

New players in mid-market hotel segment

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Deccan Chronicle, Bengaluru

While five star hotels in India are at par with global competitors, there is a near absence of internationally acceptable rooms in the mid-market segment.

This gap is being filled by global and domestic players who are offering the business/leisure traveler a whole new genre of moderately priced, upscale, full service hotel rooms varying from 200sq ft-350 sq ft at prices ranging from Rs 2,000 to Rs 6,000 per night.

Premier Inn Hotels, a division of UK's largest hotel and restaurant group, Whitbread PLC, is opening its first hotel (105 rooms) catering to the mid-market segment in Bengaluru in October 2009, followed by Delhi and Pune next year.

"The mid-market segment is still in its infancy in India where majority of the 1,20,000 branded hotel rooms belong to the five star category. Customers are demanding a world-class quality-stay at affordable prices and we are delivering precisely that, with all our rooms priced at the same Rs 3,000" said Aly Shariff, MD, Premier Inn India Pvt. Ltd.

JW Marriott Hotels, which introduced its mid-market brand Courtyard to the Indian market three years ago in Chennai, opened its second one in Pune recently and has 14 others under various stages of construction around the country.

After the launch of its Peppermint hotel in Hyderabad last year with its sub-\$100 rooms, Peppermint Hospitality Pvt. Ltd is all set to open a second one in Gurgaon in October 2009 and another in Vishakapatnam by end 2010.

"In our Gurgaon hotel, we will provide video-conferencing and telepresence facilities and other fun elements like an intimacy kit for men and women in their rooms" said MD, Mr. Arjun Baljee.

One of the first movers in the mid-market hotel segment, Lemon Tree Hotels currently has 10 operating hotels with 17 more hotels aggregating over 2,500 rooms under development around the country.

"Although there is a demand for 1.6 million rooms in India, there only 1,30,000 operational rooms, of which only 25-30 percent are in the mid-market segment. The high demand in the mid-priced segment is due to the lack of reasonably acceptable hotels and this demand will continue to rise as awareness levels of this model increase" says Aradhana Lal, VP, Sales and Marketing, Lemon Tree Hotels.

August 24, 2009