APRIL SHOW Advance bookings down 30%, but cos hopeful of demand improving soon

Hotel Bookings Trip as War Clouds Keep Guests Away

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New Delhi: Advance hotel bookings for April, the first month of the new fiscal year, are down by as much as 30% from a year earlier for some brands due to the ongoing conflict in West Asia, according to industry executives. About 50-55% of the guests at luxury hotels in key metros such as Delhi and Mumbai and even some leisure destinations are foreigners.

"We have seen a lot of cancellations for March and April due to the ongoing war in West Asia and advance bookings are down by about 30%," said Tarun Thakral, chief operating officer of the Le Meridien hotel in New Delhi.

"Sixty-five per cent of our guests are foreigners and we have also seen conferences and events getting cancelled due to the conflict. Flights and connectivity to India has reduced considerably and fares have also gone up," he said. "The industry has rebounded quickly in the face of adversities previously. So, we are hopeful things will return to normal."

Le Meridien in Delhi has predominantly American and European guests, he said.

Davinder Juj, general manager at Eros Hotel New Delhi, said bookings have declined by about 15-20% for April compared with last year. The Radisson Hotel Group is tracking 8% lower occupancy compared to last year. "The softness is more visible in gateway cities such as Delhi-NCR, Mumbai, Bengaluru and Hyderabad which have a higher dependence on global corporate demand," said Nikhil Sharma, managing director and chief operating officer (South Asia).

April is likely to remain the most affected due to cautious corporate travel sentiment and cost rationalisation by global accounts, though the chain expects a recovery through May and June supported by summer leisure demand, Sharma said. "April is seeing a 5-8% softer pickup year-on-year and the impact on quarter-one earnings is likely to hover between marginal and moderate," said Arjun Baljee, founder of ICONIQA and president of Royal Orchid Hotels.

Advance bookings for April are softer, said Vishvapreet Singh Cheema, president of Lemon Tree Hotels. "But our expat dependence is much lower than others, and domestic bookings are not impacted as of now. We continue to see corporate movement and domestic travel also happens in a span of one or two days at times," he added. Leisure destinations such as Udaipur which are popular with foreign tourists are also seeing a dip in advance bookings, said Alka Group MD Rishit Bhandari. The group operates four hotels in the Rajasthan city. "The industry is realising how heavily dependent it is on connectivity through the Middle East markets. About 20% of our guests are international, and all the big group bookings done through travel operators have been cancelled," said Bhandari. An executive working at a luxury hotel in Mumbai said 50% of the guests at the hotel are international. She expects domestic guests and dine in sales to help offset the challenge.

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