

Technology corridors lure hotel chains to IT hotspots

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A road less travelled. This is what IT executives and foreign clients could say now. They no longer have to commute long stretches before hitting India's IT corridors, as hotel chains are increasingly targeting these executives and setting up shops in and around the IT hotspots.

Picture this. Fortune Park Hotels, a subsidiary of ITC, has Fortune Select Palms in OMR, Chennai's IT highway. Roots Corporation's (a subsidiary of the Indian Hotels Company) Ginger Hotel and Sarovar Park Plaza's Radha Homestay are doing brisk business in Whitefield, the IT hub in Bangalore. Lemon Tree hotel in Pune's infotech zone has seen a 70 per cent occupancy since it opened in March.

Interestingly, it is the mid-priced hotels that are setting up base in the country's IT corridors. And it makes ample business sense too. "In India, land accounts for 50 per cent of a hotel's project cost, whereas it is 20 per cent in the US," says Rahul Pandit, head-operations, technology and electronic distribution, Lemon Tree Hotels. Adds Roots Corporation's chief executive Prabhat Pani, "Travelling businessmen are looking for decent accommodation closer to work place without compromising on quality."

Also, by having hotels in IT corridors, the hospitality segment hopes to address the travel woes of frequent flyers. "Distance is increasingly getting measured in time than in distance and it becomes imperative to cater to the needs of busy executives," quips Pandit.

When it comes to occupancy rates, properties in business areas tend to fare better than leisure ones which are largely seasonal driven. According to industry data, properties in leisure destinations had 60 per cent occupancy while business hotels clocked 80 per cent last year.

The latest entrant to OMR is Asiana Hotel. "Many IT companies here are planning to double their capacities and this is a good sign. Apart from high occupancy, we also expect to do brisk business in F&B (food and beverage) as many executives would drop in for lunch or an evening drink," says Asiana Hotel's sales & marketing director Shafee Ahmed.

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