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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Khan's construction was established in 1996. It is an IProperty Developing company. They not only construct luxury apartments, residential enclaves but also modern offices, showrooms, state-of-the-art software facilities and a multi-story industrial complex.

Khan's construction has progressively introduced value-enhancing features to some of their buildings. These include advanced fire protection and security systems and technologies like the integrated Building Monitoring and Security System, which centrally monitor all building functions. This has enabled them to increase building efficiency and ensure the continual comfort of its residents. Khan's construction was the first to incorporate eco-friendly measures like rainwater harvesting and waste recycling systems in their projects.

The Khan's construction and partners are the best in their fields. The organization is proud of the fact that they create long-standing relationships, based on professional standards and enduring customer relationships.

Today, Bangalore is becoming an increasingly important travel destination. Unfortunately, despite the growing number of hotels within the city, there never seem to be enough rooms available to accommodate the inflow.

In this scenario, serviced apartments are being welcomed as an ideal solution, convenient and economical, when compared to good hotels. Khan's construction latest venture is in the area of these Serviced Apartments. The company has already come up with these apartments Cambridge layout, which is

doing very good. Now the company is also planning to establish these apartments in Jayanagar and koramangala.

The aim of conducting this study was to know if these apartments would be profitable in this area. This study would also surface the target clients, market requirements, client expectations etc for these serviced apartments.

The methodology used in this study was interview and questionnaire method. The data was collected through company documents, review of literature, questionnaires, interviews etc.

The data was collected through primary and secondary sources. The original information gathered or collected from tours and travels, real estate agents and relocation agents through questionnaire formed the primary data. Company brochures, Internet, newspapers, journals and magazines constitute the secondary data from which information was derived.

Simple random sampling technique was used in choosing the sample. The sampling size was 40 respondents on whom the study was conducted. The data was compiled, encrypted, edited and tabulated for parametric analysis.

Based on the data collected it was found that the company has a very positive image in the market and the awareness about their Serviced Apartments is of an appreciable percentage.

It was concluded that considering the prevailing situation in Bangalore, these Serviced Apartments coming up would definitely prove to be profitable.

CHAPTER - 1

INTRODUCTION

INTRODUCTION

Serviced apartment or Transit Accommodation or Extended stay or Bed and Breakfast is old but new concept and is becoming more and more popular in Bangalore day by day. They are called service apartments locally. Service apartments or Serviced Apartments are not much different from a Guesthouse, Lodging etc. The basic difference is that serviced apartments give a feeling or relaxed residential environment rather than that of a “suffocating” hotel room. And secondly, there is a difference how this industry has emerged.

Service Apartment is an upcoming industry. Their significance is undoubted. A number of international Service Apartments are coming to Bangalore either independently or with a tie-up with an Indian partner.

- Service Apartment customers are referred to as ‘guests’ as they receive hospitality by way of accommodation all for which they pay. If satisfied, they return to the Service Apartment for receiving further paying hospitality.
- Service Apartment is “immovable” in contrast to a manufactured product or service, which is mobile and can be taken from the venue of production to the site of consumption.
- The capital investment in a Service Apartment is generally high and the gestation period for adequate returns on the investment is normally long.
- The demand for Service Apartment facilities has a variety, which a few manufactured products have.
- Service Apartment facilities like rooms are quickly perishable just as empty airline seats are.

- Service Apartments are not only in competition with others Service Apartment but also with the hotel industry.

Since this is a unique concept thus the various elements of its marketing strategy are areas requiring research and analysis. This research endeavors to study an integral element Client Targeting.

1.1 INDUSTRY PROFILE

An overview of the industry:

As one of the best-administered cities, Bangalore has everything going for it. It is no wonder that the garden city has now become one of the most preferred global destinations for high technology firms. Its sheer growth by itself is an indication of its growing popularity as the ideal city to work and live in.

The city has made significant progress despite political upheavals in the last few years in areas like transportation, development of over 100 gardens, cleaning and restoration of lakes and communication. But a lot still needs to be done.

The real estate development in the form of residential projects, office complex, shopping centers, and leisure and entertainment centers reinforces the faith in the capability of the city to lure corporate and MNC's to its fold. Increase in the number of companies setting up operations has aggravated the demand for quality workforce leading to the resultant demand for residential accommodation in and around the city. In fact "most of the builders and projects offer increased level of information and transparency in their exposure which in turn reassures today's homebuyers", Ranka, director, Ranka group. As the city is the focus of attention globally, builders have also leveraged the Internet to varying degrees he added.

Demand exists for all categories of apartments as is evident from the number of projects launched by varied types of developers. A number of people in the age group of 25 and above are entering the market enormously aided by flexible home loan schemes, fiscal sops and a plethora of options to choose from in various locations.

According to leading property developers, speculative investment of comparatively less as it used to be during the boom days. The demand has been predominantly and user driven and need based rather than for investment purposes. On the other side are a section of people looking for larger accommodation due to increase in family size and additional requirements. The availability of such options in the suburbs in the flexibility of switch to larger apartments is significant which enables people to take the plunge in the current scenario.

Yet another significant feature is that homebuyers have moved from demanding budget homes to expensive homes. Which is one reason why more number of builders are entering for development of luxury homes today.

Industrial background of the study:

The city has seen a boom in the serviced apartments sector, and plenty of them came up in the past two years. Many local house owners have made a fortune by converting their flats into such apartments. Luxury serviced apartments- some of these are top international names in this segment like Oakwood, Hilton Residences and Shangri-La Hotels are entering Bangalore to cater to the increasing number of long staying business travelers. They offer the luxuries of a premium hotel, but at prices that are significantly lower (the longer they stay the higher the discount). They pamper you especially your family, when you are away at work. And they make you feel that you have never left home.

Bangalore should be able to support several thousand serviced apartments in the three to five star categories. Bangalore is one of the most requested destinations in Asia for serviced apartments. Several other leading local developers are also setting up premium-serviced apartments; some of them are in talks with global players etc.

- ❖ Oakwood Premier Prestige-218 units, UB City.
- ❖ Hilton Residences (with Embassy Group) 250 units, next to KGA.
- ❖ Shangri-la Retreat (with Adarsh Group) 200 units, Outer Ring Road.
- ❖ Shoba Group 150 units, Sarjapur Road.
- ❖ Khan's construction 60 units in Victoria layout and Koramangala.
- ❖ Vaswani Group 150 units in Whitefield and 65 units in city center.

Service Apartment Market Segments:

The total Service Apartment market, which consists of the total demand for Service Apartment facilities, may be divided into various segments. These segments are determined as per the need of the people and the means they possess to pay for their satisfaction. The fulfillment of these means relates to the market package. The market for the Service Apartment will be served according to what is provided, how it is provided, and for how much.

Independent Guests:

A Common classification of Service Apartment market segment is according to the purpose of visit by guests, i.e., holiday-tourism oriented, business – traveler oriented conference oriented, or foreign versus domestic traffic oriented. These terms tend to be equivocal as they relate to a particular type of traveler or customer irrespective of the market segment to which he belongs. For instance, a foreign tourist staying at a luxury Service Apartment may be on business on his company's expense account whereas if he comes as a normal pleasure or leisure tourist, he may well stay at a lower-tariff Service Apartment suiting his budget. Similarly, a guest staying at a luxury Service Apartment may be a businessman for whom the address and the image of the service apartment are important enough to justify the

tariff. On the other hand, when he travels for pleasure or for social purposes, he may stay in the same luxury Service Apartment or one with a lower tariff, depending on the purpose of the visit.

Groups:

Customers traveling in groups comprise another segment, so do meeting and conference groups. Therefore, the Service Apartment market segments correspond to the basic market packages in terms of spending power as also social classifications – under / upper- middle / lower.

Hence, it is apparent that interchange between segments does take place, whether as a temporary or permanent phenomenon, according to the duration of the changing circumstances of the guest-segments. These segments of the total market for a particular Service Apartment may be further divided into primary and secondary levels of demand, each of which, in turn, contains two further levels of demand, as shown in the table.

A new Service Apartment introduced in a particular segment of the Service Apartment market may eventually be able to exploit all these levels of demand, which can be tapped by a new Service Apartment. Displacement and created levels of demand require a period of time and sustained sales effort to realize their potential, whereas, the assessment of future demand relates to the continuing long-term prosperity of the Service Apartment. If the basic demand is absent but if the displacement created and future levels of demand promise well for an investment appraised on a “10 to 15 year basis, the decision to start a new Service Apartment under such circumstances has perforce to be a long – gestation decision.

For accommodation, each segment of the market, together with its primary and secondary divisions, contains some or all of the potential buyers of Service Apartment accommodation, as shown in Table, which may sometimes overlap.

There may well be more types according to the geographical, economic, industrial, and social characteristics of the location of each Service Apartment.

POTENTIAL BUYERS FOR ACCOMODATION:

Accommodation:

- Transit tourists, passing through the particular location
- Terminal tourists, for whom the location represents end of a journey.
- Traveling businessmen.
- Visiting personnel, i.e., business or industrial employees for who travel is an occasional part of their job.
- Organized tours.
- Conventions, conferences, workshops, meeting, where the location is pre-fixed by the organizers.
- Social Visitors, i.e., guests to weddings or other social functions.

FACTORS TAKEN INTO CONSIDERATION:

Pricing:

It is difficult for a Service Apartment to exercise differential pricing except for certain specific purposes. These may typically be differentials in tariffs and prices during the peak and lean seasons; group rates; contract rates for airline crew; special conference rates or special concessions to attract customers; tourism year syndrome, etc. However, by and large, Service Apartment pricing tends to follow or conform to pricing standards applicable to the particular city area.

Distribution:

As has been said earlier, the Service Apartment does not journey to its customers to consumable a sale. It is the reverse that takes place – customers come to the Service Apartment. Service Apartment distribution relies on interdependence with other industries serving travelers and tourists such as the transportation industry (airlines, railways, shipping lines), travel agents and tour

operators, national and state tourism organizations, shopping and entertainment providers.

Some interesting features of Service Apartment distribution need critical examination. The first is cooperative distribution, which operates in passing on traffic overflow from one Service Apartment to its neighbor, on a reciprocal basis, without affecting regular business either the main intermediaries in the distribution system such as travel agents; tour operators; airlines and special business clientele. The second is the increasing development of franchising. Franchising may take various forms but it basically involves making available to the franchisee (the beneficiary) of a service system that is designed and controlled for quality standards by the franchiser. The franchisee gets the advantage of being part of a reservation and sales system, which ensures a certain level of business, which may not be available otherwise. The franchisee also benefits from the image of the franchiser, professional advice and training provided by the franchiser. In the process, he improves his own operational image and efficiency. The franchiser also benefits, as his investment is not required in the franchisee's properties. At the same time, the franchiser's distribution system is expanded and the franchisee is well motivated to succeed in its own business.

Communications:

Perhaps this element of the Service Apartment marketing mix is most important as it is directly responsible for bringing customers to the Service Apartment marketing communication are either direct or indirect. The direct communication is through personal selling, advertising, sales promotion and direct mail. Appropriate messages are conveyed to those who are potential buyers of the Service Apartment products. Personal selling of the Service Apartment product is effective when long terms relationship between the Service Apartment and the customer is sought. It is also required where the level of business per customer is likely to be significant. Indirect marketing communications for Service Apartment include public relations and publicity, either of which may or may not form a part of the Service Apartment marketing communication programme but may function independently. The major elements of the Service Apartment communication mix

are mass media, advertising, direct mail, sales promotion, Public relations and public city.

Advertising:

Service Apartment advertising is an effective and, generally, a long-term effort to inform the customer about the existence of the property, giving details about the location and types of facilities offered. Advertising is also aimed and influencing the attitude of the customer to bring about his acceptance of the particular service offered. Informative advertising is necessary for a new Service Apartment or a Service Apartment offering new facilities of services, which are different from the past. Persuasive advertising is aimed at a more competitive situation where desired business from all departments of the hotel is not achieved.

Advertising is dealing with a non-personnel contact with the target audience, unlike sales promotion where the Service Apartment dealer is aware of the identity of the target. The purpose of advertising is indeed the same as the purpose of communication- it aims to inform and persuade the consumer or the travel trade to change, to influence their attitude towards the advertiser's product or organization.

Effective advertising not only games the attention of the prospective service apartment customer but also makes a lasting positive impression on the prospector's mind. Too many of the prospective guests advertising first introduction of the area, location and the Service Apartment itself. The success of the introduction will in variably depend upon the impressions made. To ensure that this impression is favorable, all advertising should have the touch of quality or class. A flavor of showmanship and originality in concepts are required, making advertising efforts effective, distinctive, interesting and compelling. Further, to me the competition, effective advertising must stand out as superior to competing advertisements, which, in turn, needs an effective advertising campaign.

In the Service Apartment industry, planning the advertising campaign is very important as the Service Apartment product has certain unique characteristics unlike other products. Some of these characteristics are it being highly intangible

can not be exhibited; it is normally purchased in advance from a distance; since it can not be transported, it can not be taken to the market place.

The rationale behind identifying the target audiences and creating proper message is that there is a need to differentiate marketing communication or advertising approach to different target audiences. It is also necessary to speak to different people in different languages market segments are different because they have different needs; they have different requirements; they want to buy different products or they want buy the same product, but for different reasons. Hence while making an attempt to communicate with different target segments, there should be a differentiated communication approach. In communicating with the travel trade a Service Apartment must provide the facts and figures in down to earth and simple language whereas a consumer may like to listen to evocative language. While communicating with the prospective Service Apartment guest it is essential to identify psychological motivation and tried to motivate the prospective Service Apartment guest through a message, which promises a benefit – a benefit that will satisfy the guest psychological or other needs. The Service Apartment product facilities and services can be advertised against a number of areas, as there are different market segments as shown in the table.

Sales Promotion:

There are two ways in which one can examine sales promotion First, Schemes which can be defined in terms of time, and second, as an on going permanent activity / function. Irrespective of these distinctions one can clearly identify three groups of activities under Sales Promotions; Trade Promotion; Consumer Promotion and display. Trades Promotions are scheme, which are generally intended through, induce or persuade the travel trade or the distribution channel to generate more demand. The term “Travel Trade” has been used in its generic form to refer to all the available distribution channels or outlets to the service apartments industry. Trade promotions are, therefore, schemes, which are intended to induce or persuade the travel trade to sell more of the Service Apartment product, and for this purpose a variety of incentives are given.

Consumer promotions are schemes to persuade the consumer, i.e. the potential Service Apartment guest or the user of services, to buy a particular Service Apartment product or service, at a particular point of time. Consumer promotions should be understood as the first definition of Sales Promotion scheme, which are defined in terms of time and are finite. The Third group of activities which include product display and related point of sale material i.e. posters, show cards, display units etc. help keep in perspective the view that one cannot obviously display the actual Service Apartment product or service at the point of sale and so one has to depend on the descriptions and representations of the actual product.

Forms of Travel and Tourism consumer and trade promotion schemes, Service Apartment promotion as individual schemes, more often than not or co-operative schemes, i.e., they depend upon one or more of the other sector (s) of the Travel and Tourism industry. Some schemes can be set-up and operated by a Service Apartment but a great deal of promotional schemes available to the Service Apartment industry are dependent in the co-operation of other sectors of Tourism and Travel Industry. The other reason is to enlarge the awareness of the opportunities available to the different sectors in the industry. In table different types of sales, promotion methods have been listed. These are some of the schemes available to the Service Apartment as well. The examples prove that most promotions of the Service Apartment product are co-operative and the industry is dependent on the co-operation of other sectors, namely Airlines, Transport Operators, Travel Agents, Tour Operators or allied sectors.

Forms of Travel and Tourism Consumer and Trade Promotion Schemes:

Type of Promotions	Example
1. Price – off promotions	Special terms for specific clients at specific times e.g., off – peak discounts: Discount for specific departure or stay dates or times, etc.

2. Couponing	Coupons entitling the holder to special terms e.g. Discounts at shopping centers, discount for petrol, free excursions and site seeing tours, free use of Service Apartment recreation facilities etc.
3. Loyalty Schemes	“X” Some of money off booking if done within a certain period of time, “Give Away” to Loyal customers.
4. Co-operative Advertising	Allowance or financial assistance given to a Tour operator or Travel retailer Advertising specified hotel / product; etc.
5. Training Schemes	Free familiarization tours for travel agents/ tour operators; training seminars and briefings for sale personnel, etc.
6. Merchandising Support	Free display material and other selling aids offered to retailer / wholesaler as a part of the special campaign.
7. Discounts for Agents & airlines Crew	Travel sales promotional efforts help in developing good relations with the travel trade and may help in getting favorable publicity

Sales promotion as an ongoing function: Sales promotion does not consist merely of a series of schemes defined in terms of time but these are certain schemes, which are ongoing in nature. Hence there are a certain number of routine activities which marketing management of a Service Apartment engages in. These routine activities may either be directed at the potential hotel customer or the travel trade.

Public Relations:

Public relations can never be some kind of special sugar that can be sprinkled or coated on a sour or difficult situation to make it taste sweet or comparatively functionally easy. Public relations, as a marketing communication function, aims to supplement the total communications / promotional efforts by helping to create and enhance a favorable image of the Service Apartment and by counteracting any adverse influences that may exist from time to time, as also by

creating a proper goodwill for the Service Apartment. It is needless to say that a well-researched and effective public relations mechanism will pay handsome dividends in the long run. At all times, remain genuine and don't attempt to oversell. Public relations ought to be a sustained ongoing affair and it should be harmoniously integrated into the total promotional effort.

When it comes to operations levels, public relations must be distinguished in terms of a 'variety of public' – guests, media professionals, government agencies, community, and employees – which are of interest to the Service Apartment as a unit or the organization and therefore strategies should be evolved to exercise healthy relations with all such publics.

Media relations:

Service Apartment's also deal with the media, with the press and with electronic media, in other words, with the mass media. Service Apartment's need mass media either own sake because they are opinion leaders, also because they influence public opinion, or they want to reach some other group through the media. This aspect of public relations is described as media relations or press relations. This is probably the most important area of the total public relations of a Service Apartment and indeed any organization in the tourism industry.

Publicity:

Yes another aspect of marketing communication is publicity which is the promotion-net necessarily created by the organization and usually generated by the media. Thus, publicity is not a marketing function like marketing research, product planning, distribution system, advertising, sales promotion, public relations etc., which are the marketing activities / techniques. Publicity is rather an objective of public relations as through good public relations one tries to get publicity and generate publicity.

New media in every community do look upon industries, Service Apartment's and other business for news. This occurs because every enterprise has an important and even direct bearing on the social, economic and sometimes

political life of the community. Newspapers present news of public interest to the readers. Few desire to embarrass or unnecessarily pry into an organizations affair as it is considered unethical and shunned.

Bad publicity is mostly the result of lack of information and often an indifferent attitude towards the press. Hence newsworthy information should be made available to the press. It is in the interest of the organization to supply this information because it shows willingness to cooperate and a disposition in understanding the needs of the press. An indifferent attitude may unfortunately result in damaging coverage through an article, review or appraisal of a situation or condition; or even an unfavorable report that will adversely affect the image and even the business of the hotel. A willingness to share the news with the media will help a great deal in handling those situations where wrong published news would affect the Service Apartment.

Present status of the industry:

Most of the real estate developers in Bangalore have shown capability in executing quality buildings. The quality of the apartments too has vastly improved keeping the buyers' requirements, says J.C. Sharma.

At the outset, with the market undergoing by cyclic trend, the real estate market in India has proven to be shining in glory with the catalytic boom. In this positive trend, Bangalore real estate has been promising due to varied factors.

The primary reason is the demand supply mismatch, which is of relative importance. The Bangalore Development Authority has decided to allot 20000 sites in one location i.e. in Bangalore North and it is expected to be over subscribed at most times. It may be noted that these sites are getting allotted in Bangalore North, which is not the fastest growing area in Bangalore. This proves there is a pent up demand, which requires the supply of sites and apartments for people.

While discussing the real estate scenario, it is imperative to analyze how the city is progresses with its population in respect to its development. When it comes to Bangalore, the situation gets better. Bangalore happens to be the fastest growing city in India. It has the maximum number of students from outside the state who get admitted to various engineering / medical colleges. Once their education is completed they prefer to stay in Bangalore, as they are exposed to better job opportunities.

From the point of view of IT and IT Enabled service industry, Bangalore has been ranked as the fastest growing city. It is the base for companies like Wipro, Infosys as well as the preferred choice for fortune 500 companies like GE, HP, Dell, Motorola, Texas Instruments, Intel, IBM, Oracle, Accenture to name a few. These companies are recruiting people on a large scale. Hence this result in a spurt in demand for both commercial as well as residential space in this garden city.

The economy is much stronger and people are now willing to move away from the city where they can purchase quality apartments at affordable rates. This is more because developers also realize the value of amenities in the minds of

buyer and hence make such complexes self-sufficient. The amenities are no longer just facilities but have become the lifestyle of the buyer hence an extension of one's personality.

The Indian economy is on its way to acquiring the status of a developed country. Through this journey is foreseen to be relatively long, but we will achieve the same in time. Housing will be one of the sectors, which will act as a catalyst to accelerate the growth of industries like cement and steel. The industry also generates substantial employment to the masses. The sector is expected to remain buoyant in the coming years.

GROWTH AND DEVELOPMENT OF THE INDUSTRY:

Over 3,500 luxury rooms May put End To Accommodation Woes in Bangalore: The prevailing Accommodation crunch in the premium hotel category in Bangalore may soon be a thing of the past. About 3,500 luxury hotel Rooms are due to be created over the next two to three years in the city, as some of the biggest global brands are preparing to setup properties here. When that happens, one can forget about staying in Chennai and traveling to Bangalore for work. The city currently has 1,600 odd rooms in the five star categories, but these have proved to be totally insufficient. Real estate players have sensed a huge business opportunity in the sector and are building world-class properties for international brands to come and adorn. International hotel chain Hilton.

International hotel chain Hilton International (HI) is all set to make its presence felt in Bangalore. Hilton in association with Prestige Estates project will raise a 300-room 5-star hotel on Ulsoor Road, in a bid to tap into the growing demands of the city. The construction will begin by August 2005, and is expected to be completed by mid-2007. The Prestige Group will be investing Rs. 200 crores in the property, which be spread over an area of 2.5 acre.

Big players like Shangri-la, Marriott and the Carlson Group (with the brand Country inns & Suites) will make their presence felt soon. Radisson too is arriving with a 350-room hotel. There are three-star and four-star properties coming up as well, with standards better than those available today.

Developer / Hotel Chain	Location	Rooms	Year
Shangri-la Hotels & Resorts & Adarsh Group	Outer Ring Rd (between Marathahalli & Sarjapur Rd)	1000	2008
Radisson & Prestige Group	Whitefield	350	2007
Hilton & Prestige Group	Ulsoor	300	Mid 2007
Mariott & UB Group	UB City	250	Early 2007
Chancery Hotels	Residency Rd	235	End 2005
Puravankara & Libis	Old Madras Rd	80	2006
Puravankara	Old Madras Rd	300	NA
Euroamer Garuda	Magrath Rd	134	Sept 2005
Sterling Mac Hotel	Airport Rd	167	2007
Shoba Group	Rajajinagar	192	2008
Embassy Group & Hilton	Challaghatta	360	2007
Country Inns & Suites & Sigma Group	Outer Ring Rd (near Marathahalli)	104	Mid 2007

Demand for better projects will continue in the next 5 – 7 years from J.P. Nagar unto Airport Road. The transformation of areas like Whitefield is only a question of time due to Airport at Arkavathi Layout feels J.C. Sharma, Managing Director, Shoba Developers Pvt. Ltd. In fact selected Shoba projects resale value rise by 30-40 percent in a period of two years, he added. A 3-bedroom apartment costing Rs. 23 Lakhs in fetching a rental income of Rs. 10,000/- to Rs. 11,500/- per month.

1.2 - COMPANY PROFILE

The Khan's Brand Name:

Khan's construction was established in 1996. It is an Property Developing Company. Over the years, it has constructed luxury apartments, residential enclaves, modern offices, showrooms, state-of-the-art software facilities and multi-storey industrial complex-many of them a first-of-their-kind in the state. At any given time, the company has a range of projects that are in various stages of conception and creation.

They have progressively introduced value-enhancing features to some of the buildings. These include advanced fire protection and security systems and technologies like the integrated Building Monitoring and Security System, which centrally monitor all building functions. This has enabled us to increase building efficiency and ensure the continual comfort of its residents. They were the first to incorporate eco-friendly measures like rainwater harvesting and waste recycling systems into the projects.

Khan's construction corporate vision has evolved with time and organizational growth. Their vision and intent encompass not just providing a better homes or offices but providing a better quality of life for people who are part of any facility they have created. Sophisticated computerization, constant on-the-job learning and personnel development programs help to realize the vision.

The Khan's association and partners are the best in their fields. The company is proud of the fact that the company creates long-standing relationships, based on professional standards and enduring customer relationships.

The Khan's organization – A Professional Corporate Culture:

Khan's construction operates out of spacious modern offices, located at "New Brigade Square" and "Albert Court" on Brigade Road, "SILVER PALMS" on Victoria layout in the heart of the city. Khan's construction reflects their futuristic outlook: fully networked and computerized, braced by select pieces from their excellent art collection.

Khan's construction directors are respected professionals in their fields. There professionals associates architects, interior designers, landscapers, engineers, legal and finance advisors, building services consultants and communication are leading names in their lines of business. The company share a long-term professional relationship with all of them, based on mutual regard and respect. The company also makes efforts to tap the fresh views and talents of the many excellent young architects who are just beginning to make their presence felt in the industry.

1.3 - PRODUCT PROFILE

Meeting the Housing Needs of a Changing Society:

A CITY with a growing population and a finite amount of available land needs to grow vertically. Apartment living is increasingly seen as not just the most viable choice, but also the preferred one. Because, in keeping with the times, well-planned apartment complexes provide the kind of comforts, facilities and security not usually offered in the past.

Khan's residential projects range from exclusive 12 - apartment buildings to large integrated enclaves Apartments, with a host of facilities offered to customers. Each one of their projects reflects modern expectations - airy, well-designed apartments; spacious lobbies; wide corridors; efficient building maintenance system; imaginative features and facilities; landscaped exteriors and much more. The outcome is an enhanced quality of life for all residents, in every way.

State of the-Art Software, BPO and Corporate Facilities:

Khan's construction experience with office space began back in 1996-with "Albert Court" in Albert Street on Brigade road, which became the corporate headquarters. The commercial complex "SILVER PALMS" is of hi-tech facility with high-class interiors, centralized a/c 100% backup generator, the offices and state-of-the-art software facilities to their credit. All their buildings are state-of-the-art and offer built-to-suit and ready-to-occupy options.

A Common feature in all their facilities is the use of relevant new technology; flat roofs, large plates for greater floor area, ready-mixed concrete..... Which lead to top quality finish and speedy completion of the projects.

Serviced Apartment:

The company began with “Gold Platz” Serviced Apartments. Built and managed by Khan’s construction, was Bangalore’s first professionally managed serviced apartment. Centrally located on Wellington Street, Gold Platz” occupancy rates fully booked round the year attest to both the excellence of its services and its ambience.

The organization is now in the process of setting up serviced apartments in other parts of the city, including Jayanagar, Koramangala and Whitefield

HOMESTEAD (SERVICED APARTMENTS):

A Project of Gold Platz:

The service industry is booming and Khan’s construction has also entered the service and hospitality industry. Khan’s construction is an property developing company and is known for their residential projects, commercial complexes etc and now the company has ventured in to serviced apartments also. Serviced apartments are apartments which are fully furnished so that people could live there instead of a hotel because of various reasons such as economy, privacy etc. A serviced enormous demand for rooms and the hotels could not accommodate everyone, which in - turn gave rise to serviced apartments.

Home away from Home

Therefore Khan’s construction was the pioneer in this field and was started 2 years back. The demand for rooms in Bangalore has brought in lot of competition in this field too, with lot of players from the unorganized sectors also. Khan’s construction has already come up with 3 serviced apartments in different locations and many more coming up.

MR. Chetan mehta is the manager of serviced apartments for Khan's construction and the following information was obtained:

- * The clients are mostly foreigners who constitute around 70%.
- * Most of the clients are corporate (Software companies etc).
- * The clients could vary from individuals to families.
- * The clients check in for 15-30 days on an average, and there are long-term leases up to 11 months also.
- * The occupancy rate is as high as 90%, which shows very good demand

Features provided by serviced apartments (GOLD PLATZ)

- High security
- Ideal location
- Restaurant within easy reach
- Pantry services.
- Separate party hall
- Business related assistance (booking tickets, car etc.)
- Gym
- 24 hrs service

Property Management & Allied Services:

Tandem Allied Services Pvt. Ltd., an associate of Khan's construction allows them to become a one-stop property management services provider.

Tandem undertakes facilities management for software industries, commercial buildings, serviced apartments, residential buildings, bungalows and guesthouses.

Its Home Loan Division has tied up with ICICI Bank for home loans, personal loans and car loans. It has also tied up with New India Assurance for general insurance and with MetLife India Insurance for Life Insurance.

1.4 - OPERATIONAL DEFINITIONS

Serviced accommodation:

Suites or rooms where the landlord provides a range of services within the individual premises and provides fully furnished rooms, cleaning, receptionist and communication facilities.

Real Estate:

The definition of real estate is land including all the natural resources and permanent buildings on it.

Property Management:

The range of functions concerned with looking after buildings, repair, services etc.

Brand:

A brand as name, term, sign, symbol, design or combination of them, intended to identify the goods or services of one seller or group of sellers.

Broker / dealer:

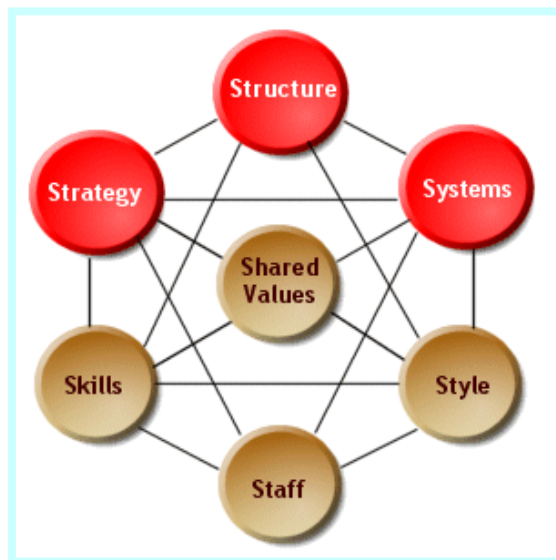
A person who acts as a medium of bringing the client and the supplier for a commission.

CHAPTER - 2

7s MODEL

2.1 - Mc KINSEY's 7s MODEL

The 7-s model is a strategy and may be developed and implemented. The seven - Ss is a framework for analyzing organizations and their effectiveness. It looks at the seven key elements that make the organizations and their effectiveness tool for managerial analysis and action that provides a structure with which to consider a company as a whole, so that the organization's problems may be diagnosed.



The 7-S diagram illustrates the multiplicity interconnectedness of elements that define an organization's ability to change. The theory helped to change managers' thinking about how companies could be improved. It says that it is not just a matter of devising a new strategy and following it through. Nor is it a matter of setting up new systems and letting them generate improvements.

To be effective, their organization must have a high degree of fit, or internal alignment among all the seven Ss. All Ss are interrelated, so a change in one has a ripple effect on all others. It is impossible to make progress on one without making progress on all. Thus, to improve their organization, you have to pay attention to all of the seven elements at the same time. There is no starting point or implied hierarchy - different factors may drive the business in any one organization.

DESCRIPTION:

The constituent parts of the 7S Model are:

Strategy: plan or course of action leading to the allocation of an organization's finite resources to reach identified goals.

Structure: salient features of the organizational chart (e.g. degree of hierarchy, extent of centralization/decentralization) and interconnections within the organization.

Systems: procedures and routine processes, including how information moves around the organization.

Staff: personnel categories within the organization, e.g. academics, administrators, technicians.

Style: characterization of how key managers behave in order to achieve the organization's goals.

Shared values: is an employee's understanding of the organization's values and vision.

Skills: distinctive capabilities of key personnel and the organization as a whole.

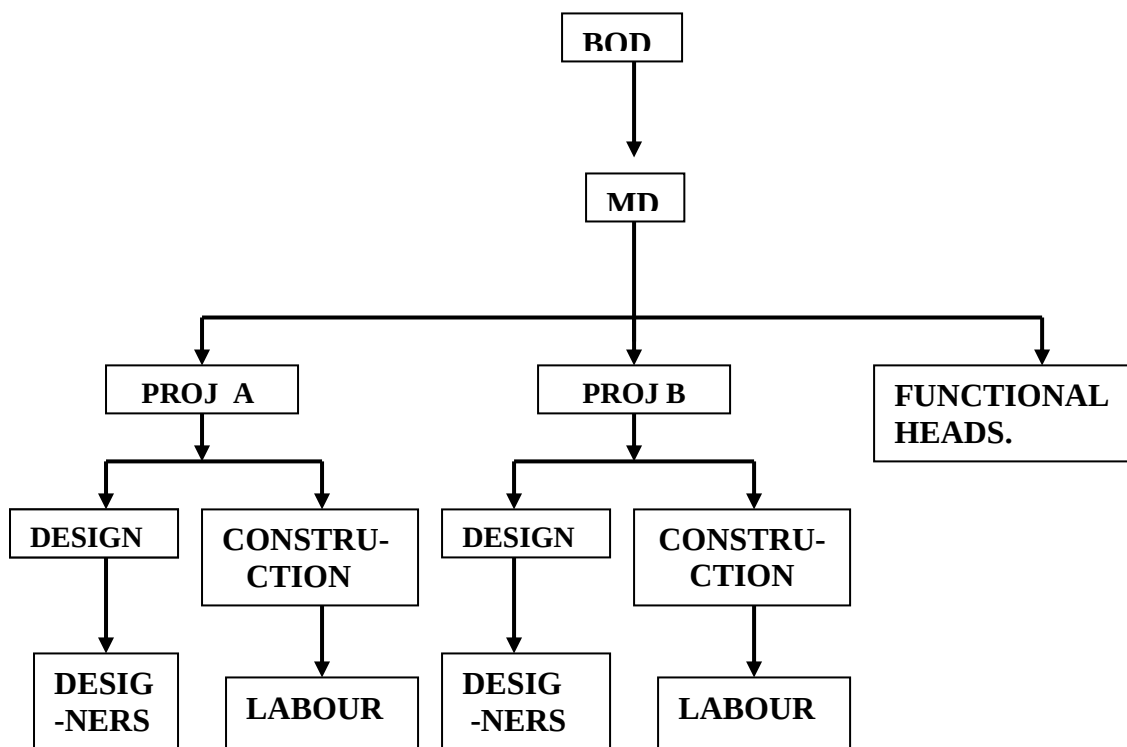
7's Model related to the organization: -

STRUCTURE:

The word "structure" basically means degree and type of horizontal differentiation, vertical differentiation, mechanisms of coordination and control, formalization, and centralization of power. It is the hierarchy of authority and responsibility in an organization.

Most roles (jobs) within an organization are interlinked, forcing occupants of those roles to interact with others playing their own roles. Hence a well-defined organizational structure is very important for the organization to be successful. A good organizational structure can enhance the effectiveness of an organization. Properly designed organizational structures can help an organization adjust to challenges it may be facing.

ORGANISATION STRUCTURE



BOD: - Board of Directors

MD: - Managing Director

DESIGNERS: - Architects, Interior Designers.

LABOUR: - Masons, workers.

FUNCTIONAL HEADS: - Finance, Human Resource, Marketing & Technical.

SYSTEMS:

The “SYSTEMS” followed in an organization refers to the different processes that are used to carry out the different activities. These systems are very important and should be chosen carefully as they determine the speed, quality, accuracy and efficiency of the different activities that are carried out on a daily basis. The systems in an organization are chosen considering different factors. These factors include the size of the organization, the nature of business and so on.

Significant process improvements in Khan’s construction are realized through the application of tools and methodologies such as Six Sigma and Total Quality Management. These techniques allow for pinpointing variations in processes continuous improvement. Process performance is driven by Quality Assurance (QA), Management Information System (MIS), and Business Analysis Teams, which monitor business and client relationship. These include advanced fire protection and security systems and technologies like the integrated Building Monitoring and Security System, which centrally monitor all building functions.

STYLE:

Using the word “STYLE” in the context of an organization refers to the leadership path chosen to lead the employees and the organization as a whole. The leadership style of an organization is the approach of top management towards the employees, facing the challenges, growth of the organization etc.

The organization strongly believes that development is a process and not an event. Khan’s construction follows a participative style with open door policy.

At Khan’s construction, the environment is stimulating with high levels of motivation, empowerment and recognition, removing obstacles that hinder creativity. Khan’s construction believes in regarding the labor laws, working hours, compensation, employees’ rights and so on. Khan’s construction abides by all the laws, rules and regulations followed in that particular nation. The company also seeks to create apt working conditions and workplace practices for the welfare of

the employees. The company recognizes and respects the diversity of the workforce and the difference in their cultures. The company values the workforce and truly considers them to be resources. The organization not only grooms their talents but also bring out the leader in them.

STAFF:

The company's staff is nothing but the people resources. For the best results, an organization should train, develop and motivate its workforce in the best possible manner. Staff can also be understood as the personnel categories within the organization, e.g. academics, administrators, technicians. Management of the staff is nothing but the people/human resource management i.e. processes used to develop managers, socialization processes, ways of shaping basic values of management cadre, ways of introducing young recruits to the company, ways of helping to manage the careers of employees.

The company has skilled people who are specialized in a particular area. They also have expertise skilled labor for different departments like marketing, finance, legal, technical and administration

At Khan's construction, the expertise skilled labor appointed on the basis of experience. Skilled laborers are well specialized in the area where their work is assigned. The organization never loses sight of the fact that it is their people who deliver what clients need. In fact the company is very clear about the fact that their success is based on their skills and commitment. The organization has technical persons who are specialized in both the activities of administration and finance. Khan's construction selects the staff on the basis of performance appraisal. The Company provides allowances to the employees according to their work assigned.

SKILLS:

The distinctive competences and capabilities that an individual possesses to accomplish a given task are referred to as "SKILLS" that he or she possesses. Dominant attributes and capabilities that exit in the organization define the success

of the organization. A well skilled workforce is the key to success for any organization in today's scenario.

Khan's construction has realized that the availability of highly specialized skills, allows organizations to attain business goals that are otherwise not possible or economical in high cost locations. Khan's Construction Company has organized its skills sets and experience across select business processes. The skills required by the workforce are ability to give us the best designs that would satisfy the customers, good marketing skills to market our products and services and technical skills, which is very much required in today's cutthroat competition. Project teams comprises of specialists in areas of process analysis, quality assurance, training, security, networking and systems integration and designing.

STRATEGY:

"STRATEGY" is the plan of action that an organization formulates for its future growth. These plans of action are basically formulated to achieve the long-term goals and objectives of the organization. It is the path an organization chooses to gain a substantial advantage over its competitors.

Khan's Construction aspires to be a differentiated company- sole intend being to improve the performance of business. The company intends to deliver on the growth aspirations through the "Six Sigma" Strategy. The Company has different strategies based on potential of the product. Business plan has been split to independent and individual projects. Projects have different strategies, which are considered to be final product at the end. Strategies developed by Khan's Construction have become successful in achieving its progress:

1. The Company aims at becoming a premier developer, while establishing and maintaining a quality relationship with esteemed clients.
2. Setting forth this vision entitled the team to provide professional services to the clients at the reasonable price with quality excellence and value.
3. To deliver the product or service to the clients within time frame and budget allocated for the work.

SHARED VALUES:

“SHARED VALUES” is nothing but an employee's understanding of organization's values and vision. An organization should ensure that it has very well defined values to avoid any kind of clash in interests. The alignment of personal ambition and personal behavior of an individual with that of the organization can help to create inner peace, develop personal charisma and improve an individual's credibility.

Every employee a Khan's Construction respects the values associated to the company. Every employee is found to do his job with full concentration, motivation and sincerity including top management; Company offers professional services to the clients at a reasonable price with quality excellence and values. The Khan's Construction vision is to become the best-in-class product and service provider in the coming years.

CHAPTER - 3

DESIGN OF THE STUDY

3.1 - Need of the Study:

This concept of serviced apartments is relatively new in India, and more and more competitors are entering into the serviced apartment industry because it is flourishing. There are lots of small-unorganized players also trying their luck in the industry.

Khan's Construction is a professionally managed serviced apartment and Khan's Construction was successful in this venture and is setting up serviced apartments in many parts of the city such as jayanagar, koramangala etc. Due to the growing competition Khan's Construction does not want to loose its market share to the growing competition so, the target customers for the upcoming serviced apartment, which is in Jayanagar, had to be identified, so that they could be catered too. Hence, this study was conducted to find out if, according to the prospect customers, Jayanagar would be an ideal place, for these serviced apartments.

3.2 - Statement of the problem:

To study the target clients, market requirements, client expectations etc for these serviced apartments, so that GOLD PLATZ turns out to be the first preference of the customers once they are established.

3.3 - Objectives of the research:

The study is based on the serviced apartment

- To find out the prospective end user or target customers' for the serviced apartment of. Khan's Construction
- To find out what are the requirements and preferences of clients.
- To find out ways to retain old customers and attract new customers by understanding the customer.

3.4 - RESEARCH DESIGN METHODOLOGY:

Type of research undertaken:

Research is a “fact finding investigation with adequate interpretation”. The research done here was mainly based on the responses to the questionnaires.

The data serves as the bases for analysis. Without an analysis of factual data no specific inferences can be drawn on the questions under study. Inferences based on imagination or guesswork cannot provide correct answers to research questions. The relevance, adequacy and reliability of data determine the quality of a study.

For the purpose of this present study data from two sources collected namely primary and secondary data have been gathered.

Sources of data:

1. Primary Data:

It is the first hand information collected during the research. These are the original information gathered or collected from tours and travels, real estate agents and relocation an agent through questionnaire and interviews.

2. Secondary Data:

Company broachers, Internet, newspapers, journals and magazines constitute the secondary data from which information was derived.

Sampling Procedure:

1. Details of the population:

The study was conducted on tours and travels, real estate agents and relocation agents in Bangalore.

2. Sampling frame:

Sample frame of the study was taken from yellow pages, brigade group's records etc.

3. Sampling Method:

Sampling techniques may be classified as non-probability and probability techniques. Non-Probability sampling techniques include convenience sampling, judgmental sampling, quota sampling. Probability sampling techniques include simple random sampling, systematic sampling, the systematic sampling cluster sampling, sequential sampling, and double sampling.

Simple random sampling technique was used where every elementary unit has a full and equal chance of being selected and included in the sample.

4. Sampling Size:

The sampling size was 40 respondents on whom the study was conducted.

SI No.	Type of respondents	No. of Sample
1.	Tours and Travels	24
2.	Real estate Agents	8
3	Relocation Agents	8
	Total	40

Data Collection Procedure:

Fieldwork:

Research methodology is the most important aspect of the survey without which the researcher may not be able to obtain the facts and figures from the respondents.

Face to face conversation backed by a question checklist is a useful tool for the study.

The researcher himself carried out the fieldwork. The primary data was collected with the help of questionnaires.

Plan of analysis:

The data collected from the respondents were organized, processed and tabulated. The tabulated data were analyzed, with the help of statistical techniques and classified percentages were calculated. Graphs and charts were used to highlight the statistics results and conclusions were drawn on the basis of their replies.

Tools and techniques of data collection:

Primary data in the present research plays a very vital role; conclusion and recommendation in this research are completely based on data analysis and interpretation. The primary data collected from the respondents has been classified and tabulated by using statistical tools.

Analysis is purely based on classified and tabulated data. Analysis in the form of theory has been interpreted.

The analyzed data have been represented diagrammatically or graphically whenever required. Bar charts, pie diagrams, multiple bar diagrams, etc were used. Data classification, tabulation analysis and interpretation are followed by summary of findings.

3.5 - Scope of the study:

The study was conducted to find out the target customers for the upcoming serviced apartment in Victoria layout and jayanagar of Khan's Construction

The scope of this study was as follows:

- This study would determine the facts like market potential, customer expectations etc, that will help Khan's Construction to plan accordingly, which will fetch them profits in future in the long run.
- This study would determine the advertising strategy of Khan's Construction considering the role of real estate agents, Tours and Travels, websites etc as Medias of advertising.
- This study would explore the market potential in terms of other ideal cities for serviced apartments in Bangalore, for any similar project in future by Khan's Construction.

3.6 Limitations of the Study:

Despite all possible efforts to make the analysis more comprehensive and scientific, a study of the present kind is bound to have certain limitations; investigator humbly submits them at this stage. The present study is an empirical work presented in a descriptive manner. Though the present study aimed to achieve the above-mentioned objectives in full earnest and accuracy, it was hampered due to certain limitations. Some of the limitations of this study may be summarized as follows:

- As the concept of serviced apartments is new in India the sample size was small.
- The respondents are believed to have given factual answers.
- The respondents were not willing to share information and time for questionnaires. So, the questionnaire had to be made simple and short.
- There was reluctance on the part of the respondent to co-operate.
- Time was limited to conduct a detail study.

CHAPTER - 4

DATA ANALYSIS AND

INTERPRETATION

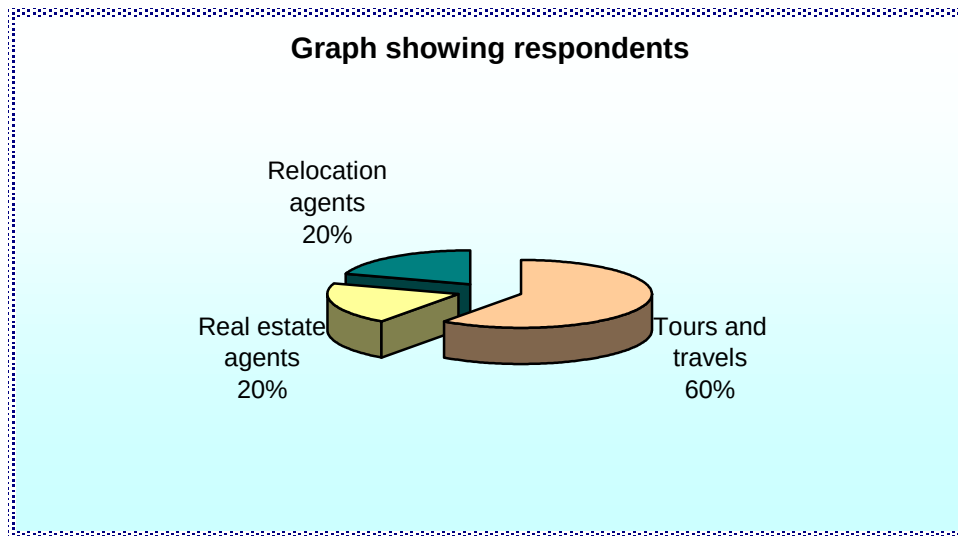
4.1 Table showing Respondents:

Respondents	No. of responses	Percentage
Tours and travels	24	60%
Real estate agents	8	20%
Relocation agents	8	20%
Total	40	100%

Interpretation: -

This question covers the target respondents who were chosen for this study. Out of the total respondents there were 60% tours and travels, 20% were real estate agents and 20% relocation agents.

Graph No.: 4.1



Inference:

As seen from the above graph, the researcher had chosen 60% of his respondents as tours and travels, 20% as real estate agents and 20% as relocation agents. These respondents were chosen for this research considering the fact that these are closest to the customers. These act as agents for the customers, who are usually either corporate or a family on vacation from outside the city, to help them find a suitable residing place that includes serviced apartments. It was assumed that these would be able to give the most appropriate information that was needed.

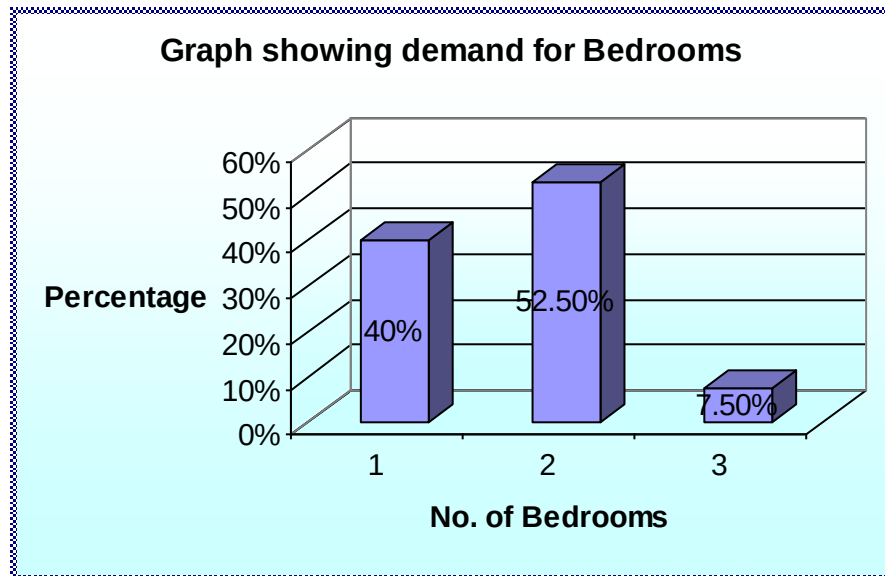
4.2 Table showing demand for bedrooms

Bedrooms	No. of responses	Percentage
1 brm	16	40%
2 brm	21	52.5%
3 brm	3	7.5%
Total	40	100%

Interpretation:

The intention behind asking this question was to know, how many bedrooms the customers would prefer, when the clients book a serviced apartment. From the above figures it is seen that 40% of the respondents would be interested in 1 bedroom set. Where as 52.5% of the respondents would prefer a 2-bedroom set. The rest of 7.5% opted for a 3-bedroom set.

Graph No.: 4.2



Inference: -

From the responses received, it was realized that more than 50% of the potential customers are interested in 2 bedroom sets, which implies that there is a huge market for 2 bed room serviced apartment. Hence the company should invest more in the establishment of these 2 bedroom serviced apartment, which will give more revenues to the company. It is also seen that there is a significant demand for 1 bedroom serviced apartments also, which is 40%. Therefore the company should pay its attention to the 1 bedroom serviced apartment also but more on 2 bedrooms serviced apartments. At the same time we see that there is very less preference for 3 bedrooms serviced apartments, which is merely 8%. The company may not even consider investing in this sector because if it would invest that amount in 2 or 3 bedroom serviced apartment, it would fetch better profits.

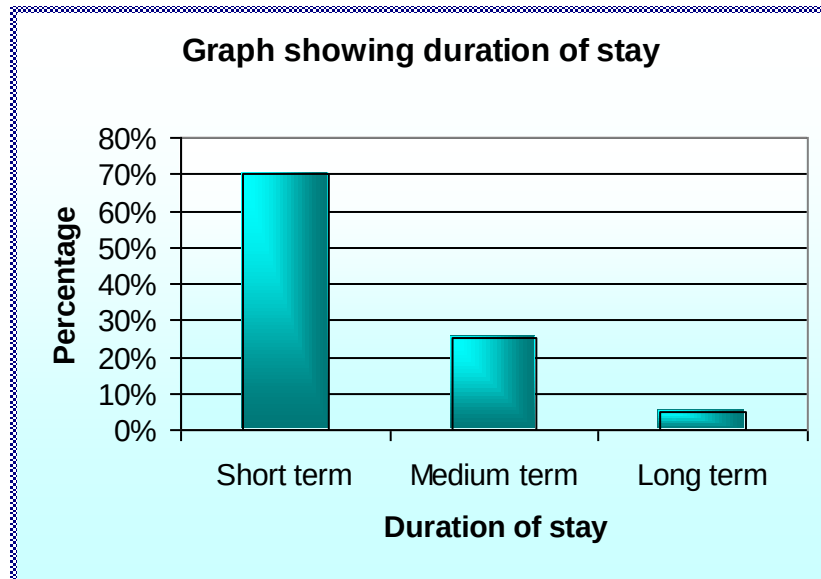
4.3 Table showing Duration of stay:

Term	No of responses	Percentage
Short term	28	70%
Medium term	10	25%
Long term	2	5%
Total	40	100%

Interpretation: -

The main aim of asking this question was to find the preference of the respondents regarding their stay duration. It was found that the maximum percent of respondents, which is 70%, would be interested to stay for a short term that is one or less than one month. 25% of the respondents would prefer to stay for medium term, which is 5 or less than 5 months. And the rest of the respondents that's 5% would prefer to stay long term, which is 1 or less than 1 year.

Graph No.: 4.3



Inference:

When the respondents were asked about the duration of their stay, the responses received were as shown above. As clear from these responses, the maximum percent of respondents would want to stay for short duration. The reason for this may be that in most of the cases, the customers who stay in these serviced apartments are either on an official tour or are on a family vacation and these trips usually don't last for more than 1 month. Hence the company investing in serviced apartments should establish more number of apartments for shorter duration. It is seen that 25% of the customers are interested in medium term. This implies that the company may consider even this sector for investment but the extent of investment need not be the same as in the case of short-term stay. Considering the investment in apartments for long-term duration, it may not turn out to be a profitable investment considering the limited demand for the same.

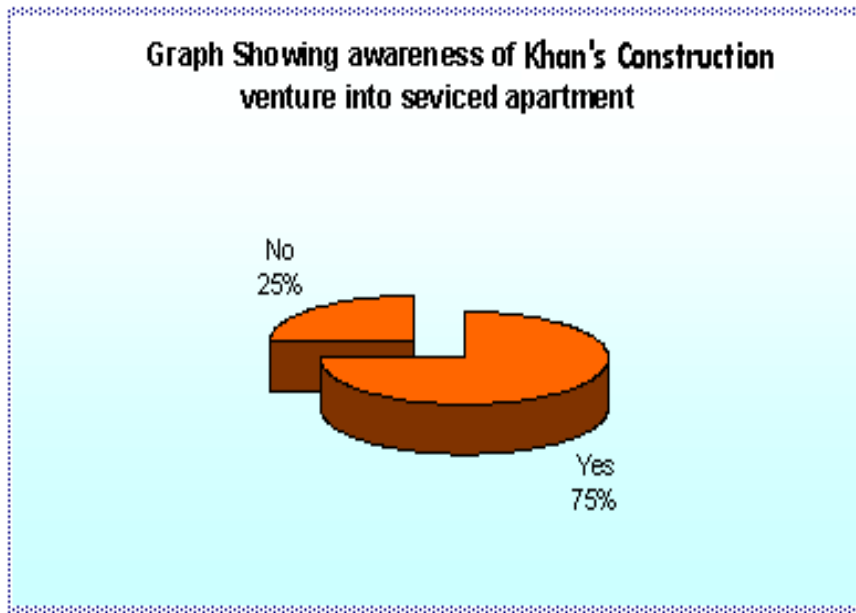
4.4 Table showing Awareness of Khan's Construction into serviced apartments

Opinion	No. of responses	Percentage
Yes	30	75%
No	10	25%
Total	40	100%

Interpretation:

This question was asked with a view to find the awareness among the potential customers, about Khan's Construction stepping in the business of serviced apartments. According to the responses received 75% of the respondents agreed that they are aware of this fact. At the same time 25% of them were found to be unaware of this fact.

Graph No.: 4.4



Inference: -

It is realized that the awareness about this among the people is very favorable to the company. It was found to be 75%, which will turn out to be blessing in disguise for the company during marketing. Now that there is awareness, the company should make an action plan to convert this awareness into desire, then into want and finally into purchase of this service. Again it is understood that the company would be saving huge amounts that would have otherwise been spent on creating awareness about Khan's Construction venture into serviced apartment. The company now needs to exploit this "awareness" condition.

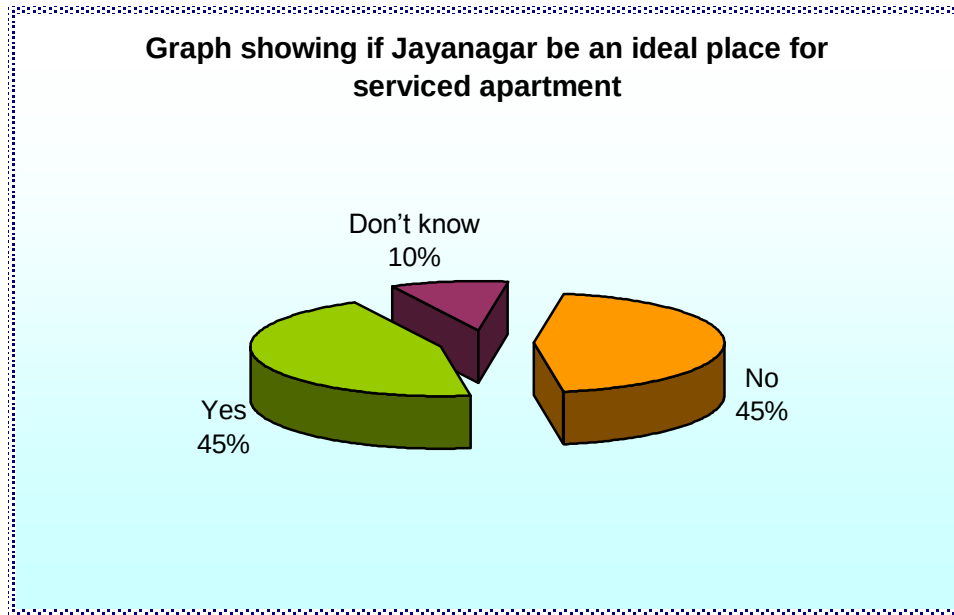
4.5 Table showing if Jayanagar be an ideal place for serviced apartments

Opinions	No. Of responses	Percentage
Yes	18	45%
Don't know	4	10%
No	18	45%
Total	40	100%

Interpretation:

With the intention of finding out if the respondents feel that jayanagar is an ideal place for a serviced apartment, this question was asked. It was realized that the percentage of respondents agreeing and the percentage of respondents disagreeing, is the same, which is 45%. The rest 10% agree with neither of the two, as they are not very sure.

Graph No.: 4.5



Inference:

Here the percentage of respondents who fall in the category of "don't know" may not be given a lot of importance as the percent is very low i.e. just 10%. But the fact that there is 45% saying "yes" and 45% saying "no" should draw the attention of the company. This equal proportion makes this question a issue which now needs a lot of research to be done to come to a conclusion. After doing a lot of research in this regard, relevant facts that may help the company to come to a conclusion which are given in the recommendations were obtained.

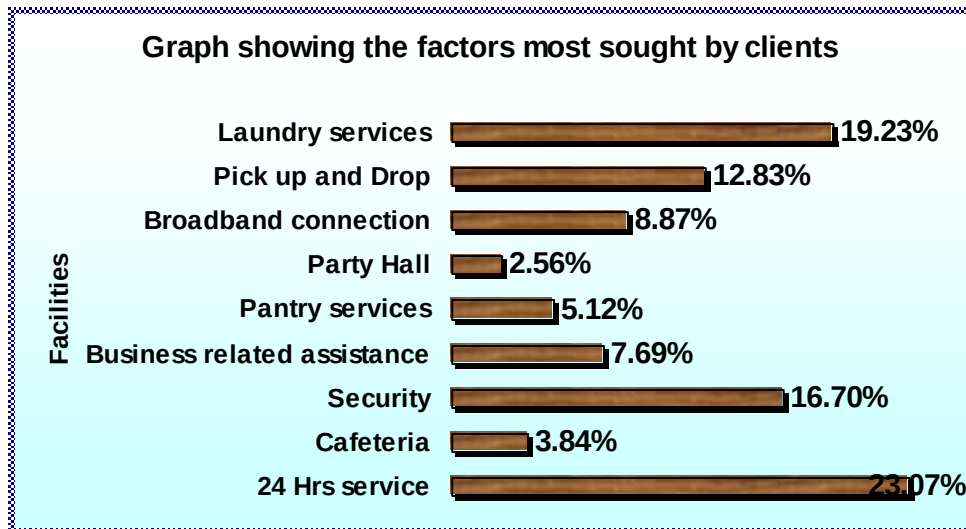
4.6 Table showing the facilities that are sought after by most clients:

Facilities	No. Of responses	Percentage
24 hrs service	36	23.07%
Cafeteria	6	3.84%
Security	26	16.70%
Business related assistance	12	7.69%
Pantry services	8	5.12%
Party hall	4	2.56%
Broadband connection	14	8.97%
Pick up and drop	20	12.82%
Laundry services	30	19.23%
Total	156	100%

Interpretation:

Serviced apartments come with facilities to serve the customers better. This question was asked to find the facilities that would be most preferred in the apartment. 24 hours service scored 23% while laundry scored 19%. Security and pick up & drop scored 17% and 13% respectively. Cafeteria, Business related assistance, Pantry services, and Broadband connection scored in the range of 2% to 10%.

Graph No.: 4.6



Inference:

As the percentage of respondents wanting a 24 hours service is 23%, which is very high, the company should provide the same. This is an aspect a company can never do away with. The better 24 hours service a company provides, the more customers it would be able to draw towards it because, as mentioned earlier, the customers are usually either from corporate world or a family. And they would prefer a good 24 hours service than a party hall or a pantry service. Hence the company needs to concentrate more on giving good 24-hour's service. At the same time it is observed that laundry service and security are also a concern for the customers. Hence appropriate measures need to taken in these respects also. The other services, although have scored less, does not eliminate them because the better and more services given, the more number of customers a company will have resulting in greater profits.

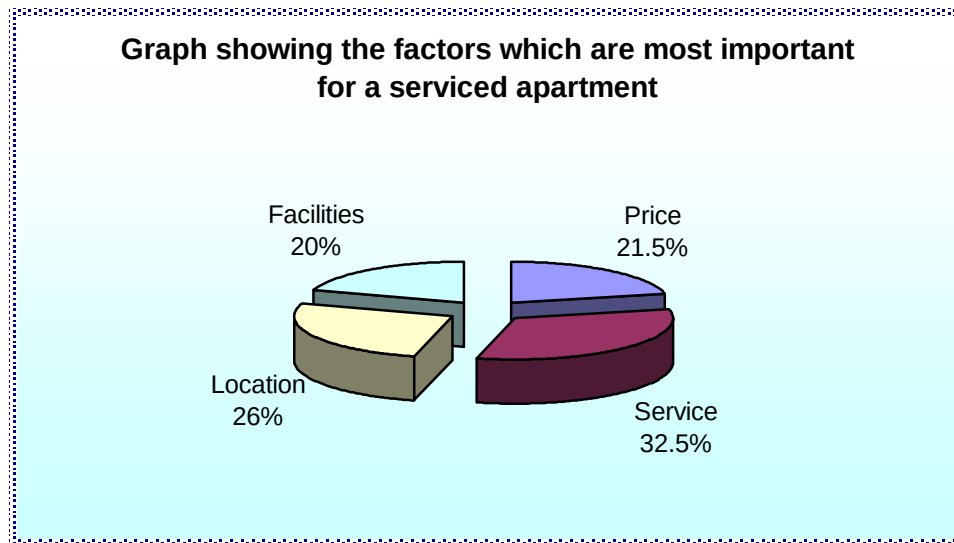
4.7 Table showing the factors, which are most important for a serviced apartment

Factors	No. of responses	Percentage
Price	43	21.5%
Service	65	32.5%
Location	52	26%
Facilities	40	20%
Total	200	100%

Interpretation:

That factors that are most sought after by clients were found to be as follows. Price 21.5%, service 32.5%, location 26% and facilities 20%.

Graph No.: 4.7



Inference:

Like facilities, the factors that are mentioned above would also be keys to the sale of these serviced apartments. From the responses received, it is seen that these factors are actually competing against each other. The price, service, location and facilities to a good extent are affecting the choice of serviced apartments almost equally. Hence, the need of the hour is that all these factors should be given equal thought and importance while establishing a serviced apartment. If required an in-depth research may be conducted in each of the factors to get the best for the customers, since competition is very prevalent in this area. A bit of mistake in understanding customers' expectations, wants and needs can jeopardize the company.

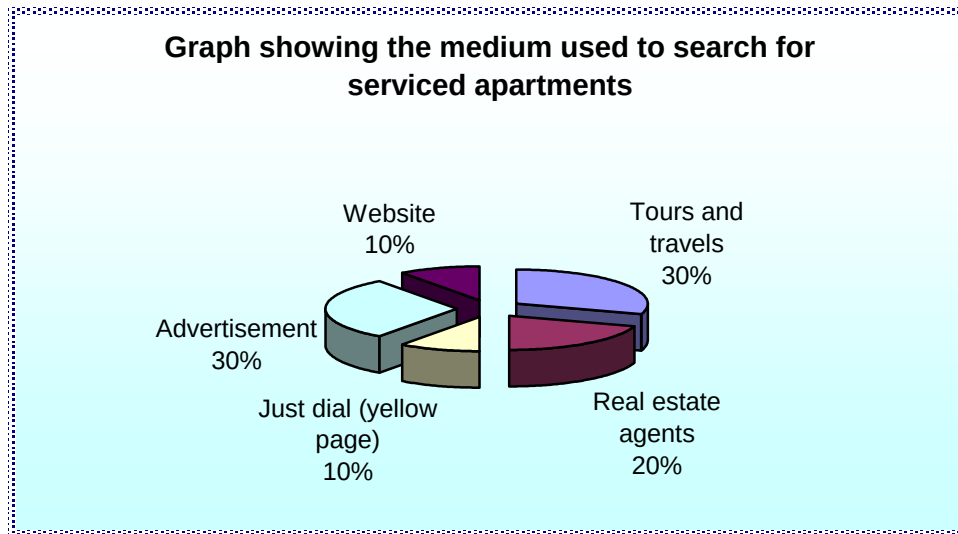
4.8 Table showing the medium used to search for serviced apartments:

Medium	No of responses	Percentage
Tours and travels	12	30%
Real estate agents	8	20%
Just dial (yellow pages)	4	10%
Advertisements	12	30%
Website	4	10%
Total	40	100%

Interpretation:

To know the source of information about the serviced apartments, that the customers opt for, was the aim of this question. As seen above 30% of the respondents get information from Tours and travels and an equal percent of respondents getting from Real estate agents and Advertisements. 20% get it from just dial and 10% from websites.

Graph No.: 4.8



Inference:

From the above figures it is observed that three mediums share equal percentage, which is 30% and which happens to be maximum any medium has got. Out of these there is only one medium upon which the company has total control that is Advertisements. It is said so because the mode, way, timing, investment etc are totally in the hands of the company. But in the other two mediums the company has to depend on an external agent for advertising its apartment, who would work according to their wish and what is profitable to them. Also advertisement is vaster medium than the other two. They may sometimes become a part of advertising i.e. the company may follow the policy of advertising through Tours and travels and Real estate agents. Hence the company should rely more on advertising. The other mediums may also be given a thought, as they do not require huge investments.

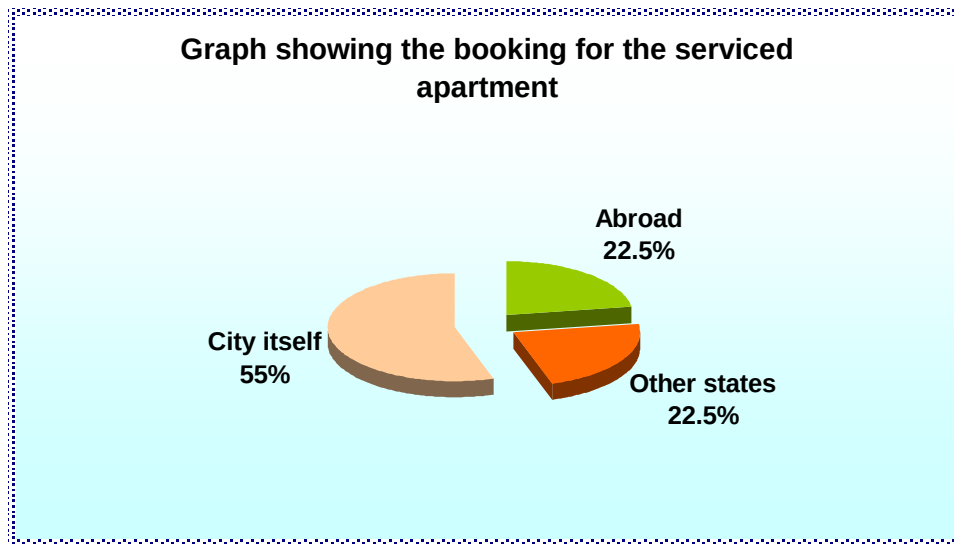
4.9 Table showing the bookings for the serviced apartment:

Bookings	No of responses	Percentage
Abroad	9	22.5%
Other states	9	22.5%
City itself	22	55%
Total	40	100%

Interpretation:

This was to find about the scenario in the booking of serviced apartments. It was seen that 55% of the bookings were done from within the city. Whereas 22.5% of the bookings were done either from other states or abroad.

Graph No.: 4.9



Inference:

From the research done in the above mentioned issue, a scenario where most of the bookings were done from within the city scored the maximum. This may be happening because of the agents within the city, who book hotels or these serviced apartments for the outsiders. For the corporate on business trip, it is most likely that the branch office within the city would book it for them. For the family on vacation, their relatives within the city would do it for them. If in either of the two cases the option mentioned is not available, they would definitely contact a local agent within the city so that they don't land up in a wrong place. Hence the company should concentrate more on advertising within the city to get more number of bookings.

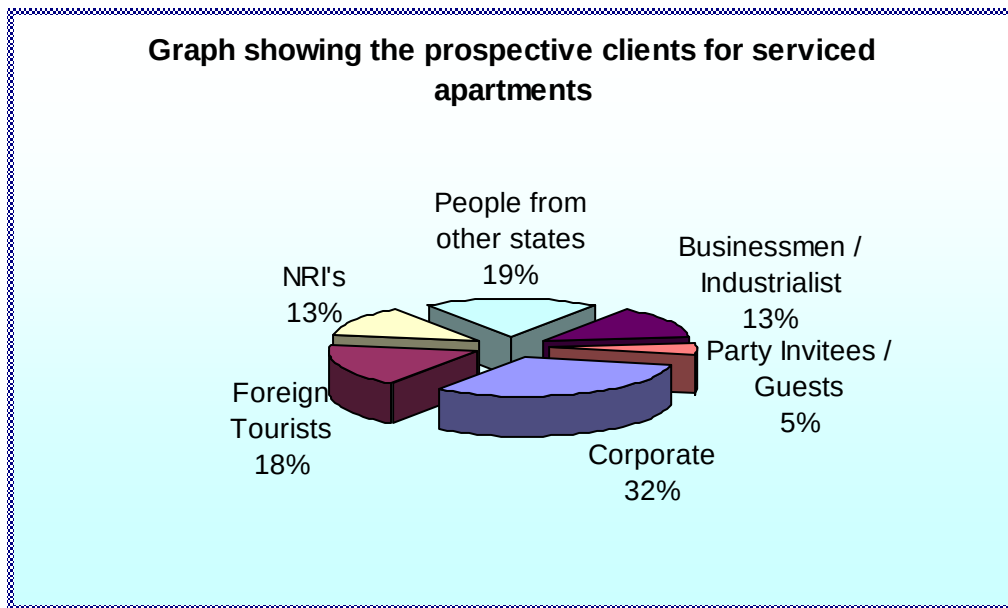
4.10 Table showing the prospective clients for serviced apartment.

Target customers	No. of responses	Percentage
Corporate	50	32%
Foreign Tourists	28	18%
NRI's	20	13%
People from other states	30	19%
Businessmen / Industrialist	08	13%
Party Invitees / Guests	20	5%
Total	156	100%

Interpretation:

For the agencies that help a company to sell their serviced apartments, their targets are 32% corporate, 18% foreign tourists and people from other states and 19% and NRI's 13%, party invitees / guests 13% and Businessmen / Industrialists is 5%.

Graph No.: 4.10



Inference:

A company cannot sell their products and services without the help from external agents. And these agents target the corporate up to an extent of 32%. Hence the company should come out with serviced apartments that would be best suited for a corporate in terms of price, location, services and facilities provided to them. But at the same time it should not ignore the other segments also.

CHAPTER - 5

RESEARCH

FINDINGS

SUMMARY OF FINDINGS

- From the research it was found that the knowledge about serviced apartments is very limited in India as the concept is relatively new here. The knowledge about these serviced apartments is restricted to large corporate, tours and travels real estate agents etc. This concept was found to be very unfamiliar to small agencies. This may be the reason why 55% of the bookings are from within the city, assuming them to be from large corporate for their clients coming from outside the city.
- From the study it was found that 75% of the respondents were aware of the venture of Khan's Construction into the serviced apartments business. Considering the limited and restricted knowledge about this concept in India, as mentioned in the above finding, this percentage might be considered as a boon for the company that should be exploited to the maximum.
- Analyzing the responses received, it is seen that 55% of the bookings are made from within the city implying most of the corporate book them for their clients coming from outside, 71% would prefer for short duration, which is a requirement for official tours and 92% would want either 1 or 2 bed rooms, which is again ideal for a corporate on official tour. These figures point to the fact that the target customers for these serviced apartments are the corporate. Which is very true as corporate score 32%, as target customers, from the responses received to the questionnaire.
- From the responses received it was observed that, although Jayanagar is considered to be a very posh area in Bangalore, equal number of the respondents do and do not agree that it would be an ideal place for serviced apartments. If 45% of the respondents agree to this fact, there is an equal percent totally disagreeing with this fact. Hence some more research would be needed in this regard to come to a conclusion.

- It is clear that there is growing demand for increasing and better facilities by serviced apartments due to stiff competition, the facilities could include pick up and drop facilities, cleanliness, medical assistance etc.
- It is seen that the most important factor in a serviced apartment is good service 32.5% followed by location 26%, price 21.5% and facilities 20%. Therefore the quality of service is vital to retain old customers and attract new ones.

CHAPTER - 6

SUGGESTIONS AND CONCLUSIONS

SUGGESTIONS

- As mentioned above it is not yet clear if Jayanagar would be an ideal place for the serviced apartments. The following facts would help the researcher to come to a conclusion:
 - ❖ Jayanagar is one of the biggest layouts with around 9 blocks. It is a serene residential area, which has corporate world close by in areas such as J.P.nagar, electronic city and bannerghatta who can be their target clients.
 - ❖ Jayanagar is also close to Hosur road, so people coming from other states could reach Jayanagar with ease.
 - ❖ The metro rail route that has been planned for Bangalore also touches jayanagar, which would ease the traffic that would be very favorable for the serviced apartments there. A print of this plan is shown in fig. No. 6.
 - ❖ Tourism inflow would be boosted in the coming years; here serviced apartments would play a very important role considering the fact that there would be shortage of residing places. And the prices of available accommodation would be sky touching could be got from the newspaper cuttings as fig.no.1, 2, 3, 4 and 5.
- Educate the people about serviced apartments and its advantages and tap the market. At the same time make them aware of Khan's Construction providing this facility. Also not to forget to highlight the fact that homestead is the first professionally managed serviced apartment in Bangalore.
- As it is seen that 55% of the bookings are done from within the city, the company should emphasize on advertising more within the city. For this the company may personally get in touch with the major real state agents, tours

and travels etc. Also the company may advertise through boards, banners etc and also advertise through newspapers.

- Homestead (serviced apartment of Khan's Construction in jayanagar) may consider having booking agents in the city, other states and abroad also to tap the prospective clients.

CONCLUSION

The background of this study is “SERVICED APARTMENTS”. This study was conducted with the aim of finding if these serviced apartments coming up would attract different segments for Khan’s Construction. From the research conducted it was observed that it would definitely turn out to be so because as mentioned in the suggestions above, this concept is capturing the interests of a lot of investors and the corporate sector. Hence it is concluded that this new concept would prove to be the next boom in the economy.

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BIBLIOGRAPHY

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www.bangaloreaccomodations.com

www.servicedapartments.com

[www.moveandstay .com](http://www.moveandstay.com)

ANNEXURE

QUESTIONNAIRE

Name of the travels Name (Respondent).....
Address Designation...
E-mail ID Phone...

Dear sir/madam,

We are doing a survey to find out more about the scope of serviced apartments. We would be grateful if you would spare a few minutes to participate in it. Thank you for your cooperation.

1) Do people approach you regarding serviced apartments requirements?

Yes []

No []

2) Are you aware that khan's construction has ventured into serviced apartments?

Yes []

No []

3) Which of these factors is most important for clients? (Rank according to importance)

a) Price [] b) Service [] c) Location [] d) Facilities []

4) What are the facilities sought after by most clients (tick 1 or more)

a) 24 hrs service [] b) Cafeteria [] c) Swimming pool [] d) Security []

e) Business related assistance [] f) Pantry services [] g) Party hall []

h) Broadband connection [] i) Gym/health club [] j) Pick up and drop []

k) Laundry services [] l) others (pls pacify).....

5) Will Jayanagar be an ideal place for a serviced apartment?

Yes []

don't know []

No []

6) The demand is more for:

a) 1brm []

b) 2brm []

c) 3brm []

7) Is the stay mostly for:

- a) Short term (< a month) [] b) Medium term(5 months) []
c) Long term (< a year) [] d) others (pls specify) []

8) List any 2 essentials requirement asked by all clients in a serviced apartment:

1).....

2).....

**9) Who are the clients who would be interested in serviced apartments in this area?
(Tick 1 or more)**

- a) Foreign tourists [] b) Corporate (IT companies) [] c) NRI []
d) Businessmen/Industrialists [] j) People from other states []
h) others (pls specify).....

10) What is the medium used to search for serviced apartments?

.....

11) The bookings for serviced apartments are made from:

- a) Abroad [] b) Other states [] c) City itself []
d) Others [] pls specify.....

12) Any suggestions (to serviced apartments)

.....
.....
.....
.....
.....

Thank you for sharing your valuable time.

Signature

Fig.no.1 and 2

Serviced apartments at your service

By Sujit John/TNN

Bangalore: The city has seen serviced apartments, and plenty of them in the past two years. Many local homeowners have made a killing converting their flats into such apartments.

But what's on the anvil are in a different class altogether. Luxury serviced apartments—some of them are top international names in this segment like Oakwood, Hilton Residences and Shangri-La Hotels—are entering Bangalore to cater to the increasing number of long-staying business travellers. They offer the luxuries of a premium hotel, but at prices that are significantly lower (the longer the stay, higher the discount). They pamper you, especially your family, when you are away at work. And they make you feel you've never left home.

"Bangalore should be able to support several thousand serviced apartments in the three to five-star category. In my talks with companies in the US, I find Bangalore one of the most requested destinations in Asia for serviced apartments," says Robert Phillips, director (sales & marketing) in Oakwood Asia Pacific. The latter is setting up a 218-unit



luxury serviced apartment complex in UB City with Prestige Estates. Places like New York and Bangkok have 4,000-5,000 such apartments each. Mumbai has seen such

AT A PREMIUM

- Oakwood Premier Prestige: 218 units, UB City
- Hilton Residences (with Embassy Group): 250 units, next to KGA
- Shangri-La Retreat (with Adarsh Group): 200 units, Outer Ring Road
- Sobha Group: 150 units, Sarjapur Road
- Brigade Group (Homestead): 3 properties of 60-70 units each in Koramangala and Jayanagar
- Vaswani Group: 150 units in Whitefield and 65 units in city centre

apartment properties like Taj Wellington Mews, Grand Hyatt Residences and The Grand Residence, Intercontinental.

In Bangalore, Hilton International

al recently announced a tie-up with the Embassy Group to set up a 250-unit Hilton Residences, offering one, two and three bedroom options, next to KGA golf course. The project is to be completed by 2007.

Adarsh Group managing director B.M. Jayeshankar says his company, along with Hong Kong-based Shangri-La Hotels, is setting up a 200-unit Shangri-La Retreat on the Outer Ring Road near Marthahalli—to be completed in two-and-a-half years.

Several other leading local developers are also setting up premium-serviced apartments; some of them are in talks with global majors like Singapore-based Ascot to manage the properties.

Serviced apartment guests have a different set of needs compared to hotel ones. Given the long stay, the kitchen becomes a major focus. Since many come with families, activities are arranged for the spouse and children.

Help with schooling is provided, as is transport (the Oakwood property will even boast of a helipad). "Those staying for several months may like to rearrange their furniture, and we help with that too," says Robert Phillips.

The Times of India, Bangalore
Tuesday, August 2, 2005

TIMES CITY

Pay Rs 11,000 as five-star room rent

Rates Scheduled To Go Up In Bangalore From September

By Darlington Jose Hector/TNN

Bangalore: Here is some not-so-good news for travellers. The average room rent (ARR) in Bangalore's five-star hotels, which is already a sky-high Rs 9,500, is scheduled to go up to over Rs 11,000 beginning September.

The winter schedule, which is the period stretching from October to December, will kick off the new rates.

This places Bangalore on par with cities such as Stockholm and Berlin where a five-star room is available for 180 euros or so.

However, hoteliers say the rates are reflective of the city's growing global city status.

Most corporate accounts will expire in August, and when reviewed in September, the rates are slated to be revised again. And all this upward movement in the five-star class is beginning to result in encouraging business for three-star hotels in Bangalore.

The corporate accounts contribute nearly 85% of a five-star property's revenues, and this could well mean greater revenues for the premium bunch of hotels.

Hotel Association of India's Bangalore chapter head, Jagmohan Mishra, quite justifies the high room rentals. "People are prepared to

MY STARS!



- Current average room rent Rs 9,500.
- New rate to be over Rs 11,000.
- Winter schedule to kick off with new rates.
- Corporates contribute nearly 85% of five-star revenues.
- Boom in five-star hotels will help business in three-star hotels.

spend Rs 4 lakh for a Mont Blanc pen and over Rs 20,000 for a pair of Gucci shoes," says Mishra. "Similarly, if you want quality rooms in a grow-

ing city like Bangalore, you have to pay more."

"Five-star hotels in Bangalore charge anything between \$180 and \$250 per night, and that's very much comparable to cities abroad. Most people come to India and Bangalore wanting to start off a low-cost operation and there's nothing wrong in charging them effectively," says Mishra, who is also VP (South), of Grand Group of Hotels.

But there is hope on the horizon. Travellers may not have to pay more and more every passing year. Sources in the Oberoi Group of hotels say the upward trend would reach a crescendo in 2006, and then there could be a stagnation.

But as Joy Ghosh (director, sales) of the Leela Group says any deviation from the current trend will take some time. "Rates are only bound to spiral in coming months, as peak season is yet to arrive," he says.

In the meantime, budget hotels in Bangalore are making use of this opportunity to grow their business.

Since their occupancy levels are lower, budget hotels are able to accommodate more corporate travellers in peak season. According to trade sources, this could lead to proliferation of more three-star properties in Bangalore.

Tourism inflow to be trebled by 2010

By Anita Rao Kashi/TNN

Bangalore: India is not content with being just incredible; it now wants to be fantastic.

The Union tourism ministry is proposing to draw up a plan to increase foreign tourists to 15 million per annum by 2010 and 25 million by 2015. It now stands at less than 3.5 million. This will set the stage for the Commonwealth Games, scheduled to be held in India in 2010.

"We want to evaluate our existing strengths and create a clear road map to increase foreign arrivals. The tourism ministry has to be the facilitator and we are moving towards that," ministry's additional director-general in New Delhi Rajeev Talwar told *The Times of India*.

The logic is to earn revenues in foreign exchange through tourist arrivals. Last year, the country earned \$4.5 billion with less than 3.5 million tourists. This year, the ministry has set a target of 5 million tourists and \$6 billion. The tourist inflow increased after the highly successful Incredible India! campaign was launched abroad to create awareness and promote brand India.

"The results are good, but that was just promotion and marketing. We

The plan of action

- Air, road and rail network across the country; sea routes.
- Hotels and other accommodation.
- Policy for development of tourist circuits, destinations.
- Private participation in developing tourist infrastructure.
- Facilitation services — visa, customs, immigration etc.
- Tax structure on various tourism-related activities.
- Marketing and promotional activities to position India as a unique destination through web, electronic, print and brochures.
- Domestic marketing strategies on the lines of Incredible India!
- Promotion of niche tourism — rural, eco, health etc.
- Service providers and their services.
- Evaluation of set up in states and Centre.
- Training facilities for tourism-related activities.
- Analyse bottlenecks in growth and development of tourism.

need to improve infrastructure and tackle a whole lot of other issues to meet the demand. We need a road map to go about improvement in a systematic manner to increase arrivals," sources said.

The action plan is multi-faceted in

approach and strategy. It attempts a 360 degree look at tourism in the country, involving the private sector, state governments and the industry.

"The action plan is not just for India as a whole but will also look at how plans and programmes of the state governments need to be coordinated, while state-level Incredible India! type campaigns will also be evolved," sources said.

The ministry has called for applications from consultants to draw up the action plan. "Funds are no constraint. The ministry will budget for it over the next five to ten years," sources said.

The ministry's allocations went up by over 55% this fiscal to stand at Rs 786 crore.

In addition, it can also draw from the special purpose vehicle for infrastructure, capped at Rs 10,000 crore borrowings in addition to a Rs 1,500 crore 'viability gap' announced by finance minister P Chidambaram in the Union Budget.

Tourism dept on a mission hotel rooms for 2005

By Anita Rao Kashi/TNN

Bangalore: The Union tourism ministry is now on a number crunching mission — to determine exactly how many hotel rooms are required by 2015 to handle the growing number of foreign as well as domestic travellers.

Perplexed by the differing, vague and multiple projections over room requirements, the Hotels Association of India (HAI), an umbrella organisation representing hotels across all categories, has asked the ministry to conduct a scientific study of 50 key cities in the country to enable focussed investment in this sector.

The request comes on the heels of the ministry scouting for consultants to provide an action plan for increasing foreign arrivals from the present 3.5 million to 15 million in 2010 and 25 million by 2015. The demand for rooms is expected to become critical by 2010 with the Commonwealth Games to be held in New Delhi.

"Various studies have come up with different numbers and it is very confusing. We want the ministry to carry out a sci-

Room for more

Existing room capacity in the country	97,000
Under construction	45,000
ROOMS IN USE (till December 2004)	
Five-star deluxe	18,000
Five-star	11,000
Four-star	9,000
Three-star	29,000
Two-star	18,500
One-star	6,800
Projected demand by 2015 (across all categories):	1 to 4 lakh

entific study to come up with some concrete figures. At the moment, the projected demand ranges from 1 - 4 lakh, which is a large variation to work with," HAI secretary general R K Puri said.

Puri pointed out that traditional projections may no longer hold good with the constantly changing dynamics of tourism. The acute shortage of rooms has worried the tourism industry for the last few years. In Bangalore, which has around 1,700 five star rooms, almost twice that number is expected to be added in the next five years.

India 5th among top destinations

TIMES NEWS NETWORK

Bangalore: India has been ranked fifth among the top 10 world destinations by Conde Nast Traveller, a prestigious UK-based travel publication.

The ranking is based on readers' and travellers' choices. India has moved up one rank; it was placed sixth last year.

Fig.no. 5

VINITA A SHETTY
Times News Network

HOTELS may have been full up this Diwali. Still, for the business traveller to Bangalore, where hotel rooms are said to be the third most expensive in the world, the shortage of rooms and need for advance bookings weren't that much of a worry. Despite rising room rents, the demand for rooms outstripping supply and the additional room requirement estimated at between 2,000-4,000 rooms, travellers to Bangalore are now breathing easy. Serviced apartments are proving a boon to the corporate traveller.

Prime market:
Analysts say Bangalore is a prime market with its IT city tag, inbound corporate travel will grow. "Serviced apartments, corporate leasing, home-stays, hotel apartments... call them what you want, but this parallel hospitality sector is now a top choice. It takes away the hassles caused by hotel room shortages. I've had to organ-

At your service

With hotel room rates skyrocketing, the serviced apartments sector is booming

ise for some corporates to stay in resorts outside the city and then travel to and fro because rooms were full up. Now the city's even got luxury serviced apartments, they're a fantastic option," says corporate planner



Shashank Rao.

Spurt in growth
Also, Bangalore's mobile workforce, more international companies setting up operations here, an influx of business travellers, the need for long or extended stay accommodation (for those

relocating) and more tourists coming in to the city have created a market for serviced apartments. Vikram Mathias, serviced apartment provider, says that growth prospects for the industry are bright, with more people opting for serviced apartments. "More than 80 per cent of our clientele

are business travellers and there's no season for this kind of travel. At this point of time, rush hour is 24x7, 365. When there are events like seminars or conferences here, it just gets worse."

Value addition:
The USP of the serviced apartment or home-stay experience seems to be 'homely'. Paul Domnic, marketing and operations manager says, "We offer all the

services a hotel offers, but with a homely feel." Most serviced apartments offer phone, laundry and food services at an extra cost. Some even provide medical assistance and travel assistance, high speed internet, gyms and room service.

Part of the pie:
Even global hospitality organisations are making forays into the Bangalore serviced apartments market and many of the city's big builders have professional serviced apartments. Says Jeevan Prakash, financial officer at a software firm. "Recently, an international hospitality major signed a contract with a city real estate group to manage five star serviced apartments here. Another international serviced apartment group has signed a contract with a city real estate developer to manage serviced apartments here. But what's needed for the sector at the moment is some regulation, operating norms, and rating standards, or growth will be uncontrolled."

vinitasingh@indiatimes.com

METRO RAIL

Assuming the Metro rail project gets sanctioned, the Metro rail will also route touch jayanagar linking it to various other places and makes it easy for transportation, which could lead to de congestion of traffic in jayanagar. Hence would enhance the serviced apartment project in the long run.

Fig.no.6

