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Hoteliers opting for digital innovations to stay afloat

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The JLL Hotel Momentum India report of 22 May estimated the hospitality industry suffering a 38.7 per cent decline in RevPAR (revenue per available room) during the first quarter of 2021, as compared to 2020. But the situation is worse, say leading hoteliers.

"This (JLL report number) is incorrect if you look at the listed hotels' results for Jan-Mar 21," chairman and managing director of the Lemon Tree hotel chain, Patu Keswani, said in an email to The Statesman. "It is more like negative 43 per cent to 44 per cent and would be far higher for all hotels, including unbranded standalone hotels." He esti-

ated the RevPar declining by about 50 per cent across India.

India's hotel industry revenue in financial year FY 20 was Rs 1.82 trillion, estimated the apex Federation of Hotel and Restaurant Associations of India (FHRAI). But the pandemic's "second wave" wiped out more than 75 per cent of anticipated Rs 1.3 trillion revenues for FY 21, according to FHRAI.

Amid such grim horizons, some silver linings in the pandemic clouds now shine compared to May 2020. The Jones Lang LaSalle (JLL) regional study optimistically observed the South Asian hospitality industry "witnessed a revival, with most leisure markets performing exceptionally well" - but this recovery was prompt-

ly derailed by travel restrictions returning with the "second wave".

Goa though enjoys rank as the "fastest recovering" market in the region, being the most favourite destination for domestic leisure travellers amid international travel restrictions.

To manage unprecedented restrictions and pandemic challenges, leading hoteliers are using digital innovations and custom-made technology platforms. As has Lemon Tree, global hospital industry leaders are using specialised expertise like the South Carolina (US) based Diversey to increase hygiene standards. Other digital innovations include the holistic guest management platform from



the Tel Aviv (Israel) based Duve, formerly "Wishbox".

As the largest mid-priced hotel chain and third largest in India, Lemon Tree is employing a "high level of digitalisation" to expand customer reach, contactless services including check-in and check-out, electronic menus and more. Such digital-delivered

benefits appear as the long-term positive legacies of the hospitality and travel industry crippling pandemic.

"We have seen significant improvements in cost metrics including a specific focus on converting fixed costs to variable costs, and improvements in employee care, safety and hygiene standards," Lemon

Tree chairman Keswani said. "This has led to productivity improvement by about 20 per cent."

Benefits the past year include Covid-care for infected guests, employees and dependants, large line item-wise permanent reduction in costs of about 12 per cent and more focus on environmental standards (renewable energy sources, water recycling, waste management).

Hotels crucially served in Covid-19 relief the past year, with leading hotel chains such as the Oberoi and Taj Group offering rooms and free food. Lemon Tree donated more than 800 rooms to hospitals and health care providers.

Goodwill and digital innovations will help in a chal-

lenging year ahead, with Keswani anticipating Q1 FY 22 revenues being even lower than in the lockdown quarter of Q1 FY 21. "This is primarily because this year the demand segments of quarantine, retail "staycations" and healthcare workers are much less and close to non-existent in most cities," he said. "Anecdotally you will also see this with the general public fear of stepping out due to unavailability of oxygen/hospital beds."

The Federation of Hotel and Restaurant Associations of India (FHRAI) on 16 May declared submitting a representation to Prime Minister Narendra Modi and Cabinet ministers for immediate financial support and tax relief.

"To expect our industry to continue paying off loans without any income or revenue generation is simply unfair," FHRAI vice-president Gurbaxish Singh Kohli told the media.

Keswani called for the government to alleviate or postpone debt obligations in a very capital intensive industry, eliminate fixed charges like property taxes, minimum electricity load, the waiver of property tax, water and electricity charges and excise licence fees for the lockdown period. He also sought "some level of financial support" for staff salaries to avoid large-scale layoffs, and called for hospitality industry employees to be also classified as front-line workers.