

Taj witnesses better sales growth



Renu Basu,
Global Vice
President
(Sales), Taj
Hotels Resorts
and Palaces
spoke to T3 on
the need of
launching the
sales mission,
emerging
business
segments and
sales strategy
to tap these
segments

The Taj group has 82 hotels in India and 16 internationally with the combination of resorts, palaces, hotels and safaris.

What is the objective of the sales Mission?

We have decided to have a sales mission from this year because our hotels are growing. The objective of the Mission is really to get all our customers and hotels under one roof. The hotels are represented by the General Managers and all the Directors of Sales and Marketing. This way all our valued partners like DMCs, travel agencies and event management agencies get a chance to meet the people on the property and educate themselves what the offerings are and also transact any business that they may have through we do a lot of central contracting. It is always nicer to meet, engage and build relationship for hotel managers under one roof.

Do you think that you should have started your Mission earlier?

We have not really delayed it. We have a different approach towards the business. This is just reinforcing our existing process. So, in our sales and marketing set up, we have a group of people who do manage very strong relationships with trade partners. They are going and visiting them in their offices. Moreover, we have our travel awards every alternate year to boost the relationship. We also participate in lot of other international trade fairs. The Sales Mission is only in Delhi and Mumbai because these are biggest source markets for the company for all segments of the business. Delhi is the biggest market for travel

trade business. We also introduced some of our new properties like the recently opened Taj Amritsar and Taj Theog Resort and Spa Shimla which will be launching soon.

Which are the emerging segments and market in India for the hotel industry?

There is a huge opportunity related to domestic travel in India. While there is a large volume of business lying from all over India, there is a niche within that which is a high end market within Indians having developed great taste for high end products especially for Palaces and Safaris which is based in all cities. Other very important market for every hotel brand is the wedding market. Taj sees a great opportunity there. We are getting a big share in the wedding segment. The other huge opportunity we do see in India is the multi generational travel and milestone travel.

Pune is the very important market from corporate point because of the economic activity there. I also do see a lot of potential in Gujarat in Ahmadabad, Vadodara and other business cities.

What is the contribution of rooms and F&B in your overall business?

60 per cent of our revenue comes from rooms and 40 per cent from F&B.

What is contribution of your overseas hotels in the total revenue?

The contribution of travelers going from India to our overseas hotels is very good. There is a huge



contribution from the Indian market to our overseas hotels in London, Dubai, New York and Maldives. People do find affiliation bond with the Taj group. Taj is the preferred choice for Indian outbound. We have dedicated sales team for every segments. In our leisure segments, we have two different teams – one is for international and one is for domestic. Our inbound has been from last 60 years and domestic from last 20 years. We have dedicated

How would you explain trends in sales growth for Taj in last 3-4 years?

Its been atleast 8 per cent growth. Last two years is much better than 3 years prior. We had growth but industry was not growing. Industry in terms of hotel's growth was 5 per cent and for Taj it has been 8 per cent. The industry is looking very buoyant in corporate market having a good impact on inbound as well as on domestic travel. We do see that demand is growing. Last fiscal, demand grew by 6.2 per cent and supply by 3.6 per cent.

- Murari Mohan Jha

Della Adventure & Resorts eyes Goa for expansion

The group is also launching military style glamping

Della Adventure & Resorts, Adventure destination located in Lonavala, is all set to introduce similar park and resort in Goa. Also, in the resort space the group is all set to introduce military style glamping resort that offers counter terrorism courses to civilians called Della Adventure Training Academy (D.A.T.A.).



Jimmy Mistry

Speaking about the expansion plans, Jimmy Mistry, Chairman and MD, Della Group said, "In terms of expansion, we are focusing on the Della Villas segment where we are looking to add more units. In the resort section, we are coming up with a military style glamping resort that offers counter terrorism courses to civilians called Della Adventure Training Academy (D.A.T.A.). This is going to be an exhilarating mix of luxury and thrill. With this we will be looking at influx of international travellers which was never on the horizon. D.A.T.A. will provide a variation in adventure and luxury tourism and is our effort towards implementing the philosophy of constant innovation. After the launch of D.A.T.A., we will look at taking Della Adventure & Resorts property to both the north and south of the country. I am looking at Tier 2 cities and satellite cities surrounding metropolitans."

He added, "We are already in discussion with the Goa Government for setup of Della adventure and Resorts. As one of the most popular tourist destination for international as well as Indian tourist, we will be targeting Goa as the first step towards expansion."

Last year the hospitality industry overall witnessed a stagnant ARR, despite growth in occupancy. Della Adventure & Resorts has experienced year on year growth in the last seven years consistently.

Speaking about the growth Mistry said, "These are difficult times for the entire

industry and most properties are going through similar challenges. There is no running away from the fact that GST has had a negative impact on hospitality segment and its ARR growth. We are working hard and have tried to retain our ARR's. Though our occupancy has dropped by about five per cent, overall we have managed to sail through.

In this year we hope for stability. Della has experienced year on year growth in the last seven years. Our ARR's have grown to 165 rooms and by the first quarter of 2018 we will be adding about 50 rooms to our inventory. By the year end of 2018 we will be adding a total of 80 rooms to our inventory."

Della has tasted success on the MICE front. Around 50 per cent of the revenue for the group is generated from this segment.

He further said, "We are one of India's top outbound training destinations for corporates. This segment at least gives us about 50 per cent of our revenue. At Della Adventure and Resorts, we handle the segment with lot of care and passion to ensure a memorable experience. We attract MICE segment on weekdays while the weekend is for FIT and vacationing crowd while the rest is occupied by weddings and others industry based events."

Adventure business is a challenging business when it comes to the India market. Indian audience are high spenders, but when it comes to activities there is a restricted budget. Mistry said, "Adventure is a challenging business. The Indian customers psyche is to have a restricted budget. No matter what number of activities and rides you put on their per person itinerary, the spending capacity has already been pegged."

- Akshay Kumar

Mayfair Hotels aims 17-18 hotels by 2023

The group aims 1800-2000 keys in next 5-6 years



Mayfair Hotels & Resorts, which currently operates 10 hotels, is going ahead with its expansion plan. "We have four hotels in pipeline once each in Kalimpong, Siliguri, Kolkata and Raipur. While the Kalimpong property is opening in January 2018, we have acquired land for the remaining three properties. In Kolkata, we are coming up with a 256- room hotel. We will be investing around Rs 500 crores on these four properties," Souvagya Mohapatra, Executive Director, Mayfair Hotels & Resorts, said.



Souvagya Mohapatra

Replying to a question over the number of hotels under the group banner by 2023, he said that the company will have around 17-18 hotels. "We may go for a hotel in Paradeep and one big convention hotel in Bhubaneswar. Most of our properties are resorts and we are looking at lesser key properties. We aim to invest Rs 600-700 crores on developing new hotels," he said.

The group witnesses around 68 per cent occupancy across all its property. "Mayfair Gangtok is doing the highest occupancy. The business of Bhubaneswar hotel is mainly driven by the Convention centre. We have been getting a lot of conventions and conferences. We work in close coordination with other hotels in the city," he said and added that Bhubaneswar

is going to host a medical conference of around 5,000 doctors in November. Currently, the group enjoys 60 per cent of its business from the leisure and remaining from the business segment. Almost 30 per cent of our room occupancy for the Bhubaneswar hotel is coming from MICE segment." He opined that one needs to have three to four hotels in different cities in east India to have a good business.

Talking about the emerging tourism scenario in the state, Mohapatra said that private players are working closely with the government.

He further said, "We participate in national and international travel events together. Our collective objective is to promote Odisha as a tourism destination. Recently AirAsia has stated international service from Bhubaneswar. So, we are expecting more international business in coming months."

Mayfair aims to become the established national chain hotels in coming years. "We are not looking at any tie up with international hotel chains. Our sales strategy is in place. Currently, we are focused on markets in eastern India but also looking to tap the potential of Tier-II cities," he informed.

- Murari Mohan Jha