consequently staff pay minimal prices.
- 8) **Institutional Catering:** usually hospitals are serving high nutritional standard of food.
- 9) **Airline Catering:** A big business operation, serving good quality food in difficult and limited service areas. Competition is tough in this sector to maintain high standard.
- 10) **Railway Catering:** similar to airlines, and although this was a prestigious area of catering. The fifties to seventies saw a gradual decline which fortunately is being rectified as the 80's progress.
- 11) **Outdoor catering:** Is a growing industry within the industry. Many Service staff involved in these sometimes complicated operations.