

## Economics of Bed and Breakfast Scheme in Delhi

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### ABSTRACT

The present study is on analyzing the scenario of bed and breakfast scheme launched by the government in Delhi. The scheme will not only flourish but also attract a niche segment of foreign and domestic tourists especially the middle class, who is in search of special care and hospitality by the host during stay and exchange of cultural practices. Research survey reveals; that there exists a huge expectation gap in the economics between actual earnings and possible earnings from Bed and Breakfast units located in Delhi. The present study also focuses to find out the reasons about the failure/ poor show of such scheme and the possible measures that needs to be taken along with the marketing strategy for ensuring that the B&B scheme serves the purpose as budget accommodation in addition to regular commercial ventures in future.

**KEYWORDS :** *B&B Unit; Bed and breakfast; DTTDC, Foreign Tourists; Domestic Tourists; Delhi.*

### Introduction

The concept of bed and breakfast scheme is not new in India. Initially this system was, meant for renting out part of the house with provision of providing meals to the guests who stay for a relatively longer period.<sup>[1]</sup> In western countries, the concept of B&B scheme is operational for the past so many years has been functioning in order to attract more tourists.<sup>[2]</sup> In the year **2006**, Government of India initiated the scheme for providing alternate accommodation at cheaper rates for foreign as well as domestic tourists under the "Incredible India" Campaign.<sup>[3]</sup> Delhi Government also followed suit and started B&B scheme in December 2007<sup>[4]</sup> to cope up with the demand, during Commonwealth Games, 2010. There was always a shortage of budget accommodation in India. In Commercial establishments like Hotels, Inns, Guest Houses and other establishments the taxation tariff is quite high in India it reaches to the extent of 25 percent.

As per B&B scheme in Delhi, the owner provides maximum two third rooms of his house to accommodate guests. Though the owner is undertaking commercial activity for this accommodation, he is not required to pay property tax, water and electricity bills at commercial rates, which are relatively higher than domestic rates besides the owners, are exempted from paying service and luxury tax for providing guest accommodation.

The concept of B&B scheme is not an alternative to the budget hotel. This B& B arrangement is the dissemination of information and to intermingle the guests with

family members of owners and local people to get a glimpse of “Atithi Devo Bhava”: Prior to the start of Commonwealth Games, 2010 in Delhi, it was estimated that approximately one lakh domestic and foreign tourist will watch Commonwealth Games in Delhi. At that time, the availability of rooms in Delhi was around 30,000 rooms while the requirement as per the expected number of guest was almost double to it.<sup>[5]</sup>

Bed and Breakfast Scheme of Delhi saw registration of 361 units as on 1.4.2010.

**Table : Details of Registered Bed And Breakfast Units in Delhi**

Registered as on	Premises			Number of Rooms		
	GOLD	SILVER	TOTAL	GOLD	SILVER	TOTAL
1.4.2010	45	316	361	208	955	1163
1.4.2011	70	429	499	259	1357	1616
1.1.2012	62	400	462	233	1335	1568
1.1.2012	65	411	476	245	1382	1627
1.1.2013	46	314	360	171	1018	1185
1.4.2013	48	282	330	178	967	1145
30.4.2013	49	277	326	188	958	1146
Updated list available on website <a href="http://www.delhitourism.gov.in">www.delhitourism.gov.in</a> (Source DELHI TOURISM DEPTT. GOVT.OF NCT OF DELHI)						

During Commonwealth Games the Bed and Breakfast scheme could not pick up to the expectations of the policy makers. The present study is focused to find out the reasons about the failure/ poor show of such scheme and the measures need to be taken along with the marketing strategy be developed to ensure that the B&B scheme serves the purpose as budget accommodation in addition to regular commercial ventures in future.

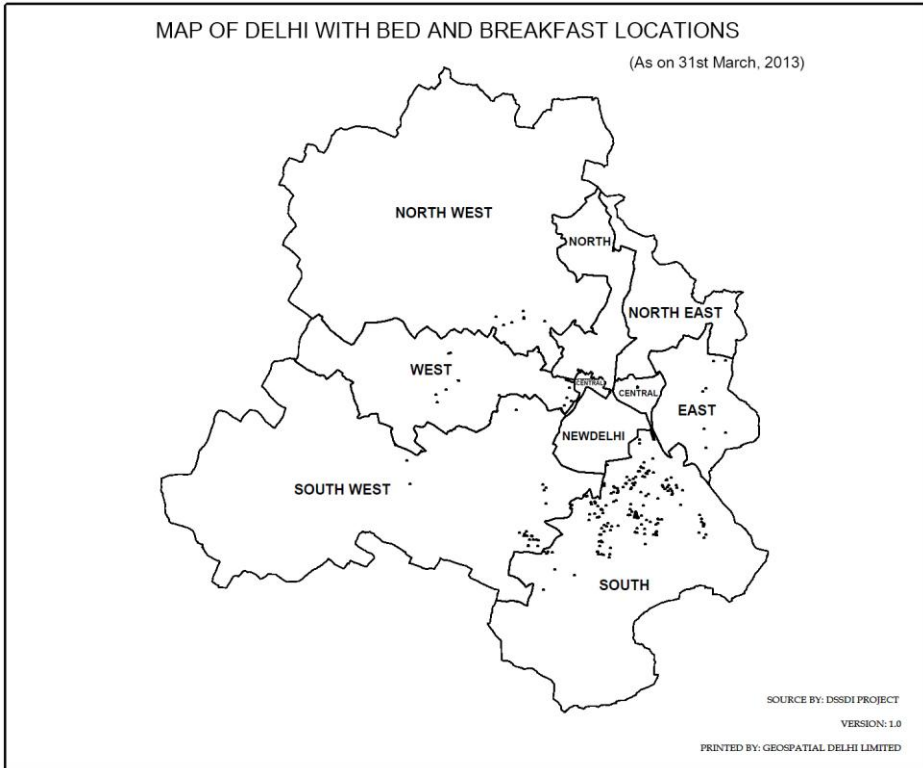
### **Research Objectives**

B&B scheme in Delhi has not been a true success since its inception ..The purpose of this study is to analyze the factors such as location of the B&B unit, room tariff, staff employed, etc and to find the answers for the unpopularity of this scheme and to arrive at the conclusion as to what are the possible factors on the basis of which the scheme may be made successful.

### **Research Methodology**

In view of the above said reasons for the poor response to B&B scheme in Delhi and to find the way forward for its success a field surveys were conducted by the

Delhi Tourism and Transportation Development Corporation (DTTDC). A sample of 48 B&B units i.e. more than 10% of total 462 registered B&B owners as on 1.1.2012 was undertaken by the DTTDC from January 2012 to June, 2012 after preparing a well planned questionnaire containing 17 columns<sup>[6]</sup>. The map given below shows location of B&B units in Delhi which is available at Delhi Tourism and Geospatial website of Delhi Government.<sup>[7]</sup>



Columns were so designed that overall assessment of B&B scenario could be made. Queries mainly included location of unit, number of employees engaged in the unit, number of incoming foreign and domestic tourists since start of unit, name of the countries and States from where these tourists had come, the tariff range of B&B units. Other columns for field surveys were whether B&B owner has taken into account infrastructure development as per the requirement of expected incoming guests, marketing strategy adopted to promote business, nature of the problems faced by owners as well as by guests and suggestions made by B&B owners in response to Delhi Tourism questionnaire.

A Master Sheet was prepared based on surveyed B&B units, as shown in Table No-II. The breakup of 48 units is that 11 units fall in gold category while 37 units fall in silver category with total number of 123 rooms in both categories.

**Table - Master Sheet of 48 B&B Units (2008-11)**

Category of 48 B&B units			
	Gold	11	
	Silver	37	
	<b>Total</b>		48
Total of Rooms in 48 B&B Estab			123
Total No.of FT stayed in 48 B&B			6815
No.of DT stayed in 48 B&B			16389
Total No.of Employees engaged by 48 B&B			137
Average number of employees engaged by B&B owner			3
Total remuneration paid by 48 B&B owners (P.M.)			717900
Average remuneration paid by 48 B&B owners (P.M.) for 3 empl.			5240
Average duration of working of 48 B&B units			32.5 months

(Field survey of 48 B&B Units conducted by DTTDC between Jan 2012 to June 2012).

The Master Sheet shows important figures of category of rooms, total number of rooms, total foreign and domestic tourists stayed since year 2008 till the date of survey, total number of employees in B&B Units, total remuneration paid to employees, average remuneration paid to them and average duration of working of surveyed units.

### Room Tariff Slab and Number of Tourists

The Queries related to number of Foreign Tourists (FTs) and Domestic Tourists (DTs) who have stayed since inception of units in year 2008, tariff range in Rupees (₹ ) and number of B&B units in that range are studied together as shown in Table No-III.

**Table - Range of Tariff and Number of Foreign Tourists and Domestic Tourists stayed in B&B Units in period (2008 to 2011)**

Range of Tariff per room	No. of B&B Units	No. of FTs stayed in period 2008 to 2011	No.of DTs stayed in period 2008 to 2011	Average in the range per B&B	
				FTs	DTs
1000-1500	5	120	878	24	176
1501-2000	9	622	4736	69	526
2001-2500	10	326	1990	32.6	199

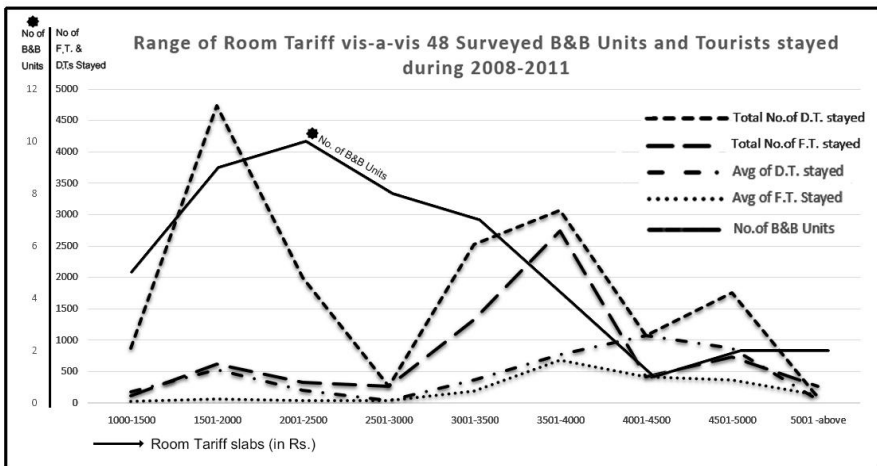
Range of Tariff per room	No. of B&B Units	No. of FTs stayed in period 2008 to 2011	No. of DTs stayed in period 2008 to 2011	Average in the range per B&B	
2501-3000	8	260	270	32.5	33.8
3001-3500	7	1328	2525	289.7	360.7
3501-4000	4	2741	3068	685.3	767
4001-4500	1	415	1074	415	1074
4501-5000	2	737	1753	368.5	876.5
5001 -above	2	266	95	133	47.5
<b>Total</b>	<b>48</b>	<b>6815</b>	<b>16389</b>		

Source : Primary Data [6]

Total nine slabs of tariff ranging from 1000/ with Rs. 500/- difference as ( Rs. 1,000/- to 1,500/-), second slab from Rs. 1,501/- to 2,001/- and so on with maximum range of Rs. 5001/- to and above.

Table No-III shows number of B&B units falling in each category of these tariff slabs with number of FTs and DTs stayed in each tariff slab. Five graphs are drawn as shown in Graph with tariff slabs of Rs. 500/- at X-axis with various other parameters like “number of B&B units falling in that slab on Y-axis etc. Five graphs drawn on the basis of data in Table No-III indicating:- Total number of B&B units falling in each tariff slab; average no. of FTs per B&B unit stayed in each of 09 tariff slabs ;average number of DTs per B&B units stayed in each of 09 tariff slabs; total number of FTs stayed in all such B&B units falling in that slab.

**Total number of DTs stayed in all such B&B units falling in that slab Graph**



It may be seen that most of the FTs as well as DTs stayed in the tariff range of Rs. 1,501/- to Rs. 3,500/- which is 71% of total 48 surveyed units. Maximum number of foreign tourists opted for those B&B units which have tariff range of Rs. 3,501- Rs. 4,000/- per day followed by the slab of Rs. 3,001 to 3,500./- The same observation is true for domestic tourists where maximum number of domestic units stayed in B&B units falling in the range of Rs. 3,001/- - Rs. 3,500/- and Rs. 35,001 - Rs. 4,000/-.

However, 9 B&B units falling in the tariff range of Rs. 1501/- to Rs. 2000/- attracted maximum domestic tourists numbering 4736. It is interpreted that these tourists belong to lower middle class having less budget on accommodation. These B&B units mostly belong to South Delhi locations mainly of Vasant Kunj , Chitranjan Park and East of Kailash as shown in Table No-IV.

**Table - Popular locations surveyed of B&B units in Delhi with various room tariff Room Tariff range (Rs)**

location of B&B Unit	1000-1500	1501-2000	2001-2500	2501-3000	3001-3500	3501-4000	4001-4500	4501-5000	5001-above	Total
Vasant kunj		3	2	1		3				9
C.R. Park	2	2	2					1		7
Hauz Khas encl			1	4						5
Green park extn			1		3					4
Sarv priya vihar	1			1	1					3
Safdarjung encl		1			1	1				3
East of kailsah		2	1							3
GK-II			1	1						2
saket			1	1						2
Jasola	1									1
Defence colony	1									1
Pamposh encl		1								1
Model town			1							1
Karol Bagh					1					1
South Ext-II					1					1
South Extn							1			1
Mehrauli								1		1
Connuaght Place									1	1
Neb Sarai									1	1
<b>TOTAL</b>	<b>5</b>	<b>9</b>	<b>10</b>	<b>8</b>	<b>7</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>48</b>

An interesting analysis can be seen that the most attractive range of tariff out of the survey of 48 B&B units were in the range of Rs. 3,001/- to Rs. 3,500/- and Rs. 3,501/- to Rs. 4,000/-. It covered 11 B&B units which is 23% of the B&B units surveyed. These 11 B&B units alone attracted 60% of total 6815 foreign tourists stayed in all 48 units. Similarly the total number of domestic tourists who stayed in these two slabs of 11 B&B units was 5593 out of total 16389 domestic tourists, which is 34% of total domestic tourists who stayed in 48 Units.

On the basis of average it can be inferred that most popular or affordable tariff range of B&B Units may be Rs. 3,001/- to 4,000/- per day. Locations of most B&B units in these two slabs covering tariff of Rs. 3,001 to Rs.4,000/- are Vasant Kunj , Green Park Extn, and Safdarjung Enclave etc. all falling in South Delhi as shown in Table No-IV. This could be a good assessment from the point of view of new B&B owners who may keep the tariff in this range if their units are located in these areas. It is only a suggestive idea because tariff also depends upon size of rooms, other facilities in B&B units like parking space, vicinity to markets, railway stations, airport, important monuments etc.

### **Employment Generation and Remuneration**

The questionnaire regarding employment generation found that 48 B&B units surveyed by DTTDC have generated direct employment to 137 employees during last four years. The average number of employees therefore comes out to be around 03 employees per unit as shown in Master Sheet at Table No-II. Average remuneration paid on the basis of data collected from 48 B&B Units comes out to be Rs. 5,240/- per month per employee as total salary per month computed for all 48 units comes out to be Rs.7,17,900/-. So, 462 registered B&B units in Delhi may have generated direct employment to minimum 1319 persons. Other statistics are also interesting as seen for the comparison of field survey of 48 B&B Units vis-à-vis India Tourism statistics 2011 on approved hotels<sup>[8]</sup>. Average employees per room on an all India basis for all categories of hotels taken together is 1.6 while in respect of 48 field surveyed B&B units, the average employees per room comes out to be 1.1. This figure is based on total number of 123 rooms employing total 137 persons. Average number of employees in B&B units is less than the commercial hotel but B&B Scheme too generates significant employment in hospitality sector in Delhi. Incidentally in Delhi, total number of classified hotels with 1 star Deluxe and Apartment Hotel comes out to be 288 hotels with 13,715 number of rooms According to this, the percentage of B&B rooms i.e. 1568 as on 1.1.2012 as compared to rooms of all Hotels taken together comes out to be 11.4% of total available rooms for guests and this percentage of rooms in B&B units registered as on 1.1.2012 cannot be ignored because these units play an important role in Delhi in providing budget accommodation.

### Earnings through B&B units

The questionnaire based on earnings through B&B units analyzed the maximum potential in earnings by each B&B unit. For this purpose average tariff of each slab i.e. Rs. 1,250/- for 05 units. Rs. 1,750/- for 09 units. Rs.2,250/- for 10 units, Rs. 2,750/- for 08 units, Rs. 3,250/- for 07 units, Rs.3,750/- for 04 units, Rs. 4,250/- for 01 unit, Rs. 4,750/- for 02 units and Rs. 5,250/- for 02 units as shown in Table No - III was calculated and summed up for all surveyed units. This amount was divided by 48 units which comes out to be Rs.2,680/- and same is the average tariff per room of the surveyed units. To arrive at monthly income, the average tariff per room is multiplied by number of month days (30) and by average number of rooms i.e. 123 /48 (=2.56) per B&B units surveyed. This income for a B&B unit is arrived at when all rooms are occupied throughout the month. Now keeping in view various factors like 50% occupancy or 60% occupancy or 80% occupancy throughout the year the total income of each B&B unit per month is calculated. Expenditure from this total income is to be deducted to arrive at net income for a B&B Unit. The expenditure is mainly for providing breakfast to each guest, salary paid to employees and payment made towards the electricity, water and other expenses in the unit. However, the fixed assets cost is not taken into account as the accommodation made available to guests exists otherwise also.

It is considered that the room, being in double occupancy, is occupied by two persons and if the average amount spent on each person's breakfast is taken as Rs. 200/-, the amount spent on breakfast for 123 rooms multiplied by 30 days in a month and then multiplied by 0.6 being occupancy rate and divided by 48 i.e. number of B&B units, the total expenditure per B&B unit comes out to be Rs. 18,450/-. Similarly total expenditure incurred on average 3 employees per unit on an average monthly remuneration at Rs. 5,240/- comes out to be Rs. 15,720/- . Adding electricity, water and other charges at a rate of 10% of the total income i.e. Rs. 12,3615/- @ 60% occupancy, then expenditure comes out to be Rs. 12,360/- . All such expenditures per month come out to be Rs. 46,530/- which is deducted from total income. So, net monthly income of a B&B unit at average 2.56 rooms per unit at occupancy rate at 60% is estimated at Rs.77,085/- per month. This is a very significant income for a family. An analysis was done as to what is the actual income as on date in these B&B units.

Now average income earned by B&B units based on total guests stayed in all B&B units since start of functioning of these units in 2008 till 1<sup>st</sup> January 2012 can be calculated on the basis of available data in Table No-II and Table No-III. Factors involved in such calculations are average tariff per room, i.e. Rs.2680/- number of days of stay of guests, actual number of FTs and DTs, number of rooms in B&B units (123), factor of double occupancy for each room and number of months of working of units. Number of months has been taken as 32.5 by calculating period of working



of each unit since inception till January 2012 as shown in Master Sheet, Table No-II. Now, average stay period of 3.4 days for FTs and 2.8 days for DTs respectively has been taken on the basis of all India average stay of FTs and DTs in hotels and B&B units etc.<sup>[8]</sup>. Monthly income earned by a B&B owner can be calculated as average tariff  $\times$  (total number of FTs  $\times$  3.4 + total number of DTs  $\times$  2.8)  $\times$  average months of the working of 48 B&B units  $\times$  2  $\times$  123. Therefore, monthly income would come out to be Rs.  $(2680 \times 69060) \div (32.5 \times 123 \times 2)$  i.e. Rs. 23150/- per month per B&B unit.

It can be inferred from the actual income of Rs.23150/- per month made by each B&B unit per month as against the potential of each B&B unit of earning Rs.77,085/- that there is a huge gap in actual and maximum possible income. Owner can realize that these units need to promote their business. However, individual cannot alone spend on such promotions. Owners have to form an association so that there is a common platform to chalk out a strategy to achieve common goal of getting more clients. Department of Tourism, Government of Delhi may also help in promoting B&B units through internet and various other platforms like advertisements on Railway stations, Airport, Inter State Bus Terminals, Embassies in Delhi, Indian Missions abroad or other fora available for such promotions.

#### **Guests from States and Countries of origin opting for B & B Units**

In one of the queries about the name of the State from where domestic tourists come in the B&B units, it is found that a few number of tourists from neighboring state Bihar prefer to stay in Delhi's B&B Units. Maximum number of domestic tourists who prefer B&B facility in Delhi come from Maharashtra. As per the response received during survey of B&B units about incoming Domestic Tourists from States it may be seen from Table No-V that out of 48 units surveyed, 21 B&B units attracted tourists from Maharashtra, 16 from Tamil Nadu, 13 from Karnataka, 11 units attracted guests from Punjab & Haryana while 10 units attracted guests from West Bengal. So it is a very important analysis that aspiring B&B owners may prepare themselves for attracting domestic guests according to the tastes of the guests.

**Table : Number of B&B units where maximum domestic tourists from States stayed**

SN	Name of Countries	No.of B&B
1	Maharashtra	21
2	Tamil Nadu	16
3	Karnataka	13
4	Punjab & Haryana	11
5	West Bengal	10

SN	Name of Countries	No. of B&B
6	North East	7
7	Gujarat	6
8	UP	5
9	Kashmir	4
10	Andhra Pradesh	4
11	Rajasthan	3
12	Other States (MP & Bihar)	3
13	Did Not respond	5

Similarly a perusal of Table shows that in these 48 units, maximum number of foreign guests came from U.S.A who stayed in 21 number of B&B units followed by guests coming from U.K who preferred 13 B&B units followed by foreign tourists from Germany, France, Australia preferring to stay in 8, 12 and 9 B&B units respectively.

**Table: Number of B&B units where maximum foreign tourists from a country stayed**

SN	Name of Countries	No. of B&B
1	USA	21
2	UK	13
3	Germany	12
4	France	9
5	Australia	9
6	Afgansitan	3
7	Japan	2
8	Bangladesh	2
9	Canada	1
10	Rest of Europe	7
11	Did not respond	11

Besides analyzing the number of B&B units who attracted more tourists from a particular country or particular State the analysis has also been done in number of foreign tourists and domestic tourists coming to these B&B units. It is observed

from Table No-VII that most of the foreign tourists from U.S.A numbering 1630 (i.e. 24%) preferred to stay in B&B units followed by 1594 from UK (i.e. 23%), 872 from Australia, 730 from Germany / France to stay in these surveyed B&B units. Similarly, share of total foreign tourists arrival in India is highest from U.S.A at 15.97% followed by share of 12.57% from U.K. with other European countries like France and Germany having share of 12.5% and 7.78% respectively. As per distribution of Hotel guests by country of origin in year 2011, the percentage from USA, U.K. and France / Germany are 11.7%, 11.2% and 12.3% respectively. In representative figure of 48 field surveys of B&B units it may be seen that approximate percentage of foreign travelers from USA, UK and France / Germany are 24%, 23% and 14% respectively. The analysis shows that foreign guests from USA, UK and France / Germany equally prefer B&B units of Delhi, if available, at par with commercial hotels.

**Table : Name of Country from where maximum number of foreign tourists stayed in B&B units**

SN	Name of State	No.of FT
1	USA	1630
2	UK	1594
4	Australia	872
5	Canada	775
3	Germany, France	730
6	Japan	570
7	Rest of Europe	435
8	South Africa and Asia	209
	<b>Total</b>	<b>6815</b>

In view to promote the business and attract more clients, B&B owners may focus on foreign tourists from particular countries like USA, UK, France/Germany, Australia etc. Websites could be so developed that there are special packages for tourists coming from a particular country. Similar analysis may be done for number of DTs coming from a particular state and staying in B&B units.

As per Table No-VIII the surveyed B&B units attracted maximum DTs from West Bengal numbering 3205 (19.5%) followed by 2844, 2838, 2312 and 1978 from Maharashtra (17.35%), U.P. (17.31%), Karnataka (14.1%), Gujarat (12%) respectively.

**Table - Name of State from where maximum domestic tourists stayed in surveyed B&B units**

<b>SN</b>	<b>Name of State</b>	<b>No.of DT</b>
1	West Bengal	3205
2	Maharashtra	2844
3	UP	2838
4	Karnataka	2312
5	Gujarat	1978
6	Andhra Pradesh	1116
7	Assam	1073
8	Punjab	578
9	Tamil Nadu	306
10	Madhya Pradesh	105
11	Kashmir	34
	<b>Total</b>	<b>16389</b>

### **Development of Infrastructure Undertaken By B&B Owners**

In one query, the B&B owners were asked whether they carried out further development of infrastructure like renovation, increase in accommodation, parking facility etc. after getting registration as a B&B unit.

The response was analyzed in Table No-IX and it was found that 28 B&B owners out of 48 surveyed have done renovation like furnishing the whole premise with paint, adding new furniture, providing gym and internet facility replacing old mattress and crockery etc. In some units parking space was also arranged in view of more arrival of guests.

Depending upon the requirement of the guests, power back up and other facilities were also provided. However, in cases of 09 B&B units, no renovation was done while 11 B&B owners did not respond. On reviewing the overall picture of development of infrastructure or renovation, it is gathered that hardly any significant development was made by B&B owners after getting the unit registered with the Department of Tourism.

**Table : Infrastructure developed by B&B owners**

SN	Details of Infrastructure	No. of B&B units
1	Renovated entire premises of B&B	8
2	Did not specify the renovation carried out	5
3	Changed furnitures & fixtures	5
4	Provided Internet facilities	3
5	Added Parking facility	3
6	B&B units have added rooms	2
7	Provided Gym facility	2
8	No renovation done	9
9	Did not respond	11

\* 23 B&B owners out of 28 responded to have also carried out miscellaneous renovation like painting, power backup system, new crockery etc. bath rooms etc.

#### **Problems faced by B&B owners**

In response of the query as to what type of problems owners themselves are facing during stay of guests, most of the owners (71%) replied that they did not face any problem during the stay of guests. Four owners felt that B&B scheme has poor market strategy resulting in less response of clients. Two responses each were received from owners that (i) it is difficult to get employees to work in B&B units, (ii) guests want cooked food other than breakfast too. One response each from owners was that (i) sometimes guests are troublesome, (ii) owner's privacy is compromised as guests stay in the same house, (iii) In B&B business life is disturbed as guests check-in at odd hours, (iv) there is too much paper work including reporting to FRRO in case of foreign guests. However, out of 48 B&B units surveyed, there was no response from two owners. Owner's problems seem to be genuine but they have to be prepared for most of the above-mentioned difficulties in undertaking such a venture.

Some of the problems faced by owners need to be seriously considered. Delhi, being capital of India faces terrorist threats from time to time and therefore, it is necessary to have credentials of incoming foreign clients to be verified by Police. Information of all guests is to be reported to FRRO daily by B&B owners and, therefore, Police has an important role to play to ensure safety of the owners. One query in the field survey format was related to the nature of grievances lodged by tourists with the owners. As per data in Table No-1 most of the guests (83%) have not made any complaint about their stay as per the record received from the owners. In other responses, one owner reported that guests complaint about loss of privacy when they choose B&B for stay. One B&B owner mentioned that some guests complained about noise and disturbance by street vendors during day time.

On the basis of analysis of query on suggestions made by B&B owners, it is seen from Table No-X that as many as 21 owners have suggested that there should be

proper publicity by the forum of B&B units and large scale publicity should be taken up by Department of Tourism, Government of Delhi on behalf of B&B units only then there will be success in the B&B profession.

**Table : Response of B&B owners on suggestions for further improvement**

SN	Suggestions	No. of B&B owners responded
1	Marketing and promotion to be done	21
2	Permission for more rooms	05
3	Paper work of FRRO etc to be reduced	04
4	Local authority to cooperate	01
5	Internet/website for each B&B unit	01
6	Registration period to be valid for 5 years	01
7	B&B is an excellent scheme	01
8	B&B guests to be given incentive by DTTDC	01
9	No specification suggestion	13
	<b>Total</b>	<b>48</b>

13 owners have refrained from giving suggestions. Five owners have requested that they are entertaining more and more foreign and domestic guests and hence the limit on 2/3<sup>rd</sup> of maximum rooms or cap on maximum 06 rooms may be taken away so that they can entertain more and more guests in their units. Four owners have pointed out that there should be a standard procedure for registration and also easy rules for FRRO reporting. This needs to be attended by Tourism Department, Delhi Government and FRRO under Delhi Police. In other cases, one owner each has mentioned that there should be better coordination between B&B owners, Delhi Government, Local Authority and Police. One owner has mentioned that validity of registration should be increased from 3 years to 5 years to avoid hassle during renewal of registration.

### **Conclusions**

Various parameters are studied and be inferred that there will be enhancement of number of foreign and domestic tourists belonging to middle class to avail the facility in B&B units . The reason for choosing a B&B accommodation in Delhi will be low tariff and for those who are keen to learn about the city, its monuments, eating places, markets, and other aspects related to culture and heritage. However, publicity of each B&B unit is to be ensured and the units are to be maintained in a professional manner keeping in mind the guest's taste and choice and ensuring proper hygienic conditions, dissemination of information about city through owner. Another aspect, which is important from the point of view of guest, is that there should be a sense of protection of tourists when they stay in B&B units. This aspect

perhaps lacks in the present scenario. For this purpose, local government and local police have to play an important role to ensure that the guests have reassurance about their security, as they would feel in regular hotels. As regards maintaining cleanliness and hygiene conditions, B&B owners have to resort to professionalism in their approach. The surveys also revealed that majority of the tourist prefer to stay in South Delhi based B&B units. This observation further indicates that location of a B&B unit in terms of its proximity with the market places, malls, historical places etc. is an added advantage for tourist before choosing a B&B accommodation. Tourists are now technologically savvy and the B&B scheme does not have a designated website or a system of online booking by individual owners, which hinders the success of this scheme. Shortage of budget accommodation in Delhi is not going to be taken care of in near future because it requires a long drawn process by the Government. On the other hand, un-occupied rooms in B&B units can fill the gap and this will bring good results in the earnings of B&B owner and also to the economy of Local Government. As per India Tourism data 2011<sup>[9]</sup>, foreign exchange earnings due to foreign tourists are 16564 million US dollars while number of days of stay of foreign tourists in India is about 22 days. Number of foreign tourists arrival in 2011 was 6.29 million so one foreign tourists brings a foreign exchange of about 120 US dollars per day. If 2.36 million foreign tourists come to Delhi, which is 1/3<sup>rd</sup> of the total foreign tourists' arrival, one can imagine that annual foreign exchange earnings due to these foreign tourists staying in Delhi for an average of 3.4 days will be 963 million US dollars. B&B owners and regular hotels must create an atmosphere that a foreign tourist stays for one more day in Delhi and that will earn 276 million US dollars additional foreign exchange earnings for Delhi and as a good source of earning additional foreign exchange along with additional handsome monthly income to the owners.

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