



**JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA**  
**PGDM/ PGDM (M)/ PGDM (SM)**  
**TRIMESTER-IV; Batch 2023-25**  
**END TERM EXAMINATIONS, OCTOBER 2024**

<b>Course Name</b>	<b>STRATEGIC MANAGEMENT</b>	<b>Course Code</b>	<b>20704</b>
<b>Max. Time</b>	<b>2 Hours</b>	<b>Max. Marks</b>	<b>40</b>

**Instruction: Read the cases carefully and answer ALL of the questions below:**

*Case- Taj Hotels: Jewel in the Crown?*  
(All questions carry equal marks 10 each)

## The Scenario

Reena Kumar sighed at the headline “Taj ranked again as India’s strongest brand” in her news feed when her flight to Mumbai landed. Kumar was vice president of strategy at The Mariton Group, an international hotelier with 17 brands. Mariton led the mid-price segment for families and business travelers—and had made some inroads into more affluent segments—but they had struggled to compete against signature properties such as the Taj Hotel.

Kumar had flown to Mumbai to meet with Mariton’s India team about a market entry strategy for the company’s new resort brand, Local. It would be difficult to compete with the Taj and related brands under its parent company, Indian Hotels Company Limited (IHCL), in the Tata Group.

Taj earned Rs 6,500 per room per night; the industry average was Rs 4,200. It expected this trend to continue, as demand was rising faster than supply and no major hotel projects had been announced after the COVID-19 pandemic. The pandemic had reduced inbound tourists to India, but IHCL discovered a larger target segment: domestic Indian travelers who sought experience vacations.

The Taj was famed for its service. Its customers came to the palace hotels for a personal experience, where technology had not replaced the check-in process. It had higher labor costs, but still paid full salaries to employees during the pandemic even though business dropped.

Palaces required meticulous restoration. Compared to larger five-star hotels (500+ rooms), these 50–80 room properties had high occupancy rates. Room rents could be far higher during peak tourist season. Guests enjoyed a taste of traditional royalty with authentic local experiences. In one case, guests were chauffeured from the airport in a vintage car, driven to the hotel entrance in a horse-drawn carriage, and greeted by a shower of rose petals and *ghoomar* dancers to a symphony of drums and trumpets in the grand lobby.

## Fast Facts: Indian Hotels Company Limited

- **Key people:** Puneet Chhatwal, CEO
- **Hospitality brands:** Taj, SeleQtions, Ginger, Vivanta, and Amã Stays & Trails
- **Taj brand:** 188 properties in 125 locations worldwide under the Taj brand (2023)
- **Core values (“Tajness”):**
  - Trust, awareness, joy
  - Evolving luxury ritual service into a cultural transformation

## The Conversation

Kumar met Meghana Chaudhry, the director of the India team, at the Mariton office in Mumbai. As Kumar settled in, she asked Chaudhry to share what the group knew about the competitive landscape Mariton was trying to grow in.

**Chaudhry:** IHCL covers most markets. In second- and third-tier cities that can’t support ultra-luxury prices, it uses other brands to address customer needs. Vivanta is contemporary and upscale, Ginger was a budget hotel but is now in the lean luxe segment. SeleQtions is comprised of standalone partnering properties who have kept their identities. Amã Stays & Trails has a luxury home-stay experience. And Qmin delivered food from the group’s restaurants. Amã and Qmin came straight from IHCL’s infrastructure, without fresh investments.

**Kumar:** What about the high-end market?

**Chaudhry:** There’s the Taj name, which has the four lines—hotels, palaces, resorts and spas, and safaris—each with different standards. Palaces are at least a century old but fully restored and feature butler services. These are what we see in television shows and movies, and where celebrity weddings

occur. They can charge Rs 45,000 to Rs 100,000 nightly. Hotels offer 24/7 services and business amenities. Resorts focus on local destinations and feature Taj branded spas.

**Kumar:** What about Vivanta and Gateway hotels? Aren't some of these franchised?

**Chaudhry:** Yes; Vivanta and Gateway became Taj hotels to reduce brand confusion and because the Taj name had the strongest brand recall. Because franchisees own many of these hotels and pay Taj to manage them, it's unclear if their owners will bring them up to Taj's standards.

## Sources

1 ET Now, "All Initiatives Will Add to Indian Hotels Top Line, Margins & Benefits, as Demand Outpaces Supply: Puneet Chhatwal", *The Economic Times*, July 28, 2023, <https://economictimes.indiatimes.com/markets/expert-view/all-initiatives-will-add-to-indian-hotels-top-line-margins-benefit-as-demand-outpaces-supply-puneet-chhatwal/articleshow/102194017.cms?from=mdr>, accessed October 22, 2023.

2 ET Now, "All Initiatives Will Add to Indian Hotels Top Line, Margins & Benefits, as Demand Outpaces Supply: Puneet Chhatwal", *The Economic Times*, July 28, 2023, <https://economictimes.indiatimes.com/markets/expert-view/all-initiatives-will-add-to-indian-hotels-top-line-margins-benefit-as-demand-outpaces-supply-puneet-chhatwal/articleshow/102194017.cms?from=mdr>, accessed October 22, 2023.

3 Sourav Majumdar and Krishna Gopalan, "Disruption can be turned into an opportunity': Behind Puneet Chhatwal's ambitious vision for his hospitality company," *Business Today Magazine*, June 11, 2023, <https://www.businesstoday.in/magazine/interview/story/disruption-can-be-turned-into-an-opportunity-behind-puneet-chhatwals-ambitious-vision-for-his-hospitality-company-383432-2023-05-30>, accessed October 22, 2023.

4 Avantika Bhuyan, "IHCL's Puneet Chhatwal: Defining Hospitality 2.0," *Mint Lounge*, August 25, 2023, <https://lifestyle.livemint.com/news/big-story/ihcl-puneet-chhatwal-indian-hospitality-travel-tata-group-111692890184435.html>, accessed October 22, 2023.

5 Sourav Majumdar and Krishna Gopalan, "Disruption can be turned into an opportunity': Behind Puneet Chhatwal's ambitious vision for his hospitality company," *Business Today Magazine*, June 11, 2023, <https://www.businesstoday.in/magazine/interview/story/disruption-can-be-turned-into-an-opportunity-behind-puneet-chhatwals-ambitious-vision-for-his-hospitality-company-383432-2023-05-30>, accessed October 22, 2023.

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7 Deanna Ting, "Taj Hotels Bucks the Expansion Trend and Shrinks From Three Brands to Just One," *Skift*, February 9, 2017, <https://skift.com/2017/02/09/taj-hotels-bucks-the-expansion-trend-and-shrinks-from-three-brands-to-just-one/>, accessed October 22, 2023.

8 ET Now, "All Initiatives Will Add to Indian Hotels Top Line, Margins & Benefits, as Demand Outpaces Supply: Puneet Chhatwal", *The Economic Times*, July 28, 2023, <https://economictimes.indiatimes.com/markets/expert-view/all-initiatives-will-add-to-indian-hotels-top-line-margins-benefit-as-demand-outpaces-supply-puneet-chhatwal/articleshow/102194017.cms?from=mdr>, accessed October 22, 2023.

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Q1. Analyze global and Indian hospitality industry and highlight the basis for competitive advantages in the hospitality industry? Why have Taj become one of the prominent leaders in the industry?

Q2. How customers' willingness to pay works, and in the case of Taj, how it created such a high willingness to pay and sustain its competitive advantages? Justify with reasons.

Q3. What will this hospitality industry look like in five years? Ten Years? What could be best strategy for Mariton to effectively compete in the Indian hospitality industry? Advise Kumar judiciously.

Q4. Under what kind of business model Taj's hotels (which IHCL manages) operates? While being in a business which must have to create great experiences, especially daily for many guests, how yourself as IHCL manager can create a superior strategy implementation mechanism that brings alignments across (people, incentives, structures, supportive activities, culture) by using tools (for e.g. balanced scorecard) to maintaining competitive advantages across its brands and drive away the potential perils?

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