

Swot analysis of hotel industry

Business



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Hotels are one of the most important services which directly affect the arrival of tourists to a particular country. Obviously, it would not be possible for tourists to stay in a place if there are not enough hotel rooms available. Therefore, the hotel industry plays a significant role when it comes to tourism as it is a support service which will affect the number of tourists visiting a particular place.

SWOT analysis of hotel industry in this regard can provide a thorough insight to whether or not the industry is contributing towards the achievement of its goals. For now, let's consider the hotel industry in India, which is one of the fastest growing in the world.

Strengths

The first step to a SWOT analysis of hotel industry in India will be identifying its strengths. There are more than 1000 classified hotels with a room availability of around 97, 000 rooms which can easily cope with the demand of tourists. Furthermore, there are also a number of international names in the market which meet the needs of international tourists on their visit to India. In addition, there are many tourist attractions and the cost of labor is low in comparison with the rest of the world, thus, providing better margins for hotel owners and higher growth potential in the industry.

Weaknesses

Next in line is assessing the weaknesses. One major restraint to the hotel industry of India is the cost of land, which is as high as 50% of the total project cost, against a low 15% abroad. The country also has a higher tax

structure as compared to other countries which inflates the hotel expense a great deal. Furthermore, the services offered by some hotels are limited and not comparable to world standards.

Opportunities

The third strategic element to a SWOT analysis of hotel industry in India is the opportunities. The country boasts a number of attractions and has unmatched diverse topography making it an ideal destination for tourists. As a result, the number of inbound tourists is expected to increase at a quick rate, further pushing the demand for hotels. Additionally, the demand for both national and inbound tourists can easily be managed as the peak season. For international tourists, arrival is between September and March, while most national tourists prefer to wait until school holidays, which are during the summer months.

Threats

Where there are opportunities, you will also find threats. Several hotels in India are being replaced by guesthouses, thus, adversely affecting the hotel industry. Political unrest in the country also plays its part in reducing tourist traffic and consequently affects business of the hospitality industry. The country's economic condition has a direct impact on the earnings of hotels. As a result, the staff might not be trained well enough to meet international standards.

So, using this SWOT example for a hotel industry, you can conduct your own if you are planning to enter the hospitality industry or looking to further expand your hotel business.

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