

An analysis on taj group of hotels essay



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Executive Summary The primary objective of this report is to analyze the Taj Group of Hotels through the specific analysis of Taj (luxury full-service hotels, resorts and palaces), Taj Exotica , Taj Safaris, . Vivanta , The Gateway Hotel, Exotica Brand. The Taj Group of Hotels were selected to gain a learning of hotels in India from three different perspectives - that of a fast growing Indian hotel, , that of a formerly strong player trying to adapt to a changing market, and finally, that of an domestic hotel operating in India.

The analysis in the report is presented as follows: 1. Before delving into the individual study of Taj Group of Hotels , a brief history of its operations as well as its strategies is given to help the reader gain a better understanding of the background from which the hotel has developed. 2. This is followed by a SWOT Analysis, which gives specific information on the environment, challenges and opportunities the hotel is currently facing. 3.

Next, special emphasis is laid on analyzing the hotel policies and environment related to its marketing environment through 5 C (Company, Customers, Collaborators, Competition, Context) Analysis, STP (Segmentation-Targeting-Positioning) Analysis, and the 4 P (Product, Price, Promotion, Place) Analysis. 4. After gaining an understanding on these aspects of the hotel, the anomalies in the marketing positioning or decisions taken in the past are presented. 5. Based on these anomalies and other learnings, the authors have presented a few recommendations to Taj Group of Hotels .

The final section of the report consists of a comparison with other hotels on a variety of factors including positioning and targeting, different types of

product and service offerings, channels of distribution etc. The authors believe that such comparisons would be useful to a reader who is trying to gain a better understanding of the competitive environment of the Indian hotel sectors, as well as of the relative performance of Taj Group of Hotels versus the others. Company Overview: Vision

The Taj Group of Hotels commits itself to the overall improvement of the ecological environment Which we are all a part of. We recognize that we are not owners but caretakers of the Planet and owe it to our children and future generations of humankind. It is our endeavour not only to conserve and protect but also to renew and regenerate the environment in which we live and operate. Our commitment encompasses all actions related to our products, services, associates, partners, vendors and communities. We will partner and engage with our environment through.

Earth Environmental Awareness and Renewal at Taj Hotels. For us EARTH is not a program, nor a process; it is a way of life. The Indian Hotels Company Limited (IHCL) and its subsidiaries are collectively known as Taj Hotels Resorts and Palaces and is recognised as one of Asia's largest and finest hotel company. Incorporated by the founder of the Tata Group, Mr. Jamsetji N. Tata, the company opened its first property, The Taj Mahal Palace Hotel, Bombay in 1903. The Taj, a symbol of Indian hospitality, completed its centenary year in 2003.

Taj Hotels Resorts and Palaces comprises 66 hotels in 42 locations across India with an additional 16 international hotels in the Maldives, Malaysia, Australia, UK, USA, Bhutan, Sri Lanka, Africa and the middle east Spanning

the length and breadth of the country, gracing important industrial towns and cities, beaches, hill stations, historical and pilgrim centres and wildlife destinations, each Taj hotel offers the luxury of service, the apogee of Indian hospitality, vantage locations, modern amenities and business facilities.

IHCL operate in the luxury, premium, mid-market and value segments of the market through the following: Taj (luxury full-service hotels, resorts and palaces) is our flagship brand for the world's most discerning travellers seeking authentic experiences given that luxury is a way of life to which they are accustomed. Spanning world-renowned landmarks, modern business hotels, idyllic beach resorts, authentic Rajput palaces and rustic safari lodges, each Taj hotel reinterprets the tradition of hospitality in a refreshingly modern way to create unique experiences and lifelong memories.

Taj also encompasses a unique set of iconic properties rooted in history and tradition that deliver truly unforgettable experiences. A collection of outstanding properties with strong heritage as hotels or palaces which offer something more than great physical product and exceptional service. This group is defined by the emotional and unique equity of its iconic properties that are authentic, non- replicable with great potential to create memories and stories. Taj Exotica are resort and spa brand found in the most exotic and relaxing locales of the world.

The properties are defined by the privacy and intimacy they provide. The hotels are clearly differentiated by their product philosophy and service design. They are centred around high end accommodation, intimacy and an

environment that allows its guest unrivalled comfort and privacy. They are defined by a sensibility of intimate design and by their varied and eclectic culinary experiences, impeccable service and authentic Indian Spa sanctuaries. Taj Safaris are wildlife lodges that allow travelers to experience the unparalleled beauty of the Indian jungle amidst luxurious surroundings.

They offer India's first and only wildlife luxury lodge circuit. Taj Safaris provide guests with the ultimate, interpretive, wild life experience based on a proven sustainable ecotourism model. Vivanta by Taj Hotels ; Resorts span options for the work-hard-play-hard traveller across metropolitan cities, other commercially important centres as well as some of the best-loved vacation spots. Stylish ; sophisticated, Vivanta by Taj delivers premium hotel experiences with imagination, energy ; efficiency. It's the flavour of contemporary luxury, laced with cool informality and the charming Taj hospitality.

Created for the cosmopolitan global traveller and bon vivant, Vivanta by Taj Hotels & Resorts create experiences that will amuse, invigorate & inspire you. Vivanta revels in a spirit that presents the normal with an unexpected twist. Experiences which make you pause & appreciate the hidden beauty in life! It challenges your expectations of a hotel and unfolds multiple layers of delight. Innovative cuisine concepts, the smart use of technology & the challenge to constantly engage, energize and relax you all add up to make Vivanta by Taj the new signature in hospitality.

The Gateway Hotel (upscale/mid-market full service hotels and resorts) is a pan-India network of hotels and resorts that offers business and leisure

travellers a hotel designed, keeping the modern nomad in mind. At the Gateway Hotel, we believe in keeping things simple. This is why, our hotels are divided into 7 simple zones- Stay, Hangout, Meet, Work, Workout, Unwind and Explore. Ginger (economy hotels) is IHCL's revolutionary concept in hospitality for the value segment. Intelligently designed facilities, consistency and affordability are hallmarks of this brand targeted at travellers who value simplicity and self-service.

Taj Hotels Resorts and Palaces is committed to replicate its domestic success onto international shores with plans to build an international network of luxury hotels, which will provide an exemplary product-service combination and in the process create a global brand. The current international portfolio includes luxury resorts in the Indian Ocean, business and resort destinations in the Middle East and Africa, serviced apartments in the UK, the first hotel in Australia and three a top-end luxury hotels in the US. Exotica Brand The Taj strengthened its presence in the Indian Ocean rim with the Exotica Brand.

The Taj Exotica was evolved as part of Taj Hotels Resorts and Palaces intent to position it as a brand that is clearly differentiated by its product philosophy and service design. The Taj Exotica Resort and Spa, in Maldives is cantered on high-end accommodation, intimacy and an environment that allows its guest's unrivalled comfort and privacy. Taj Hotels further expanded its global footprint by securing management contracts at Palm Island, Jumeirah in Dubai, Saraya Islands in Ras Al Khaimah, Aldar Group in Abu Dhabi, UAE Langkawi in Malaysia and Thimpu in Bhutan.

The most significant additions to the portfolio have been The Pierre, the iconic landmark hotel on New York's Fifth Avenue, Taj Boston and Blue, Sydney. The presence of Taj Hotels Resorts and Palaces internationally has been developed through a network of Taj regional sales and PR offices in the United Kingdom, France, Germany, Italy, Dubai, Singapore, Australia, Japan, Russia and the United States of America. At the Taj Hotels Resorts and Palaces luxurious living and fine dining find common ground.

Whether it is introducing exotic world cuisines to India or taking authentic Indian fare to the world, the Taj Hotels Resorts and Palaces is renowned for the eclectic culinary experiences it brings to its guests. Through a vast repertoire of award-winning restaurants, legendary recipes from royal kitchens and celebrated food festivals, the Taj has pioneered innovation in fine dining across the world. Taj Hotels also promise a whole new experience of tranquillity and total 'wellness', through Jiva Spas a unique concept, which brings together the wisdom and heritage of the Asian and Indian Philosophy of Wellness and Well-being.

Rooted in ancient Indian healing knowledge, Jiva Spas derive inspiration and spirit from the holistic concept of living. There is a rich basket of fresh and unique experiences under the Jiva Spa umbrella of offering, Yoga and Meditation, mastered and disseminated by accomplished practitioners, authentic Ayurveda, and unique Taj signature treatments. Royal traditions of wellness in service experiences, holistic treatments involving body therapies, enlivening and meaningful rituals and ceremonies and unique natural products blended by hand, come together to offer a truly calming experience.

IHCL operates Taj Air, a luxury private jet operation with state-of-the-art Falcon 2000 aircrafts designed by Dassault Aviation, France; and Taj Yachts, two 3-bedroom luxury yachts which can be used by guests in Mumbai and Kochi, in Kerala. IHCL also operates Taj Sats Air Catering Ltd. , the largest airline catering service in South Asia, as a joint venture with Singapore Airport Terminal Services, a subsidiary of Singapore Airlines. Additionally, it operates the Indian Institute of Hotel Management, Aurangabad since 1993.

The institute offers a three-year diploma, designed with the help of international faculty and has affiliations with several American and European programmes. CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY As a part of Tatas; India's premier business house, Taj Hotels, have always believed in society and environment being integral stakeholders in our business along with the shareholders, customers, vendors and others. Over the last decade, the movement towards ecologically sound tourism has gained urgency and importance across the globe and recognize that responsible practices in vogue are as diverse as the geographies.

It promotes corporate citizenship through our strategic public-private partnerships which encourage building livelihoods of less-advantaged youth and women. The causes to promote includes reducing malnutrition, promoting indigenous artisans and craftsmen and enhancing employability of identified target groups by sharing our core competencies as a leading hospitality company. We encourage training and development of differently able youth. The Taj has the unique scope and opportunity to develop raw potential into a skilled workforce that is immediately employable by various players in the industry.

A majority of community projects are focused around extending the key strengths in food production, kitchen management, housekeeping, customer service and spas to promote economic empowerment of candidates from vulnerable socio-economic backgrounds. Taj is fully committed to the cause of building a sustainable environment by reducing the impact of our daily operations on the environment and improving operational efficiencies, resource conservation, re use and recycling of key resources. The seventh Corporate Sustainability Report was submitted to the United Nations Global Compact society in August, 2010.

The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, safety ; security, environment and anti-corruption. This Corporate Sustainability report also serves as GRI (Global Reporting Initiative) as well as Triple Bottom Line report. The report focuses on identified priorities at IHCL and responds to key stakeholder needs. It plans to continue and further strengthen our commitment to the environment and societies in which we operate.

It believes in continuous learning and sharing and would be delighted to have your thoughts and suggestions. EARTH In an endeavour to reinstate its vision and efforts to boost sustainable tourism, Taj Hotels Resorts and Palaces presented EARTH (Environment Awareness ; Renewal at Taj Hotels) this year. Implementing schemes such as the Gangotri Glacier Clean-Up Expedition, as well as designated Earth rooms, which minimise

environmental impact, Taj is one of Asia's largest group of hotels to commit to energy conservation and environmental management.

EARTH has received certification from Green Globe, the only worldwide environmental certification program for travel and tourism. The Taj began a century ago with a single landmark - The Taj Mahal Palace Hotel, Mumbai. Today, the various Taj hotels, in all their variety and historical richness, are recognised internationally as the symbols of true Indian hospitality. The Company's history is integral to India's emergence into the global business and leisure travel community; and looking to the future, Taj Hotels Resorts and Palaces is well positioned to meet the increase in travel activity with the rapid expansion of the Indian economy.

ANALYSIS SWOT Analysis Strengths| Weaknesses| * Taj group of hotels in India and also in abroad. * Corporate governance by a group of highly qualified people. * Hospitality which it provides to its customer * India offers a readymade tourist destination with the resources it has. Thus the magnet to pull customers already exists and has potential grow. | * has to live up to its reputation. * to cope up with up-coming changes. * to satisfy each and every customer. * High tax structure in the industry makes the industry worse off than its international equivalent.

In India the expenditure tax, luxury tax and sales tax inflate the hotel bill by over 30%. Effective tax in the South East Asian countries works out to only 4-5%. | Opportunities| Threats| * Demand between the national and the inbound tourists can be easily managed due to difference in the period of holidays. For international tourists the peak season for arrival is between

September to March when the climatic conditions are suitable where as the national tourist waits for school holidays, generally the summer months. * In the long-term the hotel industry in India has latent potential for growth.

This is because India is an ideal destination for tourists as it is the only country with the most diverse topography. For India, the inbound tourists are a mere 0.49% of the global figures. This number is expected to increase at a phenomenal rate thus pushing up the demand for the hotel industry. *

Unique experience in heritage hotels. * Opportunity of expansion to more destinations. | * Competition with other five star hotels like ITC, HAYAT, LEELA PALACE and OBEROI group of hotels * Terrorists activities which had already happened in 26/11 2009 in Mumbai. * Guest houses are taking an edge in place of hotels.

This is a growing trend in the west and is now catching up in India also, thus diverting the hotel traffic. * Changing trends in the west demand similar changes in India, which here are difficult to implement due to high project costs. * The economic conditions of a country have a direct impact on the earnings in hotel industry. Lack of training man power in the hotel industry. |

COMPETITIVE STRATERIGES SEGMENTATION GEOGRAPHIC a) Region Wise :

North India, East India, West India, South India b) City Wise: 4 major

metropolitan cities, and tourist destinations in India DEMOGRAPHIC) Meant

for family, diplomats, political guests, international tourists, Honeymoon suit, Business Executives, safari adventure for all. b) In terms of income it is

meant for people belonging to upper-middle and high-class society and

ginger hotels for the economy class. PSYCHOGRAPHIC It is meant for the

people who like heritage buildings, palaces, adventure, luxury, comfort and

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are ready to spend on all these things. **LOYALTY** It expects its customers to be loyal and appreciate the service and hospitality they provide to consumers. **TARGETING**

The Taj hotel is targeting luxury business travellers, including domestic and foreign businessmen, the senior management personnel, and the elite strata of society. **POSITIONING** The Taj group positions its service as an “ office away from office “ to serve the business customer and also keeps the general positioning of the hotel industry, i. e. ” home away from home “ **DIFFERENTIATION** Hotel has differentiate its service offer through physical ambience it maintain a natural green environment so as to provide a relaxed atmosphere to the tension -bound business traveller and the feature has been well perceived by the target customer .

MARKETING MIX The following are the part of a marketing mix I. **Product:** the service offer has a tangible product in it. **Rooms:** the rooms are of six type namely, club room, normal room, superior cottage, suites, deluxe room, and the old British Raj ambience room. **Restaurant:**” paradise” is a Thai food restaurant. “ Island cafe “ is an Italian food restaurant with pool side barbecue it has banquet halls. The hotel also has business centre with latest facilities like internet, interview centre, fitness centre, laundry, etc are the added facilities.

II. **Pricing :** The rent for the rooms of Taj hotels varies from place to place due to the taxation policies, however the cost of the rooms are priced according to the services provided by the hotel. The rooms are categorised as Deluxe Room, Luxury Suite, Royal Suite, Executive suite, Grand Luxury suite,

Presidential suite and the charges are prepared according to the room provided. III. Place: TAJ has established hotels in every region in India, the major tourist destinations, palaces, heritage sites in India as well as abroad.

IV. Promotion: The advertisement is generally done through magazine hoarding of late, they have started even sponsoring also but in low scale the main emphasis is on direct marketing. V. Physical ambience: it provide natural environment and provide the latest state-of-art facilities. VI. People: it realises the important of people in any service organization for that , the first step is to market their service offer to their own employees understand the need for maintaining high quality and standard . FINANCIAL ANALYSIS

2009-10 . The total income for the year ended March 31, 2010 at Rs. 1566.35 crores was lower than that of the previous year by 8.2%. 2. Room Income was lower than the previous year by 17%. The Average Room Rate (ARR) decreased by 16% over the previous year. 3. Food ; Beverage (F; B) income was 5% higher than the previous year. 4. Banquets income grew by 12% over the previous year. 2008-09 1. The total income for the year ended March 31, 2009 at Rs. 1706.52 crores which was Lower than that of the previous year by 6%. 2.

Room Income was lower than the previous year by 14%. 3. The Average Room Rate (ARR) decreased by 2% over the previous year. 4. Food ; Beverage (F; B) income was 13% lower than the previous year. 2007-08 1. The total income for the year ended March 31, 2008 was Rs. 1,823.16 crores which was higher than the previous year by 13%. 2. Room income was higher than previous year by 16%. 3. The Average Room Rate increased

by 16% over the previous year which significantly contributed to the total increase in room income. FINDINGS

After going through all the aspects related to Taj Hotels certain things in form of findings and information. They are: 1. If compared to other brands of 5 star hotels present in India, such as Leela Palace, Oberoi Ashoka group, Hayat or ITC, Taj has a wide variety of options available for its customers. It is ready to provide all kinds of comfort, hygiene, satisfaction desired by its customers. It takes special care and attention of all its customers and tries to bring smile on to their faces and expect them to come and visit again to their hotel. . It has options available for its customers by a chain or group of hotels located in India and abroad. It covers almost all the major tourist destinations. 3. Taj has come up with a new idea with name Ginger hotels which is very economical and greatly praised. 4. Above some analysis that have been shown like marketing Ps, SWOT analysis, strategies, STPD and financial analysis which states that Taj Group of Hotels is performing well and there are several other opportunities which can still be exploited. 5.

After the terrorist attack in Taj Mahal Palace in Mumbai the revenue generation of the Taj group went down as the crowd of foreign tourists dropped but now slowly it has again started arising 6. Some of the Hotels of Taj Group are Heritage sites, Palaces and Forts which is a plus point for Taj Group, People like to experience these sites by spending some days in Taj Hotels. Some of the palaces are situated in Jaipur and Jodhpur which are World Wide known tourist destinations. 7. Taj Group of Hotels is not having a strong hold in India but also in abroad.

It has acquired many palaces and sites and have tie-ups with other big brands outside India. CONCLUSION The study showcased immense research on Taj Goup of Hotels in India. It gives a wide view about the hotel industry in India. It is a well known brand to everyone. It shows Taj has immense potential to grow and further expansion of its business. It also shows the growth in every wing they try to excel themselves through their good plans and strategies, besides excelling themselves in the different wings the most important thing is that they have the social responsibility for the society through their different programs.