

# Who Needs A Concierge?

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A spate of new hotels are promising the comfort of your home with a few DIY facilities and much lesser price

The Tatas couldn't have chosen a better place than Whitefield-in the heart of Bangalore's software settlement-to kickstart their latest hotel venture, IndiOne.

Much like the city's software czars who made India a global IT power with the promise of providing quality services at low costs, IndiOne's usp too is to offer more bang for the buck. Compared to its five-starred cousins, IndiOne is what they call a budget hotel. And the differences are striking.

There's no burly, thick-mustachioed concierge to welcome you at IndiOne. Instead, there are airport-like trolleys to carry your baggage to the rooms. No marble or granite floors, or massive chandeliers in the lobby, and certainly no Persian carpets. In fact, the hotel sports the look of a plush duplex residence with a ceramic-tiled lobby that quickly leads to the dining area.

Each room has just about enough space to move around, and the wood laminate flooring adds to its coziness. There is a 17" plasma TV, a comfortable bed, a wardrobe, a direct-dialing phone, a worktable, a big window and soothing contrast pastel colors on the wall. The bathroom is tidy-just a shower area. No soap cakes, only different wash gels. No complimentary toothbrush or shaving cream, but if you've forgotten to carry one, there is the help desk. But don't worry about towels. For laundry service, carry your stuff to the give 'n take counter at the reception.

If you're looking for some snacks at IndiOne's rooms, you'll have to walk to help yourself. The room itself has only a tea and coffee maker. Once in the dining hall, you can choose from the displayed pre-portioned bowls of food from a set menu and heat it yourself in a microwave. There is no bar, but that should make you feel like being in a hostel-albeit one with freedom, as you can place your order at the reception and it will be served.

Sheila Nair, chief operating officer of Roots Corporation, the Indian Hotels subsidiary that runs IndiOne, loathes any reference to the place as a budget hotel; she prefers Smart Basics. But with rates as low as Rs 950 per night for a double room, Nair is clearly targeting mid-level corporate executives and shoestring budget travelers (domestic or foreign).

With inbound tourism growing at more than 25 per cent and domestic travel fuelled largely by corporates and the increasing popularity of low-cost carriers, the hotel industry is fast realizing the potential of the budget segment. Nearly a dozen chains-including global ones like the France-

based Accor Group, and two American groups, Choice Hotels and Microtel-are planning to add capacity in the range of 3,000 rooms in the next five years, entailing a proposed investment of over Rs 1,000 crore. Hoteliers could hear the alarm bells ringing when Infosys announced it was mulling a 500-room state-of-the-art hotel inside its campus in Bangalore, as there weren't enough rooms to house its business visitors.

"Given the burgeoning demand, even the figure of 3,000 rooms is nowhere near the optimum. In the next five years, India would need close to 25,000 rooms in this segment," says Uttam Dave, managing director, Accor India. Accor has tied up with Interglobe, a travel services firm that recently shocked everyone by placing an order for 100 Airbuses for its proposed low-cost airline, and together plan to invest Rs 850 crore over the next decade to establish its Ibis brand of budget hotels. In the next 12 months, Accor is hoping to build three 150-room properties in Bangalore, Pune and the Delhi suburb Gurgaon. "Globally, Accor is known for its value-priced accommodation, and India will be no different. The rooms will be compact and functional, no multiple restaurants and promises of fancy services," adds Dave.

After the success of IndiOne in Bangalore, where the company claims the occupancy level is in excess of 80 per cent, similar facilities are planned in 10 new locations like Pune, Nashik, Mysore, Haridwar and Varanasi in the next year. "The identified towns are a combination of strong urban markets as also secondary and tertiary towns where an offering like ours holds tremendous potential," says Nair.

Welcome to what many believe is the future of India's hospitality business. "Our philosophy is to provide intelligent, well thought-out facilities and services at a value price. We reflect the new spirit in which people live and work today," says Nair.

For example, look at what another domestic player, Sarovar Park Plaza, is planning to offer in its proposed 50 budget hotels under a new brand Hometel. "We would be knocking off a lot of public space like the lobby, banquets and lawns. No room service or multiple restaurants. But there will be no perceivable difference between our hotel rooms and five-star accommodations," says Ajay Bakaya, executive director, Sarovar Park Plaza.

No-frills quality hotels can correct the skewed Indian market. In fact, budget hotels can do what low-cost airlines have done-increase business volumes almost overnight. "There would be more five-star rooms than quality economy rooms in a city like Delhi. Our five-stars may compare favorably with those overseas, but there is a complete absence of internationally acceptable three- and four-star hotels in India," agrees Manav Thadani, MD, HVS India, an international hospitality consultancy.

According to HVS' research, the changing consumer demographics and greater corporate travel would result in a boom in mid-priced hotels over the next five years. Also, the Indian hospitality industry has to work overtime to add capacity in the mid-market segment since it was among the last to realize the potential of consumers at the bottom of the pyramid. Other sectors like FMCGs, automobiles, telecom and aviation had set their sights on middle-class consumers quite early. Incidentally, IndiOne is the brainchild of management guru C.K. Prahlad, who for more than a decade has been advocating the need for companies to create products and services tailor-

made for consumers at the bottom of the pyramid. One of Prahlad's dream products was a soap bar for Re 1, which could propel soap demand.

**Therefore, it seems right when Patu Keswani, MD of the Delhi-based Krizm hotels which has started a chain of mid-market hotels under the Lemon Tree brand, says that his chain will seek to offer two-thirds of five-star services at one-third the price. To achieve this objective, the company has identified services and areas that frequent business travelers feel are redundant. Lemon Tree, which operates two hotels in Gurgaon and is planning five more by end 2005, offers fully air-conditioned, functional rooms with high-speed net access, a multi-cuisine restaurant, recreation and entertainment facilities, round-the-clock room service and laundry and an optional fitness centre and swimming pool at tariffs ranging from Rs 1,900 to Rs 2,500. "In a five-star property, the room may be discounted, but they kill you on extras. We make sure that a basket of products and services typically consumed by a regular business traveler is never more than Rs 500. If any guest is unhappy about any price, the instruction is to write it off," adds Keswani.**

In case you're planning to pitch your tent at these hotels this weekend, hold on. Only a handful of them are up and running in a few cities like Bangalore and Gurgaon. With almost all the ambitious expansion plans still in the pipeline, it will take at least a few years before many cities have two or three quality budget hotels. Only then can you travel without worrying about the hole in your pocket.

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