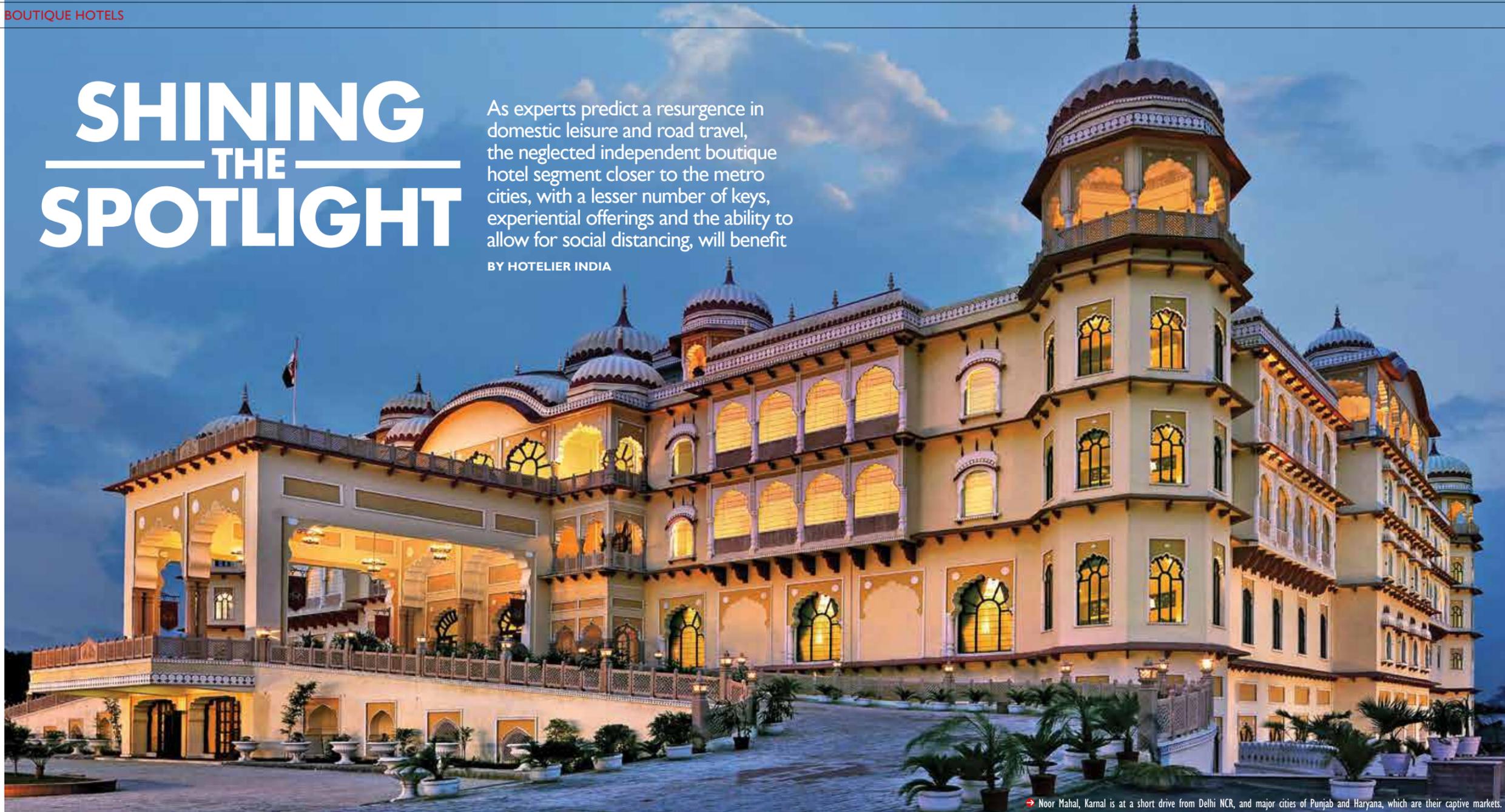


SHINING THE SPOTLIGHT

As experts predict a resurgence in domestic leisure and road travel, the neglected independent boutique hotel segment closer to the metro cities, with a lesser number of keys, experiential offerings and the ability to allow for social distancing, will benefit

BY HOTELIER INDIA



→ Noor Mahal, Karnal is at a short drive from Delhi NCR, and major cities of Punjab and Haryana, which are their captive markets.

The jury is out on this one and the verdict is unanimous: The leisure segment and road trips will be the first to bounce back. Ergo, hotels, resorts and retreats that cater to this market, particularly the smaller boutique hotels with fewer suites and an inbuilt ability to allow social distancing, will revive rather quickly.

Shoba Mohan, Founder-Partner, RARE says, "Since owners lead these hotels, the SoPs are already in place. Besides, they have a generous land-to-key ratio, as much as five rooms to 12 acres. Creating alfresco dining is easy, and the staff is small and controllable." Travellers looking for handcrafted offbeat experiences will help shore up independent hotels.

Akanksha Lamba, Senior Vice President - Operations, The Postcard Hotels & Resorts, says, "About 26 million Indians usually travel outside India every year. At present, they do not have the option of international travel and will begin looking for holiday destinations



→ Roop Pratap Choudhary, MD, Noor Mahal.

within India. On a holiday to Europe or the US, a couple will spend at least Rs 10 lakhs. In A holiday in India is less expensive."

Luxury boutique hotels such as The Postcard Hotels & Resorts or Malabar Escapes are naturally created keeping privacy in mind. "With their non-obtrusive service, they will find it easier to restart when travel restrictions are lifted, beginning with guests who can reach by road, then interstate and finally, international travellers," says Saji Joseph, CEO, Malabar Escapes, a member of the RARE network. Indians make 1.8 bil-



→ Suryagarh Jaisalmer has been opening up more areas within the hotel for destination dining experiences.

lion trips per year within the country. Capturing even 1% of this will mean 18 million travellers.

The higher end of the market is not as impacted by the economic contraction. "People would prefer hotels that have a unique experience to offer, assure top-level of hygiene, and are well-connected by roads," says Roop Pratap Choudhary, Managing Director, Noor Mahal, Karnal, at a short drive from Delhi NCR, and major cities of Punjab and Haryana.

Destinations that will see footfalls

Devendra Parulekar, Founder, SaffronStays, says, "People will want to take their cars out and drive to something closer home. Most of our homes, which are within two to three hours driving distance from the city, are perfectly poised."

SaffronStays has hit upon an innovative idea of offering homes for long-term rentals. "Several people may want to escape the traps of their daily household chores and want somebody else to pamper them. In that case they may want to hire a villa for a month at Alibaug and operate out of it."

Destinations such as Goa and the hill getaways are more likely to find guests driving up for a stay. Lamba adds, "Our hotels in Thimphu and Galle have the advantage of being in COVID-free destinations. Our biggest weakness is that we only have five operational hotels instead of 15. We would have liked to offer people four to five destinations around Delhi. We will be able to do so soon with our upcoming hotels in Amritsar and Mashobra."

Boutique hotels are also far more nimble-footed and offer quick decision-making and implementation. Manu Rishi Guptha, CEO, Niraamaya Retreats says, "They can change strategy and business model almost immediately. They also have a better grip on the expenses. Boutique hotels like ours can weave a narrative that is hotel and destination specific."

Manvendra Singh Shekhawat, Managing Director, MRS Group (with hotels such as Suryagarh in Jaisalmer,

and Narendra Bhawan as well as Laxmi Niwas Palace in Bikaner), expects people from Ahmedabad, Jodhpur, Jaipur, and adventure seekers looking to travel from Mandwa to Jaisalmer to drive in. "As airline connectivity starts picking up to smaller destinations, many will travel for staycations. We have received a request for booking a 45-day-long staycation once the hotel opens up. We thought Jaisalmer would bounce back first. But surprisingly, Bikaner opened first since flights have begun to the destination."

Malabar Escapes, which has the Malabar House, Trinity Fort Cochin and Purity at Lake Vembanad, will open the latter first, due to its added advantage of Discovery, their exclusive one-bedroom suite house boat.

The challenges

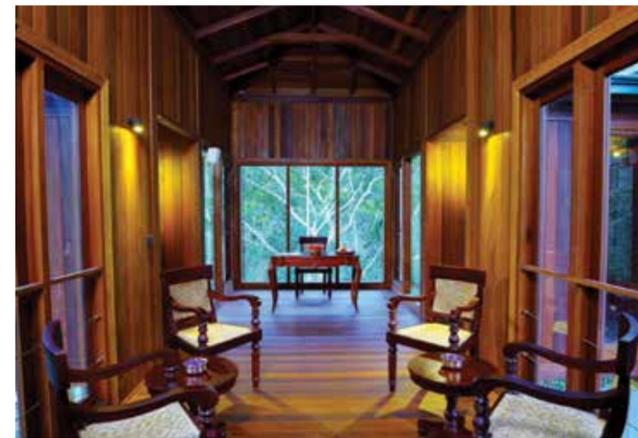
While the advantage is that luxury boutique hotels fit all the boxes for offering confidence in a post-COVID world on counts of safety, hygiene and social distancing, Joseph says the scale of economics of running the small properties with very dismal occupancy will be tough.

For hotels in Kerala, it is more than a double whammy. "After 9/11, the tsunami, then the floods, there is always still one up. We have learnt lessons: Trim the company to the best possible productivity and build your team around an essential core. A multitude of possible crisis situations are possibly around the next bend. But



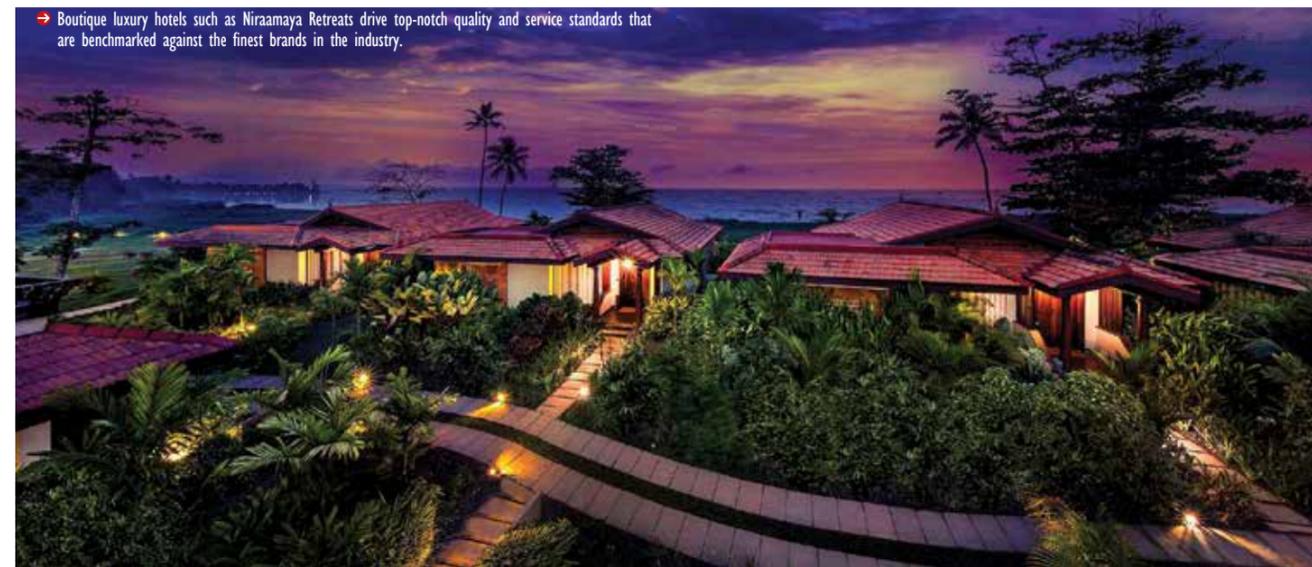
➔ Manu Rishi Guptha, CEO, Niraamaya Retreats.

“The traditional architectural structure of the hotel allows us to function with minimum artificial power usage; almost every part has ample natural light and air circulation. We are observing financial caution to reduce operational costs on all accounts.”
 - Roop Pratap Choudhary, MD, Noor Mahal



➔ Niraamaya Retreats with experiential boutique hotels located in pristine destinations, from a beach to forests, believes that the season, which starts in December, is likely to be normal.

➔ Boutique luxury hotels such as Niraamaya Retreats drive top-notch quality and service standards that are benchmarked against the finest brands in the industry.



after every sunset, there is a sunrise," Joseph says hoping for better days.

One of the disadvantages that small chains encounter is the reasonably high marketing costs. "Our associates and senior managers are as qualified as the ones in large hotels. So, manpower costs have to be spread over much smaller sizes of inventory as compared to large hotels. However, the pros far outweigh the cons as we can drive top-notch quality and service standards that are benchmarked against the finest brands in the industry," contends Guptha.

Here is how independent hoteliers are keeping their heads up and riding the storm.

Cost rationalisation

The Postcard Hotels & Resorts, which had a very good February profitability-wise and did reasonably well in March, too, has not laid-off any employees, especially in the contractual segment. "The senior leadership is also a stakeholder in the business. We ensured that the entire team stayed together in spite of taking a pay cut. We also spoke to our partners and started working towards rationalisation measures across revenue share agreements and management agreements," adds Lamba.

While many hospitality brands resorted to layoffs, boutique and independent hotels have managed to stave that step off. "We have learnt resilience from the desert," says Shekhawat. "We have implemented a sustenance amount, from



➔ The Postcard Hotels & Resorts are located in isolated, pristine locations in Goa and Bhutan.



➔ The Postcard Hotels & Resorts have a small inventory and offer enough privacy to guests for social distancing.

the managing director down to the team, instead of retrenching employees."

The palatial Noor Mahal has committed itself to energy-efficiency and found ways to cut energy utilisation. "The traditional architectural structure of the hotel allows us to function with minimum artificial power usage; almost every part has ample natural light and air circulation. We are observing financial caution to reduce operational costs on all accounts," says Choudhary.

Some such as Niraamaya Retreats have been circulating the staff in a manner where people spend some time at home and come back and relieve the rest of the people, who are right now positioned at the units. "This sort of rotation has allowed us to retain most of our people and eventually, we hope to get everyone back the moment situation normalises," says Guptha, who believes that businesses that are leveraged would find it a bit difficult to fulfil their financial commitments.

Luxury rental villa businesses are as drastically affected. "There were rampant cancellations and a lot of damage control had to be done. We had to create customer-friendly cancellation policies to ensure that our liquidity is protected. It was better to temporarily shut down operations across all regions. Even if the villages where our homes are located were safe, the panchayats and the local bodies were concerned about city folks bringing the virus to their villages," says Parulekar.

SaffronStays, which offers fully serviced private villas and estates, controlled their fixed costs such as lease rentals. "Expenses were brought down to bare minimum to ensure the cash position wouldn't be impacted. We had to cut down salaries because

we didn't want to retrench people. Whenever the tide turns, it will turn in a very huge manner in our favour. One can't just fire all of them and expect to re-hire them all."

What plays in favour of SaffronStays is the hope that vacationers and leisure seekers may begin looking at private vacation homes as an option. "This is an once-in-a-lifetime opportunity for leisure homes to come out and position themselves as safe homes and put all the processes in place. Organised players like us who can put these practices into place will benefit a lot."

For some small hospitality businesses, such as the Glenburn Tea Estate, a plantation stay, which is part of a RARE network of luxury boutique hotels, the lockdown has been the toughest, given that they are still in their second season.

Anshuman and Husna-Tara Prakash, Owners, Glenburn Tea Estate, Darjeeling and Glenburn Penthouse, Kolkata, say, "Cash reserves have not been built up as we are still paying back the investment, so the lockdown has been a bit of a setback."

The fact that the plantation stay is remote allows them to take adequate safety measures. "The Glenburn Penthouse is so private and exclusive that some guests may prefer to stay with us than exposing themselves to a larger hotel environment when they have to travel to Calcutta for work, or even escape their homes for a staycation," they add.

Sarai at Toria, Khajuraho, a RARE hotel in the temple heart of Madhya Pradesh, has so far lost around one month of business. "Instead of refund on the cancellations, we offered postponement at the same rate. Most guests have accepted this, which has greatly helped the cash flow situation. We are holding this year's prices into next season, as our share of encouraging travellers to resume movement as soon as it is safe," says owner Joanna Van Gruisen.

Dovetailing safety protocols with experiential offerings

It is imperative for independent hotels that don't have a global brand



➔ Akanksha Lamba, Senior Vice President - Operations, The Postcard Hotels & Resorts.

“About 26 million Indians usually travel outside India every year. At present, they do not have the option of international travel and will begin looking for holiday destinations within India. On a holiday to Europe or the US, a couple will spend at least Rs 10 lakhs. A holiday in India is less expensive.”

name backing them to reassure guests that they are “safe, secure and hygienic”, says Shekhawat, “Till COVID loses its intimidation or till the time we haven’t discovered a vaccine, the rules of the game have changed.”

He believes that hoteliers will have to bring about a behaviour change in the way they offer services. “We have ramped up our infrastructure and fundamentally changed the way hotels will run. There has to be an extreme amount of care taken to ensure food safety.”

Suryagarh, Jaisalmer has collaborated with Johnson Diversey to create safety protocols according to prescribed government guidelines. “We are going hyper-local, which means backward integration of 85% of our food chain. At Suryagarh, Jaisalmer, we have invested a lot of resources in the staff quarters, and over 280 people who live there are insulated from the outside world.”

The hotel, known for its lavish spreads and buffets, has done away with pre-defined food menus. The offerings have been reduced to limit the ingredients required in the kitchen and the raw



Saji Joseph, CEO, Malabar Escapes.

“With their nonobtrusive service, luxury boutique hotels will find it easier to restart when travel restrictions are lifted, beginning with guests who can reach by road, then interstate and finally, international travellers.”



Of the hotels in Malabar Escapes portfolio, Purity at Lake Vembanad will open first.

material is brought to the hotel in refrigerated vans.

The Postcard Hotels & Resorts has heightened its practices around food handling, sanitisation, disinfection and cleaning. Among the protocols put into place: Temperature reading of all guests and associates using non-invasive thermometers; the use of ISO 13485:2016, GMP, SITRA and CE-certified nitrile gloves, shoe covers, protective masks, bio-hazard bags, head caps and safety glasses; Diversey Virex II 256, a high-level hospital grade disinfectant, used across our hotel to disinfect all surfaces; repeated cleaning and sanitisation of all touch-points in public areas using hospital grade pre-wetted wipes; all supplies and materials to be sanitised before being admitted into the hotel premises; fogging of guest luggage; and all hotel spaces to be individually air-conditioned.

At Noor Mahal, the staff has been trained on new hygiene guidelines. “The entry of guests will be limited at the buffet service and hotel staff will volunteer at the food counters to ensure guests are wearing masks and gloves. Traditional room service will be offered to guests on special

LEARNINGS FROM THE PANDEMIC

A pandemic of this proportion should be a reason to take a step back, re-evaluate and peel off the foundation.

Cash flow management: “When something unanticipated like the current pandemic happens, financial stability provides the necessary cushion to avoid drastic steps with properties and people,” says Akanksha Lamba, Senior Vice President - Operations, The Postcard Hotels & Resorts. “Emphasis on cash flow management and de-risking businesses directly benefits the employees and economy. A lot of businesses were leveraged, and leverage kills businesses.”

Manu Rishi Guptha, CEO, Niraamaya Retreats believes that it is crucial to create an environment of financial sustainability and longevity through healthier balance sheets and rationalisation of costs. “We have learnt to be in a space where we are able to offer tangible takeaways to our customers in terms of wellness and experiences rather than just opulent hotels and large buildings.”

Adapt and evolve: These are two important attributes for hotelier. “We need to optimise resources and various cost heads to ensure more effective planning for disaster management situations. We also need to curate experiences in the destination that revolve around the community, its cuisine, heritage and value-based holidays that make us the first

choice for any traveller,” says Saji Joseph, CEO, Malabar Escapes.

Create a buffer: Anshuman and Husnata Tara Prakash, Owners, Glenburn Tea Estate, Darjeeling and Glenburn Penthouse, Kolkata claim that businesses can go from mega-successful to zero-revenue overnight. “We need to create some buffer and stability to withstand these challenges. Our staff is the biggest part of our infrastructure and our success, so good relationships with the community is essential.”

Cautious growth and expansion: According to Manvendra Singh Shekhawat, Managing Director, MRS Group, “In India, we all used to save for the rainy day. But we have let go of the philosophy. Now we realise that there is a solid foundation for this philosophy. If we had not gone on an expansion spree, we would have been in a better position today. From now on, even as we invest in our products, we will secure resources for rainy days.” Kr. Roop Pratap Choudhary, Managing Director, Noor Mahal, recommends sustainable growth and cutting down on expenditure for the future as a big learning.

Joanna Van Gruisen, Owner, Sarai at Toria, says she has learnt the importance of having an emergency fund for contingencies. “Luckily, we have been able to retain all the staff on very minimally reduced salaries. We hope that even

with very low occupancy in the 2020-21 season, we will be able to continue to manage this throughout next year.”

Invest in an efficient and strong team: “Crisis shows character; it also reflects in defining things that are important,” says Choudhary. “This crisis has reinforced my belief in investing in an efficient and strong team, and the pros of working closely with the community.”

Create welfare funds: As important as having contingency funds is the need to create a welfare fund. “We need to cushion for staff salaries and welfare, since so many families are now dependent on tourism in this rural area,” claims Joanna Van Gruisen. “We need better agro economics and also development of appropriate skills, employment and enterprises in the rural areas that are compatible with conservation of our natural resources.”

Interact with people: “The biggest lesson I’ve learnt is to stay resilient,” says Devendra Parulekar, Founder, Saffron Stays. “This storm has hit all of us. The most important thing is mental fortitude. Keep talking to people about everything that you’re going through. The more you speak, the more you talk through your troubles, the better it becomes. You’re not only just gain the confidence of your employees, but will also get some superb ideas from them, your peers, and your family.”



The Malabar House is a highly designed heritage hotel with a carefully curated art collection.

requests, or we will avoid room service for some time. We will ensure round-the-clock cleaning and sanitisation service at the hotel.”

SaffronStays has taken a decision to sell villa-wise instead of room-wise. “Deep cleaning of every home will be carried out once the national lockdown is lifted. We will execute phase-wise re-launching of the homes after all stakeholders have given approval. The local panchayat and governing bodies will be informed of the steps being undertaken to safeguard their interests and those of the guests,” says Parulekar.

There will be a minimum 24-hr gap between two bookings and all sanitisation processes will be honoured before the next group checks in. “In-room dining facilities will be explored in homes where guests may share dining areas with other guests. No board games or foosball tables will be placed in common areas and neither will books be accessible. Snack jars will no longer be placed in common areas. Guests will be offered unopened packets of biscuits/chips, upon request.”

Malabar Escapes have the added advantage of stringent Relais & Chateaux standard, which is being rolled out with Bureau Veritas, a global standard assessment and certification company. “The pro-



Manvendra Singh Shekhawat, Managing Director, MRS Group.

ocols department-wise are very detailed and there are adequate training and certification modules. This is paramount since mistakes cannot be solved any more with a big smile,” contends Joseph.

Reimagining spaces

Spaces at Suryagarh, Jaisalmer have been reimagined to offer more privacy. “We have been able to segregate blocks of three to four rooms and private residences. Guests will enjoy significant domain area, both outdoors and indoors, exclusive to them,” says Shekhawat. “We will do everything to avoid staff wearing hazmat suits. Instead, there will be focus on social distancing.” The group will be appointing a hygiene manager for all



SaffronStays offer fully serviced private villas and estates as holiday homes.



SaffronStays has taken a decision to sell villa-wise instead of roomwise to ensure strict social distancing protocols.



Devendra Parulekar, Founder, SaffronStays.

“People will want to take their cars out and go independently to a small boutique place. To that effect, most of our homes, which are within two to three hours driving distance from the city, are perfectly poised.”

their hotels.

Isolated, off-the-grid hotels fear guests who bring the infection with them. So they are equipped with thermal scanners and have trained their staff to recognise the symptoms. Suryagarh has created a quarantine centre within the property, just in case an infection crops up.

Adopting technology

In the past, independent hotels haven't been too quick to adopt new technologies, instead relying on the 'slow travel' experience. In an experiential boutique hotel, guests do not mind waiting for their order to be served or a request to be attended to.

While 'slow travel' and that feeling of animated suspension, offered by these jumble of characterful hotels, is appreciated boutique properties will have to buck up and use technology such as contactless check-in in the immediate future. "The acceleration of the digital world meeting the real world will be quick now," says Shekhawat.

SaffronStays sends out Universal URL to the guests, which allows contactless check-in, and insists on seeing the Aarogya Setu app. "Knowing that I don't have millions of dollars of funding behind me, I won't launch all homes together. We will take batches of 20 homes and open them in a staggered manner," adds Parulekar.

The villas will only serve home-cooked meals with fresh ingredients sourced from

the garden or the local market, with all the fruits and veggies being thoroughly washed with potassium permanganate diluted with water, while meat and poultry will be treated with white vinegar and water.

Experiential travel

Indie boutique hotels have experiential travel at their core: exploring the countryside, meeting with the locals, and dining in the forts/on the beaches/in forest clearings. Given the threat of the infection, hotels such as Suryagarh, Jaisalmer and Narendra Bhawan Bikaner are redefining these experiences. "Sitting in our lavish courtyard is also a community experience. We will be opening up more areas within Suryagarh for more destination dining experiences," says Shekhawat.

Boutique hotels are at an advantage, able as they are to cultivate a unique personality and deliver a personalised service. "At the core of the hotel is palatial living. From the architecture to décor, the menus to service—everything has been curated to extend a royal experience," says Choudhary.

The Sarai at Torai has a small inventory, with independent buildings serving as a single suite. "Our sitting and dining area is spacious and open air. With such a variety to do—heritage temples, world-famous tiger reserve, boating, walking, cooking and yoga—guests can enjoy a longer stay, minimising the risk of travelling to many hotels," informs Joanna Van Gruisen.



The uniquely designed 8-room Sarai at Torai is situated on a beautiful riverside site in Khajuraho, the temple heart of India.



The Sarai at Torai

Private getaways for intimate groups

Boutique hotels will have to "manage fear of exposure when travelling and staying in a hotel," says Lamba.

The group has launched the 'One Key' programme, under which guests can book the entire hotel when travelling with friends and family. "If you are coming in as a group who have taken all safety precautions and trust each other's hygiene practices, small luxury hotels is what you will look for," she adds.

Growth during disruption

Many experiential hotel brands such as The Postcard Hotels & Resorts have used the time offered by the lockdown to re-strategise. "If the life of an average hotel management contract is 20 to 30 years, two to three months of disruption is not significant. They have allowed operations such as ours, which are built on a platform of innovation and experiential travel, to focus on strategic questions of how to conduct our business, how our cost-structures are organised, and what kind of role our business and industry has to



Joanna Van Gruisen, The Sarai at Torai, Khajuraho.

“The crisis has woken us up to the need of having cushions for staff salaries and welfare since so many families are now dependent on tourism in this rural area.”

play in the future," says Lamba.

The Prakashs believe that many people are itching to travel. "Some tried to book in October and November, but have postponed to February or March. The ones who can't wait to travel will jump at the first opportunity. All we can do is reach out to them, help them understand our product, and offer a flexible booking policy to allow easy date changes."

The long-term effect on boutique hotels is likely to be positive. As Gupta contends, "The country is likely to move towards better hygiene and sanitation. A large part of outbound tourism is likely to get retained and travel within the country and also use the top-end hotels."

Many hotels such as Niraamaya Retreats believe that the season, which starts in November and December, is likely to be more or less normal. "We are in a state of preparedness where we can start accepting guests in a matter of 48 hours. The moment we hear a definitive communication with regard to the complete lifting of the national lockdown and free movement between states, we should be back in business almost immediately," says Gupta.

Inventive, experiential stay will emerge stronger as a segment and will the immediate future of hospitality. ■