

INTERVIEW



52. Marriott Bengaluru



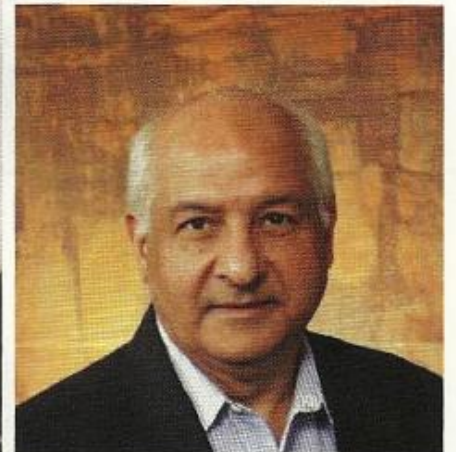
58. Lemon Tree



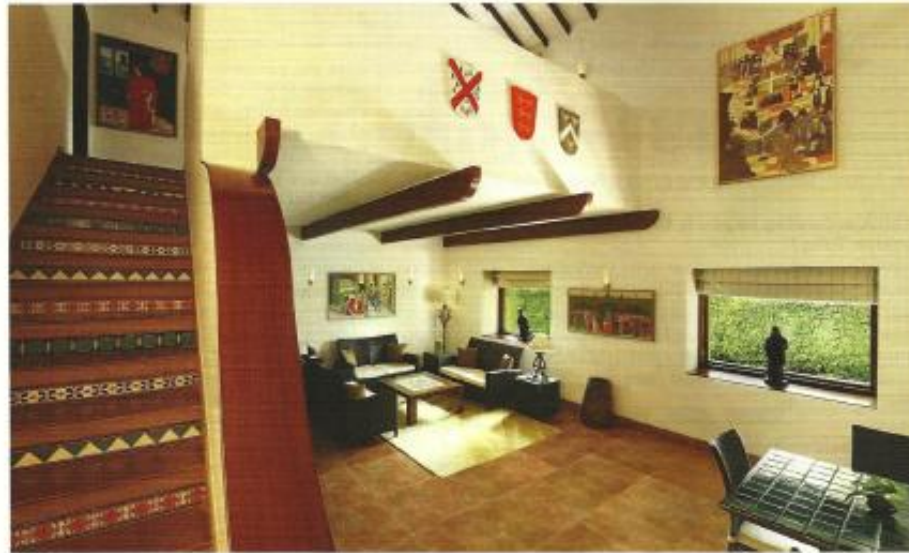
62. Onyx



66. The Suryaa, Delhi



56. Golden Tulip



A HOMEGROWN HOTEL CHAIN

The Lemon Tree Hotel Company (LTH) is a chain of upscale, midscale and economy hotels that was founded in September 2002 and currently owns and operates 26 hotels in 15 cities aggregating 3000 rooms with over 3000 employees. Founded by Patu Keswani, they started their journey with a very small team. Today, a decade later Lemon Tree group has over 3000 employees working across India with 10% staff members being persons with disabilities. Categorized into Lemon Tree Premier, Lemon Tree Hotels, Red Fox Hotel, the company plans to operate over 8000 rooms across 60 cities by 2017-18.



Rahul Pandit, President and Executive Director, Lemon Tree Hotels, who has over 15 years of start-up and operating business experience in the hospitality industry.



What locations are you present across India?

We operate three brands in the midscale segment- Lemon Tree Premier (upscale), Lemon Tree Hotel(midscale), Red Fox Hotel(economy) and presently own and operate 26 hotels in 15 cities across India with 3000 rooms .We are the 3rd largest hotel chain in terms of owned and operated rooms in the country today.

According to you, which is the best Lemon Tree hotel in India?

We are a chain of upscale business and leisure hotels and our hotels are built to pre-set brand standards. To pick and choose the best hotel seems difficult. While the Lemon Tree Premier, Delhi Airport & the Red Fox Hotel, Delhi Airport are ideal prototypes of the two brands; Lemon Tree Amarante Beach Resort, Goa is a perfect example of our hotels in the leisure space, and our new Lemon Tree Hotel, Gachibowli can be cited as a ideal representation of our next-gen Lemon Tree Hotels.

Where do you rate yourself and India in terms of the present position of the hotel industry?

We are pioneers in the midscale segment and one of the fastest growing chain of upscale, midscale and economy hotels. The speedy growth has made the group the 3rd largest hotel chain in India in terms of owned and operated rooms, currently.

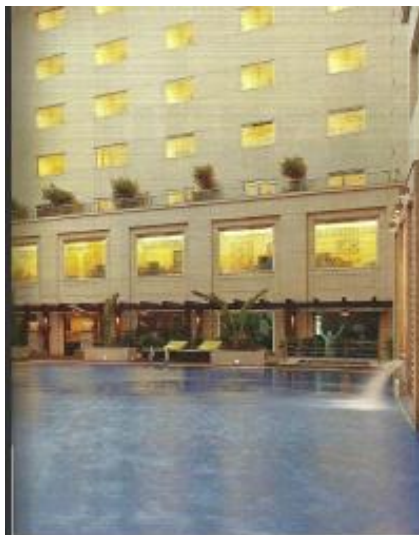
How are Lemon Tree hotels different or unique than others in the same category in the country, what is the USP of Lemon Tree hotels?

We pioneered the mid-market segment in India and today are represented across the upscale, midscale and economy space. These brands are targeted to profitably service the needs of varying consumer segments. We are very focused on procuring the share of the mid-scale market with focus on both business and leisure travelers.

Apart for the refreshing stay experiences we offer, what also sets our hotels apart is the close to home comfort we offer and the value for money we bring to our guests. The professional service exhibited by our warm and friendly staff members that goes beyond the call of duty, our key initiative of hiring differently abled staff members in active duty across all our hotels are also key aspects that differentiate us from others. This also reflects in our TripAdvisor citation where 16 hotels have been awarded the TripAdvisor Certificate of Excellence 2014.

What hurdles do you face in setting up properties in India?

In India, presently irrational value expectations on the asset side and the absence of a streamlined, transparent regulatory environment on the development side are the key challenges.



Are service apartments posing a threat to business hotels?

No. In fact, we see managing and operating service residences as a great prospect to increase our footprint and reach in India and also to provide an alternate option to our discerning guests to meet the needs of transit stay, extended stays, as well as other segments.

We have just joined hands with Assotech Realty developers, pioneers in the service apartment space and will be operating and managing their service apartments in Noida by next year and some other target cities like Ahmedabad, Hyderabad, Goa, and Bangalore in the next 5-7 years.

How do you plan to train your staff and maintain the best hospitality standards all over?

We are a group of experienced hotel professionals who have worked across sectors and have a dedicated Learning and Development team that extensively works on empowering and chiseling staff skills across all departments. This L&D team has in fact developed tailor-made content and training processes for LTH that are world class as well as benchmarked across industries and are implemented through a rigorous plan in order to deliver on our brand promise to our end customers.

What is the business model you have taken for your expansion?

The last 8 years in the Indian Hotels context reveal that the bulk of the hotels' inventory that has been created have been through managed operations rather than brands developing and owning their own hotels. There

are very few branded hotel players like Lemon Tree Hotels, which chose to focus on owning and developing hotels. So simply speaking, we pursue our asset light aspirations through managed hotels and not the franchise module.

We entered into the management business just 2 years ago. Any hotel which wishes to join our portfolio has to confirm to our brand standards, life & safety standards. When we evaluate an existing hotel, we guide the owners with the desired standards and in case it's at project stage, we help them design it to our specifications. In the 2 years that we have been in the management business, we have 1000 rooms both being managed presently or under development. In the management space, we have just signed agreements in NOIDA for service apartments, and are looking at signing contracts in Varanasi, Lucknow, Shirdi, Trivandrum, Gurgaon and Belgaum. We are also evaluating some options in the East and North East.

Tell us something about your expansion plans in India and Asia?

We are a home grown company and are presently very focused on our expansion plans in India. We presently have 1200 rooms under development that will be both owned and managed by us and 1000 plus rooms under the managed hotels space. While we are presently in 15 cities across India, we have laid out plans to have 60 hotels across 30 cities with an 8000 room inventory by the end of 2018. We however, do see ourselves travelling to overseas destinations once we consolidate our position here, and penetrate key cities internationally which see high footfalls of Indian travelers.

Is the expansion because of the increase in the inflow of tourists from abroad or increasing needs of people from India itself?

Not primarily so. The world is now a global village and people travel across destinations for various reasons including leisure and work. Penetrating the Indian market and getting a share of the mid segment wallet has always been our long term strategy. We had long ago strategized to be able to extend the brand's reach pan India and then focus on the key geographies that Indians travel to. Thus, out of our three brands, Lemon Tree will drive majority growth in tier 1 cities and Red Fox in tier 2 and tertiary plus religious destinations. Lemon Tree Premier is more suited to metros and urban demand dense leisure locations. This growth effort is hugely backed by our growing loyalty program, Lemon Tree Smiles, which currently has 200,000+ members.

- Mandeev Parl