



An overview of latest trend in Hospitality industry: Legal perspective

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Abstract

It is a legal and social practise that deals with the treatment of a person's visitors or those who come into contact with a commercial establishment. It is important to note that hospitality regulations are designed to protect both hosts and visitors from accidental or deliberate damage. The food service, travel, and accommodation businesses are all included under the umbrella term "hospitality." There are many different aspects of the hospitality industry that are covered by this code of conduct. Among the many amenities available to guests of a hotel are dining options, conference spaces, gift shops, and other retail outlets that are open to the general public. Most states require restaurant and inn operators to apply for and get a licence before they may open their establishments. The owner has a responsibility to provide suitable accommodations and to take reasonable precautions to ensure the visitor's safety and comfort, and the guest, in turn, must take reasonable steps to avoid being disruptive or offensive during their stay. Innkeepers are obligated to provide service and accommodation to everyone unless they have a good cause to deny them access. Civil rights laws prohibit innkeepers from denying service to anybody for any reason. People of any race, colour, creed, or national origin may not be turned away because of their appearance or national origin.

Keywords: hospitality, legal, hotel, tourism, Covid-19

Introduction

Multi-talented and multi-tasking hospitality managers are needed in today's fast paced industry. Hotel operations like food and beverage production and service, room division operations, marketing, and revenue management necessitate expertise in specialised roles like employee counsellor, facility engineer, or computer system analyst; they are also expected to have a broad knowledge of hotel operations. To be successful in today's extremely competitive and diversified business climate, you'll need much more in the way of technical expertise than you had in the past.

Since its inception, hospitality management has always been a demanding and precise profession. As shown by the fact that they may serve in a variety of capacities in places like a casino or a five-star hotel, as well as in places like outdoor catering and in-flight catering. Operational managers of hotels play an important role in determining the possibility of a lawsuit being filed against the company or the manager. Almost every aspect of hotel and tourism business operations is regulated. Almost all of the law relates to the beginning of hotel and tourism businesses. In order to meet all of the legal requirements, it is necessary to consult with an expert on a regular basis.

The hospitality sector includes the hotel industry. The hospitality sector includes housing, restaurants, event organising, theme parks, cruise lines, and many more. The multi-billion dollar hotel sector is heavily reliant on people having free time and money to spend. Management, marketing, and human resources all play important roles in a hospitality business, including restaurants, hotels, and even amusement parks. Facility maintenance and direct operations (such as serving staff and kitchen staff) are just a few examples of the many groups that make up a hospitality business. According to a survey issued by New Business Report by Worldwide Industry Analysts, Inc. in 2012, the global hotel industry is predicted to reach USD 479 billion by 2015. According to the World Travel and Tourism Council's Economic Impact Report, travel and tourism made a direct contribution of USD 2,155.4 billion to global GDP in 2013. (2.9 percent of GDP). Over the next decade, the travel and tourism sector is predicted to produce more than 70 million employment, with two-thirds of those positions coming from Asia. According to a report by the World Tourism Organization, India's tourism and hospitality business was worth USD 117.7 billion in 2011. By 2022, this figure is expected to rise to USD 418.9 billion. Only China's hotel business is more successful than India's, and this is throughout the whole Asia Pacific region. Aside from that, India is a growing global commercial centre, making it an appealing place to invest in hotels of all price ranges. It's predicted that wellness tourism in India would develop at a rate of more than 20 percent each year through 2017, making it the fastest-growing industry in the world. Even with so many possibilities, India has a hopeful future for its hotel business.

In 2018, India welcomed 10.56 million FTAs, an increase of 5.20 percent over the previous year. There were 1.10 million FTAs in January 2019 compared to 1.05 million the previous year, an increase of 5.30 percent.

In 2017, the travel and tourism industry in India accounted for 8% of all job openings in the nation, resulting in the employment of 41.6 million people. By 2028, there will be 52.3 million employment, an increase of 2% every year.

Hotels from across the world are expanding their operations in India as the country's tourism and hospitality industry is expected to contribute for 47% of India's GDP by 2020 and 50% by 2022.

Objectives

1. Understanding the background of Hospitality Industry.
2. Understanding the Indian Hospitality Industry.
3. Understanding the Legal Environment.
4. Overview of the Legal requirements in Hotel operations.
5. Overview of the latest trend in the Hospitality Industry including Covid period.

Research methodology

For the present research paper the doctrinal methodology has been applied. The researchers have taken the help of secondary sources. The secondary sources include articles, books, journals, newspapers and websites.

Hotel Association in India

The Hotel Association of India is one central authority that regulates the hotels all over India but has under it various sub- associations divided on a regional basis

1. The Federation of Hotels and Restaurants Association of India
2. The Hotel and Restaurant Association of Eastern India
3. The Hotels and Restaurant Association (Western India)
4. The Hotel and Restaurant Association of Northern India
5. The Southern India Hotel and Restaurant Association

Legal Perspective

The Ministry of Tourism has established the Hotel and Restaurant Approval and Classification Committee to oversee the hotel and restaurant business. Certification by this committee is essential for the establishment of a new hotel or restaurant, since it verifies and evaluates the amenities the hotels want to provide their clients. As soon as a hotel begins operating, the committee's permission is no longer valid; it expires within three months of the hotel's opening. During these three months, the hotel in question must submit an application for categorization. Classifications are valid for five years from the date of issuance.

Licenses from the nodal Ministry of Tourism and Development as well as other acts are required to open a hotel or restaurant in India. These include: a temporary licence for awnings and terrace covers during the rainy season, a building completion certificate, a music copyright licence, a lodging house licence, and approval from the Department of Tourism. Obtaining licences and permits as required by various laws, such as the Luxury Tax Act, Sales Tax Act, Contract Labor Act, Pollution Control Act, Apprentices Act, Provident Fund Act, ESI Act, Entertainment License for Festival Occasions, Smoke Nuisance Act License for Chimney, Weights & Measures Act License for Laundry Factory, and others.

Apart from the above- mentioned committee, there are various other legislation such as-

1. Prevention of Food Adulteration Act, to protect customers from intake of poisonous or harmful food.
2. The Air (Prevention and Control of Pollution) Act, 1981 to curb measures which lead to air pollution.
3. The Water (Prevention and Control of Pollution) Act, 1974, for prevention and control of water pollution by hotels.
4. GST
5. Income Tax Act, 1961, which makes the hotels and restaurants liable to pay VAT, Service Tax, Entertainment Tax, CENVAT, Expenditure Tax, Luxury Tax etc.
6. Hotel Insurance Policies and other local laws.

Legal requirements in Hotel operations covers the following areas

1. Premises – It covers Electricity, Fire precautions, Food and Drugs, Food Hygiene, Food Premises, Sarai Act, Shops and establishment, Public Health & Lifts & Escalators.
2. The Food – Food, Food safety, Food Hygiene and Regulations, Food Premises, Food labelling, Trade descriptions, Weights & Measures, Food, Preservation and Adulteration Act.
3. The Drinks – Licensing Act, Excise act, Children & Young Persons Act, Exercise Act, Food labelling, Weight and Measures, Alcoholic Liquor, Employment of women Act.
4. The Music–Copyright, Design and patents, Local Government, Licensing, Public Health, Control of Pollution v. Personnel Health & Safety – Health and safety, Personal protection to equipment's, Provision and care of work equipment, Work place regulation, shops & establishment, Explosives.
5. Personnel: Employment – Conciliation and arbitration, Disabled persons, Statutory sick pay for employees, Employer's liability, Employment Act, Employment protection, sex discrimination, social security, time off to public duties, Trade unions, Minimum wages, Industrial disputes, Bonus, Holiday and Retirement benefits, Gratuity Etc., Payment of wages, Excise Act, Sarai Act: Boarding and Lodging Establishment Act.

6. The Business – Indian Companies Act 1956, Partnership Act 1932, Insolvency, Data protection, Marketing, Sales of Goods, Contract Act, Price indications, Consumer Protection, Theft, Rent contract act, Foreign Exchange Regulations, Environment & pollution control, Registration of Foreigners, Essential commodities Act, Carriage of Goods Act, Insurance Act, Prevention of Food adulteration Act.

Licenses required for opening a hotel

To open a hotel, there are various licenses that are required to be obtained. Such licenses include:

1. *Police License / Registration.*
2. *A license under Shops & Establishments Act.*
3. *A license under Prevention of Food Adulteration Act.*
4. *Registration under the Luxury Tax Act.*
5. *Registration under the Sales Tax Act.*
6. *Registration under the Contract Labour Act.*
7. *Registration under the Pollution Control Act.*
8. *Registration under the Apprentices Act.*
9. *Registration under the Provident Fund Act.*
10. *Registration under the ESI Act.*
11. *License for storage of Kerosene & Compressed Gas (LPG).*
12. *Sign Board Directions, Neon Signs.*
13. *Approval from the Department of Tourism, Government of India.*
14. *Registration from GTDC for new projects under the Package Scheme of Incentives.*
15. *Entertainment License on Festival Occasions.*
16. *License for Chimney under the Smoke Nuisance Act.*
17. *Registration under the Weights & Measures Act.*
18. *Factory License for Laundry.*
19. *Central Excise License for Bakery Products.*
20. *Registration & Permits under the Motor Vehicle Act for Tourist Coaches / Taxis.*
21. *Eating House License.*
22. *License to deal in Foreign Exchange under FEMA.*
23. *Cold Storage License, (if over 25 cubic ft.).*
24. *License for Boiler & Generators and Mixers and Grinders.*
25. *Bar License (Foreign Liquor).*
26. *Dance License*
27. *Mild Liquor License.*
28. *Temporary License for Awnings & covering of Terrace during monsoon.*
29. *Building Completion Certificate.*
30. *Copy Right License for Playing of Music.*
31. *Lodging House License*
32. *Municipal Beer Bar License.*
33. *License for storage of Diesel Oil.*

Important Trends in the Industry

Travel and tourism include the hospitality industry in India. Between 2013 and 2023, the sector's GDP contribution is predicted to rise by 7.8 percent each year. ⁷ Under the automatic approach, 100 percent FDI is permissible in the Indian hotel business. ⁸ For the period of April 2000–March 2014, a total of USD 7,348.09 million was invested by foreign investors in this industry.

The hotel sector has seen a trend toward inexpensive and mid-market hotels during the last several years. Several well-known hotel chains have developed inexpensive and mid-market brands catering to clientele formerly serviced by the unorganised sector [cf. Ginger by Indian Hotels (IHCL)].

It is estimated that the industry's revenues will expand by 8-13 percent over the next three years, with growth heating up in accordance with the country's macroeconomic outlook, resulting in more travel and an increase in FTAs.

India's tourist business is closely linked to the hotel industry, and the hotel industry's growth has been directly linked to India's tourism boom. An increase in advertising funding for campaigns like "Incredible India" and "Athithi Devo Bhava" was made by the Indian government to highlight the wide range of tourist attractions in India.

Several nations, including Finland, Japan, Luxembourg, New Zealand, and Singapore, were given Tourist Visas on Arrival by the Ministry of Foreign Affairs. In the 12th Five-Year Plan, the tourism ministry has proposed a budgeted allocation of INR 200 billion for tourism.

During the months of January through June of this year, the number of visitors using the Visa on Arrival (VOA) programme increased by 28.1%, according to market research.

Travel and Tourism Competitiveness Report 2013 of the World Economic Forum places India 65th out of 144 nations in terms of foreign visitor arrivals (FTAs) It's estimated that India would get 25 million visitors in 2015,

according to WTO (World Travel Organization). Growth in China and India will be equivalent to or larger than that of the UK, France and Japan by 2015.

In the next five years, the Indian hospitality industry aims to build 52,000 additional hotel rooms (2013-17). Over the next several years, the number of hotels in India will increase by more than six-and-a-half times.

Hotels are desperately needed in India's main cities because of a widening disparity between demand and supply. The shortfall is more significant in the budget and middle market segments.

It is difficult for the industry to manage its human capital. Attrition has become a serious concern for the business due to a lack of quality workers and rising competition from both inside and outside the sector.

Despite the predicted resurgence in room demand, hotels will not be able to considerably raise ARR in the short future because of the forecast increase in room inventory.

Hospitality Trends Accelerated by COVID-19

1. Safety & Hygiene

As the globe reacts to the virus and works to restrict its spread, there are a number of hospitality trends that may be roughly defined as being connected to safety and cleanliness. Hotels, restaurants, pubs, and cafés must make these ideas a priority.

Customers may be offered hand gel, greater cleaning of places where they will be, policies on masks or other protective gear, and social distancing guidelines should be enforced to prevent the spread of germs. To maintain a sense of security, any additional guidelines must be made explicit in advance and strictly adhered to.

The safety and sanitary measures that you take should be highlighted in your hospitality marketing efforts as well. These procedures might be the difference between attracting consumers and losing them to other attractions.

Tips for highlighting safety in your marketing and guest communication communications may be found in the article "Hygiene is the New Marketing Message for Hotels."

2. Contactless Payments

Contactless payments have been one of the most prominent instances of this trend in the hospitality industry. It takes less time to make a contactless payment since consumers don't have to deal with currency or enter their PIN. Apple Pay and Google Pay have eliminated the need to even carry a wallet, thanks to their introduction.

The coronavirus epidemic has also enhanced the demand for contactless payments, reducing friction and increasing the consumer experience. Contactless payments may be perceived as a necessity rather than a luxury by many consumers and employees who are wary of using cash.

3. Voice Search & Voice Control

If you want to get customers who use voice search to find and book hotels or restaurants, you need to respond to this change in behaviour and make a clear effort to get these customers. This includes, for example, making your website content easy to read so that it shows up well in voice search results.

Beyond this, voice control can also be used to control things in hotel rooms, which makes them more enjoyable for the guests. Smart speakers, for example, can answer guests' questions and turn on lights and other things in the room when they say so. The guests will also be less likely to touch a lot of different things because of this.

4. Enhance F&B Delivery at Home

Many restaurants and businesses that sell food have changed their business practises to deal with the COVID Situation. They are now more likely to deliver food and drinks to customers' homes, so they can have a restaurant experience at home. Sometimes, this means taking phone and online orders, getting them to you as soon as possible, and offering contactless deliveries.

In the COVID era, a big part of hospitality management is coming up with new ways to make customers happy. When it comes to food and drink delivery, bars are looking into ways to bring drinks to customers' houses, while restaurants are more and more adding extras like candles and free food. of course, takeaways do make more waste, so try to use packaging that can be properly thrown away.

5. Robots in Hotel & Restaurant Settings

There are some trends in hospitality that you should be aware of, and robotics is a good example of how this has been taken even further. Hotels, restaurants, and other businesses can use robots to greet customers and give them customer information. They can also play an important role in security operations.

In a hotel, robots have been used to serve food and clean and do other housekeeping tasks. Restaurants, on the other hand, may be able to use robots to help with food service in the future. This can be especially useful when you're dealing with restaurant customers who don't want to get too close to other people as much as possible.

6. Chatbots

Customer service chatbots are another of the key hospitality developments relating to customer service, and they may be particularly beneficial when human workers are unable to answer inquiries. This may lead to first-contact resolutions in many circumstances, but the chatbot can also collect information and send it on to a human representative if necessary.

Customers will have more inquiries about coronavirus and the constraints that hotels and restaurants will have to deal with as a result. Since a result, everyone involved will have less anxiety as chatbots are able to answer even the most basic queries.

7. Virtual Reality Tours

As a cutting-edge hospitality technology trend, virtual reality lets visitors and diners alike see what their surroundings will be like without ever leaving their home or office. In order to get these folks to commit to a visit, this might be quite important. Some consumers may benefit from virtual tours or 360-degree movies that show them around the facility. Due to the web-based nature of current VR tours, they should be freely available on many devices, even without a VR headset, giving you a distinct advantage over any competitors who have yet to capitalise on this specific hospitality trend.

8. Mobile Check-In Service

A mobile check-in service is one of the most effective hospitality trends for decreasing the need for human-to-human interaction, and this is particularly relevant in the context of the COVID epidemic and the concomitant measures to limit it. Customers may benefit from self-service and a more streamlined arrival process even at more usual hours, thanks to mobile check-in. Customers must have access to an app in order for this to work. Use links on your website and QR codes on printed materials to drive traffic to your site.

9. Local Experience

The desire of visitors or travellers to participate in local activities is another trend that the hotel sector is adapting to. It's not enough for many individuals to wish to live a life that's identical to their own, but in a different part of the country. Instead, they want to immerse themselves in the local culture and learn about the people and things that make a place unique. In order to meet the needs of customers in the hotel sector, businesses are reacting. Accommodation choices like Airbnb and farmhouses might give a more genuine guest experience than hotels. It is also possible to take part in local activities with the assistance of a travel agency or tour operator.

10. Healthy and Organic Food & Drinks

Fast-food restaurants and bars serving sugary alcoholic beverages used to make up a significant portion of the hospitality business. As a result, people are becoming more mindful of what they put in their bodies, which has led to the rise of healthy food and beverage trends. This has necessitated the creation of new menu items, such as gluten-free, dairy-free, low-fat, vegetarian, vegan, and organic alternatives, for eateries. However, hotels, catering services, and even vacations are getting in on the healthy food and drink craze, offering healthier room service and behind-the-bar cocktails.

11. Sustainability

Customers are more concerned about environmental concerns and want to know that the firms they do business with are doing ethically. An increasing number of hotels and restaurants are marketing their eco-friendliness as a result of this, making sustainability one of the most prominent hospitality trends of recent years. Restaurants that promote their vegetarian and vegan menus, hotels that employ energy-saving light bulbs and heating systems are just a few examples. In the hospitality industry, choices must be taken concerning the use of more environmentally friendly materials in the production of goods like towels and bedsheets.

12. Personalisation

Personalization is a hot topic in almost every business, and this is no exception in the hospitality sector. The emergence of big data is a major factor in this. Many hotel customers, however, like to be treated as individuals rather than simply another consumer. There are several methods to implement personalization. Customers returning to a hotel may be given the same services they had the prior time, as well as be individually welcomed by a member of staff upon their arrival, thanks to GPS technology and booking data in hotels. Hotel guests may also be able to utilise their own devices and accounts on entertainment platforms, thanks to the proliferation of smart gadgets.

13. Smart Hotels

To put it another way, a "smart hotel" is one that utilises internet-connected gadgets that can communicate with one another and exchange data. Since smart speakers and smart hubs become popular consumer items, the notion of a "smart hotel" has been more widely accepted. As an example, a smart hotel may enable guests to adjust the temperature or air conditioning from their mobile phone, or to switch on the TV by speaking to a smart speaker. The brightness of light bulbs and the temperature of a radiator are just two examples of how smart rooms may help keep things running smoothly.

14. Artificial Intelligence

In the hotel business, artificial intelligence serves a variety of functions, but one of the most important is to enhance customer service. This may be seen in the adoption of AI-powered chatbots, which have the potential to reduce customer service wait times and provide quick and intelligent answers to inquiries.

However, AI may be used for a variety of other purposes as well. AI and voice-controlled customer service or tourist information centres have been used in several hotels, for example. AI, on the other hand, may be used to filter through data, automatically alter procedures, and so on.

Conclusion

The future of the hotel industry seems to be quite bright. It is extremely probable that demand for the sector will expand as the expansion of the economic situation gains speed and businesses raise their expenditure on travel. With wage rises in the corporate sphere, it is probable that leisure travel and discretionary cash will grow as well. Furthermore, it is predicted that the number of international visitors visiting India would reach USD 11.1 million by 2021. Demand and supply in India are very imbalanced, and there is a pressing need for new hotels in all of the country's main cities. The scarcity is most noticeable in the cheap and mid-market segments, where demand is very high. Budget and mid-market hotels are in high demand throughout the nation, as tourists seek safe and economical lodging options at reasonable prices. The Indian hotel business is developing at a rapid pace, with a number of corporations announcing intentions to invest. According to predictions from the World Travel and Tourism Committee (WTCC), investment in travel and tourism would reach INR. 2.8 trillion by 2021 (implying an 8.7 percent compound annual growth rate). Demand in the hospitality sector continues to rise as a result of expanding business and commercial activities, an increase in disposable income, an improved portfolio of international tourism destinations, increased leisure time, improved transportation facilities, and technological advancements that allow for remote tour management from abroad. However, because of the cash crisis and high loan rates, as well as the fact that the industry is extremely reliant on external variables, investors and hotel companies are proceeding with caution when it comes to new growth projects. For the purpose of addressing these issues and alleviating some of the constraints that the hotel industry is currently experiencing, which include the procurement of multiple clearances and approvals from the Central and State Government agencies for hotel projects, which may number as many as 65 or more clearances and approvals for hotel projects, which vary from State to State, the Government has approved the establishment of a 'Hospitality Development and Promotion Authority'. This agency will be responsible for promoting and developing the hospitality industry in India. The government has also shown its commitment to the hotel business by enacting legislation that is beneficial to the industry, establishing a liberal policy environment, providing support infrastructure, and promoting open skies policies. Overall, considerable growth can be expected for the Indian Hotel Industry in the near future, with both the government and the private sector working together to ensure the industry's huge expansion.

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