

## **Evolution of Hotel Industry in Kolkata from British Rule to the Present Era**

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### **Abstract**

Kolkata has a significant place in the history of the nation's hotel business. From the early days of the British Raj to its current status as the country's largest metropolis, Kolkata has had many ups and downs. The "city of joy" is now a preferred business location for international hotel groups. In the early years of British rule in India, the city was a pioneer in the establishment of hotels. It has the ability to create a standard for luxury hotels that may compete with those in Europe. The port city, formerly known as Calcutta, served as the nation's capital for a long time. Bengali society's rich tradition and contemporary outlook brought honor to the nation. Unfortunately, after a few years of independence, the city lost its former allure. Since then, the hotel industry in the city has been in a state of stagnation. The commerce and economic climate in the area have significantly improved during the last 10 to 12 years. The city is attempting to recapture its former splendor, and luxury hotel chain interests are growing in the area. The state's improved economic climate enticed global corporations and IT firms to locate in the city. In Kolkata, there is a massive surge in demand for MICE services. With the entry of international hotel chains, the hotel industry has experienced tremendous expansion and seeks to strengthen its position. There are a lot of initiatives in the works, which is again encouraging. Kolkata, which had fallen behind other cities in the country in the race, is now making up ground both nationally and internationally. In terms of the number of hotels compared to other major cities, Kolkata is still far behind. The hotel sector is already booming in satellite communities like New Town, which is close to Kolkata's main city. The city is now being promoted as the next favorite location for the hotel industry because of its ancient tradition and culture combined with modern amenities. Covid 19 had wreaked havoc on the entire planet. Hotels in Kolkata were also severely impacted. The hotels and restaurants had to close due to lockdowns and travel restrictions. But the city's economy is slowly but surely improving. It will now be interesting to see how the city adjusts to the new normal.

**Keywords:** Kolkata hotel, evolution of accommodation, future trend, covid-19

### **Introduction**

Over the course of its more than 300-year history, Kolkata has had numerous ups and downs in life. Numerous incidents and tales from the hospitality sector have been written about in literature, shown in movies, and even entered folklore. Modern hotels were introduced by the British to Calcutta, which is now known as Kolkata. The 19th century saw the beginning of the actual rise and development of structured hotels in India in Calcutta, the capital of the British Raj. John Spence's Hotel was the oldest of them. Records indicate that around 1830, an Englishman by the name of John Spence founded the Spence's Hotel on Wellesley Place, one of the first contemporary hotels in Calcutta and Asia. The hotel was built at a time when Calcutta, the East India Company's capital, was India's most significant metropolis. The hotel was established to accommodate the rising number of travelers arriving in Calcutta from the United Kingdom, other parts of Europe, and India.

George Eden, who served as Governor General of India at the time, was the 1st Earl of Auckland. In his honor, David Wilson, a British confectioner, constructed a hotel named the Auckland Hotel at Old Court House Street in 1840 or 1841. Wilson operated a bakery there before building the hotel. The hotel had 100 rooms when it first opened, and the bottom floor included a department shop. This upscale hotel was also referred to as the "Jewel of the East" and the "Savoy of the

East" during its heyday. In the 1860s, Auckland underwent expansion. It was then renamed the Great Eastern Hotel in 1865, and in 1883 it was fully electrified, making it the first hotel in India. The hotel continued operating after India gained independence in 1947, but business fell during West Bengal's Naxalite era. Eventually, the state government took over operation of the hotel. It was sold to a private firm, The LaLiT Hotels, Palaces and Resorts, in 2005, and it underwent a significant makeover before being reopened in November 2013. In Asia, this 180-year-old hotel is the oldest still in operation.

Arathoon Stephen, an Armenian, founded the Grand Hotel at Chowranghee Road in 1911, another prominent building in Calcutta. Early in the nineteenth century, a Colonel Grand built a private mansion at No. 13 Chowringhee Road, which is today the location of the hotel. Mrs. Annie Monk transformed the home into a boarding house and later expanded her operation to encompass Numbers 14, 15, and 17. At that time, Arathoon Stephen, an Armenian, owned and operated a theater in Chowrangee. When the theater burned down in 1911, Stephen bought Mrs. Monk out and gradually transformed the area into what is currently the contemporary hotel. This 209-room hotel quickly gained popularity among Calcutta's aristocracies thanks to a successful combination of classical Victorian and traditional Indian style. But following the deaths of six guests there during a typhoid epidemic in the

1930s, the hotel was forced to close. Mr. Mohan Singh Oberoi, the creator of the renowned Oberoi Group, acquired it in 1943. In actuality, it was the first significant hotel that they had purchased. Because of its glorious past, it is also known as the Grand Dame of Chowringhee. (Pal, 2015) [2].

At the intersection of Middleton Street and Little Russell Street in Central Calcutta, the Old Kenilworth Hotel, another popular hangout for the city's elite, was recently demolished in 2018. The New Kenilworth Hotel, which is bigger and larger and is located at the opposite end of the same Little Russell street, should not be mistaken with the elegant-looking hotel, also known as Purdy Mansion. The family-run Old Kenilworth Hotel's colonial architecture was designated as a heritage building. But regrettably, a projected 35-story residential skyscraper had to make way for that historic and famous structure recently.

### Post-Independence

However, following independence, the situation was different. As corporations began moving their headquarters to other cities, Kolkata slowly but surely lost its reputation. The city's unfavorable business climate has a negative effect on the hotel industry as well. For so many years and decades together, there was rarely any new investment in hotels. Even when the economy opened up in the 1990s, when other cities saw significant activity and investment in a range of industrial and service sectors, including hotels, Kolkata lagged behind. For a very long time, small local brands dominated the hotel industry in Kolkata. For instance, the Kenilworth Hotel had extremely modest beginnings as a guest house. The current structure is an addition and remodel of the previous historic structure. After serving in Netaji Subhash Chandra Bose's Indian National Army during World War II, Mr. M.S. Bharat moved to Calcutta and took control of the old structure in the late 1960s. Since then, the family has managed the hotel, and Mr. Raju Bharat is currently the proprietor.

One of the first reputable hotels to open in the city was The Park Hotel in 1967. Surrendra Paul launched the hotel group when he opened The Park, the first hotel in the company, a 150-room establishment on Kolkata's posh Park Street. Priya Paul, Surrendra Paul's daughter, took over as president in 1990 after his passing. Being in the middle of the city gives The Park in Kolkata a distinct advantage in terms of location. Its amenities and clientele profile are further benefits. Priya Paul held the opinion that size does not necessarily equate to luxury. In actuality, Park Hotel introduced the boutique hotel concept to India.

Another local participant is the Kolkata-based hotel group Hotel Hindustan International (HHI), which opened its first hotel there in 1969. One of the city's first hotels of the five-star grade, this family-run establishment situated on AJC Bose Road. The hotel group's chairman and managing director, Mr. D.K. Jaiswal, is committed to making steady development in the organization's growth.

Taj Hotels, a division of Tata Group and a key operator in India, entered into Calcutta as Taj Bengal opened in 1989. This 229-room hotel, which has 29 suites, is a prime example of beautiful architecture fused with regional art. The mural and clay figurines opposite the elevator symbolize the hotel's theme of music and celebration. The terracotta statues in the lounge are a tribute to the original art form of Bengal.

Before ITC introduced ITC Sonar Bangla in 2002, there was a protracted pause. ITC Sonar's modern architectural style stands in stark contrast to Kolkata's rich historical background. It is as effective as a business hotel while

maintaining a resort-style atmosphere. Warm & efficient service, combined with the understated elegance of architect Kerry Hill's minimalist design, are in keeping with ITC Hotels' ethos of reflecting "rooted in soil" but dynamic in form and philosophy. The hotel specifically targeted the city's MICE industry and quickly gained market share.

The gigantic and iconic ITC Royal Bengal, built with a whopping investment of Rs. 1400 crore, was built next to ITC Sonar in 2019. ITC Royal Bengal symbolizes the state of Bengal and the distinctive desire of its residents for celebrating and fostering the best in all parts of life with its drive for perfection and its pursuit of beauty and grace. The landscape of the hotel sector in Eastern India has changed as a result of this 30-story, 456-room hotel. The integrated two-hotel included 9290 sqm of banqueting space, 15 unique eating locations, 693 beds, suites, and serviced apartments. The 1523 square meter pillar-less ballroom, pre-function spaces, outdoor gardens connected to the Grand Ballroom, magnificent arrival lobbies, and expansive lawns are just a few of the ITC Royal Bengal's MICE venues.

The Hyatt Regency Kolkata, a unit of Asian Hotels Limited, debuted on August 10th, 2002. In Salt Lake, popularly known as Bidhannagar, a planned satellite town in Greater Kolkata, it was the first five-star hotel to open. Between 1958 and 1965, Salt Lake was built to accommodate Kolkata's expanding population. Hyatt Regency Kolkata can be found on EM Bypass just adjacent to Salt Lake Stadium. The hotel offers 3 restaurants, a high-end spa with a gym, squash and tennis facilities, and a landscaped outdoor swimming pool in addition to 234 rooms, including 13 suites.

In 2010, the Swissôtel Kolkata opened in the satellite city of Newtown. It was the internationally recognized Swiss hospitality group's first venture into India with this brand-new luxury hotel. Due to its exceptional convenience and proximity to the Netaji Subhash Chandra Bose International Airport, this lovely 147-room hotel attracted leisure and business travelers. The hotel is perfectly placed next to the City Center Newtown shopping center. There are four classy restaurants and bars, cutting-edge business amenities, and banquet and meeting space. The location featured a distinctive rooftop swimming pool, a revitalizing spa, and a fitness facility. This hotel, a visionary undertaking by the Ambuja Neotia group, has now partnered with Taj group and is called Taj City Center destination.

In Newtown Rajarhaat, a brand-new satellite city of Kolkata, The Pride Hotel first opened its doors in 2012. Kolkata was the first eastern outpost for Pride, one of the nation's fastest-growing hospitality chains. The managing director of the hotel group, SP Jain, disclosed their intention to target upmarket mid-market corporate business, particularly the IT/ITeS segment in Kolkata, at the time of the opening of this 153 key five star hotel. The acute accommodation shortage and the strong demand for business travelers in the area were somehow reconciled by this hotel.

With its upscale hotel Novotel, the European hotel behemoth Accor group made its entrance into Kolkata in 2014. Due to a labor union issue, Accor's attempt to purchase the state-run Great Eastern Hotel back in 1990 had been unsuccessful. One of the biggest hotels in Eastern India, Novotel Kolkata Hotel and Residences has 340 rooms, including 12 suites, 1 presidential suite, and 47 service flats. It is situated close to the commercial and IT area of Newtown. Having 30,000 sq. The hotel has been a pioneer in the Eastern India hospitality industry thanks to its attractive exterior and ft. of banqueting space. The hotel offers a variety of lodging options,

banqueting venues, meeting spaces, culinary selections, and wellness amenities. It was designed as a landmark facility. Park Plaza Kolkata Ballygunge opened at the same time in 2012. The hotel changed its name to Radisson Kolkata Ballygunge in 2018 and joined the Carlson Rezidor Hotel group. The hotel offers 92 tastefully decorated guest rooms with contemporary amenities, traditional dining options, roomy meeting spaces, a rooftop pool, spa, fitness center, and all the contemporary services one would expect from a high-end deluxe hotel.

The Gateway Hotel, which is close to the EM bypass, is the second hotel in Kolkata to be added to the Taj network of hotels. The hotel, which has 197 rooms and just earned the distinction of being called Vivanta by Taj, serves both leisure and business travelers.

Hotel & Restaurant Association of Eastern India (HRAEI) estimates that between Rs 3,500 and 4,000 crore will be invested in the planned 5-star, 4-star, and 3-star hotel projects. According to Sudesh Poddar, president of HRAEI, "These brands would ideally target social events, banqueting and marriage facilities, as well as business clients, IT sector, and transit passengers, given the lack of adequate banquet facilities, especially for more than 2,000 people."

According to a report by the Federation of Hotel Restaurant Association of India (FHRAI), the commercial activity coming from PSUs, PSBs, manufacturing, IT/ITeS, engineering, medical activities, and the telecom industry is what propels Kolkata's economy. The city has grown further east over the past ten years thanks to residential and commercial construction along Rajarhat, EM Bypass, and Salt Lake City. In the same vein, hotels in Kolkata are seeing change. Efforts like the recent launch of river cruises, which would draw tourists from abroad to the city, have helped this market's leisure demand slightly. The Meeting and Group category is the only one to show positive development, mostly as a result of social gatherings, weddings, and a few city-wide conferences. Approximately 3,000 rooms are anticipated to enter the market during the next five years, according to the FHRAI report from 2015–16, and they are likely to play a part in determining the future makeup of Kolkata's hotel sector. The newest hotel giants that were included with the outdated inventory were InterContinental Hotels Group (Holiday Inn) and Starwood Hotels & Resorts Worldwide. (JW Marriott and Westin).

Marriott-Starwood combined, the largest hotel chain in the world, debuted its hotel in Kolkata in 2016. Marriott, which covers 3.5 acres, contributed 291 keys to the city's existing collection. In the city, ITC has also opened its second property.

If the most recent changes in Kolkata's hotel scene are to be believed, the city is seeking to catch up with other Indian metropolises and regain its former grandeur and prominence in the hospitality industry. Nothing is more encouraging than the reopening of the refurbished Great Eastern Hotel, a landmark in the hospitality industry that has survived more than 170 years of political upheaval. Being a long-time commercial and political center of British India, Kolkata's hotel industry had a strong hold on the city's social structure. The city plans to increase its current 4500-strong star category inventory by about 1200 rooms over the next two years. The Marriott Group has several new hotels under construction, including Mayfair, IBIS, Formula 1, and another hotel.

### **Kolkata's Hospitality Sector in Covid: 19 Situations**

The COVID-19 pandemic is causing devastation around the

globe. The hotel and tourism sectors are anticipated to feel the heat. The industry has already experienced widespread hotel cancellations and will do so again in the upcoming days. Some hoteliers predict that this industry won't recover until October 2022.

Since the departure of Bangladeshi nationals who had come to Kolkata for medical treatment, occupancy rates in hotels have dropped significantly, making it challenging for hoteliers and restaurant owners to maintain operations. According to a poll by real estate consultant JLL India, the lockdown has negatively impacted the hotel industries in 11 major cities. Between January and March, revenue per available room in these large cities decreased by up to 29%. Additionally, occupancy levels have drastically decreased. The occupancy rates of hotels in Kolkata dropped by 13.5 percentage points. Kolkata experienced a 19.8% decrease in RevPAR. The COVID-19 outbreak, according to JLL India, negatively impacted hotel occupancy rates across 11 major cities, causing a drop in revenue per available room (RevPAR) of up to 29% this year. The RevPAR decreased by 13–29 percent across 11 cities, including Ahmedabad, Bengaluru, Chennai, Delhi, Goa, Gurugram, Hyderabad, Jaipur, and Kolkata, while the occupancy level fell by 5–17 percentage points. According to a CII estimate, the shutdown and slowdown are anticipated to run from February until October 2020. However, it also mentions that the worst time is during the six-month off season, which is anticipated to start soon after a disturbed winter and spring season. Cash flows for the sector won't start to get better immediately, and they might even get back to normal by the end of the year.

According to HRAEI president Suresh Poddar, the state government approached the Eastern India Hotels and Restaurants Association for rooms where foreign returnees could be quarantined. In this case, the hotels were allowed to charge between Rs 4,000 and Rs 6,000 per room per day, including all meals and evening tea. Passengers would have to settle the accounts at the airports.

### **Survival Technique**

According to reports in the print media, the Narendra Modi administration is considering resuming the tourism and hospitality industries, which have been severely impacted by the closure of Covid-19. The Tourism Ministry is currently developing guidelines for hotels and tour operators that they will follow once they resume operations, as well as policies and instructions for casinos, tour operators, and taxi drivers. These recommendations are being developed in collaboration with the states. According to the suggested rules, the Government may require download of the Aarogya Setu app from guests booking hotel rooms. Regardless, it would be standard practice for any individual working in a hotel to undergo routine thermal screening.

Work continues with a focus on a few upcoming holidays, such as Kolkata's Durga Puja. The states are in negotiations. Different regulations may be published for various states, and the government won't take action until it has properly spoken with the state secretaries of tourism. The suggestions should also demand a strict dedication to physical separation. It is required that visitors and hotel staff maintain a gap of greater than 2 meters between them. The official of the first ministry who was mentioned said that the hotel floors must be organized such that the staff and guests are separated from one another.

## Conclusion

Hotels will also need to keep their structures secure and hygienic, and it would be possible for visitors and staff to wear masks. There is hope that the market would gradually improve in the last quarter of this year across many segments, including weddings, which will continue to be inbound. There won't be resort weddings planned for locations like Bali or the South of France, and the Indian outbound travel sector is unlikely to rebound this year. Consequently, all of the demand will go to Indian hotels. In the quarter from October to December, occupancy for portfolios is predicted to rise by between mid-and forty percent.

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