



**GROWTH OF HOTELS INDUSTRY IN NAGALAND WITH SPECIAL REFERENCE TO DIMAPUR DISTRICT: A STUDY**

**Nipul Sutradhar and Subit Dutta**

Department of Commerce, Assam University Diphu Campus, Diphu, Karbi Anglong, Assam

**ARTICLE INFO**

**Article History:**

Received 6<sup>th</sup> February, 2018

Received in revised form 20<sup>th</sup>

March, 2018 Accepted 8<sup>th</sup> April, 2018

Published online 28<sup>th</sup> May, 2018

**Key words:**

Hotels, Growth, Nagaland, Dimapur

**ABSTRACT**

Hospitality industry consists of mostly the accommodation and food establishments for a large ingredient of the service mix in the tourism industry. This industry has generated tremendous employment opportunities and a main source of foreign exchange in India. Today, Hospitality industry has emerged as new driving force for the growth of services sector in India. This has not only been realized at National Level but also in State Level too. This paper attempted to study the growth of hotel industries of Nagaland in general and Dimapur in particular. Nagaland is one of the moderate growing states of NER. The Hotels in Nagaland primarily constitute of the Hotels of Kohima and Dimapur. Tourists coming to Dimapur are increasing day by day due to various reasons but the hotels to accommodate them hardly meet their requirement. This research is undertaken to study the growth of hotel industry in Dimapur in terms of units, room and bed capacity. The data has been collected and analysed from the tourist statistics available with the Department of Tourism, Government of Nagaland for the period from 2006 to 2015.

Copyright©2018 **Nipul Sutradhar and Subit Dutta** . This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

**INTRODUCTION**

**Prologue**

The hospitality service sectors include Travel and Tourism, Food and Service management, Bars, Night clubs, hotels, Motels, Hostels, Restaurants, and Travel agents. The Indian tourism and hospitality industry has flourished as one of the key drivers which boost the service sectors in India after New Economic Policy 1991. It contributes to 6.23 percent to the National GDP and 8.78 percent of the total employment in the country.

The Indian hospitality industry has registered exceptional growth due to inflow of foreign tourists as well as increased tourist movement within the country and it has become one of the leading players in the global hospitality industry. Due to rapid economic prosperity and continued improvement in living standard, the hospitality sector in India has achieved new heights today. Indian hotel industry has witnessed upswing in recent years due to high growth in sectors like information technology, telecom, transport, education, health care, banking etc. The growth of tourism industry has also acted as stimulus to the hotel industry. The demand of hotel industry has also been increased in recent time due to the advent of technological progress particularly through higher capacity cruise ships and aircrafts, computerized reservation

system, better road and transport facilities, all have played key roles in the global growth of hotel industry.

**Statement of the Problem**

Hotel industry is growing to meet the growing demand of the market. The success of the industries lies when the forecasting demand meets the actual demand. The hotels in Dimapur are growing. Dimapur is a commercial hub of Nagaland and the various activities under taken by the Govt. to boost the tourism is worked well which has increased the inflow of tourist to the state in large number. The Govt. of Nagaland has undertaken tourism based activities which has given the positive impact to the state economy. This paper tries to identify whether the state is in the position to provide accommodation facilities to inflow tourist.

**REVIEW OF LITERATURE**

Mohanty (1992) in her research has analyzed the growth of hotel industry in Orissa. She has analyzed the growth trends of different classes of hotels in Orissa by using percentages, graphs, index numbers and linear and exponential growth trends. She concluded that the growths of higher spending hotels are more impressive. Sukthankar (2013) attempted to highlight tourism and tourism related (accommodation) hotel industry. It studied the growth of domestic and foreign tourist arrivals in Goa during the period 2000 to 2012. It was observed that the arrival of domestic tourist and foreign tourist in Goa has shown an increasing trend. The tourist arrivals in Goa has shown annual compound growth rate of 6.78%, where as the hotels shown a compound growth rate of 4.07%. Ongoro *et al.* (2013) investigated the effect of managerial skills on

\*Corresponding author: **Nipul Sutradhar**

Department of Commerce, Assam University Diphu Campus, Diphu, Karbi Anglong, Assam

growth of hotel based MSEs in Keroka Town, Kenya. A sample size of 30 hotels was randomly selected. The results showed that managerial skills stimulate enterprise growth. Thus, managerial skills have a strong, positive and significant influence on the growth of MSEs. Jahan (2015) in his paper explored the various opportunities available for the growth of SMEs in Hotel Industry and to investigate the effect of managerial skills on growth of hotel based SMEs in Bangalore city of India.

**Literature Gap:** This literature review shows that sufficient amount of research work is done on Tourism and Hospitality industry at National level. But no research work has been done in the context of Tourism and Hospitality industry at state level of Nagaland. Hence the researcher has undertaken to investigate on “Growth of Hotel Industry in Nagaland with special reference to Dimapur District: A Study”.

**Objective of the Study**

The main objective of the study is to analyze the growth of hotel industry in Dimapur District of Nagaland.

**Source of Data**

The study is based on the secondary data which is taken from the various published and unpublished report, available literature done by other researcher’s, annual reports, ministry of tourism reports, invoices, journals, magazines, thesis, newspapers and other reports from the hotel.

**Period of study**

In order the study the trend of growth of hotel in terms of number of units and others a period of 10 years has been taken i.e. from 2006 to 2015.

**Significance of the study**

The research has a practical and economic significance as the growth of hospitality sector in the world’s developed economies continues to dominate the service sector. Now a day’s Hotel Industry plays a massive role in the service sector. It helps the tourism sector in earning revenues from foreign as well as Indian tourists. Hotels and tourism industry are the biggest earners of foreign exchange in India. The results could be used by hotel managers and investor in identifying the prospects of hotel business.

**Limitation of the study**

The study is based on secondary data but the secondary is not available for all the required information or whatever data is available it may not be adequate.

**Growth of Hotels in Nagaland**

Nagaland has still in back foot in terms of Travel and Tourism development. The young state of Nagaland is economically weak and entirely depends on agriculture. Inadequate infrastructure and poor connectivity are the major hurdles for the tourists. However, the State Department of Tourism is trying to develop tourist facilities at various places. The state has excellent potential for tourism development with emphasis on Eco-tourism/Adventure tourism and Heritage Tourism. However, the success of its tourism highly depends on the enthusiasm and inputs from the state government and also on infrastructure development of the entire Northeast region.

Nagaland being a small state in the north eastern part of the country does not have many places which abound in Hotels. But with tourism gaining prominence in Nagaland, hotel owners here are finally showing signs of realization. The Hotels in Nagaland primarily constitute of the Hotels in Kohima and Dimapur. Whether a visitor comes for business or on a pleasure trip, one can simply put up in a hotel in the capital city and easily cover the other parts of the state. Dimapur is one of the most important towns in Nagaland. Tourists coming to this beautiful town have to get themselves accommodated in hotels and lodges for appreciating the beauty of the state. There are many hotels and lodges in the state where the tourists can make a comfortable stay. Tourists can also relish finest Chinese, continental and local cuisines served in these hotels.

Nagaland Hotels Limited (NHL), a subsidiary of the Nagaland Industrial Development Corporation (NIDC) came into existence in March 17, 1982 with the objective of developing and expanding hospitality infrastructure in the state. Working on the philosophy of public sector, NHL succeeded in achieving its objectives by promoting the first hotel chain in Nagaland and providing services i.e. Accommodation, Catering, Transport, in-house Travel Agency, Entertainment, and Publicity etc. under a single window.

As per statistical Hand Book of Nagaland, 2014 there are nearly 93 hotels and the rest are all restaurants in Nagaland and most of the hotels are confined in Dimapur which is followed by Kohima and out of these the Government of Nagaland has only two hotels, namely Hotel Saramati in Dimapur and Hotel Japfu in Kohima. These two government undertaking hotels were the pride of Nagaland for several years catering to the needs of the state in absence of any better Government accommodation and private hotels.

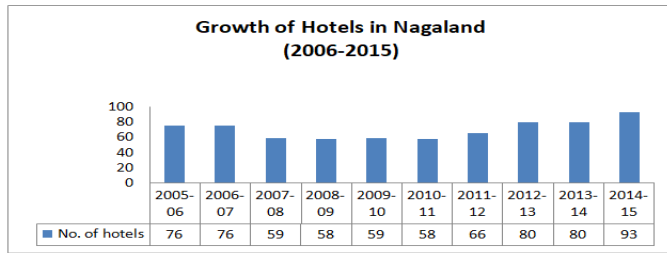
**Table:1.1**  
**Number of Hotels in Nagaland in District wise from 2006-2015**

District	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15
KOHIMA	15	15	13	13	14	13	14	14	14	18
DIMAPUR	28	28	24	24	24	24	28	30	30	38
MOKOKCHUNG	10	10	6	6	6	6	5	5	5	7
ZUNHEBOTO	3	3	3	3	3	3	3	3	3	4
MON	6	6	2	2	2	2	5	7	7	7
TUENSANG	NA	NA	1	1	1	1	2	3	3	4
WOKHA	5	5	5	5	5	5	5	5	5	5
PHEK	9	9	5	4	4	4	4	4	4	5
KIPHIRE	-	-	-	-	-	NA	NA	4	4	2
LONGLENG	-	-	-	-	-	NA	NA	2	2	2
PEREN	-	-	-	-	-	NA	NA	3	3	3
<b>TOTAL</b>	<b>76</b>	<b>76</b>	<b>59</b>	<b>58</b>	<b>59</b>	<b>58</b>	<b>66</b>	<b>80</b>	<b>80</b>	<b>93</b>

*Source: Statistical Handbook of Nagaland, various issues*

From the above table it is seen that the number of hotels is increasing in Nagaland from 76 hotels to 93 hotels from 2006 to 2015. Although the number of hotels has been increasing but progress is very slow. The table also shows that except Kohima and Dimapur rest of the districts of Nagaland the number is in single digit. Dimapur has highest number of hotels (38 nos.) and kiphire and Longleng have least number of hotels (2 each).

Figure-1.1: Growth of Hotels in Nagaland (2006-2015)



Sources: Statistical Hand Book of Nagaland

**Growth of Hotels in Dimapur**

Dimapur is one of the advanced city of Nagaland and plenty of tourists visit this city throughout the year. It is one of the most important regions in the state of Nagaland which is well equipped with all the modes of transport facilities. It is the only city of the state which has railway and airport connectivity. Dimapur is the only place in Nagaland that does not require the Inner Line Permit (ILP), but one needs the Restricted Area Permit to go beyond the city. The growth of hotel industry can be quantified by taking different variables like volume of investment, contribution to GDP, occupancy rates, sales, employment, etc. However, the growth of hotel industry in Dimapur is analyzed in terms of accommodation capacity, which is represented by three different variables, namely, number of hotels established, number of rooms, and number of beds available. The data of these three variables are compiled from the tourist statistics available with the Department of Tourism, Government of Nagaland. The data has been analyzed for the period from 2006 to 2015 to recognize a general trend for a longer duration.

Table: 1.2] Aggregate growth of hotel, rooms and beds in Dimapur during 2006-2015 (As per Statistical Hand Book of Nagaland)

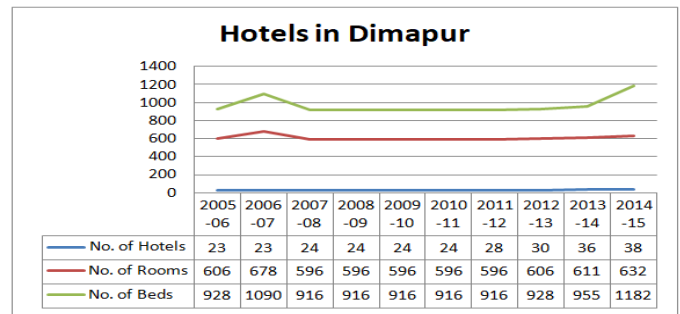
Year	Number of			Percentage change over the previous year			Index			Bed to Room Ratio	Mean-firm size in terms of	
	Hotels	Rooms	Bed	Hotels	Rooms	Bed	Hotels	Rooms	Bed		Rooms	Bed
2006	23	606	928	-	-	-	100	100	100	1.53	26.35	40.35
2007	23	678	1090	0%	11.88	17.46	100	111.88	117.46	1.61	29.48	47.39
2008	24	596	916	4.35	(12.07)	15.96	104.35	98.35	98.71	1.54	24.83	38.17
2009	24	596	916	0	0	0	104.35	98.35	98.71	1.54	24.83	38.17
2010	24	596	916	0	0	0	104.35	98.35	98.71	1.54	24.83	38.17
2011	24	596	916	0	0	0	104.35	98.35	98.71	1.54	24.83	38.17
2012	28	596	916	14.29	0	0	121.74	98.35	98.71	1.54	21.29	32.71
2013	30	606	928	7.14	1.68	1.31	130.43	100	100	1.53	20.2	30.93
2014	36	611	955	20	0.83	2.91	156.52	100.83	102.91	1.56	16.97	26.53
2015	38	632	1182	5.56	3.44	23.77	165.22	104.29	127.37	1.87	16.63	31.11

Sources: Statistical Hand Book of Nagaland

The table 1.3 indicates that there is a gradual rise in the number of hotels in Dimapur. From the table it is seen that the percentage change over the previous year and the indices of these three variables along with the bed to room ratio ( i.e. the total number of beds in a year divided by the total number of rooms in that year), mean-firm size in terms of rooms ( i.e. the total number of rooms in the district in a year divided by the total number of hotels in the district in that year, mean-firm size in terms of beds (i.e. the total number of beds in the state in a year divided by the total number of hotels in the district in that year). The number of hotels had increased from 76 to 93, rooms from 606 to 632 and beds from 928 to 1182, during 2006 to 2015. The percentage changes over the previous year were positive in all three variables in all these years except 2007, 2009, 2010, & 2011 where it remain constant over the previous years in terms of hotels, in the case of rooms it also shows an increasing trend except 2009, 2010, 2011 and 2012 in terms of rooms and beds. The bed to room ratio ranged between 1.53 in 2006 to 1.87 in 2015, but mean firm size in terms of room ranges from 26.35 in 2006 to 16.63 in 2016 and

mean firm size in terms of bed ranges from 40.35 in 2006 to 31.11 in 2015 have been showing a decreasing trend.

Figure-1.2: Hotels in Dimapur



**Suggestions**

There are many more factors which have contributed for the growth of hotel industry. A tendency amongst the people has developed to stay and eat outside. Hotels encourage such ‘eat out and stay’ habit of the people. In the present day hotels provide customized services to their guests. As guests demand quality service without caring for payment, the hotel owners have to apply management principles to operate on professional lines and have to adopt sound marketing principles. Good customer care, good security, nice food, good marketing strategies will enhance the development of the hotel and the tourism industry in general.

**Recommendation**

The study brings out the present scenario of hotels in Nagaland and in particular Dimapur about the growth of hotel in terms of units, number of rooms or in terms of bed capacity. So, similar studies can be undertaken in other district of Nagaland and in different dimensions of growth variables like volume of investment, volume of production, occupancy rates, sales, direct and indirect employment etc. Improvement in these respects will encourage future researchers to cross the limits and contribute more towards the sector.

**CONCLUSION**

The hotel industry has also allowing the development of micro markets, especially in primary cities. As cities grow larger and more office spaces come up across the city, travellers prefer to stay at hotels closer to the place of work/visit to save time. This has led to the same hotel company setting up hotels across different location within a city. So far as the hotels of Dimapur are concerned it was found that hotels in Dimapur are growing slowly in terms of number of units (from only 28 hotels in 2006 to 38 hotels in 2016) but faster than any other districts of Nagaland and the position of hotels in Dimapur showing an upward trend with an average growth rate of 5.1% during the period of 2006-15 but the actual number of hotels in Dimapur is more than that has been shown as per statistical Hand Book of Nagaland 2016. The actual number of hotels as per the field survey in the year 2016 was 75. And it is expected that in the near future more number of investors will enter into this industry due to expansion of commercial and industrial activities.

**References**

1. Baumol WJ (1967), “Business behaviour, value and Growth, Harcourt Brace, New York, pp. 86-104.

2. Chan, Wilco W. & Ni, Shanshan (2011), "Growth of Budget Hotels in China: Antecedents and Future" *Journal of Asia Pacific Journal of Tourism Research*, Volume 16, 2011-Issue 3.
3. Dimapur Transportation, retrieved from [www.dimapuronline.in/city-guide/transportation-in-dimapur](http://www.dimapuronline.in/city-guide/transportation-in-dimapur) on July 2017.
4. District profile – KVK Dimapur retrieve from [kvkdimapur.nic.in/dimapur.htm](http://kvkdimapur.nic.in/dimapur.htm). on 26th Feb. 2018.
5. Sharma, Nitya & Kalotra, Anil (2016), "Hospitality Industry in India: A Big Contributor to Indias Growth" *International Journal of Emerging Research in Management & Technology*, vol. 5, Issue 6, June 2016.
6. Hospitality | Economy of India | Tourism- Scribd [www.scribd.com/document/127546256/Hospitality](http://www.scribd.com/document/127546256/Hospitality) retrieved on 26-10-2017
7. Hotels in Nagaland, Budget Nagaland Hotels, Hotels in Kohima retrieved from <https://www.indianholiday.com/hotels/nagaland.html> on 26th Feb. 2018.
8. Introduction: Scope and nature of hotel.... retrieved on 21<sup>st</sup> Dec.2017 from the [careersguide.com/download/samples/Hotel\\_Management..../lesson%201.pdf](http://careersguide.com/download/samples/Hotel_Management....lesson%201.pdf)
9. Jahan, Noor Firdoos (2015), "Exploring the growth Opportunities for SMEs in Hotel Industry: A Study on Effect of Managerial Skills on the Growth of Hotel Based SMEs in Bangalore City" *MERC Global's International Journal of Social Science & Management*, ISSN- 2348-5620 (Print), Volume 2, Issue 1, January-2015, pp. 70-80
10. Mohanty, Pragati (1992), "Hotel Industry and Tourism in India", Ashish Publication House.
11. Nagaland hoteliers join forces to boost tourism, retrieved from [www.morungexpress.com/nagaland-hoterliers-join-forces-to-boost-tourism/](http://www.morungexpress.com/nagaland-hoterliers-join-forces-to-boost-tourism/) on 26th Feb. 2018.
12. Nagaland-Ministry of Tourism retrieved from [tourism.gov.in/sites/default/files/Nagaland.pdf](http://tourism.gov.in/sites/default/files/Nagaland.pdf) on 24<sup>th</sup> March 2015.
13. Ongoro, Zablon Osinde; Kiragu, Esther Mugure; Simwa, Sarah O. (2013), "Effect of managerial Skills on Growth of Hotel Based Micro and Small Enterprises in Keroka, Kenya", *International Journal of Contemporary Research in Business*, Vol. 4, No. 12, pp-371-374, April 2013.
14. Profile of Hospitality Industry, retrieved from [shodhganga.inflibnet.ac.in/jspui/bitstream/10603/127480/12/12\\_chapter3.pdf](http://shodhganga.inflibnet.ac.in/jspui/bitstream/10603/127480/12/12_chapter3.pdf) on 25<sup>th</sup> Feb. 2018.
15. Sukthankar, S.V. (2013), "A study on Growth of Hotel Industry in Goa" *IOSR Journal of Humanities and Social Science (IOSR-JHSS)* Volume 11, Issue 2 (May-Jun. 2013), pp. 01-07, ISSN: 2279-0837.
16. Tourism Policy 2001-Government of Nagaland retrieved from <https://www.nagaland.gov.in/Nagaland/usefullinks/tourism.doc/> on 26<sup>th</sup> Feb. 2018.
17. What is a hotel? Definition and meaning- [BusinessDictionary.com](http://BusinessDictionary.com) accessed from [www.businessdictionary.com/definition/hotel.html](http://www.businessdictionary.com/definition/hotel.html) on 25th Feb. 2018.
18. [www.businessdictionary.com/defination/business-growth.html](http://www.businessdictionary.com/defination/business-growth.html) retrieved on 21st Dec.2107
19. [www.ceoworld.biz](http://www.ceoworld.biz) > CEO Insiders Insights into the potential and growth of.....CEOWORLD magazine
20. [www.industry.nagaland.gov.in/nagaland-hotels-ltd-nhl](http://www.industry.nagaland.gov.in/nagaland-hotels-ltd-nhl)
21. [www.oxforddictionaries.com/definition/english/hotel](http://www.oxforddictionaries.com/definition/english/hotel) retrieved on 26th Dec. 2017.

**How to cite this article:**

Nipul Sutradhar and Subit Dutta (2018) 'Growth of Hotels Industry in Nagaland with Special Reference to Dimapur District: A Study', *International Journal of Current Advanced Research*, 07(5), pp. 12485-12488.  
DOI: <http://dx.doi.org/10.24327/ijcar.2018.12488.2196>

\*\*\*\*\*