

Published Date:	Tuesday 30th June, 2020	Publication:	Voyager's World [National]
Journalist:	Bureau	Page No:	1, 10
MAV/CCM:	205,000/234.23	Circulation:	25,000

# Voyager's World



www.voyagersworld.in

travel and tourism monthly

A Sphere Travelmedia Publication

Vol XVII

Issue XIII

Pages 24

JUNE 2020

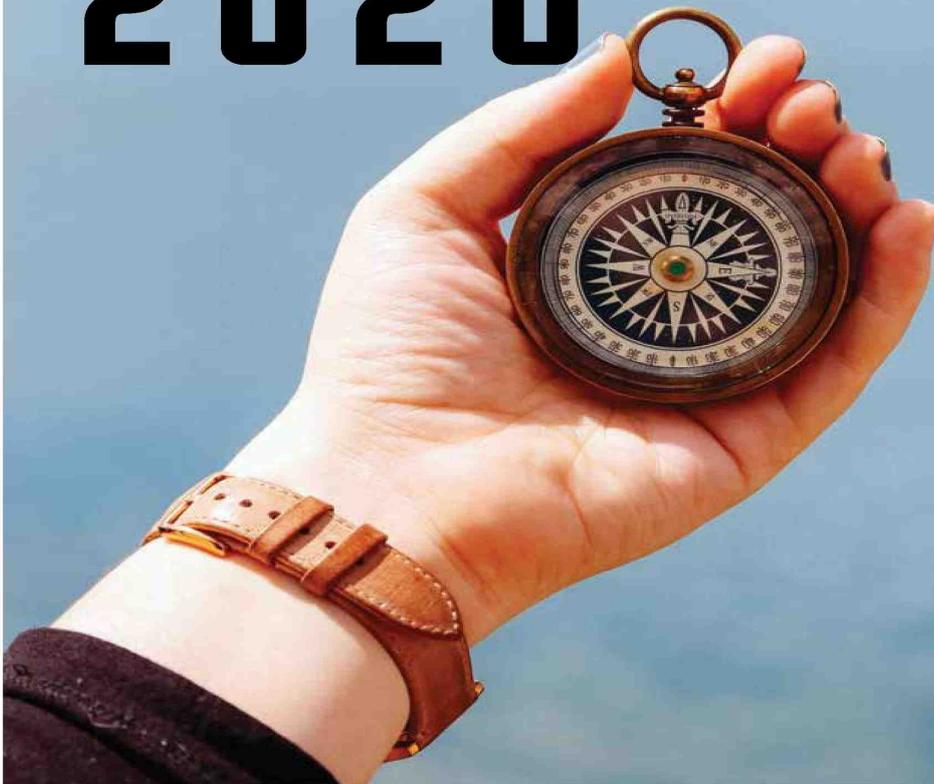
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<b>BENGALURU</b>	24, 25, 26 JULY 2020
<b>CHENNAI</b>	31 JULY, 1, 2 AUG 2020
<b>AHMEDABAD</b>	13,14, 15 AUG 2020
<b>DELHI</b> (Concurrent Event BTME)	5,6 OCT 2020
<b>MUMBAI</b>	9, 10, 11 OCT 2020
<b>PUNE</b>	27, 28, 29 NOV 2020
<b>HYDERABAD</b>	4,5,6 DEC 2020
<b>KOCHI</b>	7,8,9 JAN 2021
<b>BTME BENGALURU</b>	28,29 JAN 2021
<b>KOLKATA</b>	19, 20, 21 FEB 2021

# REVIVAL 2020



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# TOURISM COMEBACK

■ ROHIT HANGAL

The dawn of the New Year also reminds me of this delightful greeting which said 'May your troubles last as long as your last year's resolution!' The decade of the teens has been a heady mix of untraded growth amidst never opportunities, technology disruptors on an LSD high, economic impacts of demonetization and enforcement of GST. We at Voyager's World have tried to make sense of the trials, and highs and lows of the last decade, while we bring in the roaring twenties.

#### Aviation

The economic impact sure did have its toll on the Indian aviation industry. The closure of Jet Airways came as a blow, though in terms of capacity, it was filled up by the competitors within no time. Air India continues to grow especially in the international routes segment irrespective of its present circumstances.

One of the key drivers will be the UDAAN (Utkarsh Deekha Aam Nagrik) scheme offered by the Govt. of India, where

tickets are being subsidised at re-activated airports and a growing economic spotlight. 235 routes cleared by the Aviation ministry cover 16 unserved and 17 under-served airports and six water aerodromes. There are 50 airports that are already being served and will be connected to these under-served and unserved airports. The winner of the bid gets a 3-year exclusive right to operate flights on the route. Fine for half the seats in a plane journey of approximately 500 km and a 30-minute helicopter journey. The selected airline provides 50% of the flight capacity — with a minimum of 9 and a maximum of 40 seats for planes and a minimum of 5 and a maximum of 13 seats for helicopters.

#### Hospitality

The easing of GST to sanity levels was sure a highpoint of last year. With a tax slab of 20% on room tariffs over \$100, we had for some time a record for the highest-taxed hotel room in the world! It is a different matter that good hotels with an updated revenue management mechanism liked the rates and soon 'all-inclusive rates' were trending.

As the headlines and television channels roar of the downside in the economy with every makeshift economist screaming himself hoarse, rattling death-rattle statistics of the imminent downside, I wonder why is every hotel chain worth its stretchable dollar wants a pie of the humble Indian market? The answer lies in India's incant 'Avatar' as one of the world's fastest-growing big economies and an any smart investor will tell you, market-entry during a downside will always hold in good stead when the business-cycle turns on its head.

In a country where inventory is growing through the roof with hotels still going 'un-branded' and clocking 90% of all new projects, India is probably one of the last few countries anywhere around the world to latch on to the multi-brand marketing-oriented enterprise. Most moon and pop hotel-shops follow the rest of the Retail-world system in India by being single / family entrepreneur-driven, marketed and managed. The performance and professionalism of family-driven enterprise in India is similar to the standardization of Indian food!

The ability of hotel owners to decipher the advent of technology-driven

accrued business will be a key factor in choosing the right Operator, franchise or marketing associate. The discerning hotel owner in India is indeed spoilt for choice, with a plethora of options to go in for. Positioning is key to the preferred brand choice. The options vary from the boutique luxury designer-driven such as Aman and Versace's, marquis Waldorf Astoria's and St. Regis's, the handworking Vivara, Sheraton and Marriott's to the no-nonsense brands such as Lemon Tree and Satoris' to the plain vanilla offerings such as Oyo, Treeto and Fab Hotels. The market for sub-brands to create extensions for serviced apartments also add to the available portfolio.

Just reading around, on what hotels in India are projecting in this downside, you will be left with the analogy of a 'Good Problem to have!'

Indian hotel brand Lemon Tree Hotels is aiming for 12,000 rooms in its inventory by 2021. Tier-II cities are expected to account for 45% of the country's total room additions in the branded category by 2021. The number of hotel rooms in India is anticipated to go to 3.33 million in 2023 from a meagre 18,000 in 1995/96, as per

'The Ultimate Indian Travel & Hospitality Report' compiled by Hotelcraft in association with CAPA and WTTC India Initiative.

India's latest newsmaker Ritesh Agrawal of Oyo talks about having his hotels in 800 cities around the world with 500,000 heads resting their heads on the Oyo pillows every night! Indian Hotels that envisages the Taj brand recently announced its tie-up with Singapore's sovereign wealth fund GIC to set-up a Rs4,000 crore investment-vehicle to acquire luxury, upper-scale and upscale properties.

The advent of disruptors such as Oyo has sure created considerable heat-burn for hotel owners with fluctuating fortunes, ranging from euphoria to frustration. Hotels have an option to opt out of the marketing network, and invest in marketing and creating an online platform for accounts. Oyo currently claims to be the world's biggest hotel chain and some nifty enough features globally with up-sets appearing in leading media around the world! If they go by the adage 'any news is good news' mode, this is sure exciting times.

The last year also saw more traction on the mergers and acquisition front. HVS, a

global consulting company with a focus on Hospitality in its latest report remarked

"Increasing interest of institutional investors to acquire distressed real estate assets, including hotels, is another growing trend, though volumes in the hotel sector continues to remain low, and the average time taken to consummate them remain long. The successful completion of the Broadfield acquisition of Leela Hotels bodies well for the Indian hospitality sector and is likely to improve the market sentiment for more hospitality M&A activity in the country.

This year will also witness one of the largest hotel IPOs (USD 300 million), with Goldman Sachs and Equity International-backed SAMHI Hotels expected to list in January 2020. Apejaya Sarradar Park Hotels is also anticipated to enter the equity market in the first quarter of next year. The successful listings will further boost investor sentiment for the sector. The recently signed joint venture between Indian Hotels Company (Taj Hotels) and GIC of Singapore has declared an initial corpus of USD 400 million, which will become active in 2020 and add to the

acquisition growth. At the beginning of the current year, we had estimated hotel transactions in India to reach USD 800 million. While the year is likely to close near USD 700 million of transactions, several deals remain active, some of which involve HVS, with closings anticipated to occur in 2020".

#### Travel Agents

The travel agent scene in India also saw one of India's dozens of the industry Cox and Kings shutting shop with over 2000 employees asked to fend for themselves. With the National Company Law Tribunal (NCLT) already admitting insolvency against CKR, there has been a new star in the Indian skies with EBH Cash. EBH Cash in a recent release claimed, through its travel portfolio of Visa and Mercury, is also one of Southeast Asia's leading travel exchanges with over 2,000 employees, 212,400+ agent network, 25 branches, and over 9,800 corporate clients processing an estimated \$2.5 billion in gross merchandise value per year. Recently, the company stepped in to create a dedicated workforce to transfer the corporate clients of Cox and Kings to EBH Cash's Mercury Travel Division. The

company has also signed an agreement to acquire Yatra Online subject to regulatory and Yatra shareholder approvals. Once that acquisition is complete, EBH Cash's leadership in the corporate, B2B, luxury and MICE businesses would be unrivaled by any player in the Indian sub-continent.

As the role of a humble travel agent gets complicated with a plethora of OTAs breathing down their neck to control clients, vendors, and inventory; the will to survive gets a kick upstairs. The rescinding loyalty factor among clients has forced agents to evolve a marketing system with a stronger customer relation management focus. With apps and online travel agents (OTAs) adding to their losses with every customer addition and with their valuation-anthems teaching new skies, the humble travel agent has got his task cut out. The ability to keep up with changing consumer dynamics and preferences will sustain the travel agent till kingdom come!

India is considered to be the third-largest domestic Civil Aviation market in the world with 91 international carriers comprising of 5 Indian carriers and 86 foreign carriers. India has connectivity with 59 countries through 344 routes.