

TODAY'S traveller

CORPORATE BUSINESS, AVIATION, MICE & LEISURE TRAVEL MAGAZINE

APRIL 2016 | ₹5

**EVER-ALLURING
DARJEELING**

**MADNESS
IN TOKYO**

**THAILAND
ADVENTURES**

**LAKES IN
SPRINGTIME**

**A WEEKEND
OF FROLICKING**

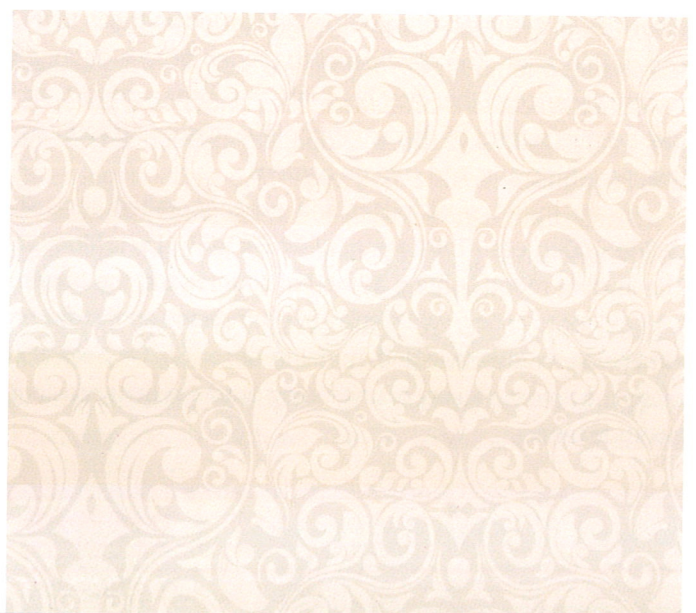
BEST OF BEACHES



Q&A



MAKING A MARK



Today's Traveller speaks to Saurabh Rai, Executive Vice President, Preferred Hotels & Resorts, regarding the group's continuing presence and the state of hospitality

TT BUREAU

Q. When did Preferred Hotels & Resorts come into the Indian market and how has the company grown to date?

We came to India back in September 2002, when we signed our first flagship hotel in the country, The Imperial New Delhi, which continues to be our member hotel till date. We have had a very strategic and structured growth since. Our intent was to mark our presence in all relevant business cities and leisure circuits in the country. Over the past 13 years, this is exactly what we have executed during our portfolio expansion curve. Having grown to 32 member hotels and resorts in the country, we have some of the best in class independent hotels and strong regional brands in our portfolio.

Q. What are the travel trends that you see from India recently? How does Preferred aim to meet these changes and set apart as an industry leader?

India continues to grow and evolve as a relevant source market for business and leisure travel, for international as well as domestic hotels. World economy has been in a bit chaotic space over the past 12 months. Some of the major source markets like China, Russia, Europe and the Middle East have their own share of socio-economic issues that have negatively impacted the traveller sentiment. India however is holding strong, both in terms of leisure as well as business travel.

We have continued to invest in expanding our on-ground Global Sales infrastructure by investing in key markets. We hired new Global Sales resources in India, Korea and South Africa over the past year.

Another major emerging trend is the upcoming wave of regional corporate companies that may not be as big as the Fortune 500's, but have reasonably good volume of business into several international countries. Our Global Sales team has been tapping into many such regional corporate companies to be able help our independent hotels contract with such organizations, as they may or may not have a structured online contracting process.

Q. What's lacking in the Indian / Asia-Pacific hospitality industry? What changes would you like to see or pioneer?

The hospitality industry in India is at a peculiar crossroads situation this year. On the one hand is India's desire and ambition to be recognised as one of the foremost tourism economies in the world, and on the other, are some very tangible issues that our industry has been facing for decades. These challenges have a direct impact on how much one is able to accelerate and growth.

The government has shown good intent and commitment in endorsing the travel and hotel sector. Therefore, one hopes that a few long pending concerns like rationalization of high taxes in the sector are addressed sooner than later. An over twenty five percent tax situation for hotels in India hinders our destination's competitiveness in the region. We really don't need to reinvent the formula here, as we have some very successful examples in the region. Hospitality and Tourism focused economies like Thailand and Malaysia have clearly exhibited what works. Objective is to deliver a 360 destination experience where all touch points are geared towards a consistent level of service delivery, at a competitive cost. This objective is at the

very centre of India being perceived as a desirable destination to visit, which will directly drive a higher number of international tourist arrivals and further propel domestic tourism spend as well.

Hotels in India have been suppressed for a prolonged period. Cyclicity has to prevail and government policies on taxation, lending rates and durations and infrastructure status for hotels need to come through. It is not feasible to continue to deliver a superior hotel experience when you just can't make good business out of it. We have been globally known to produce some of the most unique and exceptional hotel products and service standards, particularly in the upscale to luxury segments. It is not a best kept secret that the rates these hotels have been commanding over the last 3 to 4 years are well below par. The equilibrium of charging a reasonable and acceptable rate is critical, which is fair to the consumer and also to the business.

Q. Let's talk about your recent partnership with ITC. How do you see this partnership growing and what does Preferred bring to the relationship?

We initiated our partnership with ITC Hotels about 02 years ago, and have strategically grown our partnership together. This partnership is with the WelcomHotel and Fortune brands from the ITC stable, and has now grown to a total of 11 hotels, i.e. 02 WelcomHotels, 02 My Fortunes and 07 Fortune Hotels. These are very strong regional brands backed by the power of ITC as a conglomerate.

Our role in this partnership is to take WelcomHotel and Fortune brands international. Since the start, we have been aggressively promoting our partner brands internationally by way of Global Sales, Marketing and PR. Sustained results have started to show, and we are keen and hopeful of expanding this alliance further.

Q. What are Preferred Hotel's expansion plans for the future in India and the region? Which markets are of top priority and why?

We have ambitious growth plans in the region. As for India, we have grown into a very balanced portfolio, so our intent here is to fill the gap cities where we still don't have any member hotels and do have the potential to support hotels with business. These would be cities like Pune, Chandigarh, Cochin and Jaipur on the business cities and destinations like Jodhpur, Hampi, Shimla and Kumarakom on the leisure front.

In the region, we are looking to expand our portfolio in Sri Lanka, Nepal and the Indian Ocean islands and this is where we have our main development focus in 2016.