

Indian Hotels Co. Ltd

General Overview:

Indian Hotels Co. Ltd. (IHCL) is one of the most important companies in the hospitality business, both in India and around the world. The company runs a wide range of businesses, including hotels, resorts, jungle safaris, palaces, spas, and even services that provide food on planes. It is owned by the Tata Group and has a presence in more than 100 places in India as well as the United Kingdom, the United States, the Maldives, and Bhutan. IHCL works in the luxury, premium, and mid-market segments. It has changed as the industry has changed to meet the changing needs of its customers.

Shareholding pattern of the company:

Holder's Name	No of Shares	% Share Holding
NoOfShares	1420400342	100%
Promoters	542425341	38.19%
ForeignInstitutions	269934655	19%
NBanksMutualFunds	304778700	21.46%
Others	31630631	2.23%
GeneralPublic	197290959	13.89%
FinancialInstitutions	74338556	5.23%

Tata Sons Limited, which is part of the Tata Group and owns almost 36% of the company, is the main owner of Indian Hotels Co. Ltd. The promoter and the promoter group together own 38.2% of the company. The next big investor is HDFC Asset Management Co. Ltd, which owns 4.6% of the company. Mutual funds, financial institutions, and foreign institutional investors are also big shareholders. The company is not owned by a single family in the usual sense. Instead, it is part of the Tata Group, which is a big company with interests in many different industries.

Management of the company:

The Indian Hotels Co. Ltd. is run professionally by a group of executives with different backgrounds and a lot of experience. Puneet Chhatwal is the company's current managing

director and CEO. He has been with the company since 2017. He has been in the hospitality business for more than 30 years and has worked for several international hotel chains. The company also has a well-qualified board of directors. Several of the directors are independent and bring different kinds of expertise to the table. Overall, IHCL's management is stable, and the company is run professionally, with a focus on strategic growth and long-term sustainability. The Tata Group's management style is based on its belief that ethical business practises and good governance are important.

SWOT analysis:

Strengths:

IHCL's strengths:

- **Strong Brand:** Taj is a respected hospitality brand in India and abroad. IHCL's hotels serve luxury, premium, and mid-market customers.
- **Diverse Portfolio:** IHCL offers a variety of hotels, resorts, palaces, jungle safaris, spas, and in-flight catering options.
- **Strategic Locations:** IHCL's hotels are in prime locations in India and abroad, giving it an edge in attracting customers.
- **Financial Stability:** IHCL is financially stable and focused on sustainable growth.
- **Sustainability:** IHCL has taken several steps to reduce its carbon footprint and promote responsible tourism.
- **Experienced Management:** The company is professionally managed by a team of diverse executives with expertise and strategic thinking.

Weaknesses:

IHCL's weaknesses:

- ❖ **Dependence on Domestic Market:** Despite expanding internationally, IHCL is still heavily dependent on the domestic market, making it vulnerable to Indian economic changes.
- ❖ **High Debt:** IHCL's debt limits its ability to invest in new properties and other growth opportunities.
- ❖ **Dependence on Luxury Segment:** IHCL's luxury segment is more sensitive to economic cycles and consumer spending patterns.
- ❖ **IHCL has high employee turnover,** as does the hospitality industry. Service quality and training costs may suffer.
- ❖ **In the digital age,** IHCL's limited digital presence may hinder its ability to reach and engage customers.
- ❖ **IHCL's dependence on Tata Group** may limit its strategic decisions and growth opportunities.

Opportunities:

IHCL opportunities include:

- ☐ Domestic and international tourists are flocking to India's tourism industry. This allows IHCL to increase market share and revenue.
- ☐ Rising Middle Class: IHCL could expand its mid-market segment to capitalise on rising demand for affordable luxury hotels from the Indian middle class.
- ☐ Expansion into Emerging Markets: IHCL has already expanded into international markets, but it could target Africa and Southeast Asia, which have untapped potential.
- ☐ Digitization: IHCL can use digital technologies to improve customer experience, efficiency, and revenue.
- ☐ IHCL has focused on luxury and premium segments, but it could expand into budget hotels, serviced apartments, and co-living spaces.

Threats:

IHCL's threats:

- Competition: IHCL faces intense competition from domestic and international hospitality companies, which could affect its market share and profitability.
- Economic Uncertainty: Recession or inflation could reduce consumers' disposable income, decreasing demand for hospitality services and IHCL's revenues.
- Political instability in India or other key markets could hurt tourism and hospitality demand.
- IHCL must comply with many local, national, and international regulations in the hospitality industry. Regulations may raise costs and lower profits.
- Disruptive Technologies: Rapid technological change could create new competitors or business models, threatening IHCL's market position if it doesn't adapt.

Competitive Analysis:

Indian Hotels Co. Ltd. (IHCL) works in a market that is very competitive and has many domestic and international competitors. Here are two of IHCL's close competitors and how the company stacks up against them:

- ★ The Oberoi Group: The Oberoi Group has a portfolio of hotels, resorts, and cruisers, and it is one of the best luxury hotel chains in India. The group's hotels are known for their luxury and great service, and they compete with IHCL in the premium and luxury segments of the hospitality industry. IHCL has a bigger presence in India, with 200 hotels in 100 different cities. The Oberoi Group, on the other hand, has a smaller number of luxury hotels, but they are more exclusive. IHCL, on the other hand, has been increasing

its presence in the luxury segment by opening the Taj Theog Resort & Spa, the Taj Skyline Ahmedabad, and the Taj Maldives Resort & Spa.

- ★ **Marriott International:** Marriott International is a global hospitality giant with over 30 hotel brands that range from expensive to cheap. It runs a number of hotels in India under names like Marriott, Sheraton, and Westin. IHCL can't compete with Marriott because of its large global network and customer loyalty programme. But IHCL has a strong presence in the luxury and premium segments of the hospitality industry, and it knows the Indian market well, which gives it an advantage over Marriott. IHCL has also been growing its presence around the world by buying companies like Bespoke Hotels in the UK and Six Senses Resorts & Spas in Thailand.
- ★ **The Leela Palaces, Hotels and Resorts:** The Leela Palaces, Hotels and Resorts is an Indian luxury hotel chain with hotels and resorts in some of the best spots in the country. The Leela competes with IHCL in the high-end and luxury parts of the hospitality business. The Leela is known for its great service and high-end hotels. Its portfolio of luxury hotels is small but exclusive. IHCL, on the other hand, has more hotels, resorts, and palaces in India and a wider presence there. IHCL, on the other hand, has been increasing its presence in the luxury segment by opening the Taj Theog Resort & Spa, the Taj Skyline Ahmedabad, and the Taj Maldives Resort & Spa.

Conclusion:

Finally, Indian Hotels Company Limited (IHCL) is a global hospitality leader. Its wide range of luxury, premium, and mid-market hotels, resorts, and palaces and focus on international expansion have helped the company maintain a strong market position. IHCL's experienced and stable management team has helped it adapt to changing customer preferences and industry trends. IHCL can use its strengths and opportunities to overcome competition and economic uncertainty. IHCL's strong brand, diverse portfolio, and solid finances position it for future growth.