

**GOVERNMENT OF INDIA
TOURISM
LOK SABHA**

UNSTARRED QUESTION NO:4801
ANSWERED ON:22.12.2014
LOSS TO ITDC HOTELS
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Will the Minister of TOURISM be pleased to state:

- (a) whether several ITDC hotels are running in huge losses for the last three years;
- (b) if so, the details thereof, hotel-wise and year-wise and the reasons therefor; and
- (c) the steps taken by the Government to streamline the economic condition of such hotels?

Answer

MINISTER OF STATE FOR TOURISM (INDEPENDENT CHARGE)(DR. MAHESH SHARMA)

(a) & (b): The India Tourism Development Corporation (ITDC) Ltd. runs fifteen hotels in the country. Some of these hotels are running in losses. The hotel-wise and year-wise details of these are given in Annexure.

The reasons for losses in hotels are as under:

1. Spurt in availability of overall room supply position as compared to demand.
2. High wage cost.
3. Weakening of global economy has contributed to a room supply vs demand 'mismatch'.
4. Reducing average room recovery due to high competition.

(c): ITDC has already initiated the steps to boost the profitability by taking following measures:

Investment in Human Resource Development and brand management.

Establishing Customer Relationship Management System (CRM) to enhance the customer focus.

Aggressive marketing in India as well as abroad through participation in major Travel Marts and organizing Food Festivals.

Carrying out renovation/refurbishment works in ITDC hotels.

Launching e-marketing and thus laying greater focus on B2C (Business 2 Customer) market.

The 4+1 dimensions Balanced Score Card System (BSC) approach has been adopted for necessary performance and evolving execution strategy.

Smart Hotel Initiatives (SHI) have been implemented to get customer experiences and use analytics to improve performance and bring about change in service delivery standards.