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**ANALYSIS AND INTERPRETATION OF MEDIUM CASES
ON CROSSROADS**

By

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UNIT 5 ANALYSIS AND INTERPRETATION OF MEDIUM CASES

CASE II

ON CROSSROADS...¹

Genesis Radhika Palace

Here is what owner and manager of Hotel Radhika Palace Mr. Rajan Shah has to state about his hotel, 'We introduce ourselves as one of the executive Hotels in Satara since 17 years in the hospitality industry giving quality service to our valuable customers. We have luxuriously furnished Executive Suites, A.C. and Non OA.C. Rooms with latest amenities. Acoustically designed A.C. Conference Hall of 140 sitting capacity and Multimedia Projector and 6000 sq ft Party Lawn is also available. Since last five years the campus of hotel is WIFI providing 24 hours internet connectivity totally free to their customers. Pure Vegetarian Gujarathi Thali is our specialty'.

Mr. Harkchand Shah started hotel Radhika Palace in the year 1992. While managing diversified businesses he gauged opportunity to enter in hospitality business in Satara as number of hotels catering to needs was very few then.

The business was handed over to his son Mr. Rajan Shah, a polymer engineer, in the year 1993. Initially hotel was providing lodging services and Gujarathi Tahli. Rajan Shah added array of services like party lawn, conference hall and even increased lodging capacity. He seems little worried these days for dinning section. The return on investment is not as per his expectations and it has become difficult to retain customers. There has been a sea change in food habits of people which can be seen from decrease in customers for Gujarathi Thali. The hotel has facilities to provide south Indian snacks but it is provided to lodging customers only. Similarly in various functions in conference hall and party lawn Punjabi dishes and other snacks are also provided.

Hailing from a conventional Jain family, Rajan Shah is very polite, gentle and determined personality. Making friends is his first love and he is a known and acknowledged personality in city. Owing to his human resource skills, he has been able to achieve zero

¹ Note: Author is thankful to Mr. Rajan Shah, Hotel Radhika Palace, Satara, for providing information and permission to publish information in the form of Case. Also indebted to Mr. Atul Shah for valuable inputs.

labour turnovers. He has membership of many elite groups like Jain Social Group, Rotary Club and the like. Because of his helping nature and quality of service he provides, many groups prefer Radhika Palace to arrange their functions. With its loyal staff, Radhika Palace has been able to build personalized relations with direct customers. It's a thing of pride for Mr Rajan Shah that the entire managerial staff of his hotel is with him since the opening of the hotel in 1992. No new staff is hired since then. Besides there is no change in the quality of the Gujarati Thali so fondly remembered by the old and the traditional customers of the hotel.

Facilities at Radhika Palace

Hotel Radhika Palace provides services through four centers

1. Lodging: Hotel houses 15 AC rooms, 15 Non AC deluxe room and 3 suits. Rooms are provided with all amenities like LCD TV, Computer with free WI FI internet, direct dialing etc. Average occupancy of lodging section is 70%.
2. Dinning: Pure vegetarian Gujarathi Thali is served at dinning hall which is a tradition of hotel. Thali is unlimited in nature and served regularly in morning 11 to 3 pm and evening 6 to 10 pm. Seating capacity of dining hall is 80.
3. Conference Hall: With 140 seating capacity, the conference hall is equipped with A/C and LCD projector, only acoustically designed hall in city. Since hotel is at prime location it is the ideal place for corporate conference. Generally conference goes with meals. Average occupancy is 45%
4. Party Lawn: Lush green lawn with capacity of around 800 people and is generally rented for parties, reception, meeting, wedding and other such ceremony for about 50 days a year.

About Satara

Satara is located in western part of Maharashtra, a heritage destination lies on NH. 4, 125 km. south to Pune and 125 North to Kolhapur.

Satara is coming up as prominent tourist place as two very popular hill stations i.e. Mahabaleshwar and Panchgani are nearby. Holy places viz. Wai, Mhaswad, Chaphal, Pali, Shikhar Shingnapur, Aundh, Gondawale, Pusegaon attract pilgrims. Tourist places like Koyana, Kanher, Dhom. Forts like Ajinkyatara, Pratapgad, Sajjangad, Vasota etc. also attracts young crowd for picnic and trekking. The places of natural beauty like Thoseghar

waterfall, Kas lake, Mayani bird sanctuary, Koyana Dam back water are tourist destinations which are located in vicinity. Weather conditions are normal except heavy rains between June – September. Satara is a district headquarters and developing commercially. Many companies have opened up their outlets, offices and branches in city. Declaration of two Special Economic Zones near satara has pushed the industrial development. It is also coming up as educational hub and many institutions are capitalizing sites of natural beauty to establish residential institutions. Few corporate and section of service industry are looking forward to Satara as their business headquarters. As of now, Hotel industry in Satara is mainly dependent on corporate clients. Tourism constitutes approximately 5-10 percent of total business.

Infrastructure at Hotel Radhika Palace

Hotel Radhika Palace is situated near S.T. Stand of city and is on one of prime roads. Hotel has got good frontage. Single lounge takes you to reception of lodging continue to conference hall and lawn. In basement, a hall is constructed which is generally rented for exhibitions. Lawn and conference hall can be approached from an outside approach road if required.

Mr. Rajan Shah is seeking an advice from his core group about strategies for optimizing the gainful utilization of resources.

ANNEXURE

OBSERVATIONS OUT OF MACRO RESEARCH ON HOTEL INDUSTRY OF SATARA.

1. Hotel Radhika Palace only serves Gujarathi Thali for which two other hotels are competitors.
2. Average occupancy of conference hall is 49.61% in case of local clients, it is 16.4% in case of outstation clients and it is 13.33% and 0.33% in case of out state and international clients respectively. Only one hotel has got the international conference occupancy.
3. Bar occupancy is 54% for local cliental base and it is 27% for outstation clients, similarly outstate and international cliental base for bar occupancy is 9.7% and 2.5% respectively.
4. 11 hotels are having lawn facility and 13 hotels are having conference hall facility.
5. Average local Dining occupancy is 46.5%, outstation cliental occupancy is around 38%, out state occupancy is 28.87% and it is 8.83 % for international cliental base.
6. Average Lodging occupancy is 10% to 60%.
7. 57.58% and 42.42% hotel Owners percept that their specialty is in vegetarian food lodging respectively. According to 36.36% hotel owners their specialty is non vegetarian food while 26.26% are having refreshment as speciality.27.27% and 15.15% are having their specialty in garden and bar respectively.
8. Estimations of lodging facility of Hotels at Satara

Sr.	Type of Room	Occupancy	Rate
1.	A.C Rooms	37%	Rs 693.13.
2.	Non-A.C. Suites	29.73%	Rs. 378. 58
3.	Attach Rooms	75%	Rs.367 and for single and double bed
4.	Non-A.C. Attach Rooms	58.57%	Rs. 291 and 342 for single and double bed occupancy
5.	Single Bed Occupancy	58%	Rs. 176. 50
6.	Double Bed Occupancy	75%	Rs. 375
7.	Dormitories	30%	Rs. 100.

9. Professional as well as promotional efforts have been made by hotels in Satara city to boost up sales viz. tie up with private travel agencies, tie up with outstation hotels, special coupon facility in limited scope, festival offers for lodging.
10. Annual average spending on advertisement is Rs. 21617=00. per hotel.
11. Occupancy of conference hall found in all categories of business viz. conferences, family gatherings, classes, birthdays, gatherings bhishi and meeting purpose.
15. Almost all the food types are served in Satara. More than 50% of hotels serve, vegetarian, refreshment, lunch, non-vegetarian lunch, vegetarian and non-vegetarian dinner, Chinese, Punjabi food. Around 45% provide, south Indian refreshment, regular rice place, offers daily special menu. Three hotels specialized in Gujarathi Thali, Twelve hotels are specialized in vegetarian food, 11 and three hotels has specialty in non-vegetarian and continental food respectively. Three hotels reported their specialty in all these food types. Eleven hotels got specialty in vegetarian and Non-vegetarian food. Five hotels and three hotels have reported their specialty in single food type i.e. vegetarian and Non-vegetarian respectively.

16. Target Market: Hotel owners at Satara targeted market in following way.

Sr.	Target Market	Number of Hotels	Sr.	Target Market	Number of Hotels
1.	Vegetarian food	15	2.	Family	17
3.	Non vegetarian food	8	4.	Individuals	13
5.	Refreshment	5	6.	Local Customers	16
7.	Adult	11	8.	Tourists	5
9.	Youth	11	10.	Outstation Customers	4