

# Tourist Accommodation In Kashmir: Present Scenario And Future Prospects

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## ABSTRACT

*Ever since we landed in the consumer oriented era of business, branding and service quality became the order of the day. And over time, scarce resources with uneven distribution increased the competition in business world with geometric progression. To survive demands of quality, timely services, technological improvements and grab brand conscious market we need to develop and explore innovative ways and strategies to be in business.*

*In 1950 franchising emerged as a powerful way to improve service organizations' standards and facilitated growth in USA. With its origin in USA, franchising over time emerged in Europe, Asia and Far East as an excellent strategy to expand, make benefits, gain consumer loyalty and face low risk. Franchising has fashioned hospitality industry in India and all over the world in new way and has taken it to heights of prosperity. But it has not been much explored in Kashmir valley. The paper- suggestive in nature and based on primary as well on secondary data will try to explore the prospects of franchising of accommodation sectors in the valley and how it can improve the quality and standards of sunrise industry in Kashmir.*

**Key words: franchising, prosperity, expansion, low risk, quality and standards.**

## INTRODUCTION:

Marketing era had its footing in business world from mid 1950, focus of the companies now was not sales but needs and wants of customers and thus started customer oriented business. Successful marketing needs understanding perplexing behavior of consumers', clear understanding of their needs and wants, and this is a great challenge in hospitality business. For success constant communication with customers is needed so as to tailor products and services as per their changing needs (Ried and Bonjanic, 2006). Companies focused on marketing and embraced the concept of 'coordinated marketing management' which served two goals – customer satisfaction and profitability (ICFAI center for management research (ICMR), 2005, *Marketing Management*, pg.7). Franchising is the offshoot of this coordinated marketing management. It is the business strategy which acts as the rope to ride in the highly competitive business environment where the market is brand conscious. **Franchising is the transference of intellect, trademark, technical know-how, proven plans, successful marketing techniques etc from franchisor to franchisee for fee and royalty payments, serving the profit and growth needs of both** (Lashley and Morrison, 2000, *Franchising Hospitality Services*, pg.5). Franchising plays a ground breaking role in validating service quality over and across and specifically so in the hotel industry. Most important element of the tourism industry is accommodation sector

which provides the tourists “home away from home”. In past accommodation sector was not complexly organized and so where not the tourist expectations, but over time with growing awareness, hand on sources, improved lifestyle, sophistication in societies and technological assistance customers expectation grew and initiated the fashioning of lodging facilities and services such, which makes tourists stay comfortable and memorable. Accommodation unit; be it small or big, chained or single unit enterprise, graded or non graded sell ‘‘food and bed’ and for this world is the market, provided we keep our servings centered for the world (as niche) and make ‘delicious and dreams’ as synonymous to food and bed we offer. This demands customer focused approach, enthusiasm to excel and expand, knowledge, coordination, universal service standards, recognition and management, to name few from the intangible requirements and capital majorly. Since resources are scarce and consumers’ expectations intensify competition, sharing and alliance comes at our rescue and franchising is one such form. It is the innovative way to **survive, serve quality and spread.**

### LITERATURE REVIEW:

Franchising comes in the ambit of marketing and thus sweeps up many similar characteristics. Peter Ducker asserted aim of the marketing is to make selling unnecessary and this can be achieved only when marketers satisfy unfulfilled needs of customers. Essential features of the marketing are: consumer orientation, long-term profitability and financial integration (ICMR, 2005). Aim of the marketing is to serve the customers with right product, in the right form, at right price, at the right time, at the right place so that **right image of business is ramped up with right market and retained rightly.** Hudson (2008) stresses that to win and retain market, marketing managers should understand consumer characteristics and their buying behavior in detail, try to satisfy their needs better and establish an image for services and products offered. This makes the consumer loyal to the business, services availed become the quality for consumer, name of the company becomes **a brand**, synonymous to services consumer wishes to enjoy. Duane E. Knapp(1999, *The Brand Mindset*) proposes genuine brand as psychological sum of all impressions received, leading to the distinctive image in the minds of consumer about the services based on perceived benefits, attributes and values. This leads to competition, **dynamic and constant** thing and to sprout in such environment company needs **innovation, differentiation, constant awareness** (Hall and Williams, 2008). Baumol (2002) coined the phrase “**innovation arms race**” while asserting it as the competitive weapon. Globalization, privatization and liberalization though intensified the competitive wave, but equally opened the prospects for innovations and branding our services internationally. Various modes to venture into foreign market are: exporting, subsidiary units ownership, joint venture, turnkey projects, strategic alliance, mergers and acquisitions, piggyback, licensing and franchising (The ICFAI University Press (TIUP), 2004). Various foreign hotel chains like Ramada, Hyatt and Marriott have entered country via franchising mode and increased the customer services standards in industry. This awakened the local service caterers about high end competition and they worked on same strategy – ‘franchising’, to expand nationally and internationally with Taj, HCI and other groups but the valley of Kashmir remained negligent about this service standardization and expansion drive for long and shows the minimal inculcation cases from less than a decade.

## OBJECTIVES:

- To explore the current scenario of hospitality sector in Kashmir valley.
- To understand weak points in accommodation operations.
- To highlight the advantages of franchising at the national and international level.
- To explore the possibilities of franchising hotel industry of Kashmir valley.

## RESEARCH METHODOLOGY:

Keeping in consideration the specificity of the topic and penetration of franchising in hotel industry of valley which is meager and budding, the study is primarily based on the secondary data analysis for highlighting the advantages of franchising at national and international level. Primary data incorporated in the work is collected through in-depth interview with the expert from Heevan Retreat Gulmarg, Kolahoi Green Resort Pahalgam, Taj Vivanta Srinagar and Lalit Grand Palace Srinagar. The value addition is brought in work from the field experience and observations as the learner since 2007, recapitulating my training experience in Hyatt Regency New Delhi, value addition trip to Sheraton- New Delhi, Lutyens- New Delhi, Centaur Lake View Hotel- Kashmir, Broadway Hotel- Kashmir, City Plaza Hotel Kashmir, Shahenshah Hotel- Kashmir, Nunkun restaurant- Kashmir.

## CURRENT SCENARIO OF HOTEL INDUSTRY IN VALLEY:

Tourism is the key industry of Kashmir. Travelers have flocked to valley from times for various purposes and have always been welcomed with great zeal and enthusiasm. This business has been a great support to economic setup of Kashmir and over time industry was engineered to meet changing needs. Draft tourism policy of Jammu and Kashmir (J&K) in its **vision** states to make **tourism engine of economic development** and aims to **achieve internationally competitive tourism sector centered on sustainable growth**. **Mission** statement of the policy focuses on making **Kashmir most favored tourist destination and devising strategies to increase domestic and international flow**. Department of tourism, under Jammu and Kashmir State government develops, regulates and promotes Jammu and Kashmir tourism. The department is administering tourism promotions under: two provincial directorates, twenty tourism development authorities, Jammu and Kashmir tourism development corporation, Jammu and Kashmir cable car corporation, royal springs golf course society, Sher-e-Kashmir international convention centre and Jawahar institute of mountaineering and water sports (GOI organization) (J&K Economic survey, 2013). These arms of the department are guided by the regulations enshrined under J&K registration of tourist trade act 1978, amended in 2011. Kashmir accommodation sector includes guest houses, hotels, houseboats owned by public as well as private bodies. In the trade act part I preliminary, point 2 clause (e) reads: **“hotel means any premises or part of premises including houseboat, restaurant, dhaba, bar, guest house, tourist lodge, camp hotel or a tent where lodging with or without board or any kind of eatables or beverages is provided for a monetary consideration”** (<http://jktourism.org/j-k-registration-of-tourist-trade-act.html>).

Part III of the act deals with the registration of hotels and annexure part highlights the criteria for classifying hotels and houseboats in the valley under classes: A,B,C,D,E and Deluxe, A,B,C,D,E categories respectively. The number of hotels and house boats registered under various categories as per the trade act are furnished in the tables below:

### Hotels:

Hotels	Total registered properties	Total rooms	Maximum room count	Minimum room count
A	67	3405	252 Centaur Lake View	11 Lake Isle
B	95	2797	108 New Gulfam	6 Natural Kashmir
C	177	3723	80 Woodland	5 Shah Residency
D	19	452	48 New Rigadoon	9 Tophill
E	6	88	32 Chaand	8 Shah Hotel
<b>Total</b>	364	10465		
Data courtesy jktourism.org				

House Boats	Dal lake, Negeen lake, Tchuntikul, Jehlum				
Class	Deluxe	A Class	B Class	C Class	D Class
<b>Total</b>	349	129	124	134	351
<b>Total Rooms</b>	1007	310	299	306	772

Data courtesy 20 years' perspective plan for sustainable development of tourism in J&K

For inviting travelers and tourists from country and around to Kashmir, we need to have standard hotels and other facilities to serve them. Though Govt. of India and the State Govt. are promoting the tourism of the valley under various innovative schemes, micro and mega projects; superstructure standards remain unsolved. For addressing the infrastructural needs of the industry, ministry of tourism (GOI) under '20 years perspective plan for sustainable tourism development in Jammu and Kashmir (PPSTDJK)' has proposed various hotel projects as 5 star, 4 star, 3 star, hotel cum golf course and one star in J&K. The report also forwards the proposal for foreign direct investments in superstructures in the valley, but not much has turned to implementation phase so far. Flow of the tourists to valley is increasing with every passing year, projections of the tourism as per 20 years PPSTDJK is that by 2020, 2014952 tourists will flock to valley. The projections were much accurate for 2012 in which 1308765 tourists were received (J&K economic survey, 2013-14) in comparison to projected 1307973. To serve the flow 20 year PPSTDJK has projected the accommodation needs from which I am tabulating the projections made for year 2015 and 2020 as under:

Years	Starred Hotels			Class Category					Guest Houses	Total Bed
	5 star	3 star	2 star	A Class	B Class	C Class	D Class	Others		
2015	9	11	21	408	433	584	114	135	240	68836
2020	11	14	28	832	781	915	199	238	313	163263

Data courtesy 20 years' perspective plan for sustainable development of tourism in J&K

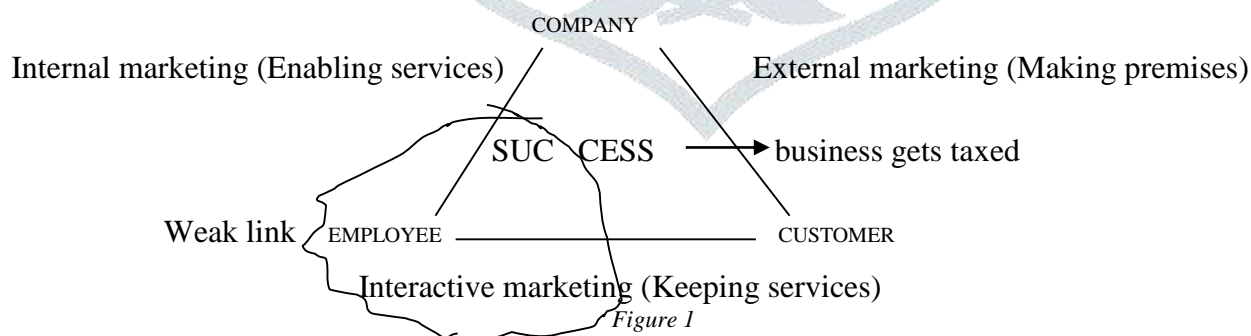
Tourism contributes 7-8% to GDP of the state, generates jobs and brings in limelight the entrepreneurial skills. According to J&K economic survey (2013-2014) tourist inflow in 2014 was 1167618 (domestic and foreigners) which dropped to 403442 (domestic and foreigners) in 2016 still above the expectations for the reason of disturbances in Kashmir valley. Government is diversifying and widening the product base of valley to attract diverse domestic and foreign market, so the flux is expected to continuously increase to valley.

### ISSUES AND WEAKNESSES:

The dissection of the J&K tourist trade act shows its obsolescence in the present competitive and quality led world tourism scenario. Comparing classifying criteria of tourist trade act (1978) with the classifying criteria

of hotel and restaurant approval and classification committee (HRACC), a permanent committee formed by the Ministry of Tourism, Government of India highlights that classification by tourist trade norms is vague and repelling. Tourist enjoying the services of Lalit Grand Palace, Shahenshah and City Plaza may be highly disappointed for realizing that the impression build by the classification was not correct. While Lalit is a high end hotel, Shahenshah not much near to it in services and product, city plaza hotel does not stand anywhere in the service quality comparison, but unfortunately all are classified as class A hotels as per the registration act. Metro, a 2 star property is graded as A class property as per the registration act. All these points highlight the lacuna of the tourist trade act and severe conditions of the hotel infrastructure in valley which need the helping hand from the academicians, training institutions, field experts and the government. Though product base is enlarged and diversified under various schemes, the quality of service is much poor. Professionalism is lean and thin in valley's hospitality sector (20 year perspective plan for sustainable development of tourism in the state of Jammu and Kashmir). Hotel owners don't take pain to get professionals to manage their business. Institute of hotel management conduct degree, diploma and short term awareness (Hunar-se-rozghar) programs to produce the manpower needed by industry. To break the ice and unawareness institute is using media and radio (fm) to reach potential professionals but maximum of hospitality experts fly away from Kashmir (know for hospitality) and land with their skills in gulf for gaining experience in leading hotels where they are offered high hygiene factors and motivators (Herzberg's motivation theory). Hotels are not only about the tangible facilities but it is about the personnel services too. Creating a feeling of being precious and valuable to business is the need of the hour. Unfortunately hospitality industry in Kashmir is headed by the estate owners who don't have the basic knowledge about the hospitality industry nor do they realize the necessity of professionalism in services and thus industry is dragged on the traditional approaches.

Services' marketing is the mix of three essential elements customer, company and employee. For success all elements need to be chained to have great strength, any weak link makes the business wobble.



Sources: *tourism and hospitality marketing- a global perspective*, & *South Asia Tourism Secretariat's (SATS) entry level front office*, edited for the concept clarity

Analysis of the data collected for the study show employee and their skills are the weak link in the hotel industry of valley (*figure 1*). Trend in the valley is family owned hotels where the owners invest the capital in establishing estate and in its functioning, which altogether remain below par and meeting ends. Hotel operators in valley are skeptic to technology, many are still in the manual era. Human resource management

concept is thin in the industry. Service etiquettes is least thought off, systematic work flow, standard operating procedures is off in establishments. All this has put the industry in shambles.

Partnering with national or international hotel chains helps in bringing universal service standards, infrastructural up-gradation, management excellence, satisfaction in employees and tourists, dynamism and modernization in hotels. The chaining and branding of properties in Kashmir was not in scene a decade before. It took the shape with the initiation by Tramboos owning Kyber Himaalayan Resort Gulmargh who chained it with JHM Interstate. Though they broke the tie with in nine months period but the property is maintaining the high quality decorum and services (respondent working in Khyber Himalayan resort ). Aesthetic of 5 star hotels do not necessarily guarantee the high guest satisfaction. For guest satisfaction; mastering personnel skills, professional approach to service operations, timeliness and services matching universal standards are needed. Hotel Pahalgham the property owned by Mr. Ghurmeet Singh, IHM topper from Chandigarh ranks high for its service quality in Pahalgham even when the property is not franchised or chained. Kolahai properties, a local chain maintain the service standards by hiring hospitality professionals who are well versed with the current trends and future needs of the industry. Thus professionalism majorly influences the growth of industry. To meet expertise requirements of properties owned by non professionals franchising becomes but essential to lean to. Fortunately for past less than a decade Kashmir has become a hotspot for the hotel chains and property owners take chaining in the positive way. Accommodation units which are chained and have made unique recognition in Kashmir till 2017 end are listed below:

Hotel Chain	No of properties in Kashmir	Accommodation units	Lettable rooms
Indian hotels company limited (IHCL) Hotel brands: <ul style="list-style-type: none"> <li>• Taj</li> <li>• Vivanta</li> <li>• The gateway</li> </ul>	1	Taj Vivanta Srinagar	84
Bharat hotels limited	1	Lalit Grand Palace	113

ITC Hotel brands: <ul style="list-style-type: none"> <li>• Fortune</li> <li>• Welcome</li> <li>• Luxury (tied with ahad group of hotels)</li> </ul>	4	ITC Nedou's (luxury)  Heevan resort srinagar (fortune)  Pahalgham pine and peak (welcom)  Heevan retreat gulmarg (fortune)  Heevan pahalgham	114  39  68  30  47
Marriott  30 hotel brands internationally	1	Four Points by sheraton	52
Carlson Rezidor group (Asia Pacific) Hotel brands: <ul style="list-style-type: none"> <li>• Raddison blu</li> <li>• Raddison</li> <li>• country inns and suites ( tied with Mushtaq group of hotels)</li> </ul>	1	Raddison Srinagar	88
JK tourism development corporation	2	Heemal Srinagar Kashmir residency Lala Rukh (houseboat)  Huts and hutments in soamarg, gulmarg and pahalgham	72 38 - -
Lemon tree hotels Brands: <ul style="list-style-type: none"> <li>• Lemon tree premier</li> <li>• Lemont tree hotels</li> <li>• Red fox by lemon tree hotels</li> </ul>	1	Lemon tree hotels srinagar	37
kolahoi Green (Local chain)	2	Kolahoi Green Heights gulmarg  Kolahoi Green Resort Pahalgham	38



			30
JHM Interstate hotels and resorts (partnership broken)	1	Khyber Himalayan resort gulmarg	85
Hotel corporation of India (An Air India Subsidiary)	1	Centaur lake view hotel	292
Welcome Heritage (forts palace havelies and resorts)	-	WH Gurkha Houseboats	-
Local houseboat chain owned by shabir Ah. baba	-	Young morning star	-

(Data collected from newspapers: economic times, Kashmir news and various webpages latest by December 23-12-2017)

Rising awareness about the service quality has made Kashmir the hotspot for chaining of hospitality units be that the hotels or restaurants and food outlets. Property owners are seemingly open to tie with known hotel chains. Though in a less than decade properties chained so far reflects the good take off but for being more inviting much more is needed on this front. While Raddison is planning to have properties in Gulmarg, Sonamarg, Tangmarg and Pahalgam, Lemon tree hotels are searching for the properties to tie up with in Gulmarg. JKTDC is on negotiation with the central government to take over the Centaur Lake view hotel. High end superstructure is the need of the Kashmir tourism industry. Franchising is the best alternative to feed the need. Franchising is not deterred by the political environment of the valley as is evident from the success of the properties chained so far but the awareness and lack of professionalism had been the hurdle which still is to be worked upon.

### FRANCHISING:

Franchising and related terms have been defined and discussed by many academicians ever since it came into existence. According to international franchising association (IFA), organization representing franchising worldwide, 'franchising is simply a method of expanding business characterized by trademark license, payment of fees and significant assistance and/ or control'. Franchising is the strategic alliance between two legally distinct entities: franchisor and franchisee; One injecting the capital and other injecting the intelligence in the business. Franchisee gets brand recognition, the chance to work with an established organization and credibility by virtue of being associated to business leaders and franchisor gets knowledge of local market, capital and enthusiastic entrepreneurs. Thus it is a fusion of intellectual property owned by franchisor and physical infrastructure possessed by the franchisee, governed by franchise contract. Though firms can expand by owning 'n' number of units in 'n' number of locations but companies prefer franchising for:

- 1 Shortage of resources as capital and managerial skills, so parties complement each other
- 2 Reducing risk by sharing.
- 3 Potential for greater convergence of goals between franchisor (principal) and franchisee (agent) (Lashley and Morrison, 2000, pg.9.,*agency theory*)
- 4 For survival both need each other in brand conscious society.

#### Pros of franchising for the parties:

Franchisor	Franchisee
<ul style="list-style-type: none"> <li>• Low capital input, low staff needs.</li> <li>• Risk of expansion in unknown geographic area is reduced.</li> <li>• Highly motivated and enthusiastic franchisees as they have invested capital hugely and will put every effort to make it success.</li> <li>• Rapid expansion of chain, fee and royalty are resources to develop.</li> <li>• Improvement in market reputation.</li> <li>• Effective communication with franchisees enables regular processing of information and quick provision for change and improvement.</li> </ul>	<ul style="list-style-type: none"> <li>• They get management assistance, proven business plans, principal and strategies, image, trademark, brand name.</li> <li>• Assistance at opening and over the period of contract from the franchisor in the form of staff training, central reservations, advertising etc</li> <li>• Entrepreneurs' risk of failure is reduced as there are pre-sales consumer base.</li> <li>• Franchisees get pool of innovative ideas in lieu of integrity, their confidence and efficiency grows.</li> <li>• Availing financial assistance becomes easy.</li> <li>• Central purchasing and exclusive rights in territory.</li> </ul>

#### Concerns for both:

1. Franchisee does not enjoy autonomy as any independent business owner does and for franchisor scope of command is limited in comparison to fully integrated units.

2. Many aspects of the franchising like span of control, power distribution, and contract terms can be a source of friction between the two.
3. Franchising contract is generally for 20 years in hotel industry. If franchisee wants to terminate relation, it is liable to pay the estimated franchisee fee to franchisor. Traditional agreement allows franchisor to eliminate agreement only if franchisee proves default. Cancelling a franchise is equally difficult and expensive for franchisors.
4. Poor functioning of franchisee can damage reputation of the chain and poor enforcement of standards by franchisor across the chain can drag the efficient franchisee in mud.
5. Franchisees have obligation to sell product and services approved by the franchisor and franchisors have the threat of leakage of trade secrets by franchisees.
6. For franchisor sizable initial costs of setting franchise and legal documentation, skipped royalty, resignation of successful franchisee are major concerns. For the franchisee regular payment of royalty, poor bargaining powers and keeping own interests second to company interests are major concerns.

Franchising is a two way selection process. To crease out such problems both parties should carefully choose the partner they feel comfortable with. Meticulous selection of the party is crucial for the success of the franchise business.

### **SCENARIO OF FRANCHISING IN INDIA AND WORLD:**

Franchising is growing rapidly in the world and has tremendously flourished in hospitality business deeply at the subsector level of hotels, food catering, licensed retail and travel trade and transport sector (Lashley and Morrison, 2000, *franchising hospitality services*). Franchising has its roots in USA and in six decades it grew as the booming business strategy all over the world especially in the service sector. Largest organization promoting, protecting, enhancing and representing franchise system worldwide is International Franchise Association (IFA). IFA in its 2016 franchise business economic outlook reports that:

1. Franchise businesses create jobs faster than other businesses and forecasted increase of 3.1% direct jobs in franchises' in 2016 from 8.834 million to 9.112 million.
2. Output from the franchise establishment in nominal dollars in 2016 will increase by 5.8% from \$892 billion to \$944 billion.
3. Number of franchisee business in US will increase by 1.7% from 782,573 to 795,932 in 2016.
4. GDP will increase by 5.6% from \$523 billion to \$552 billion.

Franchise business economic outlook by business line forecast that in lodging industry in 2016:

1. Franchisee establishments will grow by 1.8%
2. Employment will increase by 2.8%

### 3. Output from franchised lodging industry will increase by 6.6%

Report also highlights that 65% of the employment in franchise businesses is from the food and hospitality sector in which lodging makes 8%, retail food 6%, quick service restaurant 38% and full service restaurants 13%.

IFA's educational foundation- ICFE (Institute of Certified Franchisee Executive) established in 1983 produces certified franchise executives to enhance the professionalism in franchising. This proves that franchising is growing steeply in the world and on similar lines in India where annual growth rate is 25 to 30% (<http://www.fai.co.in/about-fai.html>). Franchising association of India (FAI) established in 2001 with the objective of establishing international standards in Indian franchising business, awareness and education of stakeholders, has tied up with ICFE to launch certified franchise executive program in India. With these refinements at national and international level the franchising business will continue to expand in future.

### SUGGESTIONS:

Hospitality industry in Kashmir valley is no ways comparable to the hospitality sector at the national level or international level sans the few franchised properties which have come in past few years and taken it on the ladder of quality and professionalism in hospitality. Tourism industry in valley is in dire need of professionals who can sail it through the tides of time and competition. Valley is taxed highly, cause of its socio-political environment and this highly impacts its economic fabric specially tourism. But besides these uncontrollable factors, the inner frame of the industry is rusting. It needs innovation, creativity and high attention from the government as well. According to Greg and Julie (2007, *tourism creativity and development*), “**Orgware**” creative approach is needed, which is the admixture of hardware creativity encompassing space and infrastructure and software creativity encompassing experience majorly. Hospitality industry needs aligning resources and competences to the environmental forces. As asserted by Olsen, Pizam and Zhao(2008), industry needs to develop innovative critical methods (CM) for growth and critical success factors (CSF) to ensure minimum performance so as to prevent failure. Unplanned tourism infrastructure is stealing the Kashmir of its beauty. Horizontal expansion of hotels at pristine sites as Sonamarg, Pahalgam, and Gulmargh is engulfing the greenery and in coming years if unchecked such sites will turn to be history. The Govt. should stress on vertical expansions and aid the entrepreneurs in that sense. Hospitality entrepreneurs in valley before entering business need to ask themselves: what do I know about this business and what I need to know? , who has the expertise and knowledge of the business? And how can I access the skills needed and use them? (Ross and Lashley,2009). The tourist trade act needs to be at par with HRACC classification. Benchmarking is needed to assess the strength and weakness of industry, assess the achievements and have continuous improvements. Satisfying customers is no longer enough in competitive world, delighting customers ensures repeat and recommended business (Bowie and Buttle,2004).Tourism industry of valley needs a lift-up for several reasons:

1. Fragile environment does not permit us to go for expansion in secondary industries and environmental change has further clipped such alternatives, so sunrise industry is a suitable alternative.
2. Kashmir has rich natural and cultural resource base to promote tourism industry.
3. Masses are directly or indirectly earning their livings from tourism. Promoting tourism awareness in the masses is not much difficult as hospitality is in their genes.
4. Lastly, advancement is needed cause world tourism order has changed, branding business have become the order of the day and consumers look for their prestige, they have become brand conscious.

Hotels need to consider how they should operate in future, constantly reevaluate their facilities to meet future needs. From past few decades, hospitality industry across the world is characterized by change rather than traditionalism and this calls for openness to change and running with it (Medlik and Ingram, 2000). We need to renovate our hospitality sector, bring fresh blood (professionals) in it and set it on new business strategy i.e. franchising to be part of successful world hospitality business and bring vision and mission statements of tourism policy of Kashmir to life. As of now hotel owners of valley can explore the franchising business as potential franchisees. And with full awareness of needs and prospects of franchising, entrepreneurs should analyze the chains background before they tie, they should look for financial standing, target market, cost of franchising. They should go through the contract properly to avoid being trapped under any unfavorable regulations. Selection of the franchisor decides the future of the hotel so diligent analysis of possible prospective franchisors should be done. The department of tourism should guide the property owners in choosing the franchise chain. Timely utilization of treasure and talent is generic success mantra, franchising helps to bring three components of mantra together Franchising helps hotels to adapt more effectively and quickly to changing consumer needs. **OYO rooms** is the concept which trickled to valley much quickly and this has made the affiliated guest house properties king in business, they don't need to advertise, market or worry about selling their product. Hotel industry in valley needs efficient strategic management, proven business plans and recognition. Franchising with national and international brands will be a great breakthrough to shine.

## CONCLUSION:

The hotel has a lifecycle, starting with profitability, growth then expansion, stagnation and then obsolescence (Peggy Berg, Aug 1990). This lifecycle is affected by many internal and external factors as design, service quality, management, consumer preferences and experience, environment- socio-economic and legal. Hotels need to drive with change to be successful. Once demand was simple but with modernization, customer awareness and sophistication of society it has become difficult. In present competitive and consumer specific business world; high end, mid range and lower end hotels are equally facing upgrading, marketing, and branding needs. Hospitality stakeholders in Kashmir need to market their hotel by repositioning, renovating, redesigning, renaming, and being constant with change. In present customer era franchising has become inevitable business strategy to grow and develop. In jam-packed

competitive world it helps consumers to chase you with the **bird's eye view**. Musing the role and success of the franchising in the hospitality industry across the world and literature present on franchising validate that franchising is the successful strategic business alliance which proves beneficial and valuable to the parties involved and hotel operators in valley should avail this opportunity for growth and expansion.

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➤ All web resources were accessed for the data from 10<sup>th</sup> March 2016 to 23<sup>rd</sup> December 2017