"The expectations of our key stakeholders – customers, employees, investors and society impact the sector,'
Rahul Pandit

In conversation with Mr. Rahul Pandit, President & Executive Director, The Lemon Tree Hotel Company on Lemon Tree's strong individualistic appeal in the Indian hospitality sector.

• BENAZIR KHAN

Q WHAT ARE YOUR OBSERVATIONS ON CONTEMPORARY TRENDS IN THE INDIAN HOSPITALITY SECTOR?

The bulwark of the sector still rests on business demand. However, the sector is seeing emergence of millennial consumer and SME demand besides the rise of short haul leisure – all want high levels of efficiency, services attuned to the purpose of visit, are impatient with wait and reward with the word of mouse. Design of the habitat and the service experience has become important value drivers. The customer values privacy, yet is willing to share personal data if the brand can be trusted to deliver value. The industry will have to rely on technology – data science and analytics to deliver this unique intersection of service and value. Businesses that do so will gain market share.

WHAT DOES LEMON TREE AS A BRAND BRING TO THE MARKET WHICH HAS A UNIQUE POTENTIAL TO KICK-START AN INDIVIDUAL TREND IN ITSELF?

The key precept that Lemon Tree brings to the market is that great value can be delivered without a compromise on quality. The fact that 80% of our hotels get the TripAdvisor certificate of excellence or that we rank amongst the top 100 Great Places to Work is testimony to our belief that excellence can be delivered profitably, at great value to the customer. Besides delivering value to the B2B and B2C chain, we are now actively engaging in building C2C advocacy for the brand.

WHAT IS THE OVERARCHING CONCEPT BEHIND THE DIFFERENT TYPES OF PROPERTIES UNDER THE LEMON TREE PORTFOLIO - LEMON TREE PREMIER, LEMON TREE HOTELS AND RED FOX?

Lemon Tree Premier is our upscale brand, Lemon Tree is midscale and Red Fox is economy. They have been created to service customers across their life-cycle and deliver a product-service mix commensurate to their needs across business and leisure locations. The brands are focused on the domestic Indian market. All three deliver services a notch higher than the product positioning. As a result of this strategy, 85% of our topline today is derived from the domestic market

LEMON TREE HAS FORAYED INTO THE DELIVERANCE OF CLASSY HOTELS IN THE MID BUDGET BRAND AS ONE OF ITS KEY VENTURES. HOW DOES THIS ADD TO THE BRAND'S CADRE OF BREAKING INTO A MARKET AND WHAT IS THE GROWTH POTENTIAL YOU SEE HERE?

Indian hospitality has huge dormant un-serviced demand, especially in the mid-market.

We presently own 2% of the organized inventory in India. By 2017-18 this will grow to 4% of the organized inventory and 10% of the mid-market inventory. Long term, Lemon Tree will drive majority growth in tier 1 cities and Red Fox in tier 2 and tertiary cities plus religious destinations. Lemon Tree Premier is more suited to metros and urban demand dense leisure locations.

We want to be able to extend the brand's reach pan India and then focus on the key international geographies that Indians travel to. Our growing loyalty program, Lemon Tree Smiles, which currently has 280,000+ members, hugely backs this effort.

WHAT ARE YOUR PLANS FOR LEMON TREE IN THE YEAR AHEAD?

By the end of the coming fiscal, we plan to add 900 rooms across the country at an investment of around Rs 600 crore Apart from 3 new hotels in Gurgaon, 1 each in Pune, Kolkata and Shimla, we will add a sizable 900 plus rooms inventory in Mumbai in the next three and a half years. The first to open will be a 300 keys property in Andheri within the next two years followed by a 600 plus keys Lemon Tree Premier in the vicinity of Chhatrapati Shivaji International Airport. The Mumbai and Gurgaon projects will also see injection of significant MICE and commercial space. We are also developing a hill resort in Udaipur and are also speedily spreading our wings pin Tier II cities like Coimbatore, Vadodara, Varanasi, Trichy etc. under the managed space.