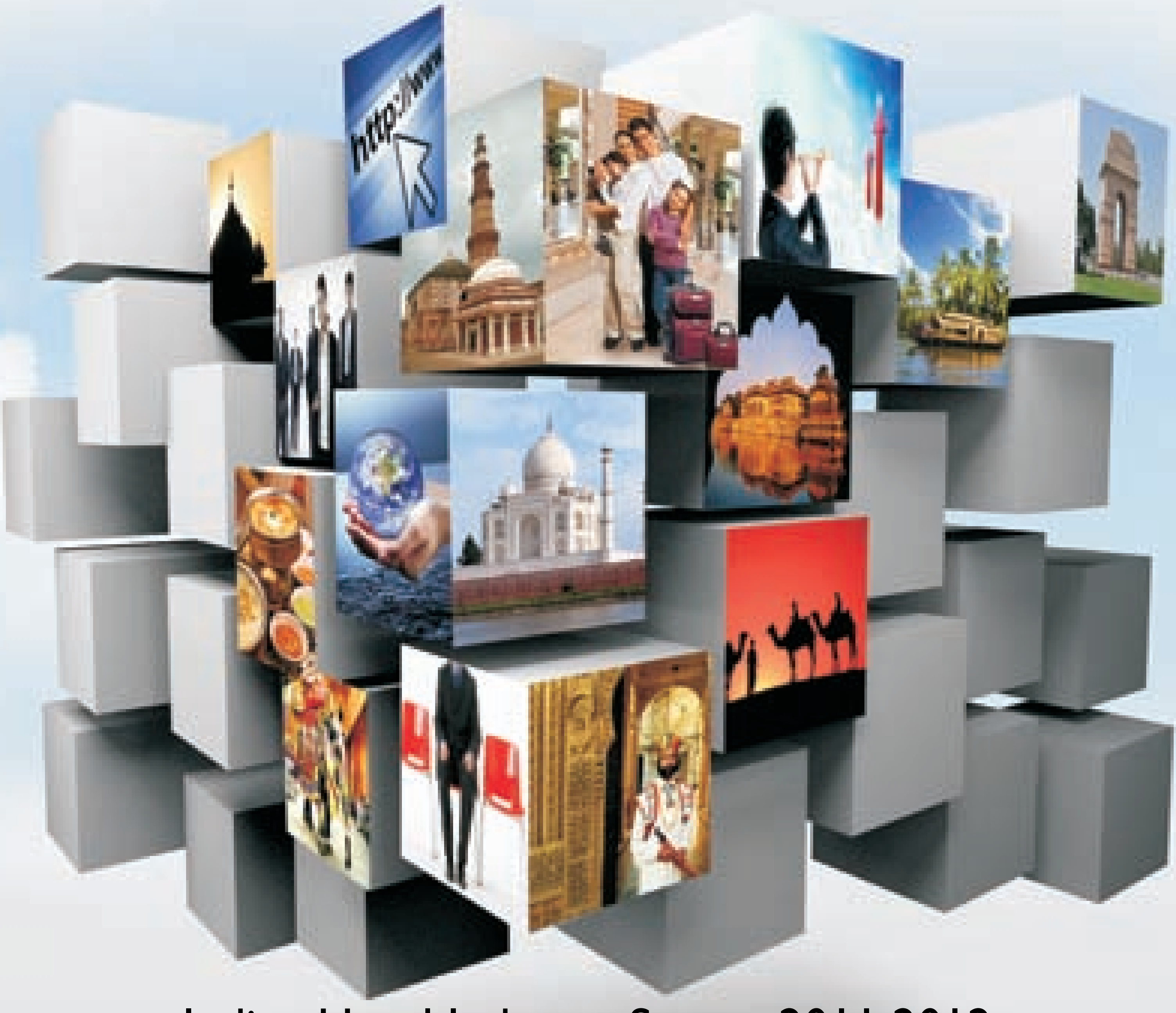
FH&RA INDIA



Indian Hotel Industry Survey 2011-2012

ECOTEL®
The Hallmark of Environmentally Sensitive Hotels

HVS

For more information, or additional copies of this document, please contact:

Secretary General
Federation of Hotel & Restaurant Associations of India (FHRAI)
B-82, 8th Floor, Himalaya House, 23 Kasturba Gandhi Marg
New Delhi - 110 001
India

Tel:	+91 (11) 4078 0780
Fax:	+91 (11) 4078 0777
Email:	fhrai@vsnl.com
Website:	www.fhrai.com

Price:	FHRAI Members:	₹500 (per additional copy)
	FHRAI Non-Members:	₹700
	International:	US$50

Table of Contents

Foreword

The Federation of Hotel & Restaurant Associations of India (FHRAI) is pleased to present the fifteenth annual edition of the Indian Hotel Industry Survey, in cooperation with HVS Hospitality Services. This survey includes in-depth information about the performance of hotels across various cities and provides several benchmarks for comparing hotel performance in India. We would like to thank the participating hotels for all the detailed information they have provided, thereby helping to improve the quality of this research.

The Indian Hotel Industry Survey analyses the performance of Indian hotels across parameters such as facilities, manpower, operational performance, and marketing trends. The information is based on data received from FHRAI hotel members and the authenticity of this data helps us in providing a clear picture of the operating statistics of India's hospitality sector. Data collected from our member hotels, our extensive historic database and the credibility of our research have helped make this report a preferred tool for hotel professionals, consultants, investors, bankers, researchers, the Ministry of Tourism, Government of India, media persons, and all those interested in studying the Indian hotel industry.

The current edition includes an analysis of seven major cities for which we have received detailed information and twelve other cities where data was available with us for some hotels, though not in sufficient numbers for all the star categories. We earnestly request all our members to be more forthcoming and share the required information as this helps to take up various issues confronting the industry, both at the Centre and State levels. Therefore, while we have basic data for 1,320 members (a marginal increase from the 1,318 responses received last year), the financial data is not available for all of them. Though the major apprehension of each one of those members for not sharing the required information for this report might be the confidentiality of their data, members should rest assured that there is complete security of data by HVS.

We encourage feedback on the presentation and content of this report to enable us to improve it each year. We are thankful to HVS Hospitality Services for their continued support for this project as well as HVS Sustainability Services for having sponsored the current edition.

Vivek Nair
President
Federation of Hotel & Restaurant Associations of India (FHRAI)

About HVS

HVS Hospitality Services is the world's leading consulting and services organisation focused on the hotel, restaurant, shared ownership, gaming and leisure industries. Established in 1980 in the United States by company president and founder Steve Rushmore, MAI, FRICS, CHA, the company has 36 offices across the globe and more than 20,000 assignments to its credit. Hotel owners, operators, lenders, banks, and management companies all turn to HVS as the respected authority on hospitality.

HVS New Delhi was established in 1997 and has risen to be the only dedicated hospitality-consulting firm in this region. It currently offers its Consulting and Valuation services to clients with interests in the South Asian Region covering India, Sri Lanka, Bangladesh, Pakistan, Nepal, Bhutan and the Maldives. The different verticals based on the services offered by the New Delhi Office are mentioned below:

CONSULTING AND VALUATION

The Consulting and Valuation team comprises highly experienced industry professionals offering the utmost level of expertise and credibility. Our consultants understand the hotel business and have received qualifications from leading hospitality schools across the world, while also possessing actual hotel operating experience.

As a part of our Consulting and Valuation services, we offer the following:

- Market Studies
- Feasibility Studies and Return-on-investment Analyses
- Development Strategy Recommendations
- Valuations (Single Asset and Portfolio)
- Market Entry Strategy Studies
- Land Bid Evaluations and Residual Land Valuations
- Investment and Transaction Advisory Services (Buy and Sell Side)
- Operator Search and Management Contract Negotiations
- Operational Audit & Advisory Services

EXECUTIVE SEARCH

Executive Search, another vertical to the base of services offered, entered the Indian subcontinent in 2001 and currently manages diverse portfolios across varied sectors. HVS Executive Search has offices in New Delhi and Mumbai, and is among South Asia's first retained Executive Search practices. It provides advisory services to leaders of the hotel, restaurant, real-estate, manufacturing, retail, telecom, energy, and education industries. Practice areas include senior-level executive search, mid-management recruitment and compensation consulting.

MARKETING AND COMMUNICATIONS

HVS Marketing Communications (HVS MC) offers strategic turnkey marketing and creative support to upcoming and operational hotels in addition to hospitality brands, in India. Underlined with an in-depth understanding of the hospitality market and operations, HVS MC has the ability to conceptualise proactive positioning and marketing strategies and deliver their creative implementation, all with a focus on return on investment. We endeavour to create, recommend and implement successful marketing solutions for hotel brands whilst at the same time maximise the brand through consistent creative communications.

Our services include conceptualisation and implementation of:

- Strategic Launch/Promotional Marketing & Media Plans
- Brand Architecture, Identities and Manuals
- Advertising and Creative Support

SUSTAINABILITY SERVICES

HVS Sustainability Services provides a range of business-driven consulting services that enable hospitality firms to identify utility cost savings opportunities, enhance operational efficiency, and demonstrate a positive commitment to the environment to guests, investors, and other relevant stakeholders. HVS works directly with owners and operators to evaluate the business case for capital investment into building equipment; we further promote accessibility to conventional and non-conventional financing mechanisms for technology-driven retrofit projects. Our industry intelligence and global presence provide you with the best information and tools to make critical decisions for your buildings, improving operating income, and driving the underlying valuation of hotel and resort assets.

Additionally, ECOTEL® is a prestigious environmental certification designed by HVS' Sustainability Services specifically for the hospitality sector. This certification recognises outstanding achievement along the triple bottomline: environmental, social and fiscal parameters.

OUR CONFERENCES

Hotel Investment Conference - South Asia (HICSA), a two-day conference dedicated to the hospitality sector, has gained over the years, the reputation of being the best hotel conference in the South Asian region and is one of most well recognised names in the arena of global hotel investment conferences and discussion forums. For enquiries regarding its 9th edition, please visit www.hicsaconference.com or email us at hicsa@hvs.com.

The Indian Hotel Industry Survey 2011-2012 brings together the industry's key statistics and serves as an easy reference volume. We are grateful to all those who have contributed towards the same and look forward to increased participation in the years to come.

Kaushik Vardharajan Managing Director	**Pooja Goel** Senior Associate	**Tulika Das** Research Associate

Synopsis and Key Highlights

Introduction

The Indian hospitality industry has emerged as one of the key industries driving the growth of the services sector and, thereby, the Indian economy. The **FHRAI Indian Hotel Survey 2011-2012** aims to provide the most comprehensive guide to all India performance trends for this industry. Results of the survey will empower industry stakeholders such as owners, investors, operators, business analysts and researchers with information on the operational aspects of the industry. It will also help owners benchmark the performance of their operations against industry standards and seek professional help if corrective measures are required.

Data Collection

The data for the FHRAI Indian Hotel Survey 2011-2012 Report has been contributed by the member hotels of FHRAI. The FHRAI sends out a questionnaire to each of its members (numbering 2,492 hotels as of December 2012), the responses to which are then analysed and presented in this report. The data presented in the current edition is culled from 1,320 responses.

Methodology

The data received from hotels participating in the survey is sorted and filtered according to the objectives of the survey. The data is then processed and analysed to extract important information pertaining to the performance of the Indian hospitality sector across crucial parameters. These parameters, such as guest segmentation, hotel finances, marketing, sources of reservations, and seasonality, among others, are then presented under the following categories:

- **Star:** Five-Star Deluxe, Five, Four, Three, Two, One-Star and Heritage hotels along with Other hotels (which are not classified under any star rating).

- **Inventory:** Number of rooms in hotels are categorised as Less than 50 Rooms, 50-150 Rooms, and More than 150 Rooms.

- **Affiliation:** The two types of affiliations used to categorise hotels are Affiliated to Chain, and Independent.

- **Primary Markets:** The seven major cities covered in this report are Bengaluru, Chennai, Goa, Kolkata, Mumbai, Delhi-NCR, and Pune.

- **Secondary Markets:** Twelve secondary cities presented in this report are Ahmedabad, Bhopal, Coimbatore, Gurgaon, Hyderabad, Indore, Jaipur, Jodhpur, Kochi, Kottayam, Udaipur, and Vadodara.

Qualifying Conditions

- While it is our endeavour to represent all the cities in India, we are limited by the data received from the participating hotels. In order to make the study relevant, we present data for only those categories for which we have a minimum of four participating hotels.

- Hotels across different categories showing similar characteristics have been combined under the same category when sufficient responses are not available for each category.

- To facilitate better evaluation of data across comparable groups, the financial statements are presented through Net Income, before any deduction of depreciation and interest, which are hotel/owner specific.

Limiting Condition

- In some cases, there are large fluctuations in the data and this noise in the data may be attributed to the changing participation in the survey and may not be an accurate representation of market performance.

Presentation of Financial Data

- **Percentage of Revenue** is an assessment of costs as a percentage of revenue. Departmental expenses are portions of individual revenue heads while Operating and Fixed Expenses are deducted from Gross Hotel Revenue following the international accounting guidelines.

- **Amount per Available Room (PAR)** is the financial performance of a single room and is based on the total inventory.

- **Amount per Occupied Room (POR)** is the performance of a single occupied room.

  All amounts presented in this report have been rounded to the nearest whole number and are in Indian rupees (₹) for the fiscal year 2011/12 (April-March). In the financial statements, rupee amounts are provided as amounts per available room (PAR) and per occupied room (POR) in order to eliminate differences in the size of hotels surveyed.

Key Trends

This section is divided into three parts: Country Trends, Key Highlights and City Trends. In the first subsection, an overview is provided of the broad trends that have been observed in the country in the past year. The second subsection highlights the trends related to revenue and income generation, and presents the survey findings related to Key Operating Statistics. This is followed by the City Trends, which reflect HVS's perception of each city, as well as our expectations with regard to its future performance.

Country Trends

- **Overall Performance:** The year 2011/12 was a period of resilience for the Indian hotel industry. A slowing Indian economy coupled with depressed global economic conditions posed a threat to the industry. Nationwide occupancy, however, witnessed only a marginal decline of 1.9% in 2011/12 as compared to 2010/11. Average rate, on the other hand, increased by 2.2% in 2011/12 over that in 2010/11. HVS estimates that while hotel supply across major cities witnessed a growth of 15% in 2011/12, demand exhibited a strong increase of 12% during the same period[1]. Thus, although nationwide occupancy decreased in 2011/12, it is vital to note that it was primarily due to supply pressure and not due to an absolute decrease in demand.

  The more serious challenge currently facing the hospitality industry is inflation, which was recorded at 8.8% in 2011/12. High inflation levels throughout the year resulted in increased overhead costs. Consequently, although the top line improved in 2011/12 over 2010/11, the net income percentage declined by 3.1%. In particular, the increase in departmental expenses as a percentage of revenue together with the PAR increases in Administrative & General and Energy costs resulted in the reduction in bottom lines.

- **Shortfall of Trained Manpower:** The hotel industry is at an interesting stage, where it is witnessing a flood of international and domestic hotel companies opening new hotels across market positioning and locations. Additionally, with the growing disposable income of the Indian consumer, we see that the domestic traveller is becoming far more discerning and demands superior products and services. One of the biggest challenges facing most hotel companies today as they try to keep pace with the growing supply of new hotels is the recruitment of trained manpower, to maintain quality and professional service delivery and product up-keep. This year's survey reveals that the average percentage of trained employees per hotel is 83.3%. While this average has witnessed a growth of 6% over that in the previous year, none of the staffing levels (manager/supervisor/staff) have achieved an average of 100%. Going forward, HVS believes that with supply expected to increase by nearly 111% in the next five years[1], the demand for high quality professionals will continue to increase and will also lead to a steady rise in compensation levels. Additionally, HVS has noticed a decline in the quality of service offered by hotels in India confirming the lack of trained manpower. We also note a shortage of skilled staff in the two-star and three-star categories of hotels. In order to cultivate a suitably trained workforce, more vocational institutions will need to be set up. Moreover, hotels would need to maintain considerable focus on training, development and multi-skilling of their manpower to ensure efficient utilisation and to cope with rising manpower costs.

- **Changing Market Segmentation:** The Indian hotel industry at large caters to more business guests as compared to leisure travellers. This is mainly because a major portion of the hotel supply is located in key metropolitan cities which are primarily business destinations. This year's survey reveals an interesting trend: a decline in the ratio of business travellers to leisure travellers. The percentage of business guests decreased to 58.8% from 60% last year. The increasing use of internet and video conferencing tools to conduct meetings coupled with cost-cutting initiatives in a depressed global economic scenario has resulted in a decline in overall business travel. Also, the average length of stay of business guests decreased to 2.7 nights from 3.0 nights last year.

[1] HVS Hotels in India Trends and Opportunities Report 2012

The Leisure segment, on the other hand, grew by 3% over last year. Additionally, the overall average length of stay of leisure guests has improved from 2.3 nights last year to 3.0 nights this year. This increase has been led mainly by domestic travellers who, as mentioned earlier, have improved disposable incomes and a greater keenness to travel. The domestic leisure segment is drawing more and more attention from the industry, with family vacation packages and wellness and rejuvenation holidays marketed extensively by hotels and travel companies, especially during the summer months when schools break for holidays and over long weekends and festivals.

With respect to foreign leisure travellers, the average length of stay declined from 3.4 nights last year to 3.2 nights this year. Also, average spend witnessed a decline as reflected by the decreasing Foreign Leisure – FIT segment, typically a higher yielding market segment within Leisure demand.

- **Mix of Country of Origin of Guests:** The United Kingdom and the United States of America remain the largest international source markets for the Indian hospitality sector, contributing 24% of the overall demand. Although these countries continue to contribute the biggest portion in percentage terms, their share has declined by 14% since 2007/08. While we expect this trend to continue in the future, demand from the SAARC nations and Middle Eastern countries has grown steadily. Also, hotel guests from countries such as China and Japan have shown healthy increases over last year (8% each). The rise in visitation from Asia and Middle Eastern regions may be attributed to improved connectivity, easier visa norms, infrastructure development, and strong marketing efforts.

- **Increasing use of Internet:** Internet is increasingly becoming an important medium for communication, generating reservations, and marketing across hotel categories. Nearly 95% of the hotels participating in this year's survey have reported to using e-mails for communications. At the property level, while direct enquiries continue to contribute the maximum share of reservations, online sources such the global distribution systems, hotel websites, online travel agencies and other online reservations systems are slowly gaining share. Presence on online channels enhances a property's visibility and reach, two vital components required to generate business in a highly competitive environment. Within online marketing, hotel managers are beginning to use tools such as search engine optimisation, pay per click, mobile website marketing, social marketing, and viral marketing. Moreover, having a dedicated online marketing team either at the property level or chain level that focuses on reputation management, adoption of multi channel initiatives and website analytics is a rising trend within the Indian hospitality industry.

- **Sustainable Operations:** This year's survey reveals an overall increase of approximately 9% in energy costs on a PAR basis as compared to the previous year. Given the increasing demand and cost of electricity and the rapidly declining water table levels, it has become essential for hotels to invest in environmental sustainability. The impact of increasing demand for electricity can result in non-fiscal consequences as well, such as mandatory reduction in power consumption stipulated by local electricity boards, or the simple non-availability of fresh potable water. Adopting "Green Practices" have been proven to lower operating costs, resulting in improved GOP margins by 1-3% as seen by HVS Sustainability Services through their investment grade audits. This vertical of HVS provides a range of business-driven consulting services that enable hospitality firms to identify utility cost savings opportunities, enhance operational efficiency, and demonstrate positive commitment to the environment to guests, investors and other relevant stakeholders.

Key Highlights

We are of the opinion that there is a strong positive correlation between growth in supply and growth in demand. A 15% increase in supply in 2011/12 across major cities was accompanied by a 12% increase in demand, which confirms this trend. It also indicates the presence of a large quantum of unaccommodated demand that was absorbed as new lodging options entered the market. However, despite an increase in the overall gross revenues, net income as a percentage of total revenue continued to decline in 2011/12 mainly on account of high inflation that resulted in increased overhead costs. HVS is tracking a proposed supply of 93,355 branded rooms of which 58% is actively under development and is expected to enter the Indian hotel market over the next five years[2]. A more competitive market together with a high inflationary environment stresses the need for hotels to focus on improving their operational efficiencies to curtail further erosion of their net incomes. The following exhibits highlight some key emerging trends.

Exhibit 1 draws attention to the fact that 2011/12 was indeed a year of resilience where all-India average rates increased by 2.2% as compared to the previous year and occupancies declined slightly by 1.9% despite a double-digit growth in room supply across major cities.

Exhibit 1: Occupancy and Average Rate 2007/08 to 2011/12

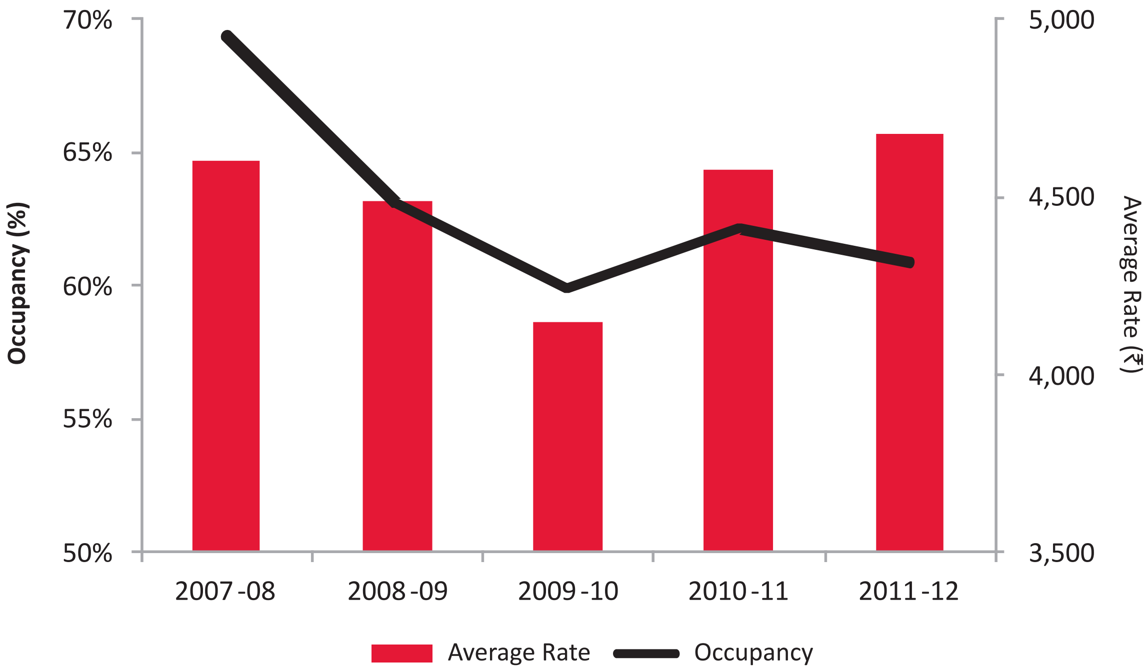


Exhibit 2 presents the PAR trends in revenue and net income over the past five years. While total revenue increased by 7.0%, net income recorded a decline of 3.1% as a percentage of revenue over the previous year. This could be attributed to an increase in departmental expenses as a percentage of revenue, together with the PAR increases in Administrative & General and Energy costs. These trends augment the need for independent assessment and unbiased reviews of existing processes affecting the operational efficiency of hotel assets, by professionals having industry experience. HVS Operational Audit & Advisory Services provides such reviews, with the aim to benefit both the ownership and management.

[2] HVS Hotels in India Trends and Opportunities Report 2012

Exhibit 2: Revenue and Net Income 2007/08 to 2011/12

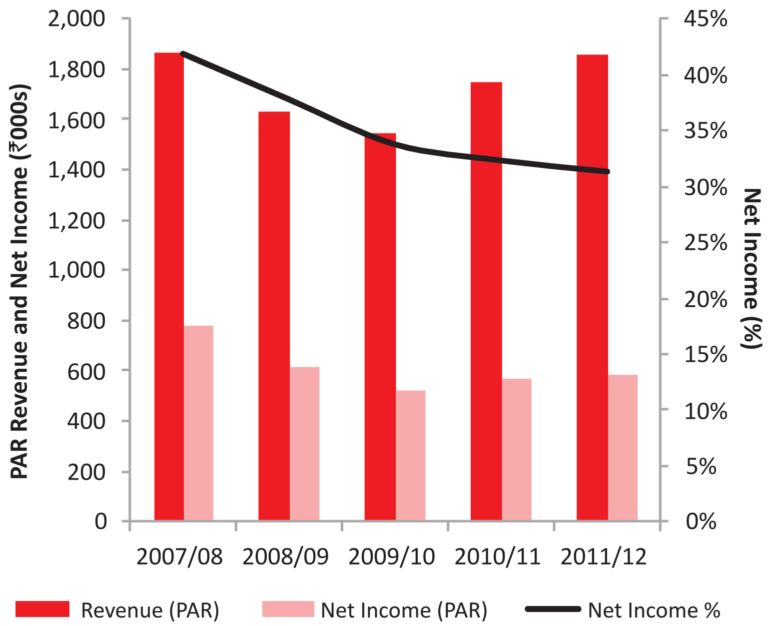


Exhibit 3 illustrates that in 2011/12 the percentage of revenue from Food & Beverage (F&B) including Banquets increased to 38% from 37% in 2010/11. Also, income from Minor Operating Departments and Rentals increased from 6% of total revenue to 7% in 2011/12. This could be due to essentially two reasons: the overall decline in room revenues as a percentage of total revenue in 2011/12, and the increase in social events and corporate functions being hosted in hotels. In our previous reports, we have highlighted the opportunities for restaurants and banquets in India, especially since these revenues are typically insulated from the prevailing economic conditions that affect hotel occupancies to a large extent. Going forward, as the competition increases in the market, we expect F&B revenues to continue to contribute a large portion of gross revenues as they are not solely driven by occupancies. Additionally, as discussed earlier, the growing propensity to spend of India's middle and upper income sections will continue to augment demand for F&B across cities in India.

Exhibit 3: Source of Revenue 2007/08 to 2011/12

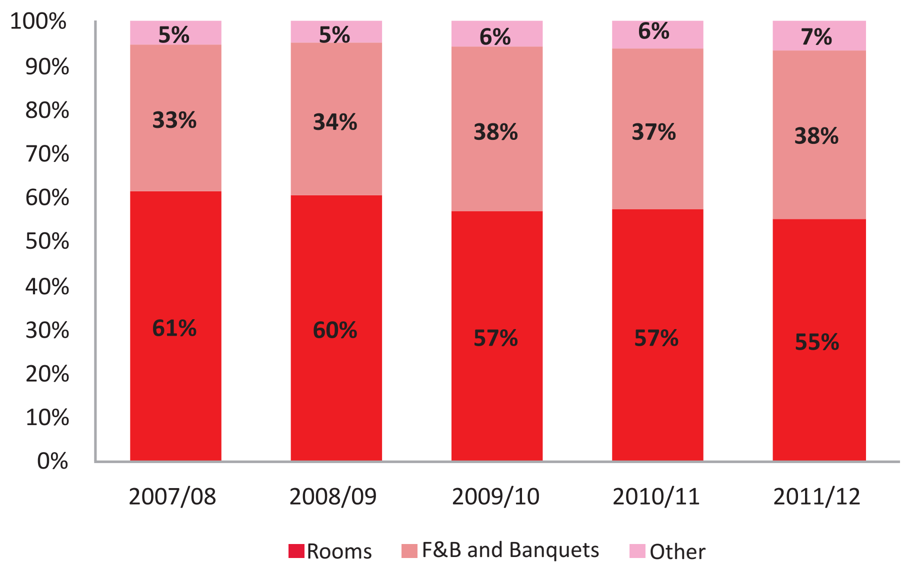


TABLE 1: Trends in Key Operating Statistics

COMPOSITION	2007-08 All India Average	2008-09 All India Average	2009-10 All India Average	2010-11 All India Average	2011-2012 All India Average
Number of responses:	**453**	**474**	**526**	**544**	**515**
Average Total Rooms Per Hotel:	**68**	**69**	**72**	**72**	**77**
Average Occupied Rooms Per Hotel:	**16,732**	**15,143**	**15,174**	**15,768**	**16,864**
Average Occupancy Per Hotel:	**69.4%**	**63.1%**	**59.9%**	**62.1%**	**60.9%**
Average Rate Per Hotel (₹):	**4,605**	**4,487**	**4,149**	**4,578**	**4,677**
	Percentage of Revenue				
REVENUE					
Rooms	61.2%	60.5%	56.7%	57.2%	55.2%
Food & Beverage	25.4	25.9	28.7	27.0	27.9
Banquets & Conferences	8.1	8.6	8.9	9.6	10.4
Telephone & Other	0.6	0.6	0.6	0.5	0.4
Minor Operated*	2.6	2.2	2.8	2.6	3.1
Rental & Other Income	2.1	2.3	2.5	3.1	3.0
Total	100.0	100.0	100.0	100.0	100.0
DEPARTMENTAL EXPENSES					
Rooms	16.1	14.8	17.1	16.1	18.0
Food & Beverage	51.7	55.3	56.1	52.9	57.0
Telephone & Other	109.1	79.7	90.2	104.0	94.7
Minor Operated*	60.5	70.3	65.5	70.4	57.4
Rental & Other Income	15.0	9.7	8.7	11.3	7.4
Total	29.7	30.3	33.3	31.3	34.1
DEPARTMENTAL INCOME	70.3	69.8	66.7	68.7	65.9
OPERATING EXPENSES					
Administrative & General	7.4	8.7	9.1	9.6	10.2
Management Fee	2.5	2.7	2.6	2.8	2.7
Marketing	2.9	2.7	2.6	3.7	3.1
Franchise Fees	0.4	0.5	0.5	0.3	0.5
Property Operations & Maintenance	4.9	5.4	5.7	6.0	5.6
Energy	7.3	8.5	8.9	8.5	8.7
Total	25.4	28.5	29.4	31.0	30.9
HOUSE PROFIT	45.0	41.2	37.4	37.8	35.0
FIXED EXPENSES					
Property Taxes	0.6	0.6	0.8	0.9	0.7
Insurance	0.3	0.3	0.4	0.3	0.3
Other Fixed Expenses	0.9	1.1	1.4	2.8	1.5
Rent	1.2	1.3	1.0	1.4	1.1
Total	3.0	3.4	3.5	5.4	3.6
NET INCOME**	41.9%	37.9%	33.8%	32.4%	31.4%

COMPOSITION	2007-08 All India Average	2008-09 All India Average	2009-10 All India Average	2010-11 All India Average	2011-2012 All India Average
Number of responses:	**453**	**474**	**526**	**544**	**515**
Average Total Rooms Per Hotel:	**68**	**69**	**72**	**72**	**77**
Average Occupied Rooms Per Hotel:	**16,732**	**15,143**	**15,174**	**15,768**	**16,864**
Average Occupancy Per Hotel:	**69.4%**	**63.1%**	**59.9%**	**62.1%**	**60.9%**
Average Rate Per Hotel (₹):	**4,605**	**4,487**	**4,149**	**4,578**	**4,677**
	Amount Per Available Room(₹)				
REVENUE					
Rooms	1,140,130	985,310	876,919	997,815	1,026,910
Food & Beverage	472,834	417,248	443,367	471,013	519,739
Banquets & Conferences	150,827	144,054	137,353	168,253	193,211
Telephone & Other	10,919	9,154	8,618	8,600	7,158
Minor Operated*	48,325	36,360	43,594	45,825	57,221
Rental & Other Income	39,921	36,743	37,885	54,294	56,586
Total	1,862,950	1,628,870	1,547,737	1,745,800	1,860,820
DEPARTMENTAL EXPENSES					
Rooms	183,116	146,192	149,683	160,980	185,231
Food & Beverage	322,623	310,165	325,793	337,840	406,005
Telephone & Other	11,907	7,291	7,776	8,945	6,775
Minor Operated*	29,233	25,554	28,555	32,254	32,827
Rental & Other Income	6,002	3,553	3,285	6,124	4,195
Total	552,881	492,755	515,092	546,142	635,033
DEPARTMENTAL INCOME	1,310,070	1,136,110	1,032,645	1,199,660	1,225,790
OPERATING EXPENSES					
Administrative & General	138,316	141,121	140,057	167,965	189,533
Management Fee	45,572	44,133	40,243	49,008	50,767
Marketing	54,727	44,439	39,920	65,375	58,263
Franchise Fees	8,074	8,496	7,795	5,317	10,014
Property Operations & Maintenance	90,665	87,780	88,550	105,099	103,827
Energy	135,077	138,749	138,097	147,899	161,479
Total	472,431	464,717	454,661	540,662	573,883
HOUSE PROFIT	837,642	671,396	577,985	658,996	651,908
FIXED EXPENSES					
Property Taxes	11,217	10,031	11,819	15,310	13,478
Insurance	5,933	4,522	5,355	5,727	5,297
Other Fixed Expenses	17,027	18,365	21,935	48,282	27,797
Rent	22,464	21,784	15,392	24,044	20,803
Total	56,640	54,702	54,500	93,363	67,374
NET INCOME**	781,001	616,694	523,484	565,633	584,534

COMPOSITION	2007-08 All India Average	2008-09 All India Average	2009-10 All India Average	2010-11 All India Average	2011-2012 All India Average
Number of responses:	**453**	**474**	**526**	**544**	**515**
Average Total Rooms Per Hotel:	**68**	**69**	**72**	**72**	**77**
Average Occupied Rooms Per Hotel:	**16,732**	**15,143**	**15,174**	**15,768**	**16,864**
Average Occupancy Per Hotel:	**69.4%**	**63.1%**	**59.9%**	**62.1%**	**60.9%**
Average Rate Per Hotel (₹):	**4,605**	**4,487**	**4,149**	**4,578**	**4,677**
	Amount Per Occupied Room(₹)				
REVENUE					
Rooms	4,605	4,487	4,149	4,578	4,677
Food & Beverage	1,910	1,900	2,098	2,161	2,367
Banquets & Conferences	609	656	650	772	880
Telephone & Other	44	42	41	39	33
Minor Operated*	195	166	206	210	261
Rental & Other Income	161	167	179	249	258
Total	7,525	7,418	7,322	8,009	8,476
DEPARTMENTAL EXPENSES					
Rooms	740	666	708	739	844
Food & Beverage	1,303	1,412	1,541	1,550	1,849
Telephone & Other	48	33	37	41	31
Minor Operated*	118	116	135	148	150
Rental & Other Income	24	16	16	28	19
Total	2,233	2,244	2,437	2,506	2,892
DEPARTMENTAL INCOME	5,292	5,174	4,885	5,504	5,583
OPERATING EXPENSES					
Administrative & General	559	643	663	771	863
Management Fee	184	201	190	225	231
Marketing	221	202	189	300	265
Franchise Fees	33	39	37	24	46
Property Operations & Maintenance	366	400	419	482	473
Energy	546	632	653	679	736
Total	1,908	2,116	2,151	2,480	2,614
HOUSE PROFIT	3,384	3,058	2,734	3,023	2,969
FIXED EXPENSES					
Property Taxes	45	46	56	70	61
Insurance	24	21	25	26	24
Other Fixed Expenses	69	84	104	222	127
Rent	91	99	73	110	95
Total	229	249	258	428	307
NET INCOME**	3,155	2,808	2,477	2,595	2,662

* Minor operated departments include laundry, gift shop, business centre, news stand, sports, health club, garage, parking and so forth

** Net Income is before depreciation, interest payments and taxes

ID: Insufficient Data

City Trends

As highlighted earlier in the survey, most hotel markets in India witnessed a strong growth in supply and demand in 2011/12. In some cities, supply outpaced demand resulting in a decline in occupancy in 2011/12 as compared to 2010/11. Average rates, however, continued their growth in 2011/12 supported by the rising demand. Increase in demand was primarily driven by the growth in the Domestic Leisure (Tour Groups and FIT), Business Traveller – Domestic, Airline Crew, and Tour Groups – Foreign segments.

It should be noted that since the respondent sets are not the same every year, comparison of performance between years across hotel markets is not entirely accurate. Table 2 illustrates average occupancy and rate for 33 cities/regions across the country over the last five years, which is followed by HVS's viewpoint on the demand-supply scenario and performance of the 19 identified hotel markets based on in-house research.

TABLE 2: Average Occupancy and Average Room Rate: 33 Cities/Regions in India

	Occupancy					Average Room Rate(₹)				
City	**2007/08**	**2008/09**	**2009/10**	**2010/11**	**2011/12**	**2007/08**	**2008/09**	**2009/10**	**2010/11**	**2011/12**
All India	**69.3%**	**63.1%**	**59.9%**	**62.1%**	**60.9%**	**4,556**	**4,487**	**4,149**	**4,578**	**4,677**
Agra	62.8%	54.8%	57.0%	63.2%	68.3%	3,307	4,211	2,482	3,968	3,974
Ahmedabad	74.9%	63.7%	65.7%	67.6%	65.1%	4,138	4,039	3,367	3,234	3,650
Aurangabad	ID	56.5%	57.9%	59.5%	ID	ID	2,289	2,850	2,612	ID
Bengaluru	73.1%	56.5%	52.6%	53.8%	58.7%	9,679	9,757	6,766	5,838	6,849
Bhopal	70.3%	72.2%	66.1%	ID	78.0%	2,647	2,639	3,110	ID	3,827
Chandigarh	79.6%	79.6%	69.1%	70.4%	ID	4,057	3,716	4,780	4,544	ID
Chennai	77.4%	64.6%	65.6%	64.8%	69.1%	3,076	4,678	4,083	5,508	4,365
Coimbatore	77.8%	72.1%	75.5%	72.8%	66.5%	2,634	3,255	3,236	3,989	4,100
Darjeeling	57.8%	ID	47.2%	ID	ID	1,719	ID	3,193	ID	ID
Goa	70.1%	61.7%	63.1%	64.4%	69.5%	4,368	5,378	4,757	7,807	5,856
Hyderabad	63.7%	56.3%	58.8%	53.3%	55.4%	5,643	4,730	5,137	4,152	4,020
Indore	72.9%	68.7%	65.2%	65.4%	57.9%	1,486	1,933	1,814	1,869	2,590
Jaipur	63.0%	61.4%	57.7%	64.0%	59.4%	5,460	4,472	4,059	3,071	3,447
Jodhpur	53.6%	51.0%	43.2%	49.2%	48.8%	5,468	3,964	4,552	5,519	7,005
Kochi	75.2%	67.4%	64.4%	74.2%	81.1%	1,486	2,062	2,806	1,528	1,536
Kolkata	72.5%	69.6%	64.5%	65.4%	67.1%	5,138	5,342	4,880	4,788	5,302
Kullu-Manali	48.1%	50.9%	ID	ID	ID	1,688	3,716	ID	ID	ID
Lucknow	71.6%	63.0%	58.7%	59.8%	63.3%	2,208	2,491	5,109	2,393	2,966
Mount Abu	57.0%	69.4%	67.5%	63.0%	ID	1,825	1,823	2,159	2,821	ID
Mumbai	80.1%	71.2%	67.2%	69.0%	73.5%	6,665	6,822	5,833	5,087	6,063
Mussoorie	ID	48.0%	45.9%	52.5%	39.4%	ID	4,099	6,078	5,817	4,807
Mysore	66.3%	67.7%	67.7%	71.4%	62.4%	1,254	2,340	2,637	4,634	1,973
Nagpur	ID	ID	61.5%	76.6%	ID	ID	ID	3,132	2,314	ID
New Delhi - NCR*	78.0%	64.8%	64.6%	59.0%	61.4%	9,728	6,087	6,985	6,763	7,319
Pune	76.5%	65.5%	53.2%	53.3%	53.2%	4,927	4,951	3,921	3,140	3,293
Raipur	52.7%	64.3%	39.0%	ID	ID	1,055	1,087	1,521	ID	ID
Shimla	64.6%	52.7%	48.0%	42.7%	47.8%	1,033	1,766	1,790	2,267	1,904
Thiruvananthapuram	65.1%	57.9%	55.3%	61.8%	60.9%	2,221	1,570	1,422	1,380	2,330
Ootacamund	58.3%	58.1%	ID	ID	ID	1,258	1,956	ID	ID	ID
Udaipur	58.2%	51.6%	47.0%	55.2%	52.1%	6,320	7,319	3,543	7,406	2,081
Vadodara	ID	77.9%	65.6%	77.8%	71.7%	ID	2,779	4,360	3,703	3,901
Visakhapatnam	75.9%	69.0%	62.1%	76.3%	ID	3,169	3,687	2,809	5,431	ID
Gurgaon					65.5%					8,122

ID: Insufficient Data

**New Delhi - NCR data including Faridabad, Ghaziabad, Gurgaon and NOIDA (Shaded Portion), rest excluding Gurgaon data*

Seven Major Cities

Bengaluru

Bengaluru's hotel market relies heavily on the IT/ITeS sector with a high foreign-to-domestic-guests ratio, making it more vulnerable to global economic changes than most other cities in the country. This, in addition to the city witnessing a significant increase in supply in 2011/12, led to its hotel market recording declines in both occupancy and average rate. The distinct micro-markets of the city behaved differently: the Central Business District (CBD), which has the highest concentration of luxury and upscale hotels, witnessed the maximum drop in average rate while still maintaining near similar occupancies as last year, while Whitefield and Electronic City recorded a marginal increase in average rate owing to a low new-supply impact. The year 2011/12 also saw two new micro-markets forming in Bengaluru – the ORR-Sarjapur stretch to the southeast and Yeshwantpur to the northwest of the city centre – increasing pressures on average rate across the city.

North Bengaluru (north of Hebbal), on the other hand, did not see much evolution; this area has long been anticipated to become Bengaluru's next commercial hub but its pace of growth depends largely on the state government/state and local governments completing planned and ongoing infrastructure projects. The upcoming Bengaluru International Airport Limited IT Investment Region is yet to see active development and, for the time being, residential growth is clearly outpacing commercial growth in the area.

While an increased focus on the MICE segment by the newer hotels was apparent last year, the city still lacks a world-class convention centre, restricting its ability to tap this lucrative segment. Going forward, Bengaluru is anticipated to witness the highest branded rooms supply in the country by 2016/17, which is a reflection of the continued commitment from hotel operators and investor confidence that the city attracts. Nearly 50% of this supply is anticipated to be in the luxury and upscale segments leading us to believe that in the long term the overall average rate of the city will see an increase.

Chennai

In 2011/12, Chennai witnessed a marginal increase in occupancy and a decline in rates over the previous year. The decline in rates was primarily due to the entrance of new supply in the market. With the recent opening of several properties in the luxury and upscale segment including ITC Grand Chola, Leela Palace, and Park Hyatt, and a significant amount of supply additionally expected to enter the market in 2013, we anticipate severe pressure on occupancy levels and consequently, average rates, in the short to medium term. The micro-market of Old Mahabalipuram Road (OMR) is also expected to experience a drop in occupancy as city hotels and hotels in Guindy actively compete for demand from this area. OMR is expected to witness a large influx of new supply with approximately 2,000 rooms announced, 50% of which are actively under development and expected to open over the next five years. Sriperumbudur and Oragadam, where several automobile and manufacturing units are located, continue to be major demand areas providing opportunities for hotel development, especially in the budget and mid market segments.

Chennai is expected to witness continued growth in demand from the IT/ITeS, Automobile, and Manufacturing sectors, and the more traditional finance and government sectors. We expect the new hotels with large meeting spaces to attract large conferences and help market Chennai as a MICE destination. We also expect growth in the Airline segment as the new international and domestic terminals of the airport become operational in February 2013. The combined capacity of the two terminals is expected to increase to 23 million passengers per annum (mppa) from 12 mppa after completion.

Goa

Goa is the most popular leisure destination of the country and it witnessed an increase in both average rate as well as occupancy in 2011/12. This improvement in marketwide performance has taken place for the third consecutive year. HVS research reveals a strong increase in average rates and a moderate growth in occupancies. The continued growth in domestic tourism coupled with a revival of international tourist arrivals in Goa as well as lack of proposed supply entering the market are the primary reasons for the continued improvement in the market's performance. Recent political unrest in Egypt has also made Goa a lucrative option to several foreign tourists.

However, this growth would require the facilities at the current airport to be further developed to handle passenger movement round-the-clock. A plan to upgrade the existing Dabolim airport has been proposed and is ongoing with 60% of the construction work complete. The project, which is estimated to cost ₹500 crore, includes the construction of an additional terminal and up-gradation of existing facilities. The much-talked-about Mopa Airport, which is proposed to come up in Pernem district in North Goa close to the Maharashtra border, has not really witnessed any development. Although the Chief Minister of Goa has stated that the new airport should be ready by 2016, it seems unlikely that the project will be operational by then. Other issues such as lack of a comprehensive tourism policy, obstacles in obtaining approvals and clearances, lack of clarity regarding the latest CRZ norms and frequent disputes over land use and ownership, have resulted in a relatively slow increase in supply within the Goa hotel market. That being said, most of the proposed supply that is slated to enter Goa over the next 18-36 months is in the branded budget and mid-market segments. This is a healthy sign that will further add to the growth of the hospitality sector of the state and other cities in India should also take a cue from this trend.

Overall, the outlook for the city remains positive with average rate and occupancy expected to continue growing gradually in the medium to long term. We are of the opinion that Goa will continue to remain a lucrative market that will witness year-on-year growth in tourist arrivals.

Kolkata

Historically, business activity in Kolkata was concentrated in the CBD of Chowringhee, Esplanade, Dalhousie and Park Street where a large number of PSUs and corporate offices of older companies still exist. However, the past few years have seen rapid development along the city's eastern periphery in areas such as Salt Lake and Rajarhat. Kolkata is one of the few cities that has witnessed an increase in RevPAR in 2011/12 and this is primarily due to negligible supply of 199 rooms entering the market and due to increasing demand from developing areas such as Rajarhat, Kolkata's new commercial and industrial district.

We are currently tracking 3,118 rooms that are proposed to enter the market with 74% of them under active development[3]. Like most other cities, the proposed supply is primarily in the upscale and mid market segments. Nonetheless, the extensive development pipeline in New Town, Rajarhat and the eastern part of Kolkata, coupled with its distance from CBD and proximity to the airport, is expected to lead to the creation of a distinct micro-market that will generate its own room night demand and be self-sustaining, going forward. Our outlook for Kolkata therefore remains positive as we anticipate the city's hotels to maintain their occupancy levels and witness marginal decline in average rates owing to new supply impact in the short-to-medium term.

Mumbai

Mumbai, the country's financial capital, continues to be its top commercial destination. Mumbai houses the headquarters of a majority of large business conglomerates in India as well as the country's biggest banks and financial institutions. It is home to both the National Stock Exchange and Bombay Stock Exchange making it the centre for capital market related activities in India.

One of the key trends observed across the hotel market this year was the sharp drop in room night demand for South and Central Mumbai hotels. This was on account of several companies opting to shift base to the new CBD area Bandra-Kurla Complex and new state-of-the-art commercial spaces in Andheri. Consequently,

[3] HVS Hotels in India Trends and Opportunities Report 2012

North Mumbai hotels witnessed an increase in demand with almost all hotels showing stable to marginal growths in occupancy.

On the supply side, our recent Hotels in India – Trends and Opportunities Report 2012 revealed that Mumbai's branded hotel room supply increased by only 7% in 2011/12 over the previous year as compared to 14% in 2010/11. This resulted in overall market wide occupancies to rise marginally, with a slight correction in average rates. With supply increase in the branded space over the next twelve months expected to be almost negligible, we estimate marketwide occupancy to continue improving. Average rates are also initially expected to remain stable and thereafter grow marginally. However, as new hotels enter the market in late 2013/14, we expect the city to witness some occupancy and average rate pressure before stabilising in the long term. Overall, considering the large scale commercial developments planned in various pockets of the city and the buoyant nature of the market, our long term outlook for Mumbai remains positive.

Delhi-National Capital Region (NCR)

The NCR comprises hotels located in Delhi, NOIDA, Greater NOIDA and Faridabad. As the administrative capital of India and the premier growth city of the country Delhi, despite moderate supply pressures in the next few years, continues to be a strong market for hotels. Scarcity of land and subsequently high costs help Delhi in positioning itself as a high-barrier-to-entry market. Going forward, a 53% increase in supply is expected over the next five years[4]. A majority of this supply is in the upscale and mid market segments and is concentrated around the DIAL Aerocity area which consists of 15 hotels that are either under construction or in advance planning stages. In the short term, Delhi continues to be a strong market and the phased introduction of the DIAL hotels from early 2013 to 2016 is likely to further induce demand into the city.

NOIDA and Greater NOIDA have gradually developed over the past decade into hubs of industrial activity. Historically, the two towns have supported a very small base of hotels resulting in a large quantum of demand being accommodated by the Delhi hotels. Improvements in infrastructure and the construction of new residential projects have made the areas attractive for investment. HVS is tracking a proposed supply of 5,522 rooms of which 37% are actively under development and are expected to open over the next five years[5]. As new hotels become operational, we expect NOIDA and Greater NOIDA to evolve into individual micro-markets. In the short term, we expect NOIDA hotels to face average rate pressure from the new hotels anticipated to open in the East Delhi and Ghaziabad areas. Hotels in Greater NOIDA are expected to focus on building occupancy levels.

The Faridabad hotel market comprises a limited number of branded hotels, and several unbranded hotels with large banqueting facilities. The region obtains most of its demand from the Faridabad and Ballabhgarh industrial areas. The market has witnessed low occupancies and rates in the past two years. We anticipate further pressure on occupancy with the addition of approximately 300 rooms in the market in the next three years.

Pune

Pune has traditionally been a base for manufacturing and forging industries, and in the recent years, witnessed the emergence of the IT/ITeS sector. These new industries and immigration of skilled work force into the city has transformed it from a quiet town into a bustling metropolis. The hotel market in 2011/12 witnessed an improvement in occupancy as compared to the previous year, a first since 2006/07. In the past five years, the city has seen a staggering growth of over 320% in branded room supply resulting in a decline in occupancy in each year. Growth was primarily driven by the MICE segment as Pune established itself as an alternative to Mumbai for hosting large-scale events in the western region of the country. However, as hotels focused on improving their occupancies, average rates continued their decline in 2011/12 over the previous year. Despite the decreasing average rates, HVS believes that the increase in occupancy indicates that Pune has left its worst behind and is now clearly on its path to recovery.

[4 & 5] HVS Hotels in India Trends and Opportunities Report 2012

Going forward, over 60% of the proposed supply is planned in the mid market and budget segments predominantly in peripheral locations of Hinjewadi, Pimpri, Chakan and Talegaon[6] . As the growth in supply slows, we expect occupancy levels to continue to increase. With respect to average rates, we anticipate that the CBD hotels will be able to maintain their rates whereas hotels located in the peripheral locations such as Nagar Road, Hinjewadi and Pimpri will witness a decline due to pressure from new supply of rooms in the short term.

Twelve Other Cities

Ahmedabad

Occupancy in Ahmedabad increased in 2011/12 over the previous year accompanied by a moderate decline in average rate. Growth in occupancy was led by a strong increase in demand. Demand in Ahmedabad is generated largely in the Commercial segment from the industrial clusters located along the periphery of the city in Naroda, Vatwa, Changodar, Odhav, Aslali and Sanand, in addition to the traditional CBD areas of Ashram Road and CG Road. In the past few years, owing to hectic development in the commercial sector, Sarkhej Gandhinagar Highway is slowly emerging as an alternate CBD. The decrease in rates was primarily due to the entrance of new supply in the market.

With the opening of several new properties such as the Radisson Blu, Ista, Holiday Inn Express, Tulip Inn and Formule 1 in 2012/13 and considering that a significant quantum of supply is additionally expected to enter the market in 2013/14, we anticipate considerable pressure on occupancy and average rates in the short to medium term.

Bhopal

Bhopal, also known as the 'city of lakes' is the capital of Madhya Pradesh. Bhopal has a two-fold culture, with the old part bearing the aristocratic imprints of the former Islamic rulers in the form of mosques and palaces and the new city showcasing parks, modern edifices, institutions (such as government offices, planned residential neighborhoods and a few hotels). Bhopal is home to two giant plants - Bharat Heavy Electricals Limited (BHEL) and the Union Carbide India Limited (UCIL). Additionally, areas such as TT Nagar and Maharana Pratap Nagar (MP Nagar) are seeing a growth in the modern service sector related developments such as financial institutions, banks, service providers such as telecommunications companies, and insurance firms. The renowned Buddhist Stupas of Sanchi, located 46 kilometers northeast of Bhopal are key tourist attractions. Currently, the hotel market is largely unorganised consisting of small boutique properties. Going forward, we expect the market to grow and attract Commercial, MICE and Leisure business in the medium to long term. Planned developments and enhancements to the overall city together with the modernisation of the airport and the addition of a Haj terminal will support the growth in demand for quality branded hotels.

Coimbatore

Coimbatore, the third largest city in Tamil Nadu, is situated along the western extremity of the state close to Kerala. It is one of the most industrialised cities in Tamil Nadu and is known for the manufacture of textile, motor pump sets and varied engineering goods. In the recent years, the government has encouraged the development of IT parks in and around the city. Moreover, the city has gained popularity as a Medical Tourism hub given the presence of several multi-specialty hospitals.

Traditionally, the city has supported a small base of hotel rooms, predominantly in the mid market and budget segments catering to demand emanating from the Commercial and MICE segments. In 2011/12, the city has seen the entry of four branded hotels (700 rooms) positioned in the upscale and mid market space. In the short term, we expect the city to witness both occupancy and average rate pressure due to the large influx of new supply.

[6] HVS Hotels in India Trends and Opportunities Report 2012

Gurgaon

Gurgaon, a suburb of New Delhi has developed into one of the top commercial destinations in the country over the last few years. Initially planned to relieve some of the pressure from Connaught Place, Delhi's central business district; Gurgaon today stands as an independent business district and houses the offices of several Fortune 500 companies within its geography. The city has witnessed the addition of approximately 40 million ft^2 of office space between 2002/03 and 2011/12 and is expected to see a further addition of a near similar quantum over the next ten years.

We have tracked the survey results for Gurgaon as a city separately for the first time in this report owing to the sheer number of hotel rooms the city currently supports. The results of the survey reveal Gurgaon having achieved an overall occupancy level of over 65% at an average rate of approximately ₹8,100 in 2011/12. These performance levels are comparable to that that of any top hotel market in India. Large-scale changes to the city's overall accessibility with the addition of a Metro service and soon to be added Rapid Metro service for quick access within the main business area of Gurgaon will further improve business sentiments in the market.

Hyderabad

Given the current political uncertainty in Hyderabad, new companies and investments have shied away from Hyderabad in recent years which has lead to slow demand growth and a sharp decline in RevPAR. In the short-run, Hyderabad's outlook may seem pessimistic; however, events such as the establishment of India's first conventions bureau, the Hyderabad Convention Visitors Bureau, is expected to enhance demand for the city in the long-run. The city hosted one of the biggest international events held in India, the International Bio-Diversity Conference in October 2012 which attracted 8,000 delegates and is a reflection of what the convention bureau can bring to the table.

During the past year, Hyderabad has witnessed fresh supply of roundly 1,000 rooms all of which were predominantly in the upscale and mid market space. We are currently tracking new supply of 5,265 rooms over the next five years with a 74% probability factor of these rooms actually opening for operations[7]. As was the case this year, a majority of the new supply is also expected in the upscale and mid market segments. HVS is of the opinion that although demand will continue to grow, the impending supply pressures are likely to keep the occupancy and average rates fairly muted in the short-run.

Indore

Indore is the economic and commercial capital of Madhya Pradesh. Although most of the mills have now shut down (a few have even been dismantled), textile manufacturing and trading continues to contribute to the city's economy. In recent years, considerable real estate activity has been witnessed in residential and retail space and most of these developments are taking place in the eastern part of the city near the Indore Bypass. The state government is also trying to improve the IT infrastructure in the city and plans to set up an IT SEZ near the proposed international airport. The hotel market primarily consists of budget and midmarket hotels, and has shown stable performance in the past five years. The city's hotels are mainly dependent upon Commercial demand from the retail sector, automobile and other manufacturing units, financial institutions, and some Leisure demand due to its proximity to prominent Hindu pilgrimage destinations. We are currently tracking the development of approximately 250 rooms positioned in the budget space to enter the market in the next few years. The expansion of the existing manufacturing units and the development of the proposed IT centres is expected to boost demand for hotels in the city.

[7] HVS Hotels in India Trends and Opportunities Report 2012

Jaipur

One of the key cities on the famous Golden Triangle tourist itinerary, Jaipur is one of India's primary leisure destinations. The city is also one the oldest hotel markets in the country and offers hotel rooms across all market positioning catering to demand from international tourists and domestic travellers. In recent times, the city has also become a key MICE destination catering to large incentive tours, corporate residential meetings, and weddings. Its accessibility to Gurgaon and NCR, much-improved highway and train connectivity and increased number of flights to and from key destinations in the country has made the city far more accessible than the recent past. Additionally, the competitive rates offered by the hotels, coupled with the opportunity to use an extra day for leisure activities for company employees, makes Jaipur a unique destination to attract MICE demand. Jaipur also continues to grow as a top draw for hosting weddings in the city. The city is able to offer the historic splendour and setting making it ideal for grand Indian weddings.

In the recent past, Jaipur has witnessed a fairly large increase to its base of hotel rooms. Approximately 500 new hotel rooms were added to the market in 2011/12 as compared to just 82 in 2010/11. This resulted in both occupancy and rate corrections across the city as compared to the previous year. Going forward, approximately 1,000 more hotel rooms are expected to enter the market by 2014/15 making further occupancy and average rate pressures imminent. In the long term, an additional 2,300 rooms are proposed for development in the city of which approximately 50% are in the upscale segment[8]. We are of the opinion that city now faces danger of oversupply in the upscale space. Given the large quantum of domestic demand the city caters to, we believe Jaipur requires more rooms in the mid market and budget space to be developed to cater to the price-conscious domestic traveller.

Jodhpur

Jodhpur is a popular tourist destination, featuring forts, palaces, temples, and the Thar desert. It is the second largest city in Rajasthan and is located near the geographic centre of the state making it a convenient base for travel in the region. It is also known as the 'Blue City' due to the blue-painted houses located around the Mehrangarh Fort and as the 'Sun City' for the sunny weather it enjoys year round. The city is an important centre for the manufacture of handicrafts such as glass bangles, cutlery, carpets, and marble products. In the last few years, it has established itself as a destination for hosting 'royal themed weddings'. Both the luxury trains operating in Rajasthan, namely the Palace on Wheels and the Royal Rajasthan on Wheels, feature Jodhpur as one of their scheduled stops. With a steady growth in Leisure and MICE demand, we expect the hotel market in Jodhpur to be relatively stable in the medium to long term.

Kochi

Kochi, located in Ernakulam district, is the commercial capital of Kerala. The city's economy greatly revolves around port related activities. The opening of the International Container Transhipment Terminal at Vallarpadam in February 2011 has contributed towards enhancing Kochi's importance as it is the largest transhipment terminal in India. Kochi is also an important centre for the export of spices and coconut related products, and serves as a hub for the oil and natural gas sector, with major oil companies having set up offshore operations and offices in Kochi. The city has established itself as the entry/exit point for the central Kerala leisure circuit (Kochi-Marari-Alleppey/Kumarakom-Thekkady-Munnar-Kochi). IT/ITeS is an emerging sector in Kochi with large IT parks planned in the Kakkanad area. In 2011/12, the city witnessed a decline in both occupancy and average rate. The drop was caused mainly due to the entry of new supply. We are currently tracking about 2,000 rooms planned to enter the market in the next few years. With the base inventory expected to double in the next few years, we believe that the city will see both occupancy and average rate pressures.

[8] HVS Hotels in India Trends and Opportunities Report 2012

Kottayam

Located in central Kerala, Kottayam is popularly known as the land of letters, legends, latex, and lakes. The city is bounded by Western Ghats to its east and Vembanad Lake along with the paddy fields of Kuttanad to its west. Kottayam is an important trading centre for spices and rubber manufacture. It is the first town in India to be selected by the Ministry of Environment and Forests for a transformation into an 'Eco City'. The city acts as a gateway to pilgrim centres of Sabarimala, Mannanam, Vaikom, Ettumanoor, Bharananganam, Erumeli and Manarcaud. Kumarakom, the famous backwater destination, is located roughly 16 kilometres northwest of Kottayam. Considering the commercial importance of Kottayam together with its proximity to Kumarakom, we expect the city to witness stable levels of performance in the forthcoming years.

Udaipur

Udaipur is immensely popular with both foreign and domestic travellers as a leisure destination in India. The natural beauty of Lake Pichola and the city's hilly areas, the splendid architecture of the City Palace and the fort, and the presence of Hindu temples of religious significance in the nearby areas ensure a steady stream of visitors to the city. Udaipur is well connected with India's capital, New Delhi; moreover, it has luxury hotels that are globally acclaimed and are destinations in themselves. Some of Udaipur's historical structures have been converted into hotels, adding to its overall appeal as a leisure and experiential destination.

For domestic travellers, Udaipur is among Rajasthan's most popular destinations. It sees significant tourist inflow from Gujarat as it is proximate to popular religious and holiday destinations such as Mount Abu, Pushkar, Ranakpur, Kumbhalgarh and Nathdwara. Udaipur also acts as the gateway city for the Mewar tourism circuit of Rajasthan. The circuit covers the cities of Udaipur, Kumbhalgarh, Nathdwara, Chittaurgarh, Kailashpuri (Eklingji), Haldighati, Gogunda, Rajsamand and Nagda and is one of the most frequented circuits in Rajasthan. Considering the importance of the city as a popular destination for tourists, we expect the city's performance to be relatively stable in the medium to long term.

Vadodara

Vadodara (formerly Baroda) is situated between Surat and Ahmedabad and is considered to be the gateway to the 'Golden Corridor' - a chemical industrial zone that runs from Mehsana to Vapi. Vadodara is the third largest city in the state of Gujarat and is divided by Vishwamitri River into eastern and western regions. Towards the east lie the old fortified areas of Vadodara while the western region is characterised by distinct urbanisation with well-planned residential areas and business districts. The availability of raw materials, skilled labour, rising product demand and pro-investor state government are the key factors that have fuelled growth in Gujarat and more specifically in Vadodara. Presently, the major sub-sectors contributing to the city's growth are power, manufacturing, chemicals and petrochemicals, oil and gas, and biotechnology. The city witnessed an addition of approximately 150 new rooms in 2011/12 which led to the hotel market recording a decline in both occupancy and average rate. We are currently tracking a supply of over 250 branded rooms to enter the market in the next few years. While we expect demand to continue to grow from the expanding industrial clusters located along the periphery of the city, the impending supply pressure is likely to keep average rate fairly muted in the next few years.

1. Indian Hotel Industry by Star Category

Introduction

This section presents the results of the performance of the hotels analysed according to the star classification of the hotels participating in the survey. An overall total of 1,320 hotels participated in the survey for 2011/12. The hotels have been classified into the eight categories applicable in India.

To provide further comparisons, we have included a column for All India Averages across all star categories. Each section includes the total number of respondents for each component of the survey, allowing the reader to judge the validity of the data received.

The layout has been standardised in each section to enable consistency throughout the entire document. All figures pertain to 2011/12 (April-March), and monetary figures are in Indian rupees (₹).

Trends

- **Rooms Profile:** The survey results reveal that the proportion of suites to total room inventory does not differ significantly across star categories. In five-star deluxe, five-star, and four-star categories, suites constitute 6-10% of the total room inventory whereas in the lower categories of three to one-star, this percentage remains 7-9%. Consumers associate higher star categories with luxurious and more expansive product profiles. However, a 7-9% allocation to suites in lower-category hotels is an indicator of inefficient space utilisation and may also have an adverse impact on the overall yield from rooms. HVS believes that owners and hotel developers need to adopt construction of cookie-cutter hotels in the two and three-star categories which will in-turn help in streamlining manpower requirements and also increase overall profitability.

- **Departmental Expenses:** We note that departmental expenses steadily increase as a percentage of departmental revenues as we go from five-star deluxe to one-star hotels. The Rooms Expense is as high as 30.8% and 32.1% respectively, for the two-star and one-star hotels, as compared to 15-17% for four-star, five-star and five-star deluxe hotels. Poor performance of the rooms department with respect to occupancy levels and low average rates result in the departmental expense being high when represented as a percentage of departmental revenue. Also, Food & Beverage expenses range from 70% to 85% of the departmental income in two and one-star hotels as against 50-55% in five and five-star deluxe categories. The smaller inventories of the lower category of hotels do not allow them to achieve economies of scale. Moreover, Telephone and Minor Operating departments are becoming loss generating departments in the lower categories of hotels. Increasing use of mobile phones, data cards, and tele- and video-conferencing facilities have negatively impacted the revenue generation from these streams while the hotels continue to incur expenses related to these departments. We believe that the increasing operating and manpower costs present an opportunity for hotels to opt for outsourcing certain operations, such as laundry, housekeeping and even F&B.

TABLE 1-1: Indian Hotel Industry by Star Category: Facilities Analysis and Staffing

Typical Room Profile of an Average Hotel

COMPOSITION		Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses		*44*	*61*	*113*	*494*	*243*	*93*	*56*	*216*	*1,320*
Air-Conditioned	Single	45.5	23.3	13.8	4.8	2.9	1.4	1.5	1.7	**6.6**
	Double	160.7	88.2	72.9	40.5	25.7	14.5	26.0	20.2	**41.0**
	Suites	22.5	7.1	8.7	4.8	3.0	2.1	7.8	2.4	**5.0**
Non-Air-Conditioned	Single	0.0	0.5	0.3	0.5	1.6	2.4	0.3	0.7	**0.8**
	Double	3.9	0.0	1.7	4.0	7.1	8.0	3.0	7.7	**5.0**
	Suites	0.0	0.0	0.2	0.3	1.2	0.4	0.6	0.5	**0.5**
Total average rooms		**232.6**	**119.0**	**97.5**	**54.9**	**41.5**	**28.8**	**39.2**	**33.1**	**58.9**

* The number of non-air-conditioned rooms in lower star category hotels appears to be higher, partly because many are located in hill stations where air-conditioning is not provided in hotels.

Average Number of Food & Beverage Outlets Per Hotel

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	*42*	*60*	*102*	*440*	*185*	*65*	*48*	*142*	*1,084*
Restaurant	3.7	2.4	2.1	1.7	1.2	1.2	1.7	1.4	**1.7**
Bars	1.7	1.1	1.2	0.9	0.7	0.5	0.8	0.8	**0.9**
Others	0.7	1.1	1.1	1.1	0.6	0.3	0.6	0.5	**0.9**
Total	**6.2**	**4.7**	**4.3**	**3.7**	**2.5**	**2.0**	**3.1**	**2.7**	**3.4**

Average Number of Total Employees Per Hotel (Permanent / Contract / Full Time / Part Time)

COMPOSITION		Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses		*42*	*54*	*97*	*437*	*211*	*85*	*43*	*152*	*1,121*
Managers	Male	62.1	24.4	16.7	6.3	2.9	2.0	6.4	2.6	**8.7**
	Female	15.2	4.2	2.8	0.8	0.4	0.2	0.7	0.4	**1.5**
Supervisors	Male	59.3	30.7	21.9	9.8	5.0	2.6	9.1	3.9	**11.4**
	Female	10.8	3.9	3.1	1.6	0.8	0.4	0.7	0.5	**1.8**
Staff	Male	272.5	135.1	111.4	62.4	35.2	20.2	56.1	24.7	**64.3**
	Female	38.1	18.1	12.3	6.8	3.6	2.8	4.7	2.7	**7.5**
Total		**458.0**	**216.3**	**168.1**	**87.7**	**48.0**	**28.1**	**77.6**	**34.7**	**95.2**
Avg. Employees / Room		2.0	1.9	1.7	1.6	1.2	1.0	1.9	1.1	**1.6**

Average Percentage of Trained Employees Per Hotel

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	*40*	*47*	*86*	*302*	*126*	*47*	*34*	*61*	*743*
Managers	90.5%	88.0%	90.1%	87.9%	85.8%	92.0%	89.8%	90.5%	**88.5%**
Supervisors	86.4	83.4	81.9	84.8	75.4	80.4	87.7	80.0	**82.3**
Staff	77.0	87.1	82.6	91.4	60.2	62.8	73.4	62.5	**79.0**
Total Avg. Trained Employees*	**84.6%**	**86.2%**	**84.8%**	**88.0%**	**73.8%**	**78.4%**	**83.6%**	**77.6%**	**83.3%**
Total Avg. Un-Trained Employees	**15.4**	**13.9**	**15.2**	**12.0**	**26.2**	**21.6**	**16.4**	**22.4**	**16.7**

* Trained Employees includes those with a minimum one-year certificate course from a hotel management or equivalent institution; however, some hotels may have included those with short term (in-house) training.

TABLE 1-2: Indian Hotel Industry by Star Category: Financial Report – Percentage of Revenue (2011-12)

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	*39*	*45*	*72*	*179*	*98*	*43*	*25*	*14*	*515*
Average Total Rooms Per Hotel:	**237**	**119**	**102**	**57**	**44**	**29**	**46**	**26**	**77**
Average Occupied Rooms Per Hotel:	**57,732**	**26,862**	**22,434**	**11,857**	**9,061**	**6,322**	**8,393**	**4,830**	**16,864**
Average Occupancy Per Hotel:	**69.0%**	**65.5%**	**63.5%**	**59.5%**	**60.9%**	**61.0%**	**48.5%**	**59.3%**	**60.9%**
Average Rate Per Hotel (₹):	**8,206**	**5,549**	**4,261**	**2,800**	**1,457**	**1,043**	**4,248**	**2,131**	**4,677**
REVENUE									
Rooms	55.4%	56.1%	57.3%	53.3%	51.1%	55.7%	49.8%	51.4%	**55.2%**
Food & Beverage	26.4	26.6	24.3	34.6	34.1	34.4	36.1	38.2	**27.9**
Banquets & Conferences	11.3	10.5	12.9	6.6	6.4	2.8	7.5	5.8	**10.4**
Telephone & Other	0.5	0.3	0.3	0.2	0.8	0.3	0.1	0.0	**0.4**
Minor Operated*	3.9	3.6	2.3	1.3	2.1	0.7	2.9	0.0	**3.1**
Rental & Other Income	2.5	2.9	2.9	4.0	5.6	6.1	3.6	4.7	**3.0**
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	**100.0**
DEPARTMENTAL EXPENSES									
Rooms	17.3	17.6	15.4	20.3	30.8	32.1	19.0	22.3	**18.0**
Food & Beverage	50.5	54.8	62.8	66.3	70.6	84.3	58.0	75.7	**57.0**
Telephone & Other	57.9	84.6	86.8	334.9	83.2	286.2	279.3	692.9	**94.7**
Minor Operated*	48.6	39.1	66.7	136.6	112.8	227.1	83.3	0.0	**57.4**
Rental & Other Income	2.2	9.9	2.4	17.6	12.5	9.5	10.9	8.4	**7.4**
Total	30.8	32.1	34.0	41.4	48.0	52.3	37.8	46.2	**34.1**
DEPARTMENTAL INCOME	69.2	67.9	66.0	58.6	52.0	47.7	62.2	53.8	**65.9**
OPERATING EXPENSES									
Administrative & General	10.7	9.9	10.5	9.2	8.7	8.4	11.5	4.2	**10.2**
Management Fee	3.4	2.6	2.1	2.0	1.3	1.1	2.1	0.6	**2.7**
Marketing	3.7	2.9	2.8	2.3	2.0	3.3	3.9	1.3	**3.1**
Franchise Fees	0.5	0.9	0.6	0.4	0.1	0.1	0.2	0.1	**0.5**
Property Operations & Maintenance	4.6	6.2	7.5	5.5	6.1	4.5	8.0	6.6	**5.6**
Energy	7.5	9.4	9.6	10.7	10.6	10.0	9.1	11.6	**8.7**
Total	30.3	31.9	33.1	30.1	28.9	27.4	34.8	24.5	**30.9**
HOUSE PROFIT	38.8	36.0	32.9	28.5	23.1	20.3	27.4	29.4	**35.0**
FIXED EXPENSES									
Property Taxes	0.6	0.7	0.8	0.9	1.5	1.2	0.4	0.4	**0.7**
Insurance	0.2	0.2	0.3	0.4	0.6	0.4	0.2	1.7	**0.3**
Other Fixed Charges	2.1	0.8	1.1	1.0	1.0	0.7	1.3	0.5	**1.5**
Rent	1.3	0.9	0.8	1.0	0.6	1.0	2.9	2.6	**1.1**
Total	4.2	2.6	3.0	3.4	3.7	3.2	4.8	5.3	**3.6**
NET INCOME**	34.6%	33.4%	29.9%	25.2%	19.4%	17.1%	22.6%	24.1%	**31.4%**

* Minor operated departments include laundry, gift shop, business centre, news stand, sports, health club, garage, parking and so forth

** Net Income is before depreciation, interest payments and taxes

ID: Insufficient Data

TABLE 1-3: Indian Hotel Industry by Star Category: Financial Report – Amount Per Available Room (2011-12)

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	*39*	*45*	*72*	*179*	*98*	*43*	*25*	*14*	*515*
Average Total Rooms Per Hotel:	**237**	**119**	**102**	**57**	**44**	**29**	**46**	**26**	**77**
Average Occupied Rooms Per Hotel:	**57,732**	**26,862**	**22,434**	**11,857**	**9,061**	**6,322**	**8,393**	**4,830**	**16,864**
Average Occupancy Per Hotel:	**69.0%**	**65.5%**	**63.5%**	**59.5%**	**60.9%**	**61.0%**	**48.5%**	**59.3%**	**60.9%**
Average Rate Per Hotel (₹):	**8,206**	**5,549**	**4,261**	**2,800**	**1,457**	**1,043**	**4,248**	**2,131**	**4,677**
REVENUE (₹)									
Rooms	2,000,880	1,249,870	934,414	584,573	302,518	231,247	778,217	390,820	**1,026,910**
Food & Beverage	955,468	591,781	395,716	379,249	201,712	142,905	563,756	290,541	**519,739**
Banquets & Conferences	408,931	233,853	210,344	72,322	37,960	11,428	117,650	43,942	**193,211**
Telephone & Other	16,984	7,291	5,223	2,525	4,743	1,174	1,141	63	**7,158**
Minor Operated*	139,726	81,079	37,799	14,754	12,562	3,030	45,674	-	**57,221**
Rental & Other Income	91,683	65,467	47,305	43,568	32,970	25,165	55,923	35,737	**56,586**
Total	3,613,680	2,229,340	1,630,800	1,096,990	592,465	414,947	1,562,360	761,102	**1,860,820**
DEPARTMENTAL EXPENSES (₹)									
Rooms	345,864	219,361	143,783	118,677	93,101	74,270	147,901	87,121	**185,231**
Food & Beverage	688,934	452,124	380,329	299,174	169,301	130,131	395,293	253,310	**406,005**
Telephone & Other	9,829	6,165	4,533	8,456	3,948	3,359	3,187	435	**6,775**
Minor Operated*	67,906	31,710	25,219	20,155	14,174	6,881	38,030	7,776	**32,827**
Rental & Other Income	1,981	6,460	1,119	7,661	4,135	2,392	6,082	2,982	**4,195**
Total	1,114,510	715,819	554,983	454,122	284,659	217,034	590,494	351,625	**635,033**
DEPARTMENTAL INCOME (₹)	2,499,160	1,513,520	1,075,820	642,870	307,806	197,914	971,868	409,478	**1,225,790**
OPERATING EXPENSES (₹)									
Administrative & General	386,923	220,273	171,122	100,712	51,783	35,041	179,606	31,934	**189,533**
Management Fee	122,603	58,758	34,930	22,192	7,664	4,375	33,219	4,611	**50,767**
Marketing	133,511	64,926	45,829	24,630	11,960	13,674	60,878	10,069	**58,263**
Franchise Fees	18,064	19,304	10,068	4,497	763	534	2,285	941	**10,014**
Property Operations & Maintenance	164,752	137,500	121,524	60,371	36,190	18,837	124,468	50,536	**103,827**
Energy	270,759	205,340	153,948	114,599	62,723	41,329	142,798	88,018	**161,479**
Total	1,096,610	706,101	537,420	327,003	171,083	113,791	543,254	186,108	**573,883**
HOUSE PROFIT (₹)	1,402,550	807,423	538,398	315,867	136,724	84,123	428,614	223,370	**651,908**
FIXED EXPENSES(₹)									
Property Taxes	21,780	15,140	13,363	10,044	8,592	4,824	5,569	3,239	**13,478**
Insurance	8,144	4,280	5,134	4,668	3,728	1,657	2,907	12,995	**5,297**
Other Fixed Charges	76,503	18,415	17,181	11,240	5,861	2,685	20,682	3,933	**27,797**
Rent	46,626	19,545	12,827	11,096	3,703	4,149	45,419	19,678	**20,803**
Total	153,053	57,380	48,505	37,047	21,885	13,316	74,577	39,845	**67,374**
NET INCOME(₹)**	1,249,500	750,044	489,894	278,820	114,839	70,807	354,037	183,525	**584,534**

* Minor operated departments include laundry, gift shop, business centre, news stand, sports, health club, garage, parking and so forth

** Net Income is before depreciation, interest payments and taxes

ID: Insufficient Data

TABLE 1-4: Indian Hotel Industry by Star Category: Financial Report – Amount Per Occupied Room (2011-12)

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	*39*	*45*	*72*	*179*	*98*	*43*	*25*	*14*	*515*
Average Total Rooms Per Hotel:	**237**	**119**	**102**	**57**	**44**	**29**	**46**	**26**	**77**
Average Occupied Rooms Per Hotel:	**57,732**	**26,862**	**22,434**	**11,857**	**9,061**	**6,322**	**8,393**	**4,830**	**16,864**
Average Occupancy Per Hotel:	**69.0%**	**65.5%**	**63.5%**	**59.5%**	**60.9%**	**61.0%**	**48.5%**	**59.3%**	**60.9%**
Average Rate Per Hotel (₹):	**8,206**	**5,549**	**4,261**	**2,800**	**1,457**	**1,043**	**4,248**	**2,131**	**4,677**
REVENUE (₹)									
Rooms	8,206	5,549	4,261	2,800	1,457	1,043	4,248	2,131	**4,677**
Food & Beverage	3,919	2,627	1,804	1,816	972	644	3,078	1,584	**2,367**
Banquets & Conferences	1,677	1,038	959	346	183	52	642	240	**880**
Telephone & Other	70	32	24	12	23	5	6	0	**33**
Minor Operated*	573	360	172	71	61	14	249	-	**261**
Rental & Other Income	376	291	216	209	159	113	305	195	**258**
Total	14,820	9,898	7,436	5,254	2,854	1,871	8,529	4,149	**8,476**
DEPARTMENTAL EXPENSES (₹)									
Rooms	1,418	974	656	568	449	335	807	475	**844**
Food & Beverage	2,825	2,007	1,734	1,433	816	587	2,158	1,381	**1,849**
Telephone & Other	40	27	21	41	19	15	17	2	**31**
Minor Operated*	278	141	115	97	68	31	208	42	**150**
Rental & Other Income	8	29	5	37	20	11	33	16	**19**
Total	4,571	3,178	2,531	2,175	1,371	979	3,223	1,917	**2,892**
DEPARTMENTAL INCOME (₹)	10,249	6,720	4,906	3,079	1,483	892	5,305	2,232	**5,583**
OPERATING EXPENSES (₹)									
Administrative & General	1,587	978	780	482	249	158	980	174	**863**
Management Fee	503	261	159	106	37	20	181	25	**231**
Marketing	548	288	209	118	58	62	332	55	**265**
Franchise Fees	74	86	46	22	4	2	12	5	**46**
Property Operations & Maintenance	676	610	554	289	174	85	679	276	**473**
Energy	1,110	912	702	549	302	186	780	480	**736**
Total	4,497	3,135	2,451	1,566	824	513	2,966	1,015	**2,614**
HOUSE PROFIT (₹)	5,752	3,585	2,455	1,513	659	379	2,340	1,218	**2,969**
FIXED EXPENSES(₹)									
Property Taxes	89	67	61	48	41	22	30	18	**61**
Insurance	33	19	23	22	18	7	16	71	**24**
Other Fixed Charges	314	82	78	54	28	12	113	21	**127**
Rent	191	87	58	53	18	19	248	107	**95**
Total	628	255	221	177	105	60	407	217	**307**
NET INCOME(₹)**	5,124	3,330	2,234	1,335	553	319	1,933	1,001	**2,662**

* Minor operated departments include laundry, gift shop, business centre, news stand, sports, health club, garage, parking and so forth
** Net Income is before depreciation, interest payments and taxes
ID: Insufficient Data

TABLE 1-5: Indian Hotel Industry by Star Category: Market Data

Market Segmentation

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	***36***	***49***	***81***	***345***	***159***	***62***	***38***	***76***	***846***
Airline Crew	7.5%	3.8%	2.6%	0.9%	0.5%	0.6%	0.2%	0.7%	**1.4%**
Business Traveller - Domestic	14.7	20.4	32.7	33.7	37.8	36.2	16.1	34.0	**32.2**
Business Traveller - Foreign	19.9	14.8	16.0	8.7	6.5	4.3	9.3	6.2	**9.3**
Complimentary Rooms	2.3	2.7	1.3	1.9	1.4	2.3	2.0	2.8	**1.9**
Domestic - Tourists/Leisure FIT	10.0	18.1	11.5	20.5	22.6	25.8	23.4	26.9	**20.5**
Foreign - Tourists/Leisure FIT	8.9	8.8	8.3	8.0	6.3	4.7	19.6	7.6	**8.1**
Meeting Participants (Less than 100 Attendees)	4.8	3.2	4.9	3.9	4.0	3.1	3.1	2.7	**3.8**
Meeting Participants (Over 100 Attendees)	9.7	10.6	6.9	7.7	5.9	5.7	3.1	6.2	**7.1**
Tour Groups - Domestic	4.2	4.9	6.7	7.9	9.4	9.2	7.6	6.3	**7.7**
Tour Groups - Foreign	8.1	9.5	6.2	4.2	3.2	1.9	15.3	3.2	**4.9**
Other	10.0	3.3	2.8	2.6	2.4	6.3	0.5	3.4	**3.2**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Guest Analysis

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	***41***	***56***	***92***	***393***	***187***	***68***	***46***	***95***	***978***
Domestic Guests	51.0%	56.7%	64.3%	78.7%	82.7%	85.2%	52.1%	82.4%	**75.3%**
Foreign Guests	49.0	43.3	35.6	21.2	17.2	14.8	47.9	17.6	**24.7**
Total	**100.0**	**100.0**	**99.9**	**99.9**	**99.9**	**100.0**	**100.0**	**100.0**	**100.0**
Total Business Guests	62.4%	55.2%	64.7%	60.3%	56.9%	63.9%	27.9%	60.9%	**58.8%**
Total Leisure Guests	37.0	44.8	35.2	39.6	43.1	36.1	72.1	39.1	**41.2**
Total	**99.4**	**100.0**	**99.9**	**99.9**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Avg. Stay of Foreign Guests (Days)	3.8	3.0	3.1	3.5	2.8	1.8	4.4	2.6	**3.2**
Avg. Stay of Domestic Guests (Days)	2.2	2.1	2.3	3.5	2.6	2.3	2.4	2.3	**2.8**
Avg. Stay of Business Guests (Days)	2.0	2.2	2.5	3.4	2.8	1.8	2.1	1.9	**2.7**
Avg. Stay of Leisure Guests (Days)	2.3	2.0	2.9	2.7	2.3	10.1	2.3	2.2	**3.0**
Percentage of Repeat Guests	37.0	39.1	41.2	47.3	51.9	43.9	27.8	56.4	**46.6**

Country of Origin of Guests

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	***32***	***45***	***60***	***189***	***77***	***21***	***26***	***21***	***471***
ASEAN*	4.4%	5.0%	5.0%	5.9%	6.5%	5.2%	2.1%	5.0%	**5.4%**
Australia	2.9	3.1	3.6	3.3	3.2	5.7	3.6	5.3	**3.5**
Canada	3.1	2.4	3.4	3.3	3.1	3.4	3.2	5.4	**3.3**
Caribbean	0.7	0.5	0.5	0.7	0.4	0.6	0.2	0.7	**0.6**
China	2.3	3.9	3.9	6.1	6.2	4.6	2.1	6.1	**5.1**
France	3.3	5.4	5.1	6.5	5.0	3.9	15.0	6.3	**6.1**
Germany	4.2	5.7	6.3	7.0	6.3	6.0	12.0	8.0	**6.7**
Japan	4.8	6.7	7.5	4.8	4.7	4.1	4.2	3.6	**5.2**
Middle East	2.4	3.8	4.3	5.5	5.3	6.4	1.2	4.1	**4.7**
Other European	7.6	10.7	10.4	9.0	10.3	6.3	9.6	8.9	**9.4**
Russia	2.8	4.8	4.7	3.8	2.6	2.1	1.9	1.6	**3.4**
SAARC **	2.6	4.4	3.6	5.7	12.2	9.5	2.6	9.8	**6.3**
South Africa	1.4	1.5	2.2	2.7	1.9	3.6	0.4	3.9	**2.3**
UK	12.4	10.9	10.9	12.2	14.0	12.1	15.9	12.8	**12.4**
USA	15.3	12.3	11.0	12.1	8.8	14.7	11.1	9.3	**11.6**
Other	30.0	19.1	17.5	11.7	9.6	11.8	15.1	9.0	**14.1**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

* ASEAN: Association of South East Asian Nations
** SAARC: South Asian Association for Regional Co-operation - India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, Maldives

TABLE 1-6: Indian Hotel Industry by Star Category: Monthly and Daily Occupancy

Average Monthly Occupancy

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	*43*	*54*	*91*	*380*	*168*	*63*	*44*	*69*	*912*
January	71.2%	67.3%	65.7%	62.3%	64.6%	64.6%	55.5%	64.4%	**63.8%**
February	77.3	74.1	71.0	65.6	66.3	66.6	60.2	64.2	**67.0**
March	71.7	65.9	63.9	58.1	61.0	61.2	53.2	58.4	**60.3**
April	70.4	61.7	60.6	58.3	61.3	61.9	46.9	59.2	**59.6**
May	66.7	57.6	58.5	60.2	64.9	65.5	41.1	63.2	**60.7**
June	65.1	54.8	55.3	57.6	63.5	62.9	40.8	62.1	**58.6**
July	64.7	54.1	55.8	54.0	58.5	60.7	39.5	57.0	**55.5**
August	63.5	55.2	56.1	53.3	56.7	59.4	47.6	57.0	**55.2**
September	68.1	57.9	58.5	55.2	61.0	60.4	42.9	57.1	**57.3**
October	67.4	57.9	60.5	78.7	61.7	66.0	60.7	65.8	**69.3**
November	77.5	71.1	70.6	67.1	65.4	69.6	63.2	68.7	**68.0**
December	68.7	65.8	67.8	69.5	72.5	71.8	58.7	71.1	**69.4**

Average Daily Occupancy

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	*39*	*52*	*85*	*322*	*167*	*58*	*33*	*75*	*831*
Monday	66.8%	62.7%	68.9%	58.4%	59.8%	59.6%	40.2%	54.9%	**59.4%**
Tuesday	68.5	64.7	62.5	57.2	57.2	63.1	41.3	59.6	**58.7**
Wednesday	70.1	65.6	64.0	59.4	62.6	65.2	43.6	59.4	**61.2**
Thursday	67.5	63.4	61.7	59.4	59.5	67.2	44.9	59.1	**60.2**
Friday	60.3	59.6	59.9	58.9	65.4	65.7	50.2	61.2	**60.8**
Saturday	57.7	69.7	54.5	54.6	58.7	72.6	52.0	53.2	**57.5**
Sunday	58.5	54.1	51.7	47.5	51.8	54.9	44.8	44.8	**49.9**

TABLE 1-7: Indian Hotel Industry by Star Category: Sources of Reservations

Source of Advance Reservations

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	*38*	*56*	*88*	*360*	*170*	*58*	*37*	*78*	*885*
Chain CRS (Central Reservation System)	8.5%	5.6%	3.2%	4.8%	2.3%	2.0%	9.9%	1.7%	**4.1%**
Direct Enquiry / Hotel Representation	42.4	44.8	47.5	49.1	53.2	55.0	29.2	58.3	**49.5**
Global Distribution System (GDS)	12.3	6.3	3.7	1.7	0.7	0.7	0.6	0.7	**2.2**
Hotel / Chain Website	7.2	6.4	9.0	7.8	7.8	7.2	8.2	7.4	**7.7**
Travel Agent and Tour Operator	13.3	19.1	19.1	19.9	20.5	18.1	39.8	17.6	**20.1**
Other Online Reservation Systems	5.7	5.9	4.4	3.7	2.3	1.2	4.1	2.8	**3.5**
Other Website	3.9	5.2	7.7	6.2	6.6	6.1	3.3	5.3	**6.1**
Other	6.9	6.9	5.4	7.0	6.7	9.8	5.0	6.2	**6.8**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

TABLE 1-8: Indian Hotel Industry by Star Category: Marketing Media

Marketing Media - Percentage of Hotels Using Each Media

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	*41*	*56*	*93*	*375*	*171*	*60*	*44*	*82*	*922*
Blogs	24.4%	17.9%	15.1%	10.9%	3.5%	5.0%	4.6%	8.5%	**10.1%**
Direct Mail	78.1	87.5	83.9	82.9	71.4	66.7	88.6	68.3	**78.9**
Hotel Website	87.8	94.6	94.6	90.7	81.9	78.3	88.6	75.6	**87.3**
Loyalty Card program	85.4	71.4	57.0	28.0	19.3	13.3	31.8	18.3	**32.9**
Merchandising	39.0	35.7	38.7	25.1	15.8	20.0	22.7	15.9	**24.7**
Other Internet Sites	75.6	76.8	69.9	68.3	63.2	58.3	68.2	48.8	**65.9**
Outdoor Advertising	51.2	76.8	62.4	61.6	44.4	55.0	59.1	50.0	**57.4**
Pay Per Click	14.6	12.5	12.9	7.7	5.3	6.7	4.6	1.2	**7.6**
Print Advertising	92.7	96.4	90.3	84.0	80.7	75.0	88.6	74.4	**84.0**
Promotions	85.4	85.7	82.8	72.8	51.5	45.0	75.0	46.3	**67.1**
Radio Advertising	29.3	35.7	39.8	24.3	9.4	3.3	9.1	9.8	**20.6**
Telemarketing	48.8	67.9	62.4	54.7	37.4	31.7	43.2	36.6	**49.1**
TV Advertising	34.2	23.2	25.8	28.3	13.5	10.0	27.3	15.9	**22.9**
Viral Marketing	7.3	8.9	6.5	7.7	1.2	3.3	4.6	7.3	**6.0**

TABLE 1-9: Indian Hotel Industry by Star Category: Payment Methods

Payment Methods Used

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	*37*	*48*	*81*	*335*	*165*	*60*	*37*	*65*	*828*
Cash Sales	12.9%	20.1%	26.2%	37.5%	51.1%	60.9%	32.9%	56.6%	**40.0%**
Credit Card Sales	46.8	40.6	40.3	33.9	28.5	25.0	27.7	23.1	**32.6**
Credit Sales (other than cards)	34.4	31.3	27.0	20.8	14.3	10.5	34.6	14.4	**20.7**
Electronic Fund Transfer	5.9	8.1	6.5	7.8	6.1	3.6	4.8	5.9	**6.7**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Credit Cards Used

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	*37*	*45*	*75*	*301*	*131*	*41*	*37*	*39*	*706*
American Express	33.1%	20.7%	13.3%	7.5%	4.0%	2.2%	9.5%	6.7%	**9.4%**
Diners Club	2.6	2.0	2.8	2.3	1.8	1.6	0.5	1.8	**2.1**
Mastercard / Eurocard	29.3	40.1	33.9	39.9	41.4	41.8	32.7	40.5	**38.8**
Visa	33.2	34.4	46.0	45.6	47.5	52.2	48.6	47.0	**45.3**
Other	1.9	2.9	4.0	4.7	5.4	2.1	8.8	4.1	**4.5**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Average Credit Card Commission

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	*36*	*42*	*67*	*258*	*105*	*34*	*33*	*29*	*604*
American Express	3.2%	3.5%	3.7%	2.7%	1.9%	0.9%	2.9%	2.4%	**2.6%**
Diners Club	1.4	0.8	1.3	0.7	0.5	0.4	0.3	0.7	**0.7**
Mastercard / Eurocard	1.4	1.4	1.8	2.8	2.5	2.0	1.7	4.0	**2.4**
Visa	1.4	1.4	2.1	2.4	2.2	2.0	1.4	3.3	**2.2**
Other	0.2	0.1	0.2	0.3	0.2	5.3	0.2	0.4	**0.5**

TABLE 1-10: Indian Hotel Industry by Star Category: Technology Management Practices

Technology in Hotels - Percentage of Hotels Using Each Technology

COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2011-2012 All India Average
Number of Responses	*36*	*48*	*81*	*358*	*158*	*58*	*41*	*67*	*847*
Accounting System	86.1%	93.8%	93.8%	91.6%	88.6%	84.5%	95.1%	83.6%	**90.2%**
Call Accounting System	72.2	77.1	81.5	54.8	52.5	37.9	43.9	41.8	**56.2**
Central Reservation System (CRS)	72.2	64.6	53.1	29.3	18.4	10.3	41.5	4.5	**30.7**
Electronic Keycard	88.9	85.4	70.4	42.7	20.3	20.7	14.6	14.9	**40.5**
Energy Management System	41.7	33.3	46.9	29.1	14.6	6.9	12.2	13.4	**25.3**
Internet / E-Mail	97.2	100.0	93.8	95.3	92.4	93.1	97.6	89.6	**94.5**
Internet / Website	100.0	93.8	97.5	88.0	83.5	72.4	92.7	79.1	**87.4**
Intranet System	75.0	52.1	56.8	52.2	32.9	29.3	63.4	44.8	**48.4**
Local Area Network (LAN)	97.2	95.8	95.1	83.2	68.4	55.2	75.6	64.2	**79.1**
Management Information System	80.6	72.9	84.0	60.1	42.4	24.1	58.5	44.8	**56.9**
Point of Sale System for Food and Beverage	97.2	95.8	96.3	76.8	56.3	37.9	70.7	56.7	**72.3**
Property Management System	91.7	89.6	80.3	51.4	29.1	10.3	39.0	26.9	**48.5**
Yield Management System	52.8	25.0	37.0	22.4	10.1	1.7	17.1	13.4	**20.5**
Other	13.9	12.5	13.6	8.9	5.7	1.7	2.4	3.0	**7.9**

2. Indian Hotel Industry – Inventory and Chain Affiliation

Introduction

In this section, we present key operating statistics and other data for the survey participants according to the number of rooms. The participating hotels have been classified into three categories: 'less than 50 rooms', '50 to 150 rooms', and 'more than 150 rooms'. We have also drawn a comparison between Chain Affiliated and Independent hotels.

Trends

- **Room Profile and Facilities:** Suites constitute a higher percentage (9%) of the total room inventory of hotels with less than 50 rooms as compared to the other categories. This is because heritage properties, with their small room count and relatively large suite inventory form a large portion of this category. We note that there is a distinct difference in the facilities of branded hotels as opposed to independent hotels. Branded hotels tend to offer more expansive facilities (113 rooms and 4.4 Food & Beverage outlets on an average) when compared to independent hotels (49 rooms and 3.2 Food & Beverage outlets on an average).

- **Employee Composition:** The survey reveals that there is not much difference between chain affiliated and independent hotels in the employee-to-room ratio. This may be attributed to the fact that independent hotels are usually full service hotels and, unlike their branded counterparts, do not benefit from the use of well trained multi-skilled professionals.

- **Profitability:** We have observed that there is a positive correlation between the net income percentage and room inventory of hotels. Hotels with higher room inventories are able to achieve better economies of scale. This is because hotels typically have very high fixed costs that get rationalised as the inventory increases. Moreover, larger hotels tend to be chain affiliated; this helps them gain advantages in terms of well established standard operating procedures, control measures, and trained personnel, to achieve better bottom lines.

- **Sources of Advance Reservations:** An analysis of the sources of advance reservations of hotels based on the stipulated parameters reveals branded hotels receive reservations from a healthy mix of a variety of channels ranging from Central Reservation Systems, Global Distribution Systems, Chain Website, Travel Agent, Other Online Systems, and Direct Enquires. Independent hotels on the other hand rely largely on Direct Enquires, Local Sales Teams, and Tour Operators to generate their room night business.

TABLE 2-1: Indian Hotel Industry – Inventory & Chain Affiliation: Facilities Analysis and Staffing

Typical Room Profile of an Average Hotel

COMPOSITION		Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses		***796***	***460***	***64***	***206***	***1,114***
Air-Conditioned	Single	2.0	9.2	44.1	20.9	3.9
	Double	20.7	57.8	173.2	79.0	34.0
	Suites	3.0	6.9	17.1	10.1	4.1
Non-Air-Conditioned	Single	0.7	1.0	1.2	0.4	0.9
	Double	4.6	5.6	7.1	2.5	5.5
	Suites	0.4	0.6	0.5	0.1	0.6
Total Average Rooms		**31.3**	**81.0**	**243.2**	**113.0**	**48.9**

Average Number of Food & Beverage Outlets Per Hotel

COMPOSITION	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses	***611***	***415***	***58***	***191***	***893***
Restaurant	1.4	1.9	3.2	2.2	1.6
Bars	0.8	0.9	1.5	1.1	0.8
Others	0.6	1.1	1.3	1.1	0.8
Total	**2.8**	**4.0**	**5.9**	**4.4**	**3.2**

Average Number of Total Employees Per Hotel (Permanent / Contract / Full Time / Part Time)

COMPOSITION		Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses		***663***	***401***	***57***	***187***	***934***
Managers	Male	3.2	11.8	50.0	22.9	5.9
	Female	0.5	1.6	12.9	4.7	0.9
Supervisors	Male	4.9	15.9	55.7	26.1	8.5
	Female	0.8	2.3	9.0	4.0	1.3
Staff	Male	33.3	89.5	248.1	128.6	51.5
	Female	3.4	10.1	35.6	14.6	6.0
Total		**46.2**	**131.2**	**411.4**	**200.9**	**74.0**
Average Number of Employees per Room		1.5	1.6	1.7	1.8	1.5

Average Percentage of Trained Employees Per Hotel

COMPOSITION	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses	***392***	***298***	***53***	***158***	***585***
Managers	88.7%	88.7%	85.2%	93.5%	87.1%
Supervisors	83.5	81.2	79.8	88.0	80.8
Staff	85.9	71.6	70.0	86.7	76.9
Total Avg. Trained Employees*	86.0%	80.5%	78.3%	89.4%	81.6%
Total Avg. Un-Trained Employees	14.0	19.5	21.7	10.6	18.4

* Trained Employees includes those with a minimum one-year certificate course from a hotel management or equivalent institution; however, some hotels may have included those with short term (in-house) training.

TABLE 2-2: Indian Hotel Industry – Chain Affiliated vs. Independent: Financial Report (2011-12)

	Chain Affiliated			Independent			2011-2012 All India Average		
Number of Responses		*134*			*381*			*515*	
Average Total Rooms Per Hotel:		**129**			**58**			**77**	
Average Occupied Rooms Per Hotel:		**29,343**			**12,475**			**16,864**	
Average Occupancy Per Hotel:		**62.4%**			**60.4%**			**60.9%**	
Average Rate Per Hotel (₹):		**6,386**			**3,264**			**4,677**	
COMPOSITION	**Percentage of Revenue**	**Amount per Available Room (₹)**	**Amount per Occupied Room (₹)**	**Percentage of Revenue**	**Amount per Available Room (₹)**	**Amount per Occupied Room (₹)**	**Percentage of Revenue**	**Amount per Available Room (₹)**	**Amount per Occupied Room (₹)**
REVENUE									
Rooms	56.2%	1,453,310	6,386	53.6%	696,293	3,264	**55.2%**	**1,026,910**	**4,677**
Food & Beverage	26.5	684,785	3,009	30.2	391,780	1,836	**27.9**	**519,739**	**2,367**
Banquets & Conferences	10.9	282,995	1,244	9.5	123,594	579	**10.4**	**193,211**	**880**
Telephone & Other	0.4	10,500	46	0.4	4,567	21	**0.4**	**7,158**	**33**
Minor Operated*	3.3	86,032	378	2.7	34,881	163	**3.1**	**57,221**	**261**
Rental & Other Income	2.7	68,917	303	3.6	47,027	220	**3.0**	**56,586**	**258**
Total	100.0	2,586,540	11,366	100.0	1,298,140	6,084	**100.0**	**1,860,820**	**8,476**
DEPARTMENTAL EXPENSES									
Rooms	17.3	250,896	1,103	19.3	134,319	630	**18.0**	**185,231**	**844**
Food & Beverage	52.9	511,606	2,248	62.9	324,141	1,519	**57.0**	**406,005**	**1,849**
Telephone & Other	66.0	6,929	30	145.8	6,656	31	**94.7**	**6,775**	**31**
Minor Operated*	55.6	47,805	210	60.8	21,214	99	**57.4**	**32,827**	**150**
Rental & Other Income	3.8	2,648	12	11.5	5,395	25	**7.4**	**4,195**	**19**
Total	31.7	819,884	3,603	37.9	491,725	2,305	**34.1**	**635,033**	**2,892**
DEPARTMENTAL INCOME	68.3	1,766,650	7,763	62.1	806,417	3,780	**65.9**	**1,225,790**	**5,583**
OPERATING EXPENSES									
Administrative & General	10.9	281,527	1,237	9.1	118,201	554	**10.2**	**189,533**	**863**
Management Fee	3.6	92,646	407	1.4	18,291	86	**2.7**	**50,767**	**231**
Marketing	3.4	87,812	386	2.7	35,350	166	**3.1**	**58,263**	**265**
Franchise Fees	0.6	16,539	73	0.4	4,954	23	**0.5**	**10,014**	**46**
Property Operations & Maintenance	5.2	133,573	587	6.2	80,767	379	**5.6**	**103,827**	**473**
Energy	8.6	222,133	976	8.8	114,451	536	**8.7**	**161,479**	**736**
Total	32.2	834,230	3,666	28.7	372,014	1,744	**30.9**	**573,883**	**2,614**
HOUSE PROFIT	36.1	932,423	4,097	33.5	434,403	2,036	**35.0**	**651,908**	**2,969**
FIXED EXPENSES									
Property Taxes	0.6	14,866	65	1.0	12,402	58	**0.7**	**13,478**	**61**
Insurance	0.3	6,485	29	0.3	4,376	21	**0.3**	**5,297**	**24**
Other Fixed Charges	2.0	50,385	221	0.8	10,280	48	**1.5**	**27,797**	**127**
Rent	1.1	27,794	122	1.2	15,383	72	**1.1**	**20,803**	**95**
Total	3.8	99,531	437	3.3	42,441	199	**3.6**	**67,374**	**307**
NET INCOME**	32%	832,893	3,660	30%	391,963	1,837	**31%**	**584,534**	**2,662**

* Minor operated departments include laundry, gift shop, business centre, news stand, sports, health club, garage, parking and so forth
** Net Income is before depreciation, interest payments and taxes
ID: Insufficient Data

TABLE 2-3: Indian Hotel Industry – Inventory: Financial Report (2011-12)

	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	2011-12 All India Average	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	2011-2012 All India Average	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	2011-2012 All India Average
Number of Responses	*242*	*224*	*49*	*515*	*242*	*224*	*49*	*515*	*242*	*224*	*49*	*515*
Average Total Rooms Per Hotel:	**32**	**86**	**253**	**77**	**32**	**86**	**253**	**77**	**32**	**86**	**253**	**77**
Average Occupied Rooms Per Hotel:	**6,575**	**18,803**	**58,527**	**16,864**	**6,575**	**18,803**	**58,527**	**16,864**	**6,575**	**18,803**	**58,527**	**16,864**
Average Occupancy Per Hotel:	**59.4%**	**61.8%**	**66.6%**	**60.9%**	**59.4%**	**61.8%**	**66.6%**	**60.9%**	**59.4%**	**61.8%**	**66.6%**	**60.9%**
Average Rate Per Hotel (₹):	**2,215**	**4,080**	**6,944**	**4,677**	**2,215**	**4,080**	**6,944**	**4,677**	**2,215**	**4,080**	**6,944**	**4,677**
	Percentage of Revenue				**Amount per Available Room (₹)**				**Amount per Occupied Room (₹)**			
REVENUE												
Rooms	50.2%	56.4%	55.1%	**55.2%**	454,734	890,858	1,606,390	**1,026,910**	2,215	4,080	6,944	**4,677**
Food & Beverage	38.9	27.6	26.1	**27.9**	351,803	436,309	759,645	**519,739**	1,713	1,998	3,284	**2,367**
Banquets & Conferences	5.5	10.0	11.7	**10.4**	49,637	157,438	340,532	**193,211**	242	721	1,472	**880**
Telephone & Other	0.4	0.3	0.5	**0.4**	3,267	4,857	13,241	**7,158**	16	22	57	**33**
Minor Operated*	1.0	2.6	3.9	**3.1**	8,764	41,432	112,647	**57,221**	43	190	487	**261**
Rental & Other Income	4.1	3.1	2.8	**3.0**	37,161	48,905	81,236	**56,586**	181	224	351	**258**
Total	100.0	100.0	100.0	**100.0**	905,366	1,579,800	2,913,700	**1,860,820**	4,410	7,235	12,594	**8,476**
DEPARTMENTAL EXPENSES												
Rooms	25.9	17.5	17.1	**18.0**	117,536	156,225	274,502	**185,231**	572	715	1,187	**844**
Food & Beverage	66.4	59.4	52.7	**57.0**	266,377	352,794	580,076	**406,005**	1,297	1,616	2,507	**1,849**
Telephone & Other	104.9	144.1	64.8	**94.7**	3,426	7,001	8,584	**6,775**	17	32	37	**31**
Minor Operated*	210.7	62.7	47.3	**57.4**	18,469	25,973	53,297	**32,827**	90	119	230	**150**
Rental & Other Income	20.8	5.7	5.3	**7.4**	7,713	2,801	4,304	**4,195**	38	13	19	**19**
Total	45.7	34.5	31.6	**34.1**	413,521	544,793	920,764	**635,033**	2,014	2,495	3,980	**2,892**
DEPARTMENTAL INCOME	54.3	65.5	68.4	**65.9**	491,845	1,035,010	1,992,930	**1,225,790**	2,396	4,740	8,614	**5,583**
OPERATING EXPENSES												
Administrative & General	8.4	10.4	10.5	**10.2**	75,587	164,518	304,425	**189,533**	368	753	1,316	**863**
Management Fee	2.8	3.1	3.1	**2.7**	22,220	44,875	78,281	**50,767**	108	206	338	**231**
Marketing	2.2	2.7	3.7	**3.1**	20,006	42,983	107,281	**58,263**	97	197	464	**265**
Franchise Fees	0.3	0.6	0.6	**0.5**	2,535	9,168	16,249	**10,014**	12	42	70	**46**
Property Operations & Maintenance	6.0	6.5	4.7	**5.6**	54,373	102,808	137,348	**103,827**	265	471	594	**473**
Energy	11.0	9.5	7.7	**8.7**	99,783	149,482	223,150	**161,479**	486	685	965	**736**
Total	30.7	32.8	30.1	**30.9**	274,504	513,834	866,735	**573,883**	1,337	2,353	3,746	**2,614**
HOUSE PROFIT	23.6	32.8	38.3	**35.0**	217,341	521,172	1,126,200	**651,908**	1,059	2,387	4,868	**2,969**
FIXED EXPENSES												
Property Taxes	0.9	0.7	0.7	**0.7**	7,675	11,119	20,908	**13,478**	37	51	90	**61**
Insurance	0.7	0.3	0.2	**0.3**	6,059	4,303	6,419	**5,297**	30	20	28	**24**
Other Fixed Charges	1.4	1.4	1.6	**1.5**	12,313	21,546	47,476	**27,797**	60	99	205	**127**
Rent	1.3	1.1	1.1	**1.1**	11,660	17,375	32,057	**20,803**	57	80	139	**95**
Total	4.2	3.4	3.7	**3.6**	37,707	54,343	106,860	**67,374**	184	249	462	**307**
NET INCOME**	19.5%	29.3%	34.6%	**31.4%**	179,634	466,829	1,019,340	**584,534**	875	2,138	4,406	**2,662**

* Minor operated departments include laundry, gift shop, business centre, news stand, sports, health club, garage, parking and so forth

** Net Income is before depreciation, interest payments and taxes

ID: Insufficient Data

TABLE 2-4: Indian Hotel Industry – Inventory & Chain Affiliation: Market Data

Market Segmentation

COMPOSITION	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses	*476*	*326*	*44*	*158*	*688*
Airline Crew	0.6%	1.8%	7.2%	3.6%	0.9%
Business Traveller - Domestic	34.7	30.1	21.8	25.8	33.7
Business Traveller - Foreign	6.6	12.0	18.7	16.4	7.7
Complimentary Rooms	1.9	1.9	2.5	1.8	1.9
Domestic - Tourists / Leisure FIT	24.9	15.8	8.3	13.2	22.2
Foreign - Tourists / Leisure FIT	8.0	8.2	7.7	8.8	7.9
Meeting Participants (Less than 100 Attendees)	3.4	4.4	3.9	4.2	3.7
Meeting Participants (Over 100 Attendees)	5.8	8.7	8.6	9.2	6.6
Tour Groups - Domestic	7.6	8.2	4.7	5.8	8.1
Tour Groups - Foreign	3.9	6.0	7.7	6.9	4.5
Other	2.8	3.0	9.2	4.3	2.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Guest Analysis

COMPOSITION	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses	*563*	*362*	*53*	*124*	*423*
Domestic Guests	79.8%	71.5%	52.9%	62.2%	78.3%
Foreign Guests	20.1	28.4	47.1	37.8	21.7
Total	**100.0**	**99.9**	**100.0**	**100.0**	**100.0**
Total business	56.6%	60.1%	68.7%	61.3%	58.1%
Total leisure	43.3	39.8	30.8	38.7	41.9
Total	**100.0**	**99.9**	**99.6**	**100.0**	**100.0**
Avg. Stay of Foreign Guests (Days)	3.0	3.4	3.8	2.1	3.0
Avg. Stay of Domestic Guests (Days)	2.8	3.0	2.0	2.2	2.9
Avg. Stay of Business Guests (Days)	2.8	2.8	2.2	2.9	3.3
Avg. Stay of Leisure Guests (Days)	2.6	3.5	2.3	2.1	3.2
Percentage of Repeat Guests	48.5	44.4	41.9	36.5	48.8

Country of Origin of Guests

COMPOSITION	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses	*226*	*205*	*40*	*120*	*351*
ASEAN*	5.1%	6.0%	4.1%	4.6%	5.7%
Australia	3.7	3.5	2.7	3.1	3.6
Canada	3.9	2.7	3.1	2.6	3.5
Caribbean	0.4	0.7	0.6	0.6	0.6
China	5.2	5.4	3.0	4.7	5.2
France	6.5	6.1	4.0	5.6	6.3
Germany	7.7	5.9	5.5	5.4	7.2
Japan	4.4	5.9	6.4	6.3	4.8
Middle East	4.9	4.8	2.7	3.1	5.2
Other european	9.0	9.8	9.3	9.1	9.5
Russia	2.9	3.9	4.2	3.5	3.4
SAARC **	7.6	5.4	3.3	3.5	7.3
South Africa	2.5	2.2	1.3	1.4	2.6
UK	14.1	10.5	12.9	10.9	13.0
USA	10.9	11.7	14.5	12.5	11.2
Other	11.3	15.6	22.6	23.2	11.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

* ASEAN: Association of South East Asian Nations
** SAARC: South Asian Association for Regional Co-operation - India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, Maldives

TABLE 2-5: Indian Hotel Industry – Inventory and Chain Affiliation: Monthly and Daily Occupancy

Average Monthly Occupancy

COMPOSITION	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses	*507*	*352*	*53*	*177*	*735*
January	62.9%	64.4%	68.2%	65.2%	63.4%
February	64.7	68.9	76.4	71.3	66.0
March	58.8	61.2	68.4	64.0	59.4
April	58.6	60.2	64.8	61.4	59.2
May	61.6	59.5	61.0	58.2	61.3
June	59.8	56.9	57.6	56.8	59.0
July	54.6	56.2	59.9	58.2	54.9
August	53.9	56.7	58.4	59.7	54.2
September	54.3	60.6	63.6	60.5	56.5
October	75.6	61.2	62.5	61.0	71.3
November	66.6	69.1	73.8	70.7	67.3
December	70.5	68.4	65.6	65.9	70.2

Average Daily Occupancy

COMPOSITION	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses	*460*	*321*	*50*	*158*	*673*
Monday	57.3%	61.6%	65.2%	63.6%	58.5%
Tuesday	56.9	60.0	67.6	61.1	58.2
Wednesday	59.9	61.8	69.0	62.8	60.8
Thursday	59.1	61.0	65.3	61.1	60.0
Friday	61.9	59.5	58.2	58.0	61.4
Saturday	57.6	58.0	54.4	58.2	57.4
Sunday	48.7	50.9	54.5	51.5	49.5

TABLE 2-6: Indian Hotel Industry – Inventory and Chain Affiliation: Sources of Reservation

Sources of Advance Reservations

COMPOSITION	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses	*502*	*332*	*51*	*160*	*725*
Chain CRS (Central Reservation System)	3.9%	4.2%	5.7%	8.0%	3.2%
Direct Enquiry / Hotel Representative	51.1	47.7	46.4	44.4	50.7
Global Distribution System (GDS)	1.1	2.6	10.9	6.2	1.3
Hotel / Chain Website	8.3	6.9	7.8	7.8	7.7
Travel Agent & Tour Operator	19.9	21.5	12.5	17.3	20.7
Other Online Reservation Systems	2.7	4.6	3.6	6.5	2.8
Other Websites	6.1	6.1	5.2	4.7	6.3
Other	6.9	6.4	7.9	5.1	7.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

TABLE 2-7: Indian Hotel Industry – Inventory and Chain Affiliation: Marketing Media

Marketing Media - Percentage of Hotels Using Each Media

COMPOSITION	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses	*510*	*359*	*53*	*179*	*743*
Blogs	7.3%	13.1%	17.0%	19.0%	7.9%
Direct Mail	77.3	80.8	81.1	81.0	78.3
Hotel Web site	84.1	90.8	94.3	93.9	85.7
Loyalty Card Program	22.4	41.5	75.5	64.3	25.3
Merchandising	19.4	30.9	34.0	36.9	21.8
Other Internet Sites	62.0	70.2	75.5	75.4	63.7
Outdoor Advertising	54.9	61.6	52.8	60.9	56.5
Pay Per Click	4.5	10.6	17.0	9.5	7.1
Print Advertising	80.6	88.0	88.7	89.4	82.6
Promotions	59.6	75.2	84.9	84.9	62.9
Radio Advertising	13.9	28.4	32.1	27.9	18.8
Telemarketing	43.1	57.4	50.9	58.7	46.8
TV Advertising	21.2	24.5	28.3	24.0	22.6
Viral Marketing	4.9	7.8	3.8	8.9	5.3

TABLE 2-8: Indian Hotel Industry – Inventory and Chain Affiliation: Payment Methods

Payment Methods Used

COMPOSITION	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses	*468*	*312*	*48*	*159*	*669*
Cash Sales	46.8%	33.2%	17.0%	23.2%	44.0%
Credit Card Sales	29.7	35.0	45.7	41.3	30.6
Credit Sales (Other Than Cards)	16.6	25.2	31.3	28.4	18.9
Electronic Fund Transfer	6.9	6.5	6.1	7.1	6.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Credit Cards Used

COMPOSITION	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses	*380*	*275*	*51*	*146*	*560*
American Express	5.5%	11.9%	25.6%	20.2%	6.6%
Diners club	2.0	2.1	2.8	2.9	1.9
Mastercard/Eurocard	40.1	38.0	32.8	34.0	40.0
Visa	47.6	44.0	34.6	38.5	47.0
Other	4.8	4.2	4.3	4.4	4.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Average Credit Card Commission

COMPOSITION	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses	*314*	*243*	*47*	*138*	*466*
American Express	2.2%	3.1%	3.0%	3.5%	2.4%
Diners club	0.5	0.8	1.9	0.9	0.7
Mastercard/Eurocard	3.0	1.9	1.2	2.0	2.5
Visa	2.5	1.9	1.2	2.0	2.2
Other	0.8	0.2	0.1	0.3	0.6

TABLE 2-9: Indian Hotel Industry – Inventory and Chain Affiliation: Technology

Technology in Hotels - Percentage of Hotels Using Each Technology

COMPOSITION	Less Than 50 Rooms	50 to 150 Rooms	More Than 150 Rooms	Chain Affiliated	Independent
Number of Responses	*483*	*319*	*45*	*161*	*686*
Accounting System	89.2%	92.2%	86.7%	92.6%	89.7%
Call Accounting System	47.0	67.7	73.3	72.1	52.5
Central Reservation System (CRS)	21.3	40.1	64.4	65.8	22.5
Electronic Keycard	25.9	56.1	86.7	70.2	33.5
Energy Management System	18.4	33.5	40.0	35.4	22.9
Internet / E-Mail	94.0	95.0	95.6	95.7	94.2
Internet / Website	84.1	90.9	97.8	96.3	85.3
Intranet System	42.7	55.2	62.2	70.2	43.3
Local Area Network (LAN)	72.5	87.2	93.3	94.4	75.5
Management Information System	45.6	71.5	75.6	80.8	51.3
Point of Sale System for Food and Beverage	61.7	85.0	95.6	92.6	67.5
Property Management System	34.8	63.0	93.3	84.5	40.1
Yield Management System	14.7	24.8	53.3	36.7	16.8
Other	5.6	10.7	13.3	13.7	6.6

3. Indian Hotel Industry – Seven Major Cities

Introduction

In this section, we present the operating profiles and financial data for different categories of hotels in seven major cities: Bengaluru, Chennai, Goa, Kolkata, Mumbai, Delhi-NCR and Pune. This section will provide the reader an understanding of hotel performance in these cities.

Trends

The key trends noted in the 2011/12 survey across the seven major participating cities are presented below.

- **Guest Analysis:** An analysis of the survey results with respect to foreign and domestic guests, highlights that the metropolitan cities of Mumbai, New Delhi-NCR and Chennai cater to the maximum number of foreign guests especially in the five-star deluxe, five-star and four-star categories. That these state capitals are the major gateway cities for foreign travellers into India is further substantiated by the fact that the Leisure segment contributes more than 30% of the total demand in these cities.

- **Seasonality:** The months of November, December, January, and February continue to be the peak season months across all seven locations. With respect to weekly occupancy patterns, all cities with the exception of Goa average highest occupancies between Mondays and Thursdays. Goa, being a leisure destination, witnesses peaks during weekends.

- **Source of Advance Reservations:** We note that Direct Enquires/Hotel Representatives generate the largest number of reservations across all locations. In Bengaluru, Mumbai, and New Delhi-NCR, Global Distribution Systems form a major source of advance reservations highlighting the volume of corporate travel to these cities. Considering that Goa is the most popular leisure destination in the country, almost half of its reservations are generated by travel agents and tour operators.

- **Use of Internet:** The survey reveals an increase in the use of direct mail, hotel website, other internet websites, blogs and viral marketing across locations as compared to the previous year.

TABLE 3-1: Indian Hotel Industry – Seven Major Cities: Facilities and Guest Analysis

Typical Room Profile of an Average Hotel

		Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION		Five-Star Deluxe, Five-Star	Four-Star,Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe & Five-Star	Four Star &Three-Star	Two-Star & One-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star
Number of Responses		*10*	*32*	*9*	*20*	*12*	*20*	*7*	*28*	*17*	*62*	*50*	*10*	*20*	*16*	*8*	*32*
Air-Conditioned	Single	10.9	9.7	46.7	6.4	2.3	3.0	0.0	2.6	82.4	10.1	4.1	43.0	19.7	6.6	28.0	8.3
	Double	130.1	62.4	91.0	57.1	126.5	64.5	147.3	27.1	156.4	50.5	24.2	121.5	47.5	21.1	69.0	26.4
	Suites	26.2	7.8	11.1	8.1	9.2	3.7	12.9	3.7	13.7	5.6	3.1	11.0	10.6	1.6	7.1	2.8
Non-Air-Conditioned	Single	0.0	2.0	0.0	0.2	0.0	0.1	0.0	1.5	0.0	0.1	0.4	0.0	0.0	3.6	0.0	1.4
	Double	0.0	8.6	0.0	1.8	0.0	1.0	0.0	5.2	10.1	1.8	0.7	0.0	0.0	1.7	0.0	4.5
	Suites	0.0	0.9	0.0	0.0	0.0	0.0	2.1	0.6	0.0	0.0	0.1	0.0	0.0	0.1	0.0	1.7
Total Average Rooms		**167.2**	**91.3**	**148.8**	**73.4**	**138.0**	**72.2**	**162.3**	**40.8**	**262.5**	**68.0**	**32.7**	**175.5**	**77.7**	**34.8**	**104.1**	**45.1**

Average Number of Food & Beverage Outlets Per Hotel

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	Five-Star Deluxe, Five-Star	Four-Star,Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe & Five-Star	Four Star &Three-Star	Two-Star & One-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star
Number of Responses	*10*	*27*	*8*	*18*	*12*	*17*	*5*	*19*	*16*	*54*	*30*	*9*	*17*	*9*	*8*	*21*
Restaurant	2.9	1.9	2.9	1.5	3.8	1.9	4.4	1.4	3.7	1.5	1.0	3.1	1.3	1.0	2.6	1.2
Bars	1.1	1.1	1.3	0.9	2.2	1.8	1.6	1.0	1.3	0.8	0.7	1.2	0.9	0.1	1.3	0.7
Others	0.3	1.3	0.4	0.9	0.9	0.3	1.0	0.6	0.9	0.7	0.5	1.1	0.5	0.7	1.6	0.3
Total	**4.3**	**4.3**	**4.5**	**3.3**	**6.8**	**4.0**	**7.0**	**3.0**	**5.9**	**3.0**	**2.2**	**5.4**	**2.7**	**1.8**	**5.5**	**2.2**

Guest Analysis

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	Five-Star Deluxe, Five-Star	Four-Star,Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe & Five-Star	Four star &Three-Star	Two-Star & One-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star
Number of Responses	*9*	*23*	*9*	*19*	*12*	*17*	*7*	*24*	*17*	*50*	*40*	*9*	*14*	*11*	*7*	*26*
Domestic Guests	51.6%	70.0%	48.8%	74.2%	58.8%	61.6%	69.1%	83.3%	48.4%	69.3%	76.5%	38.8%	61.5%	69.8%	61.0%	86.2%
Foreign Guests	48.4	30.0	51.2	25.8	41.2	38.4	31.0	16.8	51.6	30.7	23.5	61.3	38.5	30.2	38.3	13.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**99.3**	**100.0**
Total Business	87.4%	78.7%	85.9%	69.3%	21.5%	33.8%	82.3%	69.0%	59.2%	70.4%	69.8%	68.1%	65.9%	64.3%	85.9%	75.4%
Total Leisure	12.6	21.3	14.1	30.7	78.5	66.2	14.9	31.0	40.8	29.6	30.2	31.9	34.1	35.7	14.1	24.7
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**97.1**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Avg. Stay of Foreign Guests (Days)	4.2	3.6	6.5	3.0	8.0	6.8	2.3	3.8	2.6	2.9	2.4	2.0	2.3	4.3	5.3	6.2
Avg. Stay of Domestic Guests (Days)	2.3	2.4	2.5	3.2	3.2	4.0	1.9	3.1	2.0	2.8	3.1	1.7	1.8	2.0	3.7	3.3
Avg. Stay of Business Guests (Days)	2.3	2.6	4.0	3.1	2.2	2.8	2.3	2.7	2.2	3.4	2.7	1.7	3.5	1.8	3.8	3.4
Avg. Stay of Leisure Guests (Days)	2.0	1.6	1.6	2.2	3.2	3.1	2.3	2.9	1.8	4.0	2.5	1.7	1.7	1.8	3.5	2.3
Percentage of Repeat Guests	37.4	35.4	49.2	44.5	28.2	34.1	45.2	55.2	42.8	45.0	47.7	39.2	31.2	74.0	48.8	52.7

TABLE 3-2: Indian Hotel Industry – Seven Major Cities: Staffing

Average Number of Total Employees Per Hotel (Permanent / Contract / Full Time / Part Time)

		Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION		Five-Star Deluxe, Five-Star	Four Star,Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe & Five-Star	Four Star & Three-Star	Two Star & One Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star
Number of Responses		***10***	***23***	***9***	***19***	***12***	***20***	***7***	***22***	***17***	***51***	***43***	***6***	***13***	***16***	***7***	***30***
Managers	Male	37.9	11.0	43.8	11.1	38.2	8.8	39.0	3.6	56.0	9.6	2.3	85.5	14.9	2.6	21.6	3.2
	Female	10.5	1.9	6.6	0.6	9.1	1.3	11.1	0.8	14.9	1.6	0.4	14.3	3.4	0.8	4.4	0.7
Supervisors	Male	42.2	16.5	41.1	10.9	37.8	10.6	61.0	8.8	70.2	13.4	2.7	59.7	13.4	2.3	38.4	6.0
	Female	5.9	2.6	4.0	0.5	6.9	2.4	12.0	0.8	11.2	2.6	0.8	8.8	1.0	0.1	4.7	1.3
Staff	Male	230.6	83.3	188.2	89.7	212.8	93.7	205.1	47.7	233.6	93.4	24.5	204.2	84.9	21.7	134.4	22.9
	Female	28.7	12.3	23.9	10.8	29.4	9.8	32.3	3.4	40.1	7.5	1.8	19.0	7.0	0.9	16.0	2.4
Total		**355.8**	**127.6**	**307.6**	**123.6**	**334.2**	**126.5**	**360.6**	**65.1**	**426.0**	**128.1**	**32.5**	**391.5**	**124.5**	**28.3**	**219.6**	**36.5**
Average Number of Employees per Room		2.1	1.7	2.1	1.9	3.1	1.8	2.3	1.6	1.8	2.1	1.0	2.3	1.5	0.8	2.7	0.8

Average Percentage of Trained Employees Per Hotel

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	Five-Star Deluxe, Five-Star	Four Star,Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe & Five-Star	Four Star & Three-Star	Two Star & One Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star
Number of Responses	***9***	***13***	***9***	***16***	***11***	***12***	***6***	***16***	***16***	***36***	***15***	***6***	***11***	***10***	***5***	***17***
Managers	87.3%	98.7%	88.9%	85.6%	94.7%	92.7%	94.6%	83.9%	83.2%	86.3%	97.8%	81.7%	83.8%	93.3%	92.0%	88.8%
Supervisors	83.4	77.9	87.0	79.6	91.1	84.2	82.4	78.5	76.2	77.8	69.1	79.6	74.8	85.0	74.1	77.7
Staff	77.9	86.6	68.1	69.0	81.2	69.2	77.8	55.1	64.2	65.7	58.7	62.9	63.9	83.4	60.2	62.4
Total Avg. Trained Employees*	82.8%	87.7%	81.3%	78.1%	89.0%	82.1%	85.0%	72.5%	74.6%	76.6%	75.2%	74.8%	74.2%	87.2%	75.5%	76.3%
Total Avg. Un-Trained Employees	17.2	12.3	18.7	21.9	11.0	18.0	15.1	27.5	25.4	23.4	24.8	25.3	25.8	12.8	24.6	23.7

* Trained Employees includes those with a minimum one-year certificate course from a hotel management or equivalent institution; however, some hotels may have included those with short term (in-house) training.

TABLE 3-3: Indian Hotel Industry – Seven Major Cities: Financial Report – Percentage of Revenue (2011-12)

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	Five-Star Deluxe, Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five- Star & Four - Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe, Five- Star & Four - Star	Three-Star & Two-Star
Number of Responses	***8***	***13***	***8***	***10***	***9***	***9***	***7***	***11***	***16***	***28***	***16***	***7***	***9***	***4***	***6***	***13***
Average Total Rooms Per Hotel:	**172**	**91**	**153**	**69**	**156**	**72**	**162**	**51**	**261**	**70**	**34**	**194**	**97**	**31**	**91**	**45**
Average Occupied Rooms Per Hotel:	**41,815**	**15,880**	**37,615**	**16,707**	**40,104**	**16,985**	**42,461**	**10,806**	**66,629**	**18,037**	**9,241**	**46,354**	**18,874**	**2,928**	**17,100**	**8,313**
Average Occupancy Per Hotel:	**69.5%**	**54.7%**	**67.8%**	**70.0%**	**75.1%**	**68.0%**	**73.8%**	**62.4%**	**72.6%**	**73.1%**	**74.6%**	**79.1%**	**59.8%**	**28.2%**	**54.1%**	**52.7%**
Average Rate Per Hotel (₹):	**8,697**	**3,922**	**5,509**	**2,304**	**7,576**	**2,305**	**6,299**	**3,045**	**7,509**	**4,793**	**1,912**	**8,704**	**5,169**	**2,531**	**3,579**	**3,206**
REVENUE																
Rooms	59.6%	54.1%	52.0%	46.7%	63.2%	62.8%	46.7%	56.6%	57.4%	61.6%	85.4%	50.2%	65.1%	60.9%	47.5%	71.7%
Food & Beverage	21.9	29.0	30.3	38.0	25.3	33.0	32.2	26.9	25.1	25.0	11.6	31.6	17.2	23.2	32.5	20.4
Banquets & Conferences	12.7	12.2	13.6	6.5	5.1	0.5	14.4	7.6	11.4	7.7	0.4	8.2	10.5	6.3	12.3	2.4
Telephone & Other	0.9	0.4	0.3	0.1	0.2	0.1	0.4	0.0	0.3	0.2	0.5	0.4	0.7	0.0	0.3	1.0
Minor Operated*	3.7	1.2	2.3	2.9	3.9	0.7	3.5	2.1	4.2	2.1	0.1	3.5	2.6	0.5	5.2	2.1
Rental & Other Income	1.2	3.2	1.4	5.8	2.4	2.9	2.8	6.8	1.7	3.5	2.1	6.3	3.9	9.1	2.1	2.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
DEPARTMENTAL EXPENSES																
Rooms	12.4	17.5	16.7	29.1	20.7	17.5	18.9	19.3	16.1	16.7	23.8	21.8	14.1	23.4	18.7	24.4
Food & Beverage	50.6	64.5	59.0	53.7	51.8	85.3	49.3	74.7	52.1	68.8	85.6	49.0	69.6	92.8	60.9	60.2
Telephone & Other	56.4	68.7	37.1	140.7	102.3	104.7	79.6	52.7	93.3	143.8	226.6	48.5	85.1	187.7	137.2	69.2
Minor Operated*	56.4	86.2	57.0	112.5	57.4	139.1	52.0	81.7	32.4	134.0	142.2	54.0	62.0	136.4	16.3	111.6
Rental & Other Income	13.0	3.3	0.2	8.7	0.0	11.9	3.1	21.6	5.8	9.5	44.6	8.0	6.1	0.0	6.6	18.8
Total	27.6	37.4	36.1	41.4	31.2	41.0	34.0	39.9	30.0	36.2	32.7	33.0	30.9	42.4	37.7	34.7
DEPARTMENTAL INCOME	72.4	62.6	64.0	58.6	68.8	59.0	66.0	60.1	70.0	63.8	67.3	67.1	69.1	57.6	62.3	65.3
OPERATING EXPENSES																
Administrative & General	8.3	11.4	8.5	9.7	12.0	13.2	9.2	9.0	9.5	13.7	21.8	14.1	13.8	5.4	6.6	7.3
Management Fee	5.5	4.2	3.3	0.1	2.5	1.9	2.8	1.8	2.6	1.4	1.9	0.3	0.4	0.2	1.7	6.5
Marketing	4.1	2.8	2.2	0.5	3.6	2.3	4.1	2.1	3.0	2.8	3.3	3.9	4.5	2.2	5.1	1.3
Franchise Fees	0.3	2.1	0.7	0.3	0.3	1.0	0.4	0.1	0.8	0.9	0.2	0.7	0.1	0.0	0.0	0.3
Property Operations & Maintenance	5.4	8.3	3.4	6.2	7.1	8.5	5.6	7.6	4.1	7.7	5.1	4.7	10.2	8.2	6.0	3.6
Energy	7.2	9.7	8.6	8.6	6.4	6.8	9.2	7.8	8.0	10.8	10.8	7.4	6.4	15.2	17.4	11.3
Total	30.7	38.4	26.7	25.4	31.9	33.6	31.1	28.4	28.1	37.2	43.1	31.1	35.4	31.2	36.7	30.2
HOUSE PROFIT	41.7	24.2	37.3	33.1	36.9	25.4	34.8	31.7	41.9	26.6	24.2	36.0	33.7	26.5	25.6	35.1
FIXED EXPENSES																
Property Taxes	1.0	1.7	0.8	0.8	0.0	0.6	0.7	1.2	1.0	0.6	0.9	0.3	0.5	1.4	1.3	0.4
Insurance	0.2	0.4	0.3	0.3	0.2	0.2	0.3	0.2	0.2	0.2	0.5	0.2	0.2	1.0	0.3	0.3
Other Fixed Charges	0.3	2.3	1.1	1.4	0.5	0.0	1.4	1.3	0.8	0.4	0.6	6.6	0.1	1.5	1.7	1.1
Rent	6.2	0.2	0.2	0.0	0.1	0.6	1.3	0.3	0.6	0.4	0.7	0.8	4.0	1.0	0.1	0.0
Total	7.8	4.6	2.3	2.4	0.9	1.4	3.7	3.0	2.6	1.5	2.8	7.9	4.8	4.9	3.3	1.8
NET INCOME**	34.0%	19.6%	35.0%	30.7%	36.1%	24.0%	31.1%	28.7%	39.4%	25.1%	21.4%	28.1%	29.0%	21.6%	22.3%	33.3%

* Minor operated departments include laundry, gift shop, business centre, news stand, sports, health club, garage, parking and so forth

** Net Income is before depreciation, interest payments and taxes

ID: Insufficient Data

TABLE 3-4: Indian Hotel Industry – Seven Major Cities: Financial Report – Amount Per Available Room (2011-12)

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune		
COMPOSITION	Five-Star Deluxe & Five-Star	Four-Star, Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe, Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe, Five- Star & Four - Star	Three-Star & Two-Star
Number of Responses	*8*	*13*	*8*	*10*	*9*	*9*	*7*	*11*	*16*	*28*	*16*	*7*	*9*	*4*	*6*	*13*
Average Total Rooms Per Hotel:	**172**	**91**	**153**	**69**	**156**	**72**	**162**	**51**	**261**	**70**	**34**	**194**	**97**	**31**	**91**	**45**
Average Occupied Rooms Per Hotel:	**41,815**	**15,880**	**37,615**	**16,707**	**40,104**	**16,985**	**42,461**	**10,806**	**66,629**	**18,037**	**9,241**	**46,354**	**18,874**	**2,928**	**17,100**	**8,313**
Average Occupancy Per Hotel:	**69.5%**	**54.7%**	**67.8%**	**70.0%**	**75.1%**	**68.0%**	**73.8%**	**62.4%**	**72.6%**	**73.1%**	**74.6%**	**79.1%**	**59.8%**	**28.2%**	**54.1%**	**52.7%**
Average Rate Per Hotel (₹):	**8,697**	**3,922**	**5,509**	**2,304**	**7,576**	**2,305**	**6,299**	**3,045**	**7,509**	**4,793**	**1,912**	**8,704**	**5,169**	**2,531**	**3,579**	**3,206**
REVENUE (₹)																
Rooms	2,111,220	687,305	1,354,420	561,035	1,950,500	541,328	1,648,010	646,291	1,919,740	1,228,530	522,067	2,081,110	1,002,430	237,128	673,803	596,417
Food & Beverage	776,670	368,804	787,596	456,537	781,253	284,329	1,135,660	307,171	840,026	498,181	70,882	1,309,140	265,420	90,536	460,944	169,329
Banquets & Conferences	449,592	154,668	354,900	78,304	156,354	4,343	507,715	87,274	380,115	152,523	2,123	339,261	161,728	24,448	174,289	20,171
Telephone & Other	30,731	5,503	8,806	1,120	6,241	762	12,718	200	9,556	3,804	3,027	14,782	10,329	104	4,833	7,965
Minor Operated*	132,663	15,006	60,458	35,383	119,177	6,195	122,536	23,658	140,330	42,561	667	144,026	40,138	1,936	73,964	17,694
Rental & Other Income	42,714	40,246	37,465	69,711	73,326	24,587	98,997	77,600	55,752	69,067	12,568	261,253	60,431	35,480	29,517	19,951
Total	3,543,590	1,271,530	2,603,650	1,202,090	3,086,850	861,544	3,525,640	1,142,190	3,345,520	1,994,660	611,334	4,149,570	1,540,480	389,632	1,417,350	831,528
DEPARTMENTAL EXPENSES (₹)																
Rooms	261,033	120,484	226,393	163,244	402,946	94,471	311,642	124,648	309,606	205,158	124,103	452,910	141,289	55,575	125,981	145,659
Food & Beverage	620,359	337,534	674,479	287,390	485,224	246,288	810,806	294,564	635,991	447,454	62,517	808,452	297,374	106,744	387,089	114,052
Telephone & Other	17,325	3,781	3,267	1,576	6,384	797	10,127	105	8,911	5,471	6,860	7,163	8,794	195	6,631	5,513
Minor Operated*	74,868	12,927	34,448	39,817	68,433	8,618	63,698	19,320	45,411	57,039	949	77,704	24,891	2,640	12,076	19,744
Rental & Other Income	5,566	1,325	82	6,095	-	2,914	3,081	16,755	3,237	6,563	5,610	20,986	3,699	-	1,943	3,754
Total	979,151	476,052	938,668	498,122	962,986	353,088	1,199,350	455,392	1,003,160	721,684	200,038	1,367,210	476,047	165,154	533,720	288,721
DEPARTMENTAL INCOME (₹)	2,564,440	795,479	1,664,980	703,968	2,123,860	508,456	2,326,280	686,801	2,342,360	1,272,980	411,296	2,782,360	1,064,430	224,478	883,630	542,807
OPERATING EXPENSES (₹)																
Administrative & General	293,495	144,423	221,913	117,142	370,105	113,569	323,975	103,198	319,224	272,626	133,276	583,626	212,546	20,912	93,183	60,575
Management Fee	193,617	53,712	86,339	1,009	76,060	16,747	97,117	20,412	87,734	28,527	11,683	12,186	5,651	800	24,417	53,636
Marketing	143,511	35,552	57,272	6,341	111,522	19,597	142,840	24,391	98,936	55,785	20,208	162,834	69,516	8,600	72,344	10,677
Franchise Fees	8,798	26,210	16,883	3,419	9,159	8,272	13,285	714	27,345	17,157	1,223	29,794	2,198	-	-	2,475
Property Operations & Maintenance	191,651	105,125	87,953	74,580	219,399	72,842	196,786	86,627	137,647	154,037	31,419	195,388	156,302	31,800	84,932	30,049
Energy	255,152	122,681	224,057	103,432	197,489	58,561	323,831	89,238	268,894	214,654	65,896	305,757	98,696	59,296	245,945	93,569
Total	1,086,230	487,703	694,417	305,923	983,733	289,589	1,097,830	324,579	939,780	742,786	263,704	1,289,590	544,909	121,408	520,821	250,981
HOUSE PROFIT (₹)	1,478,210	307,776	970,563	398,045	1,140,130	218,867	1,228,450	362,222	1,402,580	530,191	147,591	1,492,770	519,523	103,070	362,809	291,826
FIXED EXPENSES (₹)																
Property Taxes	36,016	21,887	20,677	9,322	688	4,813	25,364	13,137	32,257	11,908	5,515	11,254	7,346	5,424	18,142	3,242
Insurance	7,971	5,564	6,521	3,430	6,754	2,105	11,082	2,511	5,678	4,287	2,849	7,900	3,380	3,824	4,006	2,601
Other Fixed Charges	10,632	29,341	28,455	16,356	15,825	154	49,823	15,314	28,171	6,923	3,921	275,678	1,712	5,960	23,487	9,085
Rent	220,592	2,095	3,830	86	3,981	5,151	44,769	3,087	19,498	7,020	4,515	31,690	61,068	3,744	806	7
Total	275,211	58,888	59,484	29,194	27,247	12,222	131,038	34,050	85,604	30,138	16,800	326,522	73,507	18,952	46,440	14,935
NET INCOME (₹)**	1,203,000	248,888	911,080	368,851	1,112,880	206,645	1,097,410	328,172	1,316,980	500,053	130,792	1,166,250	446,016	84,118	316,369	276,891

* Minor operated departments include laundry, gift shop, business centre, news stand, sports, health club, garage, parking and so forth

** Net Income is before depreciation, interest payments and taxes

ID: Insufficient Data

TABLE 3-5: Indian Hotel Industry – Seven Major Cities: Financial Report – Amount Per Occupied Room (2011-12)

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	Five-Star Deluxe & Five-Star	Four-Star, Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe, Five-Star	Three-Star & Two-Star	Two-Star & One-Star	Five-Star Deluxe, Five- Star & Four - Star	Three-Star & Two-Star
Number of Responses	*8*	*13*	*8*	*10*	*9*	*9*	*7*	*11*	*16*	*28*	*16*	*7*	*9*	*4*	*6*	*13*
Average Total Rooms Per Hotel:	**172**	**91**	**153**	**69**	**156**	**72**	**162**	**51**	**261**	**70**	**34**	**194**	**97**	**31**	**91**	**45**
Average Occupied Rooms Per Hotel:	**41,815**	**15,880**	**37,615**	**16,707**	**40,104**	**16,985**	**42,461**	**10,806**	**66,629**	**18,037**	**9,241**	**46,354**	**18,874**	**2,928**	**17,100**	**8,313**
Average Occupancy Per Hotel:	**69.5%**	**54.7%**	**67.8%**	**70.0%**	**75.1%**	**68.0%**	**73.8%**	**62.4%**	**72.6%**	**73.1%**	**74.6%**	**79.1%**	**59.8%**	**28.2%**	**54.1%**	**52.7%**
Average Rate Per Hotel (₹):	**8,697**	**3,922**	**5,509**	**2,304**	**7,576**	**2,305**	**6,299**	**3,045**	**7,509**	**4,793**	**1,912**	**8,704**	**5,169**	**2,531**	**3,579**	**3,206**
REVENUE (₹)																
Rooms	8,697	3,922	5,509	2,304	7,576	2,305	6,299	3,045	7,509	4,793	1,912	8,704	5,169	2,531	3,579	3,206
Food & Beverage	3,199	2,105	3,204	1,875	3,035	1,211	4,341	1,447	3,286	1,944	260	5,475	1,369	966	2,448	910
Banquets & Conferences	1,852	883	1,444	322	607	18	1,941	411	1,487	595	8	1,419	834	261	926	108
Telephone & Other	127	31	36	5	24	3	49	1	37	15	11	62	53	1	26	43
Minor Operated*	546	86	246	145	463	26	468	111	549	166	2	602	207	21	393	95
Rental & Other Income	176	230	152	286	285	105	378	366	218	269	46	1,093	312	379	157	107
Total	14,597	7,256	10,591	4,936	11,990	3,669	13,475	5,381	13,086	7,782	2,239	17,354	7,944	4,159	7,529	4,470
DEPARTMENTAL EXPENSES (₹)																
Rooms	1,075	688	921	670	1,565	402	1,191	587	1,211	800	454	1,894	729	593	669	783
Food & Beverage	2,555	1,926	2,743	1,180	1,885	1,049	3,099	1,388	2,488	1,746	229	3,381	1,533	1,139	2,056	613
Telephone & Other	71	22	13	6	25	3	39	1	35	21	25	30	45	2	35	30
Minor Operated*	308	74	140	164	266	37	243	91	178	223	3	325	128	28	64	106
Rental & Other Income	23	8	0	25	-	12	12	79	13	26	21	88	19	-	10	20
Total	4,033	2,717	3,818	2,045	3,741	1,504	4,584	2,145	3,924	2,816	733	5,718	2,455	1,763	2,835	1,552
DEPARTMENTAL INCOME (₹)	10,564	4,540	6,772	2,891	8,250	2,165	8,891	3,236	9,162	4,966	1,506	11,636	5,489	2,396	4,694	2,918
OPERATING EXPENSES (₹)																
Administrative & General	1,209	824	903	481	1,438	484	1,238	486	1,249	1,064	488	2,441	1,096	223	495	326
Management Fee	798	307	351	4	295	71	371	96	343	111	43	51	29	9	130	288
Marketing	591	203	233	26	433	83	546	115	387	218	74	681	358	92	384	57
Franchise Fees	36	150	69	14	36	35	51	3	107	67	4	125	11	-	-	13
Property Operations & Maintenance	789	600	358	306	852	310	752	408	538	601	115	817	806	339	451	162
Energy	1,051	700	911	425	767	249	1,238	420	1,052	837	241	1,279	509	633	1,306	503
Total	4,475	2,783	2,825	1,256	3,821	1,233	4,196	1,529	3,676	2,898	966	5,393	2,810	1,296	2,767	1,349
HOUSE PROFIT (₹)	6,089	1,756	3,948	1,634	4,429	932	4,695	1,707	5,486	2,069	541	6,243	2,679	1,100	1,927	1,569
FIXED EXPENSES (₹)																
Property Taxes	148	125	84	38	3	20	97	62	126	46	20	47	38	58	96	17
Insurance	33	32	27	14	26	9	42	12	22	17	10	33	17	41	21	14
Other Fixed Charges	44	167	116	67	61	1	190	72	110	27	14	1,153	9	64	125	49
Rent	909	12	16	0	15	22	171	15	76	27	17	133	315	40	4	0
Total	1,134	336	242	120	106	52	501	160	335	118	62	1,366	379	202	247	80
NET INCOME (₹)**	4,956	1,420	3,706	1,515	4,323	880	4,194	1,546	5,151	1,951	479	4,877	2,300	898	1,680	1,489

* Minor operated departments include laundry, gift shop, business centre, news stand, sports, health club, garage, parking and so forth

** Net Income is before depreciation, interest payments and taxes

ID: Insufficient Data

TABLE 3-6: Indian Hotel Industry – Seven Major Cities: Market Data

Market Segmentation

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	**Five-Star Deluxe, Five-Star**	**Four-Star, Three-Star & Two-Star**	**Five-Star Deluxe, Five-Star & Four-Star**	**Three-Star & Two-Star**	**Five-Star Deluxe & Five-Star**	**Four-Star & Three-Star**	**Five-Star Deluxe, Five-Star& Four-Star**	**Three-Star & Two-Star**	**Five-Star Deluxe & Five-Star**	**Four-Star & Three-Star**	**Two-Star & One-Star**	**Five-Star Deluxe & Five-Star**	**Four-Star & Three-Star**	**Two-Star & One-Star**	**Five-Star Deluxe, Five-Star& Four-Star**	**Three-Star & Two-Star**
Number of Responses	**9**	**20**	**6**	**16**	**10**	**15**	**7**	**20**	**16**	**43**	**31**	**7**	**12**	**9**	**6**	**21**
Airline Crew	6.8%	1.9%	5.2%	0.7%	0.5%	0.7%	10.3%	0.7%	5.9%	1.2%	0.7%	6.4%	0.7%	1.1%	2.9%	1.0%
Business Traveller - Domestic	11.1	35.7	31.0	35.8	4.1	7.8	41.9	53.2	19.0	37.9	41.0	19.6	32.3	30.0	46.7	39.2
Business Traveller - Foreign	34.0	18.6	30.4	10.8	1.8	6.5	18.4	11.2	18.3	17.6	10.3	24.3	15.9	3.2	32.5	9.5
Complimentary Rooms	2.0	1.6	1.6	1.2	2.8	0.8	1.2	0.7	2.1	1.7	1.2	1.8	1.5	2.2	1.7	1.8
Domestic - Tourists / Leisure FIT	3.9	9.6	1.2	10.1	33.3	27.0	4.6	10.7	16.2	12.9	16.7	3.4	8.0	18.0	7.0	18.6
Foreign - Tourists / Leisure FIT	2.9	3.1	2.8	7.0	11.7	29.7	2.9	5.4	9.8	9.3	6.6	9.2	11.8	8.7	4.1	3.4
Meeting Participants (Less than 100 Attendees)	4.1	7.8	1.8	3.1	5.4	4.2	4.6	4.1	3.2	2.9	3.2	2.8	6.3	10.9	0.3	3.3
Meeting Participants (Over 100 Attendees)	9.0	13.7	15.3	6.6	10.5	5.7	7.7	5.1	12.4	6.5	6.9	6.3	6.4	3.0	0.8	15.8
Tour Groups - Domestic	2.6	3.5	2.0	16.0	7.5	10.5	2.4	3.7	4.1	3.8	6.7	2.3	2.6	7.1	1.1	5.2
Tour Groups - Foreign	0.8	1.9	4.5	6.0	17.2	1.1	2.4	2.0	2.4	2.9	2.7	13.2	9.8	4.7	0.5	1.3
Other	22.9	2.5	4.2	2.8	5.3	6.1	3.8	3.3	6.6	3.4	4.2	10.7	4.6	11.1	2.4	1.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Country of Origin of Guests

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	**Five-Star Deluxe, Five-Star**	**Four-Star, Three-Star & Two-Star**	**Five-Star Deluxe, Five-Star & Four-Star**	**Three-Star & Two-Star**	**Five-Star Deluxe & Five-Star**	**Four-Star & Three-Star**	**Five-Star Deluxe, Five-Star& Four-Star**	**Three-Star & Two-Star**	**Five-Star Deluxe & Five-Star**	**Four-Star & Three-Star**	**Two-Star & One-Star**	**Five-Star Deluxe & Five-Star**	**Four-Star & Three-Star**	**Two-Star & One-Star**	**Five-Star Deluxe, Five-Star& Four-Star**	**Three-Star & Two-Star**
Number of Responses	***9***	***9***	***5***	***11***	***9***	***14***	***6***	***11***	***11***	***27***	***24***	***7***	***10***	***5***	***6***	***9***
ASEAN*	4.2%	4.6%	4.3%	8.9%	1.3%	0.9%	3.7%	3.4%	7.5%	5.7%	5.3%	5.2%	2.0%	8.6%	9.1%	6.7%
Australia	4.3	2.3	2.3	3.9	1.7	2.6	6.1	3.9	2.9	2.5	2.7	6.5	4.9	5.2	1.5	3.4
Canada	1.8	1.5	1.3	5.1	2.2	4.5	2.3	2.1	3.8	3.6	3.5	2.4	3.5	3.0	2.3	2.8
Caribbean	0.2	0.0	0.6	2.0	0.2	0.6	0.4	0.1	1.2	0.9	0.5	0.5	0.7	0.4	0.5	0.0
China	2.5	4.1	2.8	6.6	1.2	2.3	3.2	18.1	2.8	5.9	4.6	2.4	4.1	10.0	2.7	5.3
France	7.4	6.9	2.8	8.4	3.4	1.4	2.6	3.1	3.1	4.8	2.6	3.1	10.3	5.4	2.5	6.2
Germany	6.0	9.4	5.5	4.2	3.7	3.4	6.8	3.8	5.7	4.7	4.3	4.0	4.6	4.2	8.2	10.0
Japan	3.6	13.7	8.3	5.5	1.1	2.4	4.2	11.8	3.7	5.4	3.0	9.1	5.0	8.7	3.1	8.4
Middle East	2.0	4.1	1.7	3.6	2.3	2.7	3.8	2.0	5.0	6.8	10.1	2.9	2.8	4.6	1.3	6.7
Other European	9.6	19.3	12.3	7.9	9.0	10.4	9.6	6.0	9.7	7.1	6.9	8.5	11.9	14.7	16.6	6.7
Russia	1.1	0.7	0.4	2.7	20.4	21.6	1.7	1.2	1.1	2.9	2.6	1.4	9.7	4.0	4.6	2.2
SAARC **	0.6	3.6	0.8	9.2	6.9	2.1	3.7	29.9	2.9	7.1	13.3	2.1	3.0	12.2	1.7	3.0
South Africa	1.5	0.6	0.6	4.6	1.0	0.7	0.8	0.2	2.6	5.7	2.8	2.0	2.2	0.4	0.3	3.6
UK	12.0	7.5	8.5	5.6	13.6	24.7	8.1	6.3	11.9	14.5	13.9	9.6	8.7	9.2	11.5	9.4
USA	23.1	15.8	21.7	6.9	4.6	4.8	10.8	5.4	10.5	13.6	11.3	17.4	9.8	3.6	13.0	16.4
Other	20.1	6.0	26.3	15.0	27.5	14.9	32.2	2.7	25.7	8.8	12.4	23.1	16.8	5.8	21.1	9.1
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

* ASEAN: Association of South East Asian Nations

** SAARC: South Asian Association for Regional Co-operation - India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, Maldives

TABLE 3-7: Indian Hotel Industry – Seven Major Cities: Monthly and Daily Occupancy

Average Monthly Occupancy

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	Five-Star Deluxe, Five-Star	Four-Star,Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five- Star & Four - Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One - Star	Five-Star Deluxe, Five-Star& Four-Star	Three-Star & Two-Star
Number of Responses	*10*	*19*	*9*	*19*	*11*	*18*	*7*	*26*	*17*	*49*	*34*	*9*	*15*	*10*	*8*	*23*
January	67.7%	59.6%	65.4%	65.7%	83.5%	78.1%	77.0%	74.0%	74.3%	75.7%	76.2%	73.0%	64.4%	54.5%	54.0%	56.6%
February	79.1	63.0	76.6	70.8	82.2	78.8	81.6	71.1	79.1	78.4	74.7	86.0	75.7	56.1	57.9	61.0
March	70.0	53.9	69.6	65.3	78.0	71.4	73.0	63.4	72.1	69.9	73.1	79.7	62.4	54.3	54.1	55.8
April	67.0	56.0	55.9	67.7	76.3	61.3	68.9	64.1	72.8	69.3	66.9	73.4	55.9	48.3	51.0	56.4
May	68.8	53.8	58.4	69.4	70.0	53.4	71.4	62.9	68.2	67.0	64.9	70.7	52.6	44.9	53.6	56.7
June	64.0	54.3	61.3	70.6	66.7	43.9	71.9	65.2	66.3	63.7	67.2	64.2	49.4	40.3	52.6	56.8
July	64.0	57.2	61.4	69.9	63.2	38.2	73.6	65.4	63.3	65.8	68.3	70.1	54.7	43.0	57.1	57.1
August	62.0	54.4	62.2	66.0	58.6	45.4	65.0	63.3	64.0	64.6	67.1	66.2	51.6	44.9	57.8	54.0
September	65.3	56.0	67.6	67.2	64.2	50.9	74.7	63.9	69.5	67.9	87.5	73.9	57.4	53.1	56.9	55.1
October	60.2	55.2	62.6	62.6	72.6	63.8	62.6	60.6	63.3	65.3	68.8	70.2	59.9	57.3	52.6	51.5
November	73.2	64.6	72.8	68.1	76.7	74.7	83.0	85.6	79.5	77.5	73.6	81.1	73.5	66.0	65.4	56.6
December	60.2	59.8	65.9	71.2	77.6	82.3	78.4	77.0	72.2	77.8	80.7	68.4	61.7	57.6	58.8	60.1

Average Daily Occupancy

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	Five-Star Deluxe, Five-Star	Four-Star,Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five- Star & Four - Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One - Star	Five-Star Deluxe, Five-Star& Four-Star	Three-Star & Two-Star
Number of Responses	*10*	*17*	*9*	*18*	*8*	*11*	*7*	*25*	*17*	*43*	*35*	*9*	*14*	*10*	*7*	*20*
Monday	68.3%	57.6%	59.6%	63.3%	61.0%	60.2%	76.9%	64.2%	71.4%	72.4%	67.7%	75.0%	58.7%	51.1%	60.6%	52.9%
Tuesday	71.7	57.3	64.8	67.9	61.4	61.8	77.2	64.2	73.9	71.6	69.3	76.4	62.2	53.2	60.9	56.7
Wednesday	71.5	57.1	62.2	67.7	63.0	61.8	80.2	66.1	74.7	75.0	72.6	75.3	65.9	55.0	62.6	55.6
Thursday	57.1	55.1	61.2	67.7	70.0	62.6	78.9	65.6	71.0	73.7	73.5	73.7	62.2	54.4	58.3	59.2
Friday	49.1	55.2	50.0	64.3	80.1	66.8	70.5	62.0	61.8	65.6	69.5	67.2	59.2	48.5	48.4	53.3
Saturday	47.9	51.6	48.1	63.1	85.9	63.6	62.3	54.1	58.6	55.6	59.7	63.4	49.8	41.3	43.7	45.9
Sunday	57.9	47.2	50.8	57.3	70.4	61.7	62.9	46.0	58.5	56.5	54.5	65.3	45.4	37.0	46.6	40.7

TABLE 3-8: Indian Hotel Industry – Seven Major Cities: Sources of Reservation

Source of Advance Reservations

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	Five-Star Deluxe & Five-Star	Four-Star, Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five- Star & Four - Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe, Five-Star& Four-Star	Three-Star & Two-Star
Number of Responses	*10*	*20*	*9*	*19*	*10*	*15*	*7*	*21*	*16*	*44*	*34*	*9*	*15*	*11*	*8*	*22*
Chain CRS (Central Reservation System)	3.2%	2.2%	1.8%	1.4%	3.3%	3.3%	1.5%	3.1%	8.7%	1.8%	1.0%	12.6%	2.1%	2.1%	3.8%	1.7%
Direct Enquiry / Hotel Representative	49.3	55.7	53.7	61.0	29.1	32.7	65.3	53.1	42.5	44.9	50.9	39.6	52.0	45.7	51.0	62.4
Global Distribution System (GDS)	22.2	5.3	8.9	2.2	0.8	3.0	4.9	1.7	10.3	2.8	1.2	10.8	1.3	1.7	5.1	2.0
Hotel / Chain Website	7.9	10.7	2.5	5.7	5.9	7.5	3.2	5.9	7.9	10.8	6.9	5.8	5.9	10.3	8.4	6.5
Travel Agent & Tour Operator	5.1	11.8	6.7	14.8	43.6	33.6	4.0	19.7	7.3	14.6	21.2	19.0	18.9	11.0	9.2	8.5
Other Online Reservation Systems	8.4	4.4	4.4	2.6	1.4	1.7	10.1	2.9	6.7	4.0	1.8	3.7	6.2	4.6	7.4	1.1
Other Websites	2.2	6.0	5.5	8.0	6.2	11.2	4.3	4.1	5.0	8.3	7.0	5.4	7.1	6.3	7.1	7.5
Other	1.7	4.1	16.7	4.4	9.7	7.0	6.7	9.5	11.7	12.7	10.1	3.2	6.5	18.4	8.1	10.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

TABLE 3-9: Indian Hotel Industry – Seven Major Cities: Marketing Media

Marketing Media - Percentage of Hotels Using Each Media

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	Five-Star Deluxe & Five-Star	Four-Star, Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five- Star & Four - Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe, Five-Star& Four-Star	Three-Star & Two-Star
Number of Responses	*9*	*22*	*8*	*18*	*12*	*16*	*7*	*20*	*17*	*50*	*33*	*8*	*14*	*12*	*8*	*24*
Blogs	33.3%	9.1%	0.0%	5.6%	0.0%	6.3%	0.0%	0.0%	17.7%	10.0%	0.0%	12.5%	0.0%	16.7%	25.0%	4.2%
Direct Mail	88.9	72.7	87.5	83.3	66.7	68.8	100.0	75.0	88.2	88.0	84.9	87.5	78.6	75.0	87.5	75.0
Hotel Web Site	88.9	90.9	100.0	100.0	75.0	100.0	100.0	90.0	82.4	88.0	69.7	100.0	100.0	91.7	100.0	79.2
Loyalty Card program	55.6	50.0	87.5	22.2	33.3	6.3	85.7	25.0	82.4	30.0	9.1	87.5	28.6	16.7	75.0	25.0
Merchandising	55.6	13.6	37.5	22.2	0.0	25.0	57.1	25.0	29.4	22.0	12.1	25.0	7.1	8.3	25.0	25.0
Other Internet sites	77.8	59.1	87.5	83.3	41.7	68.8	85.7	55.0	64.7	76.0	66.7	75.0	71.4	75.0	75.0	62.5
Outdoor Advertising	66.7	54.6	25.0	44.4	58.3	43.8	71.4	35.0	76.5	58.0	33.3	50.0	35.7	25.0	87.5	54.2
Pay Per Click	0.0	9.1	0.0	11.1	0.0	6.3	0.0	10.0	23.5	10.0	0.0	50.0	14.3	0.0	0.0	0.0
Print Advertising	100.0	77.3	87.5	61.1	100.0	87.5	100.0	60.0	88.2	82.0	63.6	100.0	71.4	66.7	100.0	95.8
Promotions	100.0	72.7	87.5	66.7	58.3	75.0	100.0	55.0	76.5	70.0	45.5	100.0	78.6	58.3	87.5	66.7
Radio Advertising	55.6	18.2	37.5	0.0	0.0	43.8	57.1	10.0	29.4	16.0	6.1	25.0	21.4	0.0	25.0	16.7
Telemarketing	33.3	45.5	62.5	66.7	33.3	37.5	85.7	60.0	64.7	66.0	45.5	50.0	57.1	25.0	37.5	50.0
TV Advertising	11.1	9.1	37.5	16.7	33.3	25.0	28.6	10.0	29.4	14.0	3.0	25.0	21.4	0.0	25.0	8.3
Viral Marketing	22.2	4.6	0.0	5.6	8.3	6.3	0.0	0.0	5.9	8.0	0.0	12.5	7.1	0.0	12.5	4.2

TABLE 3-10: Indian Hotel Industry – Seven Major Cities: Payment Methods

Payment Methods Used

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	Five-Star Deluxe, Five-Star	Four-Star,Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five- Star & Four - Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe, Five-Star& Four-Star	Three-Star & Two-Star
Number of Responses	*7*	*14*	*8*	*15*	*10*	*14*	*6*	*21*	*17*	*44*	*34*	*4*	*12*	*10*	*7*	*23*
Cash Sales	11.7%	34.6%	14.1%	45.0%	12.0%	36.5%	15.2%	43.3%	14.9%	27.9%	51.7%	14.1%	32.3%	42.2%	20.6%	32.9%
Credit Card Sales	56.3	41.8	51.3	32.0	28.4	23.2	46.5	31.4	50.3	39.6	32.5	56.7	39.5	27.2	44.4	39.0
Credit Sales (Other Than Cards)	21.8	20.1	29.9	16.3	49.7	27.4	36.2	19.8	30.9	25.5	13.3	21.8	20.8	25.8	29.6	19.5
Electronic Fund Transfer	10.2	3.4	4.8	6.8	9.9	13.0	2.2	5.5	3.9	7.0	2.5	7.5	7.4	4.8	5.4	8.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Credit Cards Used

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	Five-Star Deluxe, Five-Star	Four-Star,Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five- Star & Four - Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe, Five-Star& Four-Star	Three-Star & Two-Star
Number of Responses	*9*	*14*	*8*	*14*	*8*	*13*	*6*	*16*	*16*	*38*	*28*	*4*	*12*	*8*	*7*	*20*
American Express	43.6%	14.5%	22.4%	6.9%	16.1%	5.7%	27.5%	4.6%	27.5%	13.6%	6.6%	31.6%	11.8%	4.5%	21.2%	10.0%
Diners club	2.1	4.9	4.1	2.2	0.1	1.2	1.5	1.5	4.7	1.1	2.6	4.9	3.2	1.6	0.9	3.7
Mastercard/Eurocard	24.1	39.0	27.9	33.3	40.5	38.5	34.7	43.6	42.4	38.7	36.7	17.9	37.3	33.6	38.0	45.5
Visa	29.4	37.2	39.6	52.0	36.7	54.3	36.0	48.4	24.9	42.4	45.1	45.3	44.8	57.1	38.4	39.9
Other	0.8	4.5	6.0	5.6	6.6	0.4	0.3	1.9	0.6	4.2	9.0	0.3	2.9	3.1	1.4	1.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Average Credit Card Commission

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	Five-Star Deluxe, Five-Star	Four-Star,Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Five-Star Deluxe, Five- Star & Four - Star	Three-Star & Two-Star	Five-Star Deluxe & Five-Star	Four-Star & Three-Star	Two-Star & One-Star	Five-Star Deluxe, Five-Star	Four-Star & Three-Star	Two-Star&One-Star	Five-Star Deluxe, Five-Star& Four-Star	Three-Star & Two-Star
Number of Responses	*9*	*11*	*6*	*13*	*10*	*10*	*6*	*15*	*14*	*35*	*30*	*4*	*9*	*6*	*7*	*16*
American Express	3.5%	3.8%	3.5%	2.9%	3.2%	4.3%	3.4%	1.9%	3.2%	3.5%	2.4%	3.1%	3.1%	2.0%	3.2%	2.6%
Diners club	1.1	3.7	2.5	1.1	0.2	0.5	2.0	0.9	1.4	0.7	0.6	1.9	0.3	0.3	1.3	0.5
Mastercard/Eurocard	1.1	1.5	1.0	3.2	1.5	1.7	2.7	3.0	1.1	1.5	1.8	1.4	1.6	2.2	1.4	4.9
Visa	1.3	1.5	1.0	2.0	1.5	1.9	2.7	1.6	1.1	1.5	1.8	1.1	1.5	2.2	1.5	3.1
Other	0.3	0.3	0.0	0.7	0.1	0.2	0.0	0.4	0.1	0.1	0.3	1.0	0.5	0.0	0.3	0.2

TABLE 3-11: Indian Hotel Industry – Seven Major Cities: Technology

Technology in Hotels - Percentage of Hotels Using Each Technology

	Bengaluru		Chennai		Goa		Kolkata		Mumbai			New Delhi-NCR			Pune	
COMPOSITION	**Five-Star Deluxe & Five-Star**	**Four-Star, Three-Star & Two-Star**	**Five-Star Deluxe, Five-Star & Four-Star**	**Three-Star & Two-Star**	**Five-Star Deluxe & Five-Star**	**Four-Star & Three-Star**	**Five-Star Deluxe, Five- Star & Four - Star**	**Three-Star & Two-Star**	**Five-Star Deluxe & Five-Star**	**Four-Star & Three-Star**	**Two-Star & One-Star**	**Five-Star Deluxe & Five-Star**	**Four-Star & Three-Star**	**Two-Star & One-Star**	**Five-Star Deluxe, Five-Star& Four-Star**	**Three-Star & Two-Star**
Number of Responses	*7*	*15*	*7*	*17*	*11*	*16*	*6*	*23*	*13*	*43*	*35*	*6*	*14*	*11*	*8*	*19*
Accounting System	100.0%	80.0%	100.0%	94.1%	90.9%	93.8%	100.0%	87.0%	84.6%	93.0%	97.1%	66.7%	92.9%	81.8%	87.5%	84.2%
Call Accounting System	57.1	60.0	85.7	70.6	63.6	43.8	66.7	52.2	76.9	74.4	48.6	66.7	71.4	63.6	75.0	68.4
Central Reservation System (CRS)	71.4	6.7	85.7	11.8	54.6	12.5	50.0	17.4	61.5	30.2	14.3	50.0	64.3	18.2	25.0	15.8
Electronic Keycard	100.0	73.3	85.7	70.6	72.7	43.8	83.3	30.4	92.3	72.1	22.9	83.3	64.3	45.5	100.0	47.4
Energy Management System	42.9	26.7	42.9	23.5	27.3	18.8	33.3	8.7	38.5	23.3	11.4	33.3	50.0	36.4	62.5	42.1
Internet / E-Mail	100.0	86.7	100.0	94.1	100.0	93.8	100.0	91.3	100.0	95.4	88.6	100.0	100.0	90.9	100.0	84.2
Internet / Website	100.0	86.7	100.0	94.1	90.9	93.8	100.0	78.3	92.3	95.4	80.0	100.0	100.0	90.9	100.0	84.2
Intranet System	57.1	33.3	85.7	64.7	54.6	31.3	100.0	39.1	46.2	41.9	31.4	50.0	57.1	54.6	50.0	47.4
Local Area Network (LAN)	100.0	73.3	100.0	94.1	100.0	87.5	100.0	73.9	84.6	86.1	65.7	100.0	92.9	72.7	100.0	84.2
Management Information System	57.1	60.0	100.0	47.1	72.7	50.0	83.3	47.8	61.5	62.8	20.0	83.3	78.6	27.3	100.0	47.4
Point of Sale System for Food and Beverage	100.0	73.3	100.0	94.1	90.9	50.0	100.0	56.5	100.0	95.4	31.4	100.0	85.7	36.4	100.0	73.7
Property Management System	100.0	73.3	100.0	58.8	90.9	31.3	100.0	30.4	76.9	60.5	20.0	100.0	64.3	9.1	75.0	47.4
Yield Management System	14.3	26.7	28.6	5.9	18.2	25.0	66.7	0.0	53.9	23.3	2.9	16.7	57.1	0.0	25.0	15.8
Other	0.0	13.3	14.3	5.9	0.0	0.0	16.7	4.4	15.4	11.6	0.0	16.7	21.4	9.1	25.0	15.8

4. Indian Hotel Industry – Twelve Other Cities

Introduction

This section presents the operating profiles and financial data for different categories of hotels in twelve other cities. These cities are Ahmedabad, Bhopal, Coimbatore, Gurgaon, Hyderabad, Indore, Jaipur, Jodhpur, Kochi, Kottayam, Udaipur, and Vadodara. This section will provide the reader an understanding of the trends related to customer segmentation, use of technology, operating performance, etc.

Qualifying Condition

In certain cities, we were unable to fulfil the minimum data requirement of a minimum of four hotels in each representation and have reflected this as 'ID' (insufficient data).

Trends

Highlighted below are some trends noted in the 2011/12 survey across these 12 participating cities.

- **Banquets & Conferences:** It is observed that cities such as Coimbatore, Gurgaon, Jodhpur, and Kochi, which have a large portion of their revenue generated from the Banquets & Conferences department, have proportionately lower F&B Expenses than other cities. While large-scale banqueting and conferencing may be highly capital intensive to be set up, they enable F&B departments at hotels to achieve better efficiencies in their operations by catering to large volumes of business at relatively lower operating costs. However, the nature of the facility must be in line with the positioning of the hotel.

- **Average Employees per Room:** Most cities in the survey revealed an employee-to-room ratio in line with the national average (1.6), with the exception of Ahmedabad, Bhopal, Coimbatore, Gurgaon, and Indore, which have a higher ratio. This may be attributed to hotels in these cities employing a larger number of F&B personnel which cater to heavy banqueting business in these cities.

- **Use of Technology:** We note that with the exception of Udaipur, hotels are using technology across departments in the form of accounting systems, property management systems, local area networks and yield management systems. In Udaipur, as the respondents comprise small independent resorts and *havelis* converted into hotels, the use of technology is ascertained to be minimal.

TABLE 4-1: Indian Hotel Industry – Twelve Other Cities: Facilities and Guest Analysis

Typical Room Profile of an Average Hotel

		Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION		Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses		*12*	*6*	*4*	*8*	*6*	*15*	*15*	*9*	*10*	*6*	*15*	*6*	*9*	*8*
Air-Conditioned	Single	18.4	0.0	3.0	41.3	0.0	7.3	3.1	1.7	0.0	1.0	5.8	0.0	3.1	2.8
	Double	48.3	49.3	65.0	108.4	144.8	61.1	39.4	60.7	74.7	47.0	37.7	40.3	27.8	43.1
	Suites	3.9	5.3	14.5	5.6	42.5	5.7	3.1	14.6	4.9	14.7	11.5	2.7	2.7	2.4
Non-Air-Conditioned	Single	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Double	0.1	1.2	0.0	0.0	0.0	13.5	0.0	0.0	0.0	0.0	0.2	2.8	6.4	10.0
	Suites	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8
Total Average Rooms		**70.7**	**55.8**	**82.5**	**155.3**	**187.3**	**89.0**	**45.6**	**76.9**	**79.6**	**62.7**	**55.2**	**45.8**	**40.0**	**59.0**

Average Number of Food & Beverage Outlets Per Hotel

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses	*12*	*6*	*4*	*8*	*5*	*10*	*14*	*9*	*9*	*6*	*15*	*4*	*7*	*7*
Restaurant	1.5	2.3	1.5	2.6	2.4	1.5	2.0	2.2	1.7	2.0	1.9	1.5	1.4	1.4
Bars	0.0	0.8	1.3	1.1	1.4	0.9	1.2	1.1	0.9	1.0	0.7	1.0	0.7	0.1
Others	1.2	2.0	4.0	1.3	1.0	1.1	1.9	0.7	2.0	0.3	2.3	0.5	0.3	1.0
Total	**2.7**	**5.2**	**6.8**	**5.0**	**4.8**	**3.5**	**5.1**	**4.0**	**4.6**	**3.3**	**4.9**	**3.0**	**2.4**	**2.6**

Guest Analysis

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses	*10*	*6*	*4*	*8*	*4*	*10*	*15*	*9*	*9*	*4*	*13*	*5*	*8*	*8*
Domestic Guests	77.1%	85.4%	78.7%	44.5%	70.0%	89.3%	95.4%	41.1%	62.7%	38.6%	71.6%	62.5%	83.6%	83.4%
Foreign Guests	22.9	14.6	21.3	55.6	30.0	10.7	4.6	58.9	37.4	61.4	28.4	37.1	16.4	16.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**99.6**	**100.0**	**100.0**
Total Business	87.8%	77.4%	96.0%	68.7%	78.0%	80.9%	73.3%	32.8%	50.1%	21.6%	62.2%	10.0%	37.4%	87.4%
Total Leisure	12.2	22.6	4.0	31.3	22.0	19.1	26.7	67.2	49.9	78.4	37.8	90.0	62.6	12.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Avg. Stay of Foreign Guests (Days)	3.0	1.5	4.0	1.9	2.0	4.5	1.9	1.8	1.8	18.6	2.3	2.4	1.9	4.1
Avg. Stay of Domestic Guests (Days)	2.5	1.9	2.0	1.7	1.7	1.5	2.2	1.7	1.7	3.5	2.7	2.4	2.0	2.3
Avg. Stay of Business Guests (Days)	2.5	2.0	2.5	1.8	2.0	2.5	2.8	1.5	2.2	2.5	5.3	1.4	1.7	3.3
Avg. Stay of Leisure Guests (Days)	2.3	1.7	1.0	1.4	2.0	2.5	1.9	2.0	2.2	1.6	1.8	2.8	2.1	1.5
Percentage of Repeat Guests	45.5	61.0	53.5	45.0	36.0	75.0	63.1	9.3	44.6	15.0	36.3	18.5	33.8	51.7

TABLE 4-2: Indian Hotel Industry – Twelve Other Cities: Staffing

Average Number of Total Employees Per Hotel (Permanent / Contract / Full Time / Part Time)

		Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION		Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses		*12*	*6*	*4*	*8*	*5*	*12*	*15*	*9*	*10*	*5*	*14*	*5*	*9*	*7*
Managers	Male	10.4	14.0	15.0	40.9	34.8	7.9	9.5	14.0	10.8	16.8	7.5	8.4	2.9	6.9
	Female	1.7	1.5	1.5	6.9	12.0	0.8	2.9	2.0	0.9	2.6	1.9	1.2	0.1	1.1
Supervisors	Male	13.4	21.0	28.5	36.5	46.8	15.7	11.7	15.6	14.9	12.0	12.4	11.6	3.4	11.7
	Female	1.9	1.7	2.3	6.1	11.0	2.6	1.7	1.1	2.2	1.0	2.5	2.4	0.4	1.7
Staff	Male	102.3	113.3	112.0	198.3	202.0	58.8	76.2	78.3	71.2	93.4	59.1	54.6	22.1	76.4
	Female	6.3	4.8	26.3	19.5	47.6	9.2	2.9	4.1	3.3	6.2	11.3	19.0	1.4	4.3
Total		**135.9**	**156.3**	**185.5**	**308.1**	**354.2**	**95.0**	**105.0**	**115.1**	**103.3**	**132.0**	**94.6**	**97.2**	**30.4**	**102.1**
Average Number of Employees per Room		2.2	2.9	2.2	2.2	1.8	1.1	2.6	1.6	1.3	1.8	1.8	1.9	0.7	1.7

Average Percentage of Trained Employees Per Hotel

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses	*7*	*6*	*4*	*8*	*4*	*9*	*9*	*9*	*9*	*5*	*12*	*5*	*7*	*5*
Managers	90.2%	83.6%	51.9%	93.3%	100.0%	90.2%	60.0%	97.2%	98.6%	83.9%	91.5%	100.0%	85.7%	73.0%
Supervisors	78.6	82.9	49.2	91.8	100.0	74.8	49.1	90.3	91.5	96.4	100.0	98.2	66.2	66.7
Staff	74.0	54.1	48.9	88.5	88.5	65.6	48.9	77.0	71.3	76.0	79.9	87.8	42.3	55.7
Total Avg. Trained Employees*	80.9%	73.5%	50.0%	91.2%	96.2%	76.8%	52.7%	88.2%	87.2%	85.4%	90.4%	95.3%	64.7%	65.1%
Total Avg. Un-Trained Employees	19.1	26.5	50.0	8.8	3.8	23.2	47.3	11.9	12.9	14.6	9.6	4.7	35.3	34.9

* Trained Employees includes those with a minimum one year certificate course in an educational institute; however, some hotels may have included those with short term (in-house) training.

TABLE 4-3: Indian Hotel Industry – Twelve Other Cities: Financial Report – Percentage of Revenue (2011-12)

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	**Five-Star, Four-Star &Three-Star**	**Three-Star, Two-Star & Heritage**	**Four-Star & Three-Star**	**Five-Star Deluxe, Five-Star & Four-Star**	**Five-Star Deluxe, Five-Star & Four-Star**	**Three-Star & Two-Star**	**Three-Star & Two-Star**	**Five-Star Deluxe, Five-Star & Heritage**	**Four-Star & Three-Star**	**Five-Star Deluxe, Five-Star & Heritage**	**Five-Star, Four-Star &Three-Star**	**Four-Star,Three-Star & Heritage**	**Three-Star, Two-Star &One-Star**	**Three-Star & Two-Star**
Number of Responses	*8*	*4*	*4*	*8*	*5*	*4*	*7*	*6*	*8*	*5*	*4*	*4*	*5*	*4*
Average Total Rooms Per Hotel:	**82**	**58**	**83**	**155**	**201**	**83**	**50**	**93**	**76**	**68**	**42**	**48**	**33**	**59**
Average Occupied Rooms Per Hotel:	**17,582**	**16,239**	**19,068**	**37,669**	**34,333**	**19,093**	**9,473**	**20,824**	**15,825**	**11,232**	**11,696**	**10,047**	**7,137**	**15,687**
Average Occupancy Per Hotel:	**68.0%**	**78.0%**	**66.5%**	**68.4%**	**49.9%**	**65.1%**	**57.7%**	**60.7%**	**59.7%**	**46.1%**	**77.4%**	**58.6%**	**62.5%**	**74.8%**
Average Rate Per Hotel (₹):	**3,762**	**3,827**	**4,100**	**8,469**	**4,927**	**1,707**	**1,727**	**5,176**	**2,364**	**7,830**	**2,360**	**5,369**	**1,057**	**3,138**
REVENUE														
Rooms	60.0%	37.0%	51.1%	60.7%	46.7%	61.0%	52.5%	62.1%	56.4%	59.2%	32.1%	55.2%	43.5%	51.9%
Food & Beverage	27.4	33.7	36.0	19.9	26.9	32.9	43.3	31.9	26.7	24.3	54.1	34.3	21.1	39.4
Banquet & Conferences	8.7	23.3	10.9	12.1	17.3	1.0	2.5	2.0	13.8	11.3	12.3	1.0	2.5	4.6
Telephone & Other	0.3	0.1	0.1	0.9	0.5	0.1	0.1	0.4	0.1	0.3	0.0	0.1	0.9	1.2
Minor Operated*	1.8	1.5	1.2	4.4	3.6	0.4	0.5	1.6	1.3	2.1	0.4	3.7	4.8	0.2
Rental & Other Income	1.9	4.5	0.6	2.0	5.0	4.6	1.1	2.0	1.7	2.9	1.2	5.6	27.2	2.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
DEPARTMENTAL EXPENSES														
Rooms	19.4	16.6	15.5	12.1	23.6	16.4	18.5	24.1	15.9	15.4	16.3	28.8	34.8	5.9
Food & Beverage	61.6	63.1	54.4	58.2	60.5	72.7	71.6	61.2	68.9	48.7	54.1	61.8	82.8	39.1
Telephone & Other	121.1	464.0	174.8	29.2	66.9	136.0	576.8	56.9	178.1	96.0	110.0	123.2	102.8	80.2
Minor Operated*	31.2	228.8	35.3	55.9	50.5	47.4	235.6	45.7	60.8	41.7	72.3	41.3	48.1	141.1
Rental & Other Income	2.5	3.6	0.8	3.3	0.0	0.0	12.1	1.6	17.2	0.0	19.0	30.0	1.1	3.6
Total	34.8	45.9	34.1	28.8	39.9	35.0	44.1	36.7	38.1	27.6	41.7	41.1	38.2	21.6
DEPARTMENTAL INCOME	65.2	54.1	65.9	71.2	60.1	65.0	55.9	63.4	61.9	72.4	58.3	58.9	61.8	78.4
OPERATING EXPENSES														
Administrative & General	10.5	6.9	5.2	9.0	14.6	6.4	9.6	10.3	6.5	14.8	9.0	7.9	6.1	5.1
Management Fee	3.1	2.0	1.5	5.3	6.1	1.1	1.4	2.2	2.3	3.9	2.2	1.7	0.3	5.7
Marketing	1.9	3.2	1.1	4.3	5.5	1.2	3.2	2.0	3.1	1.5	1.5	5.6	4.4	1.5
Franchise Fees	0.9	0.1	0.0	1.2	0.5	1.4	0.0	0.5	1.3	0.0	0.0	0.0	0.0	0.1
Property Operations & Maintenance	8.5	4.0	5.4	3.1	4.7	11.6	3.7	7.8	6.9	2.4	8.1	7.2	3.4	4.8
Energy	10.7	8.0	10.0	7.7	10.1	10.6	12.3	8.5	9.4	9.2	7.5	9.9	5.1	10.2
Total	35.5	24.1	23.2	30.5	41.4	32.1	30.2	31.3	29.4	31.8	28.2	32.3	19.3	27.2
HOUSE PROFIT	29.7	30.0	42.8	40.7	18.8	32.9	25.7	32.0	32.5	40.6	30.2	26.6	42.5	51.2
FIXED EXPENSES														
Property Taxes	0.7	0.3	0.3	0.0	0.7	0.7	0.9	0.3	0.3	0.2	0.3	0.2	1.2	0.9
Insurance	0.1	0.6	0.2	0.3	0.1	0.2	0.2	0.2	2.7	0.5	0.2	0.2	0.8	0.2
Other Fixed Charges	0.6	0.8	0.0	2.5	2.8	2.4	0.4	1.1	2.4	1.3	1.4	0.4	1.4	0.9
Rent	0.1	0.4	0.6	0.0	0.2	0.0	7.1	0.1	1.9	1.2	0.5	0.2	3.6	0.5
Total	1.5	2.2	1.2	2.8	3.8	3.2	8.6	1.7	7.4	3.2	2.5	1.0	7.1	2.5
NET INCOME**	28.2%	27.8%	41.6%	37.9%	15.0%	29.7%	17.2%	30.4%	25.1%	37.5%	27.7%	25.6%	35.4%	48.7%

* Minor operated departments include laundry, gift shop, business centre, news stand, sports, health club, garage, parking and so forth

** Net Income is before depreciation, interest payments and taxes

ID: Insufficient Data

TABLE 4-4: Indian Hotel Industry – Twelve Other Cities: Financial Report – Amount Per Available Room (2011-12)

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses	*8*	*4*	*4*	*8*	*5*	*4*	*7*	*6*	*8*	*5*	*4*	*4*	*5*	*4*
Average Total Rooms Per Hotel:	**82**	**58**	**83**	**155**	**201**	**83**	**50**	**93**	**76**	**68**	**42**	**48**	**33**	**59**
Average Occupied Rooms Per Hotel:	**17,582**	**16,239**	**19,068**	**37,669**	**34,333**	**19,093**	**9,473**	**20,824**	**15,825**	**11,232**	**11,696**	**10,047**	**7,137**	**15,687**
Average Occupancy Per Hotel:	**68.0%**	**78.0%**	**66.5%**	**68.4%**	**49.9%**	**65.1%**	**57.7%**	**60.7%**	**59.7%**	**46.1%**	**77.4%**	**58.6%**	**62.5%**	**74.8%**
Average Rate Per Hotel (₹):	**3,762**	**3,827**	**4,100**	**8,469**	**4,927**	**1,707**	**1,727**	**5,176**	**2,364**	**7,830**	**2,360**	**5,369**	**1,057**	**3,138**
REVENUE (₹)														
Rooms	805,408	1,071,360	947,500	2,054,840	841,533	391,108	327,133	1,156,740	492,331	1,285,820	661,078	1,129,720	225,808	830,796
Food & Beverage	367,821	973,897	667,597	674,803	484,734	210,948	270,166	593,809	233,053	528,936	1,115,570	702,508	109,305	631,458
Banquet & Conferences	116,741	674,491	202,512	409,130	310,678	6,100	15,723	37,632	119,977	246,477	252,695	21,367	13,114	72,865
Telephone & Other	3,941	1,621	1,939	31,078	8,397	928	297	6,862	1,046	5,366	599	2,571	4,790	18,493
Minor Operated*	23,625	42,332	23,055	149,978	64,515	2,696	3,031	29,339	11,340	44,484	7,665	75,744	24,880	3,245
Rental & Other Income	24,872	130,595	11,688	66,660	90,599	29,437	7,065	37,940	14,524	62,537	23,952	114,414	141,018	44,246
Total	1,342,410	2,894,290	1,854,290	3,386,490	1,800,460	641,218	623,416	1,862,320	872,272	2,173,620	2,061,560	2,046,320	518,916	1,601,100
DEPARTMENTAL EXPENSES (₹)														
Rooms	155,901	177,440	146,552	249,074	198,454	64,103	60,512	278,312	78,193	198,556	107,844	324,948	78,509	48,895
Food & Beverage	298,513	1,040,780	473,652	631,297	481,425	157,778	204,713	386,442	243,052	377,767	740,671	447,398	101,383	275,171
Telephone & Other	4,772	7,520	3,391	9,071	5,615	1,262	1,714	3,901	1,863	5,152	659	3,168	4,922	14,823
Minor Operated*	7,375	96,871	8,130	83,903	32,587	1,277	7,143	13,402	6,889	18,537	5,545	31,251	11,958	4,579
Rental & Other Income	609	4,741	91	2,200	-	-	857	596	2,493	-	4,551	34,372	1,479	1,612
Total	467,171	1,327,350	631,815	975,546	718,081	224,420	274,939	682,654	332,491	600,012	859,269	841,136	198,251	345,080
DEPARTMENTAL INCOME (₹)	875,237	1,566,940	1,222,480	2,410,940	1,082,380	416,798	348,477	1,179,670	539,781	1,573,610	1,202,290	1,205,180	320,665	1,256,020
OPERATING EXPENSES (₹)														
Administrative & General	141,101	200,914	95,997	303,362	262,424	40,750	60,120	192,097	56,521	322,636	184,431	161,545	31,497	81,242
Management Fee	41,111	57,595	27,533	178,403	109,183	7,040	8,571	41,551	19,722	84,503	44,910	35,079	1,725	90,481
Marketing	25,016	91,957	20,358	146,913	99,033	7,380	20,151	37,594	26,589	32,955	30,240	114,827	22,934	23,780
Franchise Fees	11,906	2,750	121	39,259	8,060	8,700	-	9,143	11,343	-	-	-	-	823
Property Operations & Maintenance	113,650	114,741	99,655	104,090	84,396	74,291	22,871	145,616	60,232	51,726	166,659	147,728	17,527	76,237
Energy	143,436	230,491	185,918	259,477	181,526	67,739	76,455	157,474	82,129	198,904	154,491	202,450	26,473	162,935
Total	476,219	698,448	429,582	1,031,500	744,622	205,900	188,168	583,475	256,535	690,724	580,731	661,628	100,156	435,498
HOUSE PROFIT (₹)	399,018	868,493	792,894	1,379,440	337,754	210,897	160,309	596,192	283,246	882,881	621,557	543,555	220,509	820,525
FIXED EXPENSES (₹)														
Property Taxes	9,374	9,552	5,109	1,433	11,629	4,488	5,335	5,322	2,599	4,806	6,856	4,471	6,186	14,686
Insurance	1,702	18,621	3,955	9,910	2,199	1,028	1,092	2,746	23,698	9,844	4,731	3,623	4,317	3,749
Other Fixed Charges	7,449	23,586	818	84,470	51,049	15,085	2,713	21,083	21,244	28,317	28,743	7,853	7,407	14,239
Rent	1,891	11,905	11,594	-	3,047	-	44,286	1,708	16,531	26,006	10,659	4,188	18,880	7,907
Total	20,415	63,664	21,476	95,813	67,923	20,601	53,426	30,859	64,072	68,973	50,988	20,136	36,790	40,581
NET INCOME (₹)**	378,602	804,829	771,418	1,283,630	269,831	190,297	106,884	565,332	219,174	813,909	570,569	523,419	183,719	779,944

* Minor operated departments include laundry, gift shop, business centre, news stand, sports, health club, garage, parking and so forth

** Net Income is before depreciation, interest payments and taxes

ID: Insufficient Data

TABLE 4-5: Indian Hotel Industry – Twelve Other Cities: Financial Report – Amount Per Occupied Room (2011-12)

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses	*8*	*4*	*4*	*8*	*5*	*4*	*7*	*6*	*8*	*5*	*4*	*4*	*5*	*4*
Average Total Rooms Per Hotel:	**82**	**58**	**83**	**155**	**201**	**83**	**50**	**93**	**76**	**68**	**42**	**48**	**33**	**59**
Average Occupied Rooms Per Hotel:	**17,582**	**16,239**	**19,068**	**37,669**	**34,333**	**19,093**	**9,473**	**20,824**	**15,825**	**11,232**	**11,696**	**10,047**	**7,137**	**15,687**
Average Occupancy Per Hotel:	**68.0%**	**78.0%**	**66.5%**	**68.4%**	**49.9%**	**65.1%**	**57.7%**	**60.7%**	**59.7%**	**46.1%**	**77.4%**	**58.6%**	**62.5%**	**74.8%**
Average Rate Per Hotel (₹):	**3,762**	**3,827**	**4,100**	**8,469**	**4,927**	**1,707**	**1,727**	**5,176**	**2,364**	**7,830**	**2,360**	**5,369**	**1,057**	**3,138**
REVENUE (₹)														
Rooms	3,762	3,827	4,100	8,469	4,927	1,707	1,727	5,176	2,364	7,830	2,360	5,369	1,057	3,138
Food & Beverage	1,718	3,478	2,889	2,781	2,838	921	1,426	2,657	1,119	3,221	3,982	3,339	512	2,385
Banquet & Conferences	545	2,409	876	1,686	1,819	27	83	168	576	1,501	902	102	61	275
Telephone & Other	18	6	8	128	49	4	2	31	5	33	2	12	22	70
Minor Operated*	110	151	100	618	378	12	16	131	54	271	27	360	116	12
Rental & Other Income	116	466	51	275	530	128	37	170	70	381	86	544	660	167
Total	6,270	10,337	8,023	13,957	10,541	2,798	3,291	8,332	4,189	13,236	7,359	9,725	2,429	6,047
DEPARTMENTAL EXPENSES (₹)														
Rooms	728	634	634	1,027	1,162	280	319	1,245	376	1,209	385	1,544	367	185
Food & Beverage	1,394	3,717	2,049	2,602	2,818	689	1,081	1,729	1,167	2,300	2,644	2,126	474	1,039
Telephone & Other	22	27	15	37	33	6	9	17	9	31	2	15	23	56
Minor Operated*	34	346	35	346	191	6	38	60	33	113	20	149	56	17
Rental & Other Income	3	17	0.4	9	-	-	5	3	12	-	16	163	7	6
Total	2,182	4,741	2,734	4,021	4,204	979	1,451	3,054	1,597	3,654	3,067	3,998	928	1,303
DEPARTMENTAL INCOME (₹)	4,088	5,597	5,289	9,936	6,337	1,819	1,839	5,278	2,592	9,583	4,292	5,728	1,501	4,744
OPERATING EXPENSES (₹)														
Administrative & General	659	718	415	1,250	1,536	178	317	859	271	1,965	658	768	147	307
Management Fee	192	206	119	735	639	31	45	186	95	515	160	167	8	342
Marketing	117	328	88	605	580	32	106	168	128	201	108	546	107	90
Franchise Fees	56	10	1	162	47	38	-	41	54	-	-	-	-	3
Property Operations & Maintenance	531	410	431	429	494	324	121	652	289	315	595	702	82	288
Energy	670	823	804	1,069	1,063	296	404	705	394	1,211	551	962	124	615
Total	2,224	2,495	1,859	4,251	4,359	899	993	2,611	1,232	4,206	2,073	3,145	469	1,645
HOUSE PROFIT (₹)	1,864	3,102	3,431	5,685	1,977	920	846	2,667	1,360	5,376	2,219	2,583	1,032	3,099
FIXED EXPENSES (₹)														
Property Taxes	44	34	22	6	68	20	28	24	12	29	24	21	29	55
Insurance	8	67	17	41	13	4	6	12	114	60	17	17	20	14
Other Fixed Charges	35	84	4	348	299	66	14	94	102	172	103	37	35	54
Rent	9	43	50	-	18	-	234	8	79	158	38	20	88	30
Total	95	227	93	395	398	90	282	138	308	420	182	96	172	153
NET INCOME (₹)	1,768	2,875	3,338	5,290	1,580	831	564	2,529	1,053	4,956	2,037	2,488	860	2,946

* Minor operated departments include laundry, gift shop, business centre, news stand, sports, health club, garage, parking and so forth

** Net Income is before depreciation, interest payments and taxes

ID: Insufficient Data

TABLE 4-6: Indian Hotel Industry – Twelve Other Cities: Market Data

Market Segmentation

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses	***9***	***6***	***4***	***6***	***4***	***8***	***14***	***8***	***8***	***4***	***12***	***4***	***6***	***7***
Airline Crew	10.3%	1.0%	1.3%	11.0%	11.3%	2.6%	0.8%	0.1%	0.4%	0.1%	1.8%	0.5%	0.0%	0.4%
Business Traveller - Domestic	39.0	54.2	45.3	22.7	29.3	43.9	63.0	10.4	33.0	10.0	37.2	6.8	17.5	53.9
Business Traveller - Foreign	11.3	5.7	11.0	27.2	14.3	5.1	2.0	22.9	4.6	4.7	6.7	2.0	1.2	14.0
Complimentary Rooms	1.1	1.1	0.7	1.5	3.0	1.6	2.5	3.4	0.9	1.3	0.9	1.5	2.3	1.4
Domestic - Tourists / Leisure FIT	11.1	17.5	23.3	10.5	7.3	12.6	9.9	13.6	15.7	16.3	15.2	25.8	35.0	6.3
Foreign - Tourists / Leisure FIT	2.6	2.7	8.0	4.7	5.0	2.9	0.7	14.8	8.1	21.9	7.0	26.8	11.3	1.3
Meeting Participants (Less than 100 Attendees)	1.9	3.3	0.0	1.5	3.7	2.1	2.6	2.0	6.9	3.0	4.5	7.5	6.7	2.6
Meeting Participants (Over 100 Attendees)	16.4	2.9	4.7	15.8	15.0	8.9	10.6	4.9	6.9	3.1	10.0	3.8	6.7	14.4
Tour Groups - Domestic	3.8	3.3	3.0	1.4	7.0	4.9	5.4	3.0	5.9	0.4	13.2	18.3	19.3	3.3
Tour Groups - Foreign	2.1	4.9	2.7	3.6	3.3	1.1	1.1	23.6	14.8	35.3	3.0	7.0	0.0	1.6
Other	0.3	3.5	0.0	0.0	0.7	14.3	1.3	1.3	2.8	4.0	0.7	0.3	0.0	0.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Country of Origin of Guests

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses	***4***	***5***	***4***	***6***	***4***	***4***	***4***	***7***	***5***	***ID***	***12***	***4***	***4***	***4***
ASEAN*	10.8%	9.9%	13.0%	6.2%	2.0%	9.0%	23.3%	1.2%	2.3%		7.5%	2.5%	0.0%	7.0%
Australia	1.8	2.8	0.5	2.5	2.0	5.0	0.8	3.4	1.9		4.1	3.0	6.7	1.5
Canada	4.0	1.4	0.5	2.5	5.0	0.0	0.3	3.4	2.5		1.8	2.3	5.0	2.0
Caribbean	0.0	0.2	0.0	1.3	0.7	0.0	1.0	0.2	0.2		1.0	0.5	0.0	0.0
China	6.0	10.3	1.0	3.8	3.0	10.0	11.5	1.8	4.9		3.6	2.0	1.7	36.0
France	3.0	3.9	0.5	2.9	3.7	0.0	5.0	13.1	4.4		9.7	11.8	20.0	1.5
Germany	3.3	2.5	3.5	4.3	5.7	0.0	0.3	7.8	7.6		6.0	14.5	18.3	5.0
Japan	5.5	23.9	7.5	9.2	3.7	8.0	1.0	3.8	4.8		3.4	4.5	3.3	3.5
Middle east	1.3	5.2	2.5	4.8	1.7	0.0	0.0	3.6	12.2		16.0	4.0	1.7	3.0
Other European	0.0	4.4	13.0	11.0	4.7	4.0	9.8	8.9	16.8		8.0	10.8	11.0	2.0
Russia	0.0	2.5	0.0	0.2	3.7	0.0	5.0	1.5	7.8		1.2	6.5	0.7	0.5
SAARC **	5.3	6.2	17.0	0.6	3.3	3.0	4.0	5.4	2.7		5.9	5.5	1.7	4.0
South Africa	0.8	0.5	0.5	0.2	1.3	0.0	3.3	1.0	7.4		5.4	0.8	3.3	1.5
UK	18.3	4.6	4.0	10.8	11.7	18.0	5.3	16.0	6.9		10.7	21.8	15.0	4.5
USA	18.5	6.5	12.5	12.2	22.0	38.0	6.5	12.1	11.2		7.8	9.5	8.3	7.0
Other	21.8	15.2	24.0	27.5	26.0	5.0	23.3	16.8	6.4		8.1	0.3	3.3	21.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**		**100.0**	**100.0**	**100.0**	**100.0**

* ASEAN: Association of South East Asian Nations
** SAARC: South Asian Association for Regional Co-operation - India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, Maldives
ID: Insufficient Data

TABLE 4-7: Indian Hotel Industry – Twelve Other Cities: Monthly and Daily Occupancy

Average Monthly Occupancy

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star & One-Star	Three-Star & Two-Star
Number of Responses	*11*	*6*	*4*	*8*	*4*	*13*	*12*	*8*	*9*	*5*	*13*	*6*	*7*	*6*
January	71.3%	67.8%	64.0%	58.9%	53.8%	55.5%	70.5%	72.8%	73.4%	57.5%	78.2%	78.7%	58.9%	73.8%
February	70.6	85.3	70.3	75.0	53.0	95.4	68.8	80.6	70.2	66.7	75.5	76.8	61.4	81.7
March	63.6	64.5	69.5	70.8	55.5	55.9	60.3	70.3	60.9	54.0	60.8	55.5	52.0	70.5
April	59.1	71.8	69.0	65.8	46.8	58.4	63.5	63.0	51.1	37.7	60.6	50.7	47.9	74.2
May	62.5	65.2	74.3	59.1	51.0	56.8	71.0	35.3	39.3	19.8	60.9	46.8	47.1	77.0
June	60.6	71.0	71.5	60.4	47.8	53.5	70.2	31.0	37.0	15.1	57.2	49.3	43.6	76.2
July	62.1	63.3	70.0	62.4	46.3	56.8	61.2	39.1	43.9	24.6	55.9	57.0	39.4	74.0
August	63.6	60.7	63.8	61.5	54.5	54.3	58.1	56.3	47.8	39.2	55.3	57.7	48.1	71.7
September	67.3	63.5	65.3	69.5	54.5	53.2	60.3	51.1	48.7	33.3	51.1	55.3	51.6	76.3
October	66.6	68.7	57.0	65.1	51.8	55.2	61.8	63.0	58.0	54.0	63.3	66.5	60.3	183.8
November	71.7	79.7	70.0	79.3	57.5	62.3	69.3	79.0	71.2	66.9	72.1	68.2	72.7	80.2
December	67.4	69.5	65.8	60.3	54.8	65.3	67.0	62.5	68.7	60.0	81.3	81.5	74.4	81.5

Average Daily Occupancy

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star & One-Star	Three-Star & Two-Star
Number of Responses	*10*	*4*	*4*	*7*	*4*	*9*	*12*	*5*	*7*	*4*	*11*	*5*	*5*	*6*
Monday	57.0%	75.5%	63.0%	69.0%	52.0%	51.4%	59.6%	58.2%	48.3%	66.5%	61.6%	42.5%	57.0%	77.0%
Tuesday	60.7	80.8	68.8	71.6	57.5	49.6	63.9	58.8	44.1	60.0	64.1	39.0	58.0	79.7
Wednesday	66.1	79.5	76.5	71.3	62.5	46.3	69.2	57.0	43.4	64.5	67.8	40.7	57.0	79.8
Thursday	66.2	78.5	74.3	63.4	61.3	51.3	68.5	60.2	45.6	74.0	68.2	43.3	57.0	80.3
Friday	58.6	73.0	68.3	52.3	45.0	51.7	59.5	59.8	47.7	63.5	67.0	45.8	62.0	70.2
Saturday	44.8	53.3	48.5	44.3	38.8	51.4	46.3	62.0	48.9	76.5	61.3	52.5	59.0	60.8
Sunday	41.6	54.8	47.0	50.1	31.3	50.2	36.3	59.2	48.4	63.5	52.0	51.9	53.0	50.8

TABLE 4-8: Indian Hotel Industry – Twelve Other Cities: Sources of Reservation

Source of Advance Reservations

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses	*9*	*5*	*4*	*8*	*4*	*7*	*15*	*8*	*8*	*4*	*13*	*4*	*7*	*7*
Chain CRS (Central Reservation System)	2.1%	16.0%	0.0%	3.0%	1.3%	1.0%	0.7%	11.3%	1.4%	7.0%	6.8%	25.0%	0.0%	1.6%
Direct Enquiry / Hotel Representative	56.6	63.9	68.5	48.5	46.3	57.1	66.9	22.5	35.1	17.8	33.5	19.0	32.1	69.4
Global Distribution System (GDS)	5.0	0.0	0.0	11.1	7.7	2.1	0.8	2.6	1.3	1.0	0.9	0.3	0.0	1.4
Hotel / Chain Website	9.8	0.4	0.0	15.2	3.7	4.3	6.9	5.3	7.6	5.0	6.9	7.0	6.4	7.1
Travel Agent & Tour Operator	14.4	6.0	11.5	9.1	5.3	12.9	13.3	41.4	40.8	60.0	33.4	37.0	44.3	7.7
Other Online Reservation Systems	5.4	0.3	0.0	6.2	14.3	2.1	2.2	8.9	4.4	2.8	1.3	3.8	2.9	5.7
Other Websites	2.0	9.2	16.0	4.6	6.0	4.0	3.8	4.8	6.1	2.0	9.9	8.0	9.3	4.4
Other	4.7	4.2	4.0	2.3	15.3	16.4	5.5	3.4	3.4	4.5	7.3	0.0	5.0	2.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

TABLE 4-9: Indian Hotel Industry – Twelve Other Cities: Marketing Media

Marketing Media - Percentage of Hotels Using Each Media

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses	*10*	*5*	*4*	*8*	*4*	*9*	*14*	*9*	*9*	*5*	*14*	*4*	*7*	*5*
Blogs	20.0%	20.0%	0.0%	12.5%	66.7%	11.1%	14.3%	33.3%	22.2%	20.0%	28.6%	0.0%	0.0%	0.0%
Direct Mail	90.0	100.0	66.7	87.5	33.3	77.8	78.6	77.8	77.8	60.0	92.9	50.0	71.4	80.0
Hotel Web Site	70.0	100.0	66.7	87.5	100.0	77.8	85.7	88.9	100.0	80.0	85.7	100.0	85.7	80.0
Loyalty Card program	50.0	60.0	0.0	100.0	66.7	33.3	35.7	77.8	33.3	40.0	35.7	0.0	14.3	60.0
Merchandising	40.0	60.0	0.0	25.0	33.3	22.2	21.4	33.3	33.3	0.0	50.0	25.0	28.6	60.0
Other Internet sites	60.0	100.0	66.7	87.5	66.7	44.4	71.4	88.9	77.8	80.0	78.6	75.0	85.7	80.0
Outdoor Advertising	60.0	80.0	0.0	50.0	66.7	44.4	64.3	66.7	55.6	20.0	64.3	75.0	57.1	60.0
Pay Per Click	10.0	0.0	0.0	25.0	0.0	0.0	0.0	22.2	11.1	0.0	14.3	25.0	14.3	0.0
Print Advertising	50.0	100.0	33.3	87.5	100.0	77.8	92.9	100.0	100.0	80.0	85.7	75.0	100.0	100.0
Promotions	70.0	100.0	33.3	100.0	100.0	33.3	85.7	100.0	100.0	60.0	71.4	75.0	57.1	80.0
Radio Advertising	40.0	40.0	0.0	37.5	33.3	11.1	57.1	22.2	77.8	20.0	28.6	0.0	0.0	40.0
Telemarketing	80.0	100.0	33.3	37.5	33.3	55.6	28.6	55.6	55.6	60.0	64.3	50.0	14.3	80.0
TV Advertising	30.0	60.0	0.0	0.0	0.0	11.1	14.3	22.2	22.2	20.0	28.6	25.0	0.0	60.0
Viral Marketing	20.0	0.0	0.0	12.5	0.0	0.0	0.0	22.2	0.0	0.0	7.1	0.0	14.3	0.0

HVS

TABLE 4-10: Indian Hotel Industry – Twelve Other Cities: Payment Methods

Payment Methods Used

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses	*11*	*4*	*4*	*7*	*4*	*12*	*13*	*7*	*10*	*5*	*11*	*6*	*8*	*6*
Cash Sales	27.5%	41.6%	27.3%	16.2%	14.0%	39.1%	37.6%	14.2%	40.7%	10.9%	29.9%	30.3%	55.3%	36.2%
Credit Card Sales	44.5	25.0	56.8	48.1	33.5	28.2	40.8	33.5	27.0	25.5	36.5	40.5	25.0	32.0
Credit Sales (Other Than Cards)	20.9	29.8	8.8	32.6	47.5	29.4	16.9	48.8	28.3	51.2	24.2	23.2	12.5	24.8
Electronic Fund Transfer	7.2	3.7	7.3	3.1	5.0	3.3	4.7	3.6	4.0	12.4	9.5	6.0	7.3	7.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Credit Cards Used

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses	*6*	*4*	*4*	*7*	*4*	*8*	*13*	*9*	*10*	*4*	*11*	*6*	*5*	*4*
American Express	9.7%	21.8%	12.7%	26.4%	21.0%	8.0%	3.4%	19.3%	7.8%	15.5%	10.2%	13.3%	2.0%	14.0%
Diners club	1.7	0.5	1.3	0.3	0.3	5.1	0.6	0.3	3.7	-	1.1	-	1.0	0.5
Mastercard/Eurocard	41.7	27.3	49.7	29.2	38.3	34.8	29.5	32.3	33.3	20.0	37.1	40.0	42.0	51.5
Visa	43.7	48.0	36.3	36.8	37.3	38.9	60.5	39.2	55.1	46.5	50.0	43.3	55.0	31.3
Other	3.3	2.5	-	7.3	3.0	13.2	6.0	8.9	0.1	18.0	1.6	3.3	-	2.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Average Credit Card Commission

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses	*4*	*4*	*4*	*7*	*4*	*5*	*14*	*7*	*9*	*4*	*9*	*4*	*5*	*4*
American Express	3.1%	2.9%	3.7%	3.3%	3.4%	2.2%	3.0%	3.6%	3.5%	3.0%	4.1%	2.8%	1.1%	3.2%
Diners club	0.7	0.0	3.3	0.5	0.3	0.0	1.0	0.3	0.7	1.0	0.4	0.0	0.5	1.6
Mastercard/Eurocard	1.3	1.4	2.2	1.2	1.1	1.5	1.3	1.4	1.7	2.3	1.6	1.5	2.3	1.4
Visa	1.3	1.4	1.5	1.2	1.1	1.5	1.6	1.1	1.7	2.1	1.6	1.5	3.1	1.5
Other	0.0	0.0	0.4	0.5	0.0	0.3	0.2	0.0	0.0	1.7	0.2	0.5	0.0	0.4

FH&RA INDIA

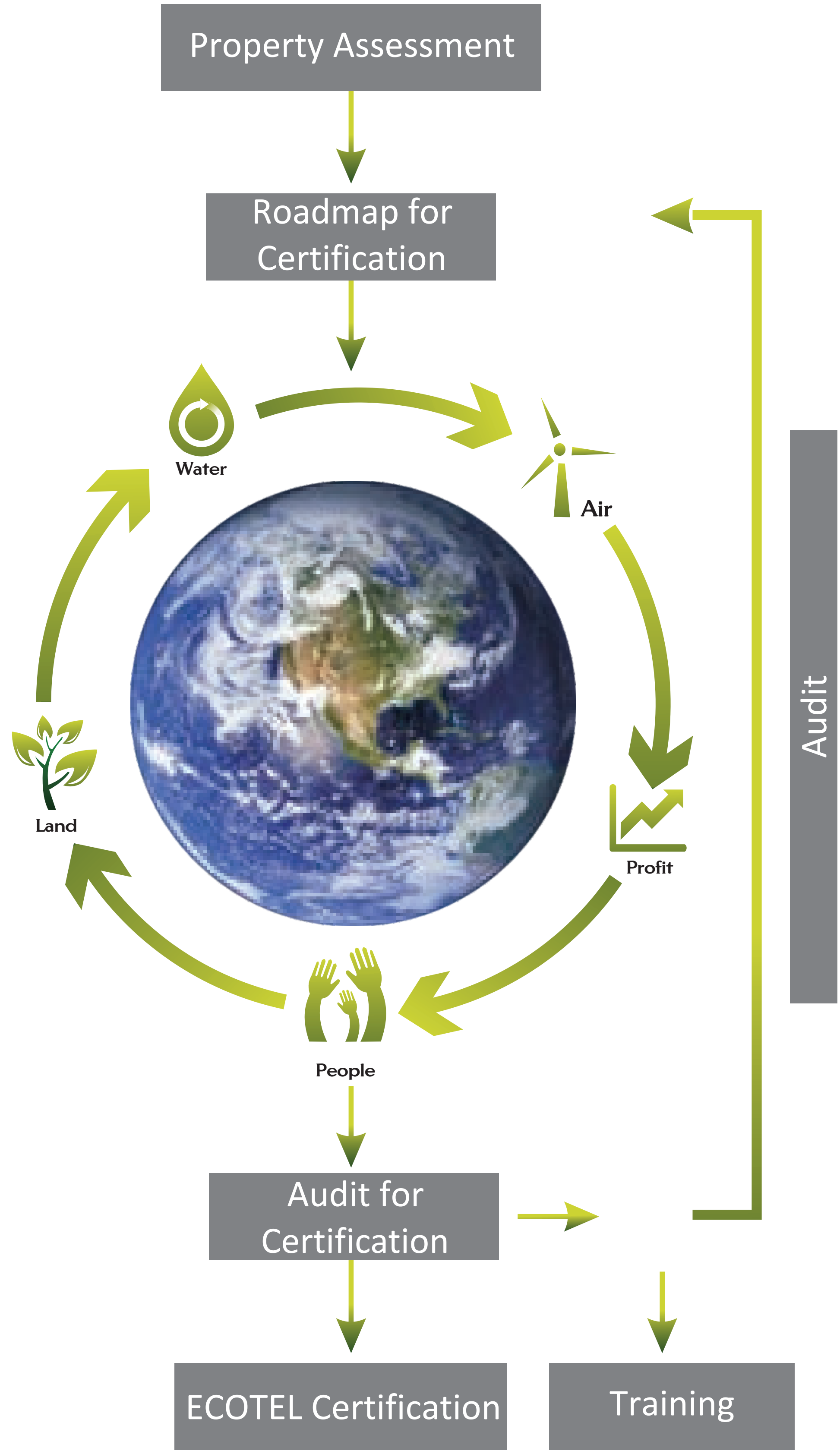
TABLE 4-11: Indian Hotel Industry – Twelve Other Cities: Technology

Technology in Hotels - Percentage of Hotels Using Each Technology

	Ahm'bad	Bhopal	Coimbatore	Gurgaon	Hyderabad		Indore	Jaipur		Jodhpur	Kochi	Kottayam	Udaipur	Vadodara
COMPOSITION	Five-Star, Four-Star &Three-Star	Three-Star, Two-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Four-Star	Five-Star Deluxe, Five-Star & Four-Star	Three-Star & Two-Star	Three-Star & Two-Star	Five-Star Deluxe, Five-Star & Heritage	Four-Star & Three-Star	Five-Star Deluxe, Five-Star & Heritage	Five-Star, Four-Star &Three-Star	Four-Star,Three-Star & Heritage	Three-Star, Two-Star &One-Star	Three-Star & Two-Star
Number of Responses	*10*	*6*	*4*	*6*	*4*	*7*	*15*	*7*	*8*	*4*	*13*	*6*	*6*	*6*
Accounting System	100.0%	100.0%	100.0%	100.0%	66.7%	85.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Call Accounting System	90.0	66.7	75.0	100.0	33.3	42.9	53.3	57.1	75.0	75.0	46.2	50.0	50.0	100.0
Central Reservation System (CRS)	60.0	66.7	25.0	83.3	100.0	42.9	13.3	85.7	37.5	50.0	38.5	50.0	0.0	50.0
Electronic Keycard	80.0	0.0	50.0	83.3	100.0	57.1	53.3	71.4	50.0	50.0	53.9	0.0	0.0	50.0
Energy Management System	30.0	16.7	50.0	50.0	33.3	57.1	26.7	28.6	12.5	25.0	38.5	0.0	0.0	50.0
Internet / E-Mail	100.0	100.0	100.0	100.0	100.0	85.7	93.3	100.0	100.0	75.0	100.0	83.3	100.0	100.0
Internet / Website	90.0	83.3	100.0	100.0	100.0	71.4	86.7	100.0	100.0	75.0	92.3	83.3	83.3	100.0
Intranet System	90.0	100.0	75.0	33.3	66.7	57.1	46.7	85.7	75.0	75.0	46.2	33.3	66.7	83.3
Local Area Network (LAN)	100.0	83.3	75.0	100.0	100.0	71.4	80.0	71.4	87.5	75.0	92.3	66.7	33.3	100.0
Management Information System	90.0	100.0	50.0	83.3	66.7	57.1	46.7	71.4	100.0	25.0	92.3	83.3	0.0	83.3
Point of Sale System for Food and Beverage	100.0	83.3	100.0	100.0	100.0	85.7	73.3	100.0	100.0	75.0	84.6	83.3	16.7	66.7
Property Management System	90.0	50.0	50.0	83.3	100.0	71.4	46.7	71.4	50.0	50.0	53.9	33.3	0.0	50.0
Yield Management System	50.0	33.3	0.0	16.7	33.3	42.9	13.3	42.9	25.0	25.0	30.8	16.7	0.0	16.7
Other	10.0	0.0	25.0	0.0	0.0	28.6	13.3	28.6	0.0	25.0	7.7	0.0	0.0	33.3

ECOTEL®

The Hallmark of Environmentally Sensitive Hotels



For details contact:-
mthadani@hvs.com OR log on to www.ecotelhotels.com

HVS
SUSTAINABILITY SERVICES

FH&RA INDIA

Indian Hotel Industry Survey 2011-2012

ECOTEL®
The Hallmark of Environmentally Sensitive Hotels

HVS