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**Cautious Transition to  
A year of Hope**

## COVER STORY

The hotel industry saw an average occupancy rate of 56 per cent - 58 per cent in October, which is the highest since Covid-19 struck the country in early 2020, said a report. After a long lull of more than 20 months, hoteliers now hope that from next year onwards there will be some revival with growth in RevPAR. But some of them are keeping their fingers crossed, as the new variant of the deadly virus is making news. **Asmita Mukherjee** spoke with hoteliers to understand the market sentiment about the long-awaited revival.

# Cautious Transition to A year of Hope



### THE GROWTH STORY

With the coronavirus pandemic wiping out profits, the Indian hotel industry has been left in a state of total disarray. But due to the reduced number of cases, consumer confidence is coming back and the demand for long pent-up travel has also been a boon for the business showering the good occupancy that we are seeing now. Some optimistic hoteliers think that the lull brought over by the pandemic, gave them time to look and evaluate their process, operations, and many other things regarding general functioning, that were given less attention to, until the pandemic came.

Sharing his thoughts, Vikas Ahluwalia, General Manager and National Head, Zone by The Park Hotels said, "The pandemic gave us an extended opportunity to review our process and rethink at the way we function. During this period various cross-functional teams were created so that we could survive, revive and thrive as things get better."

Commenting on the performance of The Park Hotels after the Covid storm, he said, "I feel we are on track for growth."

Sharing his views on the revival process of his group of hotels, Rajneesh Malhotra, COO, Chalet Hotels Ltd., said, "As a business that is driven by customer experience, we believe in keeping our fingers on the pulse at all times. Our hotels, managed by Marriott & Accor, have been quick to adapt to the changing market conditions. Our unit teams with the support of the corporate teams track changing business parameters on a regular basis. We are able to leverage these insights to course-correct and align our strategy to capitalize on the uptick of travel and improved sentiment. Growth will continue, as long as we don't see any more nasty surprises from the newly discovered variant of the virus! Having said that, we are optimistic about ending 2021 on a high note and preparing for the challenges that 2022 will bring to the industry."

Amrinda Nair, Founder & Director, Anaya Hotels & Resorts said,



**Vikas Ahluwalia**  
GM and National Head  
Zone by The Park Hotels



**Rajneesh Malhotra**  
COO  
Chalet Hotels Ltd.

"Our focus at Anaya Hotels right through the pandemic has been to continue to invest in, and leverage technology to better service our existing customer base and also tap into new segments through analytics-driven digital marketing. What changed dramatically for us was the increase of direct bookings to over 50%. Maintaining direct and transparent communication with our guests will remain critical in the near future. While surges in demand will quell, there remains latent demand for domestic travel that will keep steady. What we are looking forward to is a gradual flattening of volatility and sustained stability in our operations."

Mentioning that his brand, Lords Hotels and Resorts revived its business after Covid in the last few months, Pushpendra Bansal, COO, Lords Hotels and Resorts said, "We have signed a total of 10 properties in four months and are still continuing to expand. It is all due to relaxed norms and uptick in travel." While expressing his worries regarding the new variant of the virus which can be a dampener for the growth graphs that the industry is witnessing, Bansal said, "We hope that the 3rd wave does not come. This growth will be sustained, only lockdowns should not happen again, restrictions can be tolerated."

### STRATEGIES FOR MAINTAINING THE GROWTH CURVE

While the industry is happy with the state of business in the recent 6 months, an underlying fear associated with a recap of the disastrous decline witnessed due to the pandemic, has led experts to don their thinking hats for maintaining the current good growth rate.

Malhotra elaborated on his plans, "We develop unit-specific strategies based on the unit's unique operating conditions (as our hotels are in different cities and states with different local factors). Each hotel operates based on the current circumstances and attempts to capitalize on the business segment that is active at the moment. We have witnessed an increase in business travel in recent weeks, and

our hotels identified the trend in time to capture a large portion of that business. Claret Hotels has always believed in innovation, and our teams are constantly on the lookout for "what's new" in terms of improving the guest experience, operational efficiencies, and sustainability; this allows us to identify and adopt new technologies ahead of others, allowing us to provide the best possible experience to our guests, associates, and stakeholders."

Ahluwalia mentioned that during the pandemic period his brand introduced various new offerings for guests like - DIY Menus, Food by Kilo, Buy Local - Sell Local, Isolation Packages, and crazy deals, which drove efficiency at their respective hotels. "These have been well accepted by our guests and investors. As a company, we are always on the lookout for new offerings and concepts. In August last year, we introduced our youngest brand - Zense Connect, under which we have already opened two hotels in Goa and one in Coimbatore." The brand not only managed to capitalise on the uptick of travel and improved sentiment of the consumer, but also focused on expansion, as well. "We are also working towards openings in Durgam, Putt Hair and Tirupati," he added.

Nair informed that, by focusing on experience-driven and destination-led properties, she has achieved success. This is due to the reason that a consumer of today wants their holiday to be experience-driven. She also mentioned that to understand customer preferences, they are taking the help of various technologies.

She further added, "Our growth strategy includes expansion of the radius from which we source business, entering new market segments and also working with various channel partners in our extensive sales and distribution network. Our focus at Araya has always been on destination-led, experience-driven boutique properties in locations that are unique. This criteria fits very well with what the domestic traveller of today is seeking post-pandemic. For example, Araya Palampur

set at an altitude of 5,000 feet in the Dhauladhar mountain range offers guests a chance to spend their time outdoors immersed in the natural beauty of the Kangra Valley amongst the thick forests of pine, cedar and rhododendron. These mountain experiences are further customised to include a breakfast picnic by the riverside, trail runs or even a jeep safari and a visit to the local temple on the mountain-top. Leveraging our CRM and using data from our guest history allows us to personalise the guest experience, thus giving us a competitive advantage. Our recently upgraded GHA Discovery loyalty program allows members to earn rewards currency from day one that can be spent towards rooms, dining and spa treatments in addition to recognition, upgrades and other benefits, differentiating us from other independent brands. As a young hotel company that was launched just before the pandemic, we have emerged as an agile, more responsive hotel brand."

#### GOALS FOR 2022

Despite having faced many depressing months of low business in 2021 - the year is ending on a happy note as the industry has managed to regain some pieces of its lost glory. As hoteliers already have an inkling of the capabilities of the virus, they are conditioned from the

sufferings over the last two years. Drawing upon their experiences, the industry has already chalked out goals for the new dawn of 2022 to survive and thrive amidst new variables.

Nair shared, "2022 for Araya presents the opportunity to capitalise on all the investments which we have made for the brand in terms of technology and people, and which we believe is the foundation of the Araya brand offering. From an operations perspective, we will continue to keep in place the leaner systems that we adopted during the pandemic and maintain the focus on flow-through and profitability. The advantages of lower transaction costs from revenue generation which are 40% lower than global brands, lower centralised fees, lower IT set-up costs and better space efficiencies that we put in place over the past two years will translate into better returns for our owners as the market stabilises in 2022."

Speaking briefly about the plans for his brand, Ahluwalia said, "We are looking forward towards growing the brand across untapped markets with a mix of leisure and business destinations. We have adopted a leaner and meaner operating style - the seams have been successful in driving efficiencies at our existing hotels and carrying it forward in the upcoming hotels. We are happy to share that some of our existing hotel owners have shown trust in the team and signed more hotels with us. We hope to double the number of operating hotels by 2025 under the Zense Portfolio."

Bansal commented that due to COVID-19, they are not making any new investments but rather keeping pace with the competitive market. To sustain in the market, the brand is focusing on opening new sales offices, and going deeper into technologies.

#### FACTORS TO FOCUS

According to Nair, transparency will be the new currency, which will dictate the engagement of hotel brands with guests, as well as, other stakeholders including employees, hotel owners and the community in which they operate. "Hotel owners too will choose to partner with hotel brands that

share the same values for sustainability and community engagement. In the aftermath of COVID and the uncertainty that prevailed, we expect conscious consumption to drive guests' buying decisions led by purposeful travel, which is sustainable and culturally immersive. As a brand, Araya Hotels has embraced the idea of making up for lost time and we are helping our guests celebrate life's precious moments," she added.

Bansal pointed out that the top factors which can drive the hospitality industry in the next few years in the aftermath of Covid-19 are creating more health & spa resorts, and wellness resorts. He also commented that hill stations which are at drivable distances, have to be tapped.

Ahluwalia mentioned that guest experiences and consistency are the key drivers which will take the industry forward in the long run.

Malhotra pointed out that keeping track of ever-changing customer expectations and acting rapidly to fulfil those expectations will be a key to success. He also pointed out that companies will need to focus on how to attract, nurture and retain quality talent to be able to deliver consistently, along with that, adaptation of ESG best practices and sustainability in a holistic manner will surely keep a brand in the guest's preference list. ■

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