

'Two-Third Of Five-Star Service At One-Third Price'

Patu Keswani

MD and CEO of Lemon Tree Hotels, tells



Anindita Chattopadhyay

about the new brand that aims to make a mark in the mid market segment...

EH&C:

You have opened your first property in Udyog Vihar, Gurgaon recently. What prompted you to enter the mid market segment?

PATU KESWANI:

We wanted to introduce a nationally recognisable mid-market brand in India. Choice and other mid-market brands operate through the management route. They offer marketing support, keep a tab on quality and manage through service level agreements. The big problem is that there is no commonality between the properties of these chains because they have not been built as per their specifications. Theoretically, it exists, but quality-wise there's a huge variation and non-adherence to agreements. We decided to fill in this void by a brand that will truly be mid-priced.

What is the USP of the Lemon Tree brand?

Our USP is we offer two-third of five-star hotel service at one-third the price. Our target audience is frequent business and corporate travellers. We identified services and areas that these

travellers feel are redundant. So, we offer all the necessary facilities and comfort that a frequent traveller looks for at a tariff ranging between Rs 1,500 to Rs 1,800 including breakfast.

What is your marketing strategy?

We are using value proposition as a key tool to market ourself. We are trying to convince people of a paradigm shift in business - high quality at a low price. Our typical model is a 50-100 room hotel located where the customer is because for a business traveller distance is measured in time.

Elaborate on your value proposition?

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 traveller is never more than Rs 500. If any guest is unhappy about any price, the standard instruction at the billing is to write it off.

We offer a 24-hour coffee shop, 24-hour room service, 24-hour laundry, 24-hour housekeeping, 24-hour reception, a swimming pool and a fitness centre.

Every room and all public areas have high speed internet access - 512 kbps speed. We charge Rs 50 per hour, while a five-star normally charges Rs 500 per hour.

A five-star hotel usually offers 100 telephone lines for 300 rooms, while we offer 30 lines for 50 rooms at .6 telephone lines per room. Our vendor is Alcatel and offers all facilities available in a five-star.

There is a conference room, a boardroom, and a business centre with flat screen and hi-tech IT equipment. The business centre is not a business proposition for us, but a convenience to guests. Hence, we charge only Rs 2 for a photocopy or telecall.

How far has your strategy been successful?

Our conference centre has been booked for the next one year. Large MNCs based in Gurgaon have shifted their five-star business to us - their upper-middle management employees like GMs are staying with us.

How would you perceive your brand?

Our brand stands for freshness, vibrancy and energy. We have a young staff. All senior position people are from five-star properties. Our thrust is on hygiene and cleanliness.

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