2) **CLASSIFICATION OF HOTELS**

A) **Classification on the basis of Size.**

1) **Small hotel**: Hotels with 25 rooms or less are classified as small hotels. E.g. Hotel Alka, New Delhi and the oberoi Vanyavilas, Ranthambore.

2) **Medium Hotel**: Hotel with twenty six to 100 rooms are called medium hotels, E.g. Hotel Taj view, Agra and chola sheraton Hotel, Chennai.

3) **Large Hotels**: Hotels with 101-300 guest rooms are regarded as large hotels E.g. the Imperial, New Delhi, The Park, and Kolkata.

4) **Very Large Hotels**: Hotels more than 300 guest room are known as very large hotels E.g. Shangri-La Hotel, New Delhi and Leela Kempinski Mumbai.

B) **Classification on the basis of Star.**

The classification is done by **Ministry of Tourism** under which a committee forms known as **HRACC** (Hotels and Restaurants Approval & Classification committee) headed by **Director General of tourism** comprising of following members are

- Hotel Industry
- Travel Agent Association Of India
- Departments of Tourism
- Principal of Regional Institute of Hotel Management Catering Technology & Applied Nutrition

This is a permanent committee to classify hotels into 1-5 star categories. Generally inspects ones in three years.

In case of 4 stars, 5 Star, 5 Star deluxe categories, the procedures is to apply on a prescribed application form to director general of tourism. In case of 1, 2, 3 star category to regional director of the concerned govt of India tourist office at Delhi/Mumbai/Kolkata/Chennai.

**The basic details need to be given:**

1) Name of the hotel.
2) Name of the promoters.
3) Address
4) Details of the site such as area, title, distance of the hotel from railway station, distance from airport, distance from the main shopping centre.
5) Details of hotel projects such as
   - Category applied for
   - Number of guest rooms and their area

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• There types with or without bathroom
• Details of public area like lounge, lobby, restaurant, bars, shopping barcade, banquet hall, health clubs, swimming pool and parking etc.

6) Details of air conditioning.
7) Approval from government bodies such as Municipal or Corporation authorities, MRTP act, DGCA and any other concerned local authorities.
8) Proposed capital structure
9) Want to avail of any or all of the following benefits of income tax -61 against each of the following provision Section 80L, Section 32, Section 33
10) Along with the application fee also sent.
11) Hotel is supposed to fill up a questionnaire containing details of facilities, features, amenities and services.
12) On a pre-notified date the HRACC team members visit the hotel personally and inspect the hotel and finally on the basis of the report of the committee and the marks scored by the hotel, the hotel is either approved or rejected for the applied star category.

Eligibility for Star Classification

To be eligible to apply for classification
1. The hotel must have at least 10 lettable bedrooms.
2. Carpet areas in respect of rooms and areas of bathroom should by and large adhere to the following limits.

<table>
<thead>
<tr>
<th>Category of hotels</th>
<th>Area standard for Bedroom /Bathroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>5Star/5StarDelux Hotels</td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>180Sq ft</td>
</tr>
<tr>
<td>Double</td>
<td>200Sq ft</td>
</tr>
<tr>
<td>Bathroom</td>
<td>45 Sq ft</td>
</tr>
<tr>
<td>4 Star and 3 Star Hotels</td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>120Sq ft</td>
</tr>
<tr>
<td>Double</td>
<td>140Sq ft</td>
</tr>
<tr>
<td>Bathroom</td>
<td>36sq ft</td>
</tr>
<tr>
<td>2Star and 1 Star Hotels</td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>100Sq ft</td>
</tr>
<tr>
<td>Double</td>
<td>120Sq ft</td>
</tr>
<tr>
<td>Bathroom</td>
<td>30Sq ft</td>
</tr>
</tbody>
</table>

Failure to satisfy the above conditions will disqualify a hotel for consideration.

Classification.xlsx (Ctrl+ Mouse Click)

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Heritage Hotels: A recent addition to the hotel industry, in the country, heritage hotels are properties set in small forts, palaces, or havelis, the mansions of erstwhile royal and aristocratic families. They have added a new dimension to cultural tourism. In a heritage hotel, a visitor is offered rooms that have their own history, is served traditional cuisine toned down to the requirements of international palates, is entertained by folk artistes, can participates in activities that allow a glimpse into the heritage of the region, and can bask in an atmosphere that lives and breathes of the past. Taj lake palace in Udaipur and the Oberoi Cecil in Shimla are example of heritage hotels.

According to Ministry of tourism, the heritage hotels are further subdivided as follows:
Heritage: This category covers hotels in residences, havelis, hunting lodges, castles or forts and palaces built during 1935-1950.
Heritage Classic: This category covers hotels in residences, havelis, hunting lodges, castles or forts and palaces built prior to 1935 but after 1920.
Heritage Grand: This category covers hotels in residences, havelis, hunting lodges, castles or forts and palaces built prior to 1920.

C) Classification on the basis of Location/Clientele

1) Downtown Hotel: A downtown hotel is located in the centre of the city or within a short distance from business centre, shopping areas, theatres, public offices etc. The centre of the city may not necessarily be the geographical centre, but it refers to an area that is considered to be the commercial hub of the city. The room rates in these hotels may be higher than similar hotels in other areas, so as to cover the huge investment made on the land. They are preferred by business clientele as they find it convenient to stay closer to the place of their business activities. Hotel Intercontinental, New Delhi and Hotel Le meridian Pune are example of downtown hotel.

2) Sub-urban Hotels: As the land cost in the city centre is higher and the space is limited, some entrepreneurs build their hotels near the outskirts of the city. Providing similar facilities as the downtown hotel, these hotels are set in suburban areas and have the advantage of quicker surroundings. Such hotels are ideal for people who prefer to stay away from the hustle and bustle of city. The duration of the stay of guest in these hotels may be longer than at a hotel located in the city. The room rates in such hotels are moderate and may attract the budget travellers. Trident Hotel, Gurgaon and Up pal’s orchid, New Delhi are example of sub-urban hotels.

3) Resorts Hotel: Hotels that are located at tourist destination such as hill station, sea beaches and countryside are referred to as resort hotels. These hotels have a very calm and natural ambience. They are mostly away from cities and are located in pollution – free environs. The room rates in these hotels may range from moderate to high, depending on the additional service offered. These hotels combine stay facilities with leisure activities such as golf, summer and winter sports, etc. The occupancy in resorts is normally higher during vacation time and weekends when guest want to take a break from their weekly routine. Taj Fort Aguada Beach Resort, Goa and wildflower hall in the Himalayas, Shimla are example of resort hotels.

4) Airport Hotel: Airport Hotels are situated in the vicinity of airport and other ports of entry. Offering all the services of a commercial hotel, these hotels are generally
patronized by the passengers who need a stopover en route their journey. **Hotel centaur, Mumbai and Radisson, New Delhi are example of airport hotels.**

5) **Motel:** The word motel is formed by merging two words ‘motor’ and ‘hotel’. They are located primarily on highways and provide modest lodging to highway travellers. A motel offers facilities such as accommodations, food and drinks, garage facilities, a parking lot, and re-fuelling for vehicles. E.g: Motel Aaram, Kannur, Kerala

6) **Floatels:** Floatels are type of lodging properties that float on the surface of water. This category consists of all lodgings properties that are built on the top of rats or semi-submersible platforms, and includes cruise liners and houseboats. Some of them provide luxurious accommodation, along with food and beverage facilities to guests. The house boats of Dal Lake (Shikara) in Srinagar in Jammu and Kashmir are some examples of Floatels in India.

7) **Rotels:** The hotels which rotate on wheel are called Rotels. It is also called Motel on wheels. The best example of rotel in India is Palace on Wheels. It is a luxurious train, fully air-conditioned, and well furnished, with attached restaurant and bar. The fare is inclusive of train ticket, food, alcoholic beverages and sightseeing. This train starts Delhi and covers the tourist places of Rajasthan and Uttar Pradesh including Taj Mahal, Agra, and Mathura.

Other e.g. Are the Deccan Odyssey (Golden Chariot), Maharaja Express, Royal Rajasthan Mahaparinirvan Express and Fairy Queen.

**Classification on the basis of Clientele**

1) **Business or commercial Hotels:** Designed to cater to the business traveller, commercial hotels are generally situated in the city centre. These hotels provide high standard rooms and amenities situated in the city centre. These hotels provide high standard rooms and amenities, along with high speed internet connectivity, business centres, and conference halls. They also provide in-house secretarial services, as well as facilities such as letter drafting, typing, and fax and photocopying of document for the convenience of their guest. The guest amenities at commercial hotels may include complimentary newspapers, morning coffee, cable television and access to channelled music and movies. The duration of guest stay is generally very short at these hotels. The occupancy level is higher during the weekdays and slightly lower during weekends. These hotels are also known as downtown hotels. **The Park and Hotel Intercontinental in New Delhi are examples of business or commercial hotels.**

2) **Transient Hotels:** Transient hotels cater to the needs of people who are on the move and need a stopover en route their journey. Located in the close proximity of ports of entry, such as sea port, airport, and major railway station, these hotels are normally patronised by transient travellers. They have round – the – clock operational room service and coffee shop, and all the facilities of a commercial hotels. Transient hotels are usually 5 stars, and their target market includes business clientele, airline passengers with overnight travel layovers or cancelled flights, and airline personnel. The occupancy rate is usually very high, sometimes more than 100 percent, as room can be
sold more than ones on a given date. **Hotel Centaur and Radisson in New Delhi are examples of transient hotels in India.**

3) **Boutique hotels:** These are very small and expensive hotels and mainly cater for elite class. They are different from the hotels in that each room has a distinct personality. Though the hotel is small but still it has more number of restaurants. Each restaurant is decorated keeping in view a theme and food served the uniform of the staff, the menu, even the way of welcoming the guest commemorates with the theme. *E.g Shahpura Bagh Palace, Shapura, Rajasthan.*

4) **Residential Hotels:** As the name suggest, residential hotels provide accommodation for longer duration. These hotels are generally patronised by people who are on a temporary official deputation to a city where they do not have their own residential accommodation. Guest stay for a minimum period of one month and up to two years. The services offered by these hotels are modest.

5) **Suite Hotels:** Suite hotels provide the highest level of personalized services to guest. The guest rooms generally comprise a living area, compact kitchenette, complete with refrigerator and a microwave, a bedroom attached with a bathroom, and sometimes even a dance floor. The facilities are highly customized and may include valet services, personalized guest stationery, high speed internet connection, and in-room safety locker facility. These hotels are patronized by affluent people and tourist who are found of luxury. *Burj Al Arab, Dubai and Intercontinental the Lalit Goa Resorts are example of all suite hotels.*

6) **Bed & Breakfast Hotel:** A European concept, bed & breakfast hotels are lodging establishment generally operated in large family residence. These range from houses with a few rooms converted into overnight facilities to small commercial buildings with twenty to thirty guestrooms. The owner usually lives on the premises and is responsible for serving breakfast to guest. Guest is accommodated in bedrooms and breakfast is served in the rooms or sometimes in the dining room. The bathroom may be attached to the guest rooms or may be on a sharing basis. As the tariff is generally lower than a full-service hotel at these properties, they are suitable for budget travellers.

7) **Casino Hotels:** Casino hotels provide gambling facilities, such as Luxor hotel and casino in Las Vegas. These Hotels attract the clients by promoting gambling, arranging extravagant floor shows, and some may also provide charter flight services to its clients. They have state-of-the-art gambling facilities, along with the specialities restaurants, bars, round the clock room services, well appointed and furnished rooms for its guest. Nowadays, these hotels are also attracting the MICE (meetings, incentives, conference and exhibitions) segments. *The casinos of Las Vegas, USA, are among the most famous casino in the world.*

8) **Conference Centres:** The word conference means ‘a meeting, sometimes lasting for several days, in which people, with a common interest participates in discussions or listen to lecturers to obtain information’. Thus, a conference centre is a hotel which caters to the needs of a conference delegation. These hotels provide rooms to delegates.
of conferences, a conference hall with the desired seating configuration for the meeting, food and beverage requirements during and after the conferences and other requirements, such as flip charts, white board with markers, and overhead projector with screen, computer, and public address system. These are large hotels, having more than 400 guest rooms. The services provided are of the highest standards. Normally conferences are charged as packages, which include accommodation and meetings facilities. **Hotel Ashok, New Delhi is an example of conference centres.**

9) **Convention Hotels:** Convention is defined as ‘a formal assembly or meeting of members, representative, or delegates of a group for general agreement on or acceptance of certain practice or attitudes’. This type of meetings involves a large number of participants. The hotels catering to the needs of these segments are known as convention hotels. These hotels may have more than 2000 rooms to accommodate the large number of delegates. They are equipped with state-of-the-art convention centre with all the required facilities such as seating configuration (T-shaped, classroom type, workshop-style and theatre style), audio-visual equipments, and public address system to meet the demand of a convention. **Hotel Taj palace, New Delhi and Hotel Jaypee Palace, Agra are examples of convention hotels in India.**

10) **Green hotel:** is a hotel or accommodation that has made important environmental improvements to its structure in order to minimize its impact on the environment. The basic definition of a green hotel is an environmentally responsible lodging that follows the practices of green living. These hotels have to be certified green by an independent third-party or by the state they are located in. Traditionally, these hotels were mostly presented as Eco Lodges because of their location, often in jungles, and their design inspired by the use of traditional building methods applied by skilled local craftsmen in areas, such as Costa Rica and Indonesia.

**Classification on the basis of ownership.**

1) **Independent Hotels:** These hotels are on ownership basis and do not have any affiliation or contract through any other property. And also they do not have any tie up with any other hotels with regards to policy, procedures and financial obligation. The advantages in this type of hotel is that they need not maintain a particular image and they are not bound to maintain any set targets, but can independently adopt quickly to the changing trends. They are usually autonomous.

2) **Chains:** When one hotel realizes that they can offer the same services in other cities, chains of the same hotel are opened in those places. Hotel chain is an enterprise that administrates, through a unique management a number of hotels located in different areas. They can be total or partial owners of the hotel and they manage their administration, marketing and promotion. This

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A chain is usually classified as operating under a management contract or as a franchise or referral group.

3) **Management Contracts:**

It is a contract between the owner of the property and a hotel operator (management contractor) by which the owner employs the operator as an agent to assume the full responsibilities for operating and managing the hotel. The operator can be a hotel chain with reputed name and market image, such as Hilton, Sheraton, Best Western, Choice Hospitality, etc.

4) **Franchise:**

It is the authorization given by a company to another company or individual to sell its unique product/services and use its trademark according to the guidelines given by former, for a specified time, and a specified place. Under it the owner operates as a member of the chain, utilizing the brand image, name, and goodwill and obtaining for a certain fee. Some of the franchising companies are Holiday Inn, Choice International, Ramada,

5) **Referral Groups:**

It consists of independent hotels which have grouped together for some common purpose. Though the properties in the referral group may be different from each other but there is sufficient consistency in the quality of service to satisfy guest expectations. The member hotels recommend guest to other member hotels. Some examples are Best Western International, one of the largest hotel chains, is the best example of referral groups.

6) **Time–Share Hotels:**

A new concept of ownership also called vacation ownership or holiday ownership concepts, mushrooming up in resorts areas like hills, beaches, forest. As the name suggest, it entails purchasing a tourist accommodation at a popular destination for a particular time slot in a year which can be week or weeks. Each room or suite is owned by several people who will schedule their visits well in advance with the management office to ensure that the room or suites is available or rent a unit to other vacationers if they cannot avail the facility. It is fully
furnished rooms with kitchenettes may have a dining hall with a bar. More desirable the season, the higher the timeshare fee. The price of the property will depend on the week, one intends to buy. The guest can choose the peak seasons, semi peak seasons or lean seasons. It is also required to pay an annual contribution towards the maintenance of apartments and public areas, electricity, gas, water, safety, insurance etc. The owner can also rent out the unit through management.

The most common time share in India is Mahindra and Mahindra, Nanda Tourist Corporation, Sterling Holiday’s Resorts, Avelon Resorts etc.

7) **Condominium:**

Condominium units also called as Condo are purchased outright and owned by the guest as second homes.

Condominium hotels have single owners instead of multiple owners sharing the hotel. In condominium hotels, the owner informs the management company when they would occupy the unit. The management company is free to rent the unit for the remainder of the year, and this revenue goes to the owner.

Owner purchases a unit and has full right of an unit he has purchased and shares the cost common to the complex such as taxes, insurance, Maintenance, and upkeep of public areas including swimming, pool, health, clubs, parking, security, air conditioning, health, cable, broadband etc.

Each owner can occupy or sell his unit independently but is required to follow the rules and regulations laid by the management. In some cases the management can help the owner in renting out the properties. They take full responsibility of the owner’s unit’s safety and also pay to the owner a major portion of the rent earned from renting out. Usually the management request the owner to rent out in case of major conferences. The management earns a major portion by renting out conferences hall and from catering.

The Resorts and condominium inns group of Singapore are among the most popular example of such properties.

E) **Classification on the basis of Level of Services.**

1) **Upmarket/Luxury/World Class Services Hotels:** Targeting the affluent segment of society, hotels in the up-market category offer world class products with personalised service of highest standards. The emphasis is on excellence and class. These hotels provide upscale restaurants and lounge, exquisite decor, concierge services, opulent rooms and abundant amenities. The design and interior decoration of the hotel itself reflects the standards maintained by the hotel. The guest rooms are large with exquisite decoration and furnishing. Generally, a valet is assigned to each guest room. These hotels have many speciality restaurants with full-assisted services. Top-end recreational

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facilities, such as golf course, tennis court, designer swimming pool with trained lifeguard, and other sports facilities, shopping arcades, beauty salons, health spas with sauna and Jacuzzi, are a regular feature. These hotels are generally patronised by affluent people who care for quality and include business executives, celebrities, and high-ranking political figures. The Oberoi Udaivilas, Udaipur and ITC Hotel grand Maratha Sheraton & Towers, Mumbai are few luxury hotels in India.

2) **Mid-Market/Mid-Range Service Hotels:** These hotels offer modest services without the frills and personalized attention of luxury hotels, and appeal to the largest segment of travellers. They may offer services such as room services, round-the-clock, coffee shop Airport / railway station pickups and drop facilities. A typical hotel offering mid range services would be medium sized; having roughly 150 to 300 rooms. The room rent is much lower than the upmarket hotels. These hotels are patronised by business travellers, individual travellers and groups. Taj Residency, Lucknow and Trident Hotel, Jaipur are examples of mid-market hotels.

3) **Budget/Economy Hotels:** It focuses on meeting the most basic needs of guest providing clean, comfortable and inexpensive rooms. Also known as economy or limited services hotels, they appeal primarily to budget-minded travellers and groups. The clientele of budget hotels may also include families with children, bus tour groups of people travelling together. These hotels have clean, comfortable guest rooms, coffee shop, and a multi cuisine restaurant, in room telephone, and channelled music and movies.

F) **Classification on the basis of Duration of guest stay.**

1) **Commercial Hotels:** The duration of guest stay in these hotels is short, ranging from a few days to a week.

2) **Transient Hotels:** A transient guest are those who are en-route guest i.e. who are in the process of moving from one destination to another and stop at the hotel for a short period of time as against a terminal guest who has reached his final destination. Hence hotels, which cater to a transient guest, are called transient hotels.

3) **Semi-resident hotels:** These hotels are generally patronised by people who are staying at the location while in transit to another place. The duration of stay may range from weeks to some months. They incorporate the features of both transient and residential hotels.

4) **Residential/Apartment Hotel:** Residential hotels are also called as apartment hotels. Room in a Residential hotel are sold on a monthly or yearly basis. Rooms may be furnished or unfurnished, single or en-suite. Almost all residential hotels operate a restaurant, offer telephone services, laundry and valet services. Advance rent is usually collected while other charges are billed weekly. These types of hotels normally operate...
on European plan… **Extended stay hotels**: Extended stay hotels are a type of lodging with features unavailable at standard hotels. These features are intended to provide more home-like amenities. Extended-stay hotels typically have self-serve laundry facilities and offer discounts for extended stays, beginning at 5 or 7 days. They also have guestrooms (or "suites") with kitchens. The kitchens include at a minimum usually: a sink, a refrigerator (usually full size), a microwave oven, and a stovetop. Some kitchens also have dishwashers and conventional ovens. Extended stay hotels are aimed at business travellers on extended assignments, families in the midst of relocation, and others in need of temporary housing.

G) **Alternative Accommodation:**

1) **Sarai/ Dharamshala**: These lodging properties are mostly found at popular pilgrimage places. They are generally constructed by welfare trusts, social organisation, or even the state, and provide basic security and sleeping facilities for a nominal fee.

2) **Dak Bungalow/Circuit Houses/Inspection Bungalow/First lodges**: A legacy of the British Raj, these were built as rest houses for colonial official across the country as well as in remote areas and scenic locales. All these properties have an ageless charm and an old world style of hospitality as well as special cuisine, which forms a part of the attraction, apart from the low tariff. These are owned by the various state governments and can be accessed through the local district administration. Often these are the only lodging properties in remote areas.

3) **Lodges/Boarding House**: lodges are modest hotel situated away from the centre of the city or located at a remote destination. These are self-sufficient establishment that offer standard facilities, such as clean and comfortable rooms, food and beverage service. Boarding houses are establishment that usually provide accommodation and meals at a specified period of time, such as weekends, or for a specified time of stay.

4) **Youth Hostel**: The youth, from rural as well as urban areas, travel for various reasons, such as education, adventures, and recreation. Youth hostels were established to cater to the youth on the move, who couldn’t afford steep hotel rents. A youth hostel generally provides low-cost dormitory accommodation with common bathing and cafeteria facilities. They may also provide kitchens for self catering.

5) **Yatri Niwas**: A yatri niwas provides low-cost, self-service accommodation to domestic tourist in cities. The emphasis is on modest comfort and affordability. These are generally frequented by people during brief stopover while travelling between places, or by families with modest budgets. These properties are located at historical, cultural, and natural sites.

6) **Camping Grounds /Tourist camps**: Camping grounds are normally located within cities in open spaces. They provide parking space along with water, electricity, and toilets.
Camps must follow certain regulation regarding the quality of services and cost, and are set by municipalities.

7) **Railway/Airport Retiring Rooms:** A retiring room is for the convenience of the transit travellers. These are situated at major railway station and domestic and international airports. They provide a resting place to passengers with confirmed and current tickets. These retiring rooms are available at reasonable rates and are often air conditioned. Booking for the same is made through the station superintendent or the airport manager. They are equipped with clean sanitation facilities and may include F&B facilities at a cost.

8) **Paying Guest Accommodation:** A PG accommodation is a non institutional accommodation offered by individual household at various destination. This kind of accommodation is becoming popular in large metropolitan cities among outstation students and the employed youth migrants from other towns. Guest normally pays for accommodation, while the rules for F&B services may differ from host to host.

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