MYSTIC EAST

HRAEI
EASTERN INDIA
Since 1961

GRAB THE MICE PIE

Meetings, Incentives, Conferences, Exhibitions (MICE) is a fast growing travel segment. India can increase its share considerably in this area to improve the country's identity in the global marketplace

VISION

✌ Make the Eastern Region comprising 12 States and a Union Territory a flourishing destination for domestic and foreign tourists by projecting their captivating tourism assets.

✌ Promoting best industry practices and setting benchmarks for industry constituents.

MISSION

✌ A common voice for hotels, restaurants and associates for unhindered progress of the hospitality industry in the country's Eastern Region.

✌ Create value for members by ensuring government policies remain supportive of tourism and the industry.

DIRECTOR'S NOTE

> **"**
>
> Even though Social Media doesn't help much to garner business leads as yet, negative reviews in certain online travel forums can affect business
>
> **"**

Dear Fellow Members,

Some of our members are trying to enhance and improve customer experience by using social media to connect quickly, transparently and usefully with their guests. They are trying to develop a responsive social channel to assist in delivering a standardized customer experience. Even small and medium hotels are making their presence felt in social media channels like Facebook and Instagram. Some of the entities are getting a leg up via hotel aggregators. Some are trying to be responsive to hotel review sites. But slowly and gradually many of the members are joining the social media bandwagon through expert help.

Even though till now Social Media doesn't help much to garner business leads, negative reviews in certain sites can affect business. This is why many of the members are realizing the importance of responding to damaging reviews or making their own social media activity stronger. Since the new generation often makes a decision on hotel booking or restaurant choice based on reviews on certain online sites, it's important to keep a track on such reviews that are likely to impact the image of the establishment.

To deal with unwanted publicity, online reputation management (ORM) is the need of the hour. Even if you don't hire firms specializing in ORM, you can consult them on occasions of escalation or emergency. It's very difficult to restore reputation once the damage is done.

Sudesh Poddar
President, HRAEI

THIS ISSUE OF MYSTIC EAST CONTAINS 56 PAGES INCLUDING COVER AND BACK COVER

SECRETARY'S MESSAGE

> ❝
> After thorough investigation and talking out with the errant employee, if one finds it's the employee's fault a strong feedback and warning should be issued
> ❞

Dear Fellow Members,

Dealing with errant employees has been a big challenge in the hospitality industry. Employee attrition is a sore thumb in the sector. To deal with a problem, one must first talk to the employee, know the employee's point of view and try to understand the situation. In some cases, simply listening can save the day. Often it turns out that in a real problem it's not the employee's fault. There may be legitimate issues he or she has been facing and that need to be addressed.

After thorough investigation and talking out with the employee, if one finds it's the employee's fault a strong feedback and warning should be issued. All proceedings must be thoroughly documented. When things don't turn around, one has to terminate the contract of the employee; a tough decision, but must be taken when it's absolutely necessary.

If those who once turned out of a job malign the hotel and its authorities, an email and a registered letter with a warning must be sent to such deviant employees. Then they must be served a legal notice with clear-cut implications. The next step is to initiate legal proceedings.

Pranav Singh
Secretary, HRAEI

Cover Story

May - June 2018

Inside

HRAEI TAKES AN INITIATIVE TO GENERATE CONSCIOUSNESS ON FOOD SAFETY TO GUWAHATI AND PURI

AUGUST 31, 2018: Hotel and Restaurant Association of Eastern India (HRAEI) along with FSSAI (The Food Safety and Standards Authority of India) organized a day long training session on "Ensuring Safe and Nutritious Food" to create awareness on food safety at Hotel Prag International, Guwahati (August 30) and Mayfair Heritage, Puri (August 31).

The session was in accordance with the order no. F. No. 1- 2/ Correspondence / FoSTAC / FSSAI/2017 dated 6th October, 2017 of FSSAI. From now on, it would be mandatory for all food businesses having Central License or State License to have at least one trained and certified Food Safety Supervisor for every 25 food handlers or part thereof on all their premis-

es. To implement the same, FSSAI designed a large scale Food Safety Training & Certification Programme (FoSTaC) for food businesses across the value chain. HRAEI being the lead training partner in Eastern Region is facilitating its members by organizing its first round of training sessions free of cost.

The curriculum and content for the training had been created centrally but the training was delivered through Training Partners including large Food Business Operators; Academic and Vocational Institutions; Training Partners approved under Skill Development Councils and Missions; Industry, Scientific and Technology Associations and Civil Society Organizations.

Commenting on the training ses-

sion, Mr. Sudesh Poddar -The President of Hotel & Restaurant Association of Eastern India (HRAEI) said, "Our aim is to create awareness among our fraternity members about the hygiene and the quality of the food being served in the hotels and restaurants of the Eastern region. We plan to organise similar training sessions in a bigger and a better way in other in the region, near future so that the fraternity is able to cater to their customers in a healthier way".

Commenting on the occasion, Mr. Pawan Kumar Agarwal, CEO- FSSAI said "My heartiest congratulation to HRAEI for this initiative. FSSAI is soon going to make it mandatory for all hotels and restaurants to have a trained and certified food safety supervisor at all their premises."

HOTEL TARIFFS IN INDIA SET TO CLIMB IN 2019 AS DEMAND OUTSTRIPS SUPPLY: AMEX

HOTEL tariffs in India are set to rise in 2019, according to a forecast by American Express Global Business Travel's Hotel Monitor 2019. The Hotel Monitor 2019 has published the price forecast for 150 key cities around the world.

Increasing visitor numbers and foreign exchange rates are among the many factors that are likely to result in an increase in average room rates across most of India. "For the first time in a decade, occupancy levels in India have reached higher than 65%, and average room rates have grown by 8% since 2008. Demand is outstripping supply with budget brands now moving into this traditionally premium-brand space," the report said.

While supply has grown by 8%, demand is growing by twice that amount, meaning occupancy will keep increasing at a rapid pace. It is anticipated that the next 3-4 years will be a strong period for hotel growth, the report said. Hotel tariffs in Bengaluru and Hyderabad are expected to rise 4% in 2019, while tariffs are set to rise by 2% in Mumbai and Delhi. However, hotel tariffs in Chennai are expected to reduce by 3% while in Pune rates expected to remain flat.

As per the report, demand continues to rise across the APAC region, in particular India and China. "This is creating a changing travel dynamic across the region, and room availability can be a challenge in popular locations such as Singapore, Hong Kong, Sydney, Tokyo and Bangkok," the report said.

New hotel constructions are keeping pace with increased demand, meaning rates remain favourable to buyers in most locations. Overall, room rates should continue to increase moderately through 2018, although this will vary city to city, the report added.

Economy growth

APAC economies are expected to grow by about 5.6% in 2018 and 2019, accounting for nearly two-thirds of global growth.

"As we enter hotel Request For Proposal (RFP) season, overarching global and market tendencies will play a critical role in the operational and financial success of travel programs," Harris Manlutac, Head of Global Business Consulting APAC, American Express GBT, said in a statement.

"Reviewing how others have adapted to changing business conditions provides an important opportunity to identify best strategies and ensure time and resources are utilised in the most cost-efficient way possible," he added.

(Source: The Hindu)

FSSAI DIRECTS E-COMMERCE ENTITIES TO DEBAR NON-LICENSED FBOS

FOLLOWING a series of complaints related to sub-standard food being supplied by food businesses listed on e-Commerce food service platforms, FSSAI has directed 10 such platforms to debar the non-FSSAI licensed or non-registered food operators and ensure compliance of food safety rules and regulations.

The current list includes Box8, Faasos, FoodCloud, Foodmingo, Foodpanda, JusFood, LimeTray, Swiggy, UberEats and Zomato.

In February 2018, FSSAI operationalised guidelines for e-Commerce Food Business Operators (FBOs) which, inter alia, provided for display of FSSAI license number of listed FBOs on e-Commerce platforms and an agreement between the e-Commerce platforms and FBOs to comply with the FSS Act, Rules and Regulations. However, FSSAI noticed that the compliance to these guidelines was patchy and there were complaints of restaurants/hotels without FSSAI license being listed and allowed to offer/sell food products on e-commerce food service platforms. There were also several complaints of sub-standard food being delivered to consumers through online market aggregators.

In view of that , in its direction to e-Commerce food service platforms has asked them to initiate immediate action to delist the defaulting food businesses and submit an action taken report along with details of FBOs listed on their platforms by July 31, 2018. They also have been directed to furnish their FSSAI License, agreement signed with FBOs and their internal checks to ensure that their FBOs hold valid FSSAI Licenses

NEW ECO-TOURISM POLICY AIMS AT COMMUNITY PARTICIPATION

NEW DELHI: The Centre has brought out a policy for eco-tourism in forest and wildlife areas, seeking to develop tourism in wildlife sanctuaries, national parks and other conservation reserves and encourage "homestead-based" hospitality enterprises in protected areas to create jobs for forest dwellers and other local people.

Even areas outside designated protected areas such as forests, mangroves, sacred groves, mud flats, wetlands and rivers have also been brought within the ambit of the central policy for developing eco-tourism.

The policy, comprising dos and don'ts for tourists, conservators and other stakeholders, will serve as guiding principles for states and Union Territories (UTs) to identify locations and routes for visits, permissible time for visits and means of travel, keeping local circumstances in mind.

"States may develop benchmarks or standardised criteria, based on site specificity, for adoption of best practices in ecotourism," said the policy, formulated by the environment ministry.

Under the policy, each state/UT will have to establish an 'Eco-Tourism Development Board' to advise their respective governments on the modalities of eco-tourism and to oversee the implementation of the policy.

Noting that "community participation" is the core of the policy, environ-

ment minister Harsh Vardhan said the policy will help in improving "livelihood of people living in and around protected areas". He pointed out that the members of local communities

can be employed as nature and tourist guides or as "nature science interpreters" and even be served as "patrol partners" to protect nature.

The policy clearly specifies provisions of earmarking "inviolate space" which will be a "no-go zone" for tourists in those areas. It also says no permanent structures (camps, camping complex with lodging or boarding structures, helipads and tourist bungalows) will be established in violation of Forest (Conservation) Act, 1980.

On eco-tourism zone, the policy says that the demarcation of areas for tourist visits, whether within core or buffer or both, will depend upon the management requirements and will be decided based on the target species, their behavioural and habitat characteristics.

"To maintain ecological integrity, protection of breeding areas and other sensitive sites are necessary, Therefore, those should be excluded from eco-tourism activities," says the policy. Forest and wildlife experts welcomed the move on eco-tourism and asked for proper implementation of the policy. "Ecotourism is the need of the time and a policy on the same to guide the sector was awaited since long. It's good that government has laid focus on local employment generation in new policy. This will boost local economies and help halt migration of poor people out of villages," said Ajay Kumar Saxena of the Network for Certification and Conservation of Forests.

Tito Joseph of the Wildlife Protection Society of India believes that if local people get jobs, many of them will stop taking up poaching as a profession and as a result wildlife crimes will come down. "If eco-tourism ac-

tivities are properly managed, it will help protected area managers to administer the parks well," said Joseph.

He cited example of eco-tourism in Periyar Tiger Reserve of Kerala and said, "It's immensely beneficial to local people, especially tribal people living around tiger reserves."

The government had earlier in 2011 brought out guidelines for eco-tourism in and around protected areas. That was, however, served more as guidelines for conservators. The new policy, on the other hand, is broad based as it covers more natural areas.

Noting that much damage had been done by private players under the garb of eco-friendly tourism as there was no policy, Saxena said, "Now, picture should change for better. Government should also ensure that strategy for management of plastic and other non-biodegradable waste is well in place in policy as natural areas are already full of such waste."

PRADIPTA MOHAPATRA, NEW AVP, S&M AT MAYFAIR

MAYFAIR Hotels & Resorts has appointed Mr. Pradipta Mohapatra as the Assistant Vice President (AVP) to head the Sales & Marketing (S&M) division of the Group. Mayfair Hotels & Resorts operates 10 Luxury properties located at Bhubaneswar, Puri,Gopalpur-on-Sea, Rourkela, Darjeeling, Gangtok, Kalimpong and Goa. Mr. Mohapatra will be responsible for the entire Sales & Marketing operation of the group including financial budgets, sales office operation pan India, marketing, brand building, central reservation and revenue management. Mr. Mohapatra began his career from Oberoi Group and is associated with Mayfair since 2008 in various positions.

HIRING RIGHT, ONEROUS ISSUE FOR INDIAN HOSPITALITY SECTOR

AUTHBRIDGE data for 2017 tells us that over 15% of job applicants were found lying about their past employers, educational qualification and the reason for leaving their previous place of employment; and the trend is common across industries including hospitality.

One of the most challenging issues facing the hospitality sector (including hotels, restaurants and other travel and tourism companies) is attracting and hiring the right people because people sit at the heart of a business that is service oriented. In India, where the workforce is more often unqualified or not appropriately trained (especially in the unorganized market), the task of hiring right is a rather onerous issue.

That the hospitality sector continues to grow in an already fragmented and unorganized market is borne out by the mushrooming of hotels and restaurants at a phenomenal rate, which in turn has raised attrition rates among mid-to-low income employees, making matters further complicated. In the case of smaller hotels and restaurants, where the HR function is usually small or virtually non-existent and always under incessant pressure of filling up vacant positions, the absence of a robust employee background verification process remains a crucial gap. In an industry where the staff (room service butler, restaurant chef, waiter, receptionist etc.) is in direct and personal contact with their clients, engaging at a personal level, background screening must become the norm rather than an exception.

AuthBridge data for 2017 tells us that over 15% of job applicants were found lying about their past employers, educational qualification and the reason for leaving their previous place of employment; and the trend is common across industries including hospitality. An internal study of AuthBridge's clientele reveals a picture of adoption of employee screening practices in hospitality sector. The data shows that while 63% of companies opt to conduct the most basic verification of current address

of residence, less than 55% ask for a verification of permanent address of residence and only 41% sought verification of details regarding previous employment. For more serious background checks - where 68% companies opt for police verification, only 43% companies choose to do criminal background verification of their employees.

These numbers are of great concern indeed especially in light of the growing number of crimes involving hotel and restaurant staff and their guests. Earlier this year, a hotel demand manager in Gurgaon was arrested for allegedly raping a female guest, a customer in Kolkata stripped by the owners of a restaurant due to a disagreement over the payment of bills, and a 36-year-old executive manager of a housekeeping company was arrested for allegedly sexually harassing a female staffer of the company for more than two years.

This list of cases of crimes, misconducts and vandalism is on the rise; and in hospitality where a good customer experience is core to the business, hiring a wrong candidate is of high risk from both reputational and financial perspective. As the industry matures, employers must take the onus of ensuring the safety of employees as well as customers. The first step in that direction begins with the background screening of potential employees especially criminal record verification.

Background screening involves various checks and balances that seek to authenticate identities based on past record and reputation of a candidate and this ultimately allows employers to select the best candidate with both the required skills and the high level of integrity required for the job. It also ensures a safer work and play environment for employees and customers alike.

As the hospitality sector grows in tandem with the rapidly expanding broader economy, Indian hospitality firms must raise the bar with a safety-first customer-centric approach which not only will help in hedging reputational risks but also in a sustainable growth.

(Source: Business World)

INDIA AMONG THE HIGHEST GROWING TOURIST ECONOMIES OF THE WORLD

SIX projects worth Rs. 569 Crore sanctioned to J&K under Swadesh Darshan Scheme, the largest amount approved for any State under the scheme. Rs. 1, 77, 874 crores Foreign Exchange Earnings (FEEs) through tourism in 2017.

The Minister of State (I/C) for Tourism Shri K. J. Alphons informed that India is among one of the highest growing tourist economies in the world in 2017. The Minister said that there was more than 14.0% growth in number of Foreign Tourist Arrivals (FTAs) in India in 2017 over 2016 along with a 19.2% increase (in US dollar terms) in the Foreign Exchange Earnings (FEEs) through tourism for the same period. Foreign Exchange Earnings (FEEs) through tourism was Rs. 1, 77, 874 crores. Shri Alphons also added that India ranks 26th in the world in arrivals of global tourists.

Shri Alphons said that the Ministry of Tourism, as part of promotional activities has recently released 3 promotional videos through various Social Media platforms like Twitter, Facebook and You Tube under the 'Incredible India 2.0' brand-line and these videos cumulatively received 67 million views till date. "People will see these theme based videos on Yoga, Wildlife and more tourists shall travel to India," he said.

The Ministry of Tourism under its schemes of Swadesh Darshan- Integrated development of theme based tourist circuits and PRASHAD- National Mission on Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive provides central financial assistance to State Governments/UT Administrations/Central Agencies for development of tourism infrastructure in the country. Under Swadesh Darshan scheme, 15 thematic circuits have been identified for development, namely, North-East India Circuit, Buddhist Circuit, Himalayan Circuit, Coastal Circuit, Krishna Circuit, Desert Circuit, Tribal Circuit, Eco Circuit, Wildlife Circuit, Rural Circuit, Spiritual Circuit,

Ramayana Circuit, Heritage Circuit, Tirthankar Circuit & Sufi Circuit. Till date, the Ministry has sanctioned 69 projects worth for Rs.5711.79 Crore to 29 States/UTs under the scheme. Under PRASHAD Scheme, Ministry has identified 26 sites in 19 states for development and till date, 24 projects have been sanctioned for Rs.727.16 Crore under the scheme.

The Minister of State (I/C) for Tourism Shri K. J. Alphons informed that India is among one of the highest growing tourist economies in the world in 2017. The Minister said that there was more than 14.0% growth in number of Foreign Tourist Arrivals (FTAs) in India in 2017 over 2016 along with a 19.2% increase (in US dollar terms) in the Foreign Exchange Earnings (FEEs) through tourism for the same period. Foreign Exchange Earnings (FEEs) through tourism was

Rs. 1, 77, 874 crores. Shri Alphons also added that India ranks 26th in the world in arrivals of global tourists.

Shri Alphons said that the Ministry of Tourism, as part of promotional activities has recently released 3 promotional videos through various Social Media platforms like Twitter, Facebook and You Tube under the 'Incredible India 2.0' brand-line and these videos cumulatively received 67 million views till date. "People will see these theme based videos on Yoga, Wildlife and more tourists shall travel to India," he said.

The Ministry of Tourism under its schemes of Swadesh Darshan- Integrated development of theme based tourist circuits and PRASHAD- National Mission on Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive provides central financial assistance to State Govern-

ments/UT Administrations/Central Agencies for development of tourism infrastructure in the country. Under Swadesh Darshan scheme, 15 thematic circuits have been identified for development, namely, North-East India Circuit, Buddhist Circuit, Himalayan Circuit, Coastal Circuit, Krishna Circuit, Desert Circuit, Tribal Circuit, Eco Circuit, Wildlife Circuit, Rural Circuit, Spiritual Circuit, Ramayana Circuit, Heritage Circuit, Tirthankar Circuit & Sufi Circuit. Till date, the Ministry has sanctioned 69 projects worth for Rs.5711.79 Crore to 29 States/UTs under the scheme. Under PRASHAD Scheme, Ministry has identified 26 sites in 19 states for development and till date, 24 projects have been sanctioned for Rs.727.16 Crore under the scheme.

(Source: Business World)

KERALA TOURISM FORMS TASK FORCE TO SUPPORT RELIEF IN THE STATE

WHILE support is pouring in from across the world for the flood-hit State, Kerala's tourism industry stakeholders have also got together to form an independent task force to support the relief and rehabilitation work that is underway in the State. Around 28 travel, tourism and hospitality industry associations in the State met in Kochi yesterday to form Kerala Tourism Task Force, an independent voluntary body, to support the government and the administration in different districts of the State.

According to Shailesh Nair, one of the coordinators of the task force, they will identify areas where help is required and consolidate the relief work in those areas in a targeted manner in coordination with district administration. The meeting also formed different sub-committees with specific responsibilities.

"The travel and tourism industry is also very much actively involved in the relief and rehabilitation activities and supporting the district administrations," said EM Najeeb, Vice President, Indian Association of Tour Operators (IATO), who is also a key member of the Kerala Tourism Task Force. "We have appealed to IATO members to donate generously to the CM Relief Fund. We will also use the forthcoming IATO annual convention platform for this cause," he added.

"The State hasn't seen a calamity of this proportion before. Therefore, priority now is not tourism but rescue, relief and rehabilitation. The spirit in Kerala is all for one and one for all now. The whole industry is participating in the relief and rehabilitation work. The world is watching Kerala and coming forward to help and support the State," said Jose Dominic, Managing Director, CGH Earth Hotels. He said that it is quite important for the people and the government to work together to clean up the State and restore it. Once that is done, there will be another surge in tourists into the State to see and understand for themselves the difficulties their favourite destination went through, he added.

Irrespective of the challenges ahead, the tourism industry in the State is putting on a brave face. "We are all currently focusing on rescue and rehabilitation," says PK Anishkumar, President, Association of Tourism Trade Organisations India (ATTOI). The situation will start improving with the opening of the Cochin International airport, he feels. While destinations like Munnar and Thekkady will be inaccessible for some time, the wellness tourism and beach tourism destinations will get back as soon the flood water recedes, he said. "Kerala Travel Mart (KTM) slated for September last week will mark the revival of tourism in the State," he added.

INDIA ON TOP

Travelport global survey puts India top of digital traveler rankings

TRAVELPORT published the results of a Global Traveler Survey of 11,000 travellers in 19 countries that highlights the use of digital tools when planning, booking and experiencing a journey. It shows that Indian travelers are the most digitally-advanced of the 19 countries analysed, outpacing many of the world's leading travel markets.

India is the most digitally-advanced traveller nation. Given its thriving online travel agency, hospitality and airline sectors combined with extensive smartphone use, this is not surprising. It ranks first in the league table of countries surveyed, ahead of its Asia Pacific counterparts, China and Indonesia.

Review sites – are they genuine?

This is also true when researching travel as 67% of Indian travellers use voice search. They also spend a considerable amount of time looking for a good deal, using price comparison sites to help them find it (85%). Interestingly, almost all Indian travellers use review sites to help with the research (91%), even though nearly half of them worry about whether you can trust the reviews (52%). This enthusiasm for technology resonates when it comes to researching and booking, with 71% using their smartphone.

Choosing a hotel

As you would expect, Indian travellers choose a hotel primarily for the location (82%) and cost. Yet the need to be always connected is influencing hotel choice with 75% of travellers choosing hotels that don't charge for Wi-Fi.

The digital traveler league table 2017

By combining the main indicators of digital usage by travelers in each country, we have created a league table to show who are the most and the least digitally-dependent among the nations surveyed. The findings reflect overall smartphone, fixed-line and mobile internet penetration levels locally.

There are some striking differences in digital travel behavior between the countries in the survey. Some people are heavily reliant on mobile technology while others are less digitally dependent when planning and making their journeys.

Rank	Country
1	India
2	China
3	Indonesia
4	Brazil
5	Saudi Arabia
6	Mexico
7	South Africa
8	UAE
9	Colombia
10	Italy
11	US
12	Spain
13	France
14	Russia
15	Canada
16	Australia
17	UK
18	Japan
19	Germany

The Downside?

With all this enthusiasm for travel technology, what is the downside for Indian travellers? The biggest pain point for Asia Pacific travellers are understanding the complicated terms and conditions (53%), and for Indian travellers 62%, this is followed closely by the time spent looking for a good deal (58%). This may be an opportunity for price versus value tables which make the information easier to digest.

Digital dilemma

Indian travellers are amongst the highest users of apps, averaging 19 categories of apps used during a trip, second only to China. Maps are the most frequently used, followed by banking and instant messaging. In addition, 82% appreciate the convenience of technology such as digital boarding passes and e-tickets and 66% of travellers would like concierge services on their smartphone. However, this digital desire creates anxiety about technology or batteries failing.

India statistics

Planning

67% use voice search when researching a trip

87% use videos and photos posted by friends as part of their travel research

91% use review sites for researching their trips

Booking

75% choose hotels that don't charge for Wi-Fi

71% research and book their travel on a smartphone

58% spend considerable time trying to find the best price

53% find it frustrating having to book elements of their travel separately

Travelport's 'The Global Digital Travele
Toluna Research's* sample of travelers in A
globally and was restricted to people who
In total, there were 11,000 res

*Toluna Research:

The journey

83% say that being able to stay in touch is most important to them when traveling

82% say digital boarding passes and e-tickets make traveling much easier

74% believe a good digital experience is important when choosing an airline

In destination

66% want concierge services on their smartphone

36% say a good digital/mobile experience will increase loyalty

92% leave hotel/restaurant reviews

19 different categories of apps are used on average when traveling

r Research' was an online survey utilizing ugust 2017. The research covered 19 countries o had taken at least one return flight last year. pondents from the 19 countries.

FISHY PROBLEM

In a guidance note, the food regulatory authority FSSAI has advised consumers, traders and lab technicians to use the preliminary test kits, developed by Central Institute of Fisheries Technology

▶ **Unscrupulous traders tend to adulterate fish with formaldehyde as the chemical is easily available. It keeps the fish look fresh and in marketable condition**

FORMALIN (formaldehyde in water) is a common fish adulterant that is used by traders and suppliers to extend the shelf life of fresh fish and artificially enhance the sensory attributes of chilled fish. The issue of rampant adulteration of fresh fish with unapproved chemicals and additives like formaldehyde, ammonia and illegal use of sodium benzoate has been reported in mainstream media. The presence of formalin in freshly marketed fish can

have serious health issues and so enforcement agencies need to intervene to ensure availability of safe food for the consumers.

The FSSAI Referral Laboratory on fish and fish products, Central Institute of Fisheries Technology (CIFT) monitoring studies have also reported the presence of formalin and other chemical residues in: freshly marketed fish, interstate fish consignments and in ice used during transportation.

The presence of formalin decreases

over time during storage but cannot be removed fully. However, the consumption of fish adulterated with formalin can cause health problems like abdominal discomfort, vomiting, renal injury and more. The FSSAI along with ICAR-CIFT have prepared this guidance note for consumers, traders and food testing laboratories on the best practices to avoid, restrict and detect formalin adulteration in fish.

Why fish is adulterated : The underlying reason for the use of form-

▶ **Fish adulteration can be checked using a simple rapid-detection kit**

aldehyde is to prevent spoilage and keep the fish looking fresh and in marketable conditions. There is also a scarcity of: quality harvest centres, inadequate insulation during domestic transport and lack of warehousing facility for bulk storage for fish. Therefore unscrupulous traders tend to adulterate fish with formaldehyde especially as the chemical is easily available.

Advice to consumers and cooks: The fish must be washed thoroughly under running tap water as washing can remove formaldehyde to a large

> **There is also a scarcity of quality harvest centres, inadequate insulation during domestic transport and lack of warehousing facility for bulk storage for fish**

extent; Wash properly before cooking and discard water; Fish must be cooked in internal temperature of 70oC or above as heat can remove formaldehyde because it is volatile; Also check the flesh to see if it is opaque and can be separated easily; After washing if the fish has any kind of obnoxious smell or texture report to the food safety officer; Fish adulteration can be checked using the rapid detection kit "CIFTest" developed by ICAR-CIFT as it has a simple consumer friendly method and detects only the added formaldehyde

▶ **Fish samples collected for formaldehyde detection must not have been in contact with ice**

Advice to Traders and Retailers: Food products must be sourced only from credible sources; Refrain from using any un-approved chemical/ additive including formalin during any stage of storage, transport and supply; Do not add any formaldehyde in any food and fish in particular; It is illegal and punishable to add formalin intentionally or unintentionally because of lack of awareness; Ensure proper cold chain or proper icing is practiced when transporting fish and shellfish for long distances; Ensure integrity of product throughout supply chain; It is a good practice to screen the fish for formaldehyde content during procurement; Advise to Food Testing Laboratories for Detecting formaldehyde adulteration

Sample condition: fish samples collected for formaldehyde detection must not have been in contact with ice. Samples must preferably be collected in gel ice packs. In case gel ice packs are not available then fish can be wrapped in polythene before placing them on ice.

Always source food products from credible sources. Refrain from using any un-approved chemical or additive during any stage of storage, transportation or supply

Sample preparation: Only the edible portion of the fish muscles and skin should be taken for analysis. Preferably 100g of tissue should be taken for homogenisation.

Screening methods: Screening can be done with rapid action kit "CIFT-est" developed by ICAR-CIFT. The rapid kit is paper strip based which can qualitatively determine the presence of formaldehyde in just two minutes. The paper strop is swabbed over the surface 3 to 4 times in different areas followed by one drop of reagent. Colour developed within 1 to 2 minutes is compared with the chart provided.

Confirmatory methods: Any confirmatory method that estimates free formaldehyde can be used to detect adulteration; No steam distillation method must be employed nor treatment with strong acids for extraction. Sonication based aqueous extraction protocols can be used; In HPCL based methods it is possible to have

▶ **Formaldehyde is not permitted for use in fish or any food as per Food Safety and Standards Regulations, 2011**

non-specific co-elution of other aldehydes as well as high matrix interferences; In GC-MS based methods that includes prior derivatization with 2,4-dinitrophenylhydrazine (DNPH); Suggested Methods: any in house validated method of HPCL or GC-MS.

About Formaldehyde: Formaldehyde is commonly used in the industry for manufacturing of plastic resins that can be used on wood, paper and textile industries. It is a highly pungent, flammable colourless gas with an irritating odour. Formalin serves as a disinfectant and preservative for household products. Globally formaldehyde is identified as one of the top 25 widely produced chemical substances. It decomposes at a temperature of 1500C and dissolves in water, alcohol and other polar solvents. Formaldehyde is widely present in the environment as it is produced naturally in various foods/ biological systems including living organisms. It is also produced through man-made sources like combusting materials including engine exhausts, firewood burning, power plants, incineration wastes and more, building materials and wood and tobacco smoke. Major exposure comes from industrial settings and inhalation of polluted smoke.

Uses and regulatory status of formalin: In case of food industry, it is used as a bacteriostatic agent in cheese preparation, as a food additive in caviar preparation in Scandinavian countries, as an anti-parasitic agent in case of cultured fish, and, as an anti-fungal in cases of hatcheries to control aquatic fungi.

An approved aquaculture drug as per USFDA for the control of parasites and fungi in marine fish farming. Its usage is not permitted for aquaculture in Australia, Europe and Japan due to carcinogenic effect.

Formaldehyde is not permitted for use in foods as per Food Safety and Standards Regulations, 2011.

Mixed Doubles

How viable mixed-use projects are when developing a new hotel?
Here's an analysis

MIXED-use development just means a single real estate development that incorporates several different uses (retail, office, hotel, residential, etc.). But, it implies that those uses are designed to work together and complement each other.

It is a type of urban development that blends residential, commercial, cultural, institutional or industrial uses, where those functions are physically and functionally integrated, and that provides pedestrian connections and more compact development. It implies that those uses are designed to work together and complement each other.

When it's done well, mixed-use development offers great benefits. The primary benefit of mixed-use projects is that they capture all three segments of real estate residential, commer-

cial, and retail. The model offers the chance of earning good returns by giving more flexibility in land use. These projects are self-sustainable.

Also, the development risks are distributed. There is always the possibility of restructuring the project based on demand (for particular types of properties). On a practical level, mixed-use projects are more difficult to handle. Financers have to evaluate each use separately, zoning and building approvals can get exponentially harder, and from a design perspective, there are a lot more details you have to get right. The developer may have to simultaneously market office, hotel, retail, and residential space in order to move forward.

Projects take longer and that is the single most deadly thing for real estate (since the developer is usually paying somebody for land or money

while the project is crawling forward).

Bright Future

On the other hand, mixed-use developments have a bright future as they take care of most needs of a consumer, adding tremendous value, socially and economically. Today, mixed-use projects are much more common than they were 20 or 30 years ago and the difficulty of completing them is also less. The cities are also more demanding that they be more open and less self-contained. Like many practices, they are not good or bad in themselves, it's all in how it's done.

High land costs make mixed-use property projects inevitable to lessen risk and to get financing easily. This is why the trend of hotel developers opting for mixed-use of property to cushion high land cost is reaching smaller cities and is not limited to luxury projects.

According to estimates, land accounts for 40-50 per cent of the hotel development cost. For budget and mid-scale projects, the share of land in overall cost is much higher. Mixed-use ensures the sale proceeds from the commercial or residential segment can be used to fund the hotel's construction.

From a mixed-use project the developer can get upfront cash by selling the commercial space or the residential units. This helps in risk mitigation. Moreover, any new hotel takes time to stabilise as occupancy levels increase at a gradual pace. In the absence of mixed use, the owner is

▶ **Mixed-use property often makes a better sense compared to stand-alone hotels**

forced to look for more revenue generating space within the hotel, such as more banquet halls or restaurants.

Local Heroes

The best example of mixed-use property is the Swissôtel Kolkata, the five-star hotel developed by the Ambuja Neotia Group. The hotel is attached to a shopping mall (City Centre, New Town) and a movie multiplex. The hotel that started operations in 2010, is an extremely popular destination for business travellers.

That smaller cities are also going for this model is best exemplified by Sonotel Dhanbad in Jharkhand.

This four-star luxury hotel is attached to Ozone Galleria shopping mall with a movie multiplex. Pearl-Tree Hotels in Purulia, West Bengal,

too came up with a commercial complex. The success of these models should motivate other entrepreneurs and builders to go for mixed use of property.

Mixed-use projects help de-risk the developer's investment while helping hotel brands expand their luxury portfolio at a time when developers are cautious of putting money in free standing luxury hotels. Incorporating luxury residences into the model helps to monetise real estate gains. Since payback for a hotel tends to be between 8-10 years, early real estate monetisation from apartments makes the project more viable.

The developer can generate upfront cash by selling the residences, which helps in planning finances better and mitigating some of the risks. Builders

inform that combining a luxury hotel with residences fetches at least 30-40 per cent premium. On the other hand, the hotel brand too benefits from the captive clientele it gets from the adjoining residences or office spaces.

Furthermore, the capital generated from sale of residences, commercial or retail space, helps in subsidising the cost of developing the hotel. The reason why mall developers are now offering space to hotels has more to do with the Floor Space Index (FSI) and less with utility. In the case of retail, it is not always possible to utilise the complete FSI of the plot.

Diverse Usage

It makes the usage relatively more diverse. In some cases, mixed-use is the best use for real estate develop-

▶ **Mixed-use developments are quite common as cities become more demanding, more open and less self-contained**

ment and it fits with floor plate sizes. Retail, historically, does not work on more than three floors. Advantages of mixed-use development to retailers is that they add captive footfalls, increase sales of food and impulse items, generate a wholesome social fabric, and create destination development and in some cases, it can also help decrease the base rental and increase revenue for developers who operate on a revenue share model, which also increases feasibility for retailers.

There are many benefits to a mixed-use development for those involved. First, there is enhanced development viability for both hotel and condo development that could be prohibitive individually. Secondly, there is the ability to accelerate development by fracturing up the site into more manageable pieces if the gross buildable area is too advanced to be absorbed in a market for a single purpose use. Lastly, there's an opportunity to spread and/or reduce risk by having investment revenue flow through multiple streams.

This creates a balanced ratio of variable to fixed/stable cash flows as well as from diversified market sectors.

The Downside

Financers have to evaluate each use separately, zoning and building approvals can get exponentially harder, and from a design perspective, there are a lot more details

• The developer may have to simultaneously market office, hotel, retail, and residential space in order to move forward. Projects take longer.

• From a larger perspective, the whole concept, and often the execution of mixed-use developments can be anti-urban; the idea is to create a self-contained project. This adds nothing to the city and can be very destructive.

Mixed-use developments today are quite common, much more than they used to be, and cities are also more demanding that they be more open and less self-contained. There is nothing inherently good or bad about mixed-use developments and the term itself encompasses so many variables, it is almost meaningless. A development proposal ought to be responsive to its context, providing the uses that make sense in that particular location, based on existing offer, need, viability, and urban fabric. Most of the time, in an active urban context (i.e. town centres, active routes, etc.), mixed-use development should be the default as the ground floor provides a completely different interface with street activity than the upper floors.

However, a suburban or rural mixed-use often makes little sense or is naturally limited to areas of denser interaction, neighbourhood centres, etc. Mixed-use property development is emerging as a prominent feature of fast-paced urban living and Bengaluru is leading the way. MBD Zephyr, Brigade Gateway, Prestige Shantiniketan and UB City are two landmark mixed-use property in the erstwhile garden city in India.

IN

CALCUTTA

THIS IS

WHAT

PEOPLE

MEAN

BY A

WELL-BALANCED

MEAL

Mocambo

SIZZLER
SPECIALITIES

- BECKTY STEAK
- CHICKEN GARLIC STEAK
- VEGETABLE STEAK
- CHICKEN CHEOLAFA
- SURF AND TURF

JOIN US AT PETER CAT
FOR A MEAL PREPARED
IN THE TRUE HONOURED
TRADITION OF INDIA. BEGIN WITH
A FISH MAKHMALI AND A
TANDOORI BROCOLLI FOLLOWED
BY THE MOUTH WATERING DUM
KI RAAN, A PORTION OF
VEGETABLE MALAI KOFTA
OR IF YOU PREFER OUR
CHICKEN RESHMI BUTTER
MASALA. THEN OUR SIGNATURE
ORIGINAL CHELO KEBAB AND
LAST BUT CERTAINLY NOT LEAST
A MERINGUE WITH ICE CREAM
AND HOT CHOCOLATE SAUCE
TO MAKE YOUR LUNCH AND
DINNER COMPLETE. EVERY
COURSE A SPECIAL TREAT.
EVERYDAY AT PETER CAT.

peter cat
18A, PARK STREET, KOLKATA-700016, INDIA
+91-33-22298841, +91-33-22172942
INFO@HERITAGEDINING.IN

JOIN US AT MOCAMBO
FOR A MEAL PREPARED IN THE TRUE
HONOURED TRADITION OF EUROPE.
BEGIN WITH A DEVILLED CRAB,
GARLIC HERB PRAWNS, FOLLOWED
BY A CHICKEN PAPRIKA, CHICKEN TETRAZZINI
AND ASPARAGUS CREPES, ELSE A VEGETABLE ALA KIEV
OR IF YOU PREFER OUR BECKTY MEUNIERE,
LOBSTER THERMIDOR AND LAST BUT NOT LEAST
A BAKED ALASKA TO MAKE YOUR
LUNCH AND DINNER COMPLETE.
EVERY COURSE A SPECIAL TREAT.
EVERYDAY AT MOCAMBO.

Mocambo
25B, PARK STREET, KOLKATA-700016, INDIA
+91-33-22290095, +91-33-22654300
INFO@HERITAGEDINING.IN

Keep them happy

Retention of employees is a serious issue in the hospitality industry. The incredible amount of turnover can have a heavy toll on the bottom-line

▶ **Hospitality industry must engage employees to retain them in order to make a major impact on their bottom line**

E MPLOYEE retention is a serious issue in the Hospitality and Food Services sector. According to the Bureau of Labor Statistics in the US, the sector has an annual turnover rate of 73.8 %, with over 6 % of staff leaving every month. This figure by itself is alarming, but it doesn't stop there. With almost 3 quarters of staff departing every year, this begs the question: just how much is turnover costing hospitality businesses?

As it turns out, it's costing them a lot. According to a study by Cornell University's School of Hospitality Management, employee turnover costs hospitality companies an average of $5,864 (over Rs 4 lakh) per employee. For a company with 500 employees with an industry-average turnover rate, employee turnover would cost over $2 million (over Rs 13 crores) a year.

That's a lot of money. Money that could be spent on marketing, property upgrades, and other initiatives that enhance the bottom line.

This problem has always been bad, but it might be worse now than ever before. Unemployment is currently at 4.1%. This means companies in the hospitality industry are competing over a small talent pool, which is likely driving the cost of turnover even higher.

All things considered, it's easy to see why employee retention in the hospitality industry is such a hot button issue. That's why we put together this overview of four employee retention strategies. Hospitality industry professionals can use these strategies to engage employees and lower turnover to make a major impact on their bottom line.

Strategy #1: Use Benefits to Incentivize Long-Term Employment
It's long been known that employee benefits are a major factor in attracting and retaining talent. When it comes to benefits (not including compensation), retirement benefits and health care are the most important.

▶ **It's long been known that employee benefits are a major factor in attracting and retaining talent**

Retirement Benefits

According to a study by Willis Towers Watson, 35% of surveyed employees said retirement benefits were an important factor in deciding to work with their current company, while 47% rated them as being important in their decision to stay with their company. In other words, retirement benefits are important drivers of recruitment and employee retention.

Retirement benefits are effective because they uniquely incentivize long-term employment – especially when offered with an employer match. Hotels, restaurants, or other companies in the hospitality industry can use the employer match with a special vesting schedule to incentivize employees to stay with the company – even through retirement. When employees know that their company takes an interest in securing their financial futures, they're more likely to stick around

and put in their best work.

Retirement benefits are also especially effective at retaining older employees, who often perform complex, higher value jobs. Retaining these employees is especially important considering that Cornell's study found that losing employees who perform complex job duties costs hospitality companies $9,932 – much higher than the average of $5,864 per employee. With these being the highest value workers, warding off high turnover rates in this employee segment might be the most critical employee retention strategy in the hospitality industry.

As important as retirement benefits are, most hotels, restaurants, and hospitality companies aren't getting anywhere near as much retention benefit as they could be from their retirement plans. Most are plagued with issues such as low employee par-

ticipation, ineffective plan design, and huge administrative burdens on their HR teams. One frequent case we've heard is highly-compensated employees being severely limited in their contributions due to low participation and failed non-discrimination testing. This could be leading to higher turnover rates among the most valuable and difficult-to-replace segment of employees.

Health Care Benefits

Health care benefits are also hugely important in warding off employee turnover. The Willis Towers Watson study found that 46% of employees considered health care benefits an important factor when deciding to work with their current company, while 55% rated them as an important reason to stay with their employer.

With medical costs on the rise, this should come as no surprise. Though

▶ **Employees need to know that their employer has their future in mind and that they're taken care of in the present**

employees need to know that their employer has their future in mind, they also need to know that they're taken care of in the present. Providing good health care benefits can do just that.

Strategy #2: Build an Attractive Company Culture

A culture in which employees feel engaged isn't just a nice-to-have; it's a strategic necessity that can have a major impact on employee retention. According to a study by Achievers, engaged employees perform 20% better and are 87% less likely to leave than employees who are disengaged. This same study found that companies with high employee engagement reported revenue growth that was 2.5x higher than companies with low employee engagement. Simply put, an engaging culture can lead to success for hotels, restaurants, and other companies in the hospitality sector.

So just how do hospitality companies build cultures that combat high turnover rates and engage employees?

Research shows that companies can build engaging cultures by excelling in one crucial area.

Employee Recognition

Most employees are willing to go above and beyond. They just want to be recognized for their achievements. If they're not in an environment where they're recognized, they'll have little incentive to work hard or stay with the company.

The Achievers study found that lack of recognition was the number one reason why employees quit. The study also found that over 65% of employees don't feel recognized at work. So hospitality companies that get employee recognition right stand to gain a major competitive advantage.

There are a lot of ways to make employees feel recognized. For instance, when employees go above and beyond, general managers and other supervisors should make it a point to thank them.

One example of a hotel company that does a great job recognizing their employees is Kimpton. The company celebrates individual success stories in their Kimpton Moment – an award recognizing employees who go above and beyond for a guest or fellow employee. Kimpton Moment winners are celebrated every month, and one of them is even selected at the end of the year as the "Ultimate Kimpton Moment Winner." This winner is recognized at Kimpton's annual Chef/General Manager Meeting where they receive a $10,000 prize for exemplifying Kimpton's values.

▶ **Most employees are willing to go above and beyond. They just want to be recognized for their achievements**

Really, the possibilities are endless. The important thing is to show employees that their efforts don't go unnoticed.

Strategy #3: Help Employees Develop Their Careers

Employees have many concerns when it comes to deciding to stay with a company. One of the most significant of these concerns is how well the company facilitates a successful, progressive career path.

According to a study by BetterBuy, companies that offer professional development opportunities like tuition reimbursement or in-house training programs had a 34% higher retention rate than those that didn't. 75% of employees with development opportunities said they were likely to stay with their employers for another five years, compared to 56% who had no development opportunities.

Marriott is an example of a hospitality company that includes professional development as part of its human resources strategy to attract and retain the right people. Marriott offers training and development programs for all levels of employees, focusing on developing role-specific skills as well as broadening employee expertise to different disciplines within the company. These programs promote hospitality expertise which opens up multiple opportunities for career advancement, while also providing Marriott with a pool of proven, trained employees they can promote to upper-level positions as they become available.

Strategy #4: Focus On Providing Good Leadership

Conventional wisdom says that employees don't leave companies; they leave managers. As it turns out, the conventional wisdom is true. A study by Gallup found that 75% of the reasons for voluntary employee turnover can be influenced by managers. Whether it's a lack of people skills or an unwillingness to help employees develop, bad managers can be real heart attack. Literally. One Swedish study found that having a bad boss raises an employee's chance of having a heart attack by as much as 60%.

All of this is to say that focusing on the quality of your managers is critical to preventing high turnover rates. This starts with surveying employees on their manager. Keep an eye out for negative feedback. This could be something like unclear expectations or a lack of opportunities for progress or development. Any negative feedback towards managers could be a strong warning sign and lead to high employee turnover rates.

Hospitality companies might benefit strongly from programs which promote good management practices. Managers should be trained on how to delegate effectively, communicate expectations, recognize employee achievements, and more. Ultimately, focusing on good leadership might be one of the most effective employee retention strategies in the hospitality industry.

Greener pastures

Where should investors in the hospitality sector put their money? Greenfield projects on unused land or Brownfield projects on upgraded property? Mystic East seeks the answer here

▶ **Greenfield projects, especially in the hospitality sector, require huge investments**

FOR most independent hoteliers and business, investing in profitable projects is what gives life and growth to a company. Therefore, it becomes essential to understand the market dynamics on whether to invest in new projects or take on non-performing ones and grow them to become profitable.

Ease of doing business was brought into force to encourage investments in the country. Greenfield projects, especially in hospitality, require huge investments. Since hotels see long-term growth and ROI, the projects require long gestation loans.

Therefore, FHRAI has recommended that infrastructure status be given to hotel projects of up to `25 crore. Through this, the sector can be stimulated into developing infrastructure for the hotel industry. Also, we have been pushing for easing of CRZ norms so that the 7,516.6-km-long coastline

▶ **Brownfield projects usually do not have a long gestation periods**

of India is developed, keeping in mind sustainable initiatives. Companies of any size and entrepreneurs starting a new business should definitely go in for a viability and feasibility report of that particular area. Location plays a vital role in the profitability of a hotel.

So, taking on a brownfield project in the right location would mean good business. Unfortunately, a high tax rate of 28 per cent on tariffs above Rs 7,500 is definitely pushing many establishments to becoming Non-Performing Assets (NPAs). As India grows in terms of development, greenfield projects are being proposed in the newer, untouched Tier-III cities which are being favoured for rising domestic tourism.

As we get more inbound tourists, we do need good hotels to cater to this rising demand. Hospitality and tourism remain one of the biggest employment generators; this is something that must be foremost in mind when developing policies for licensing, tax, and infrastructure. In the mid-segment market, hotels will continue to grow.

There is increasing opportunity in upper-upscale, leisure, and lots of possibilities for MICE. Some of the newer developments are taking place in Pune, Guwahati, Chandigarh, Goa,Jammu, Mumbai, Delhi-NCR, Chennai, Bhubaneswar, Ahmedabad, Kochi, Jaipur, and Hyderabad. Hotels can make or break tourist destina-

tions, hence, this segment needs promotion and concessions for growth.

TAKING ON NPAS, A RISK

The last significant year for the hotel transaction market in India was 2015, when the market witnessed deals worth about Rs 2423 crore in existing and brownfield assets. Hotel buyers in the market today are strategic investors who firmly believe that the boom in the hotel economic cycle is resuming, making it ideal to acquire operating hotels.

New hotel supply in the country is anticipated to slow down to 3-4 per cent year-on-year, over the next two to three years, from a high of 6-8 per cent over the past five years and the

opportunity to invest in the sector is ripe.

In the last four to five years, the cost of construction has gone up while supply has also risen; hence, the pain in the hospitality space will be there for some time. Hoteliers today are looking at consolidating their business; they are vying for profitability, trying to ensure decent operational assets for the next few years.

While the political leadership of the country as well as the regulator are on the job to contain the bad loans and strengthen the financial base of the banking system in the country, there is still no clarity on the modus operandi.

Therefore, taking on Non-Performing Assets is definitely a risk.

A BETTER PROPOSITION

Hotel investments in the South are mostly in new greenfield projects, depending on supply, incentives, and concessions given by the government to attract more investors and improve occupancy, making the project profitable. Old projects need to be refurbished, a process that is time consuming, over expensive, and does not attract investments, making such properties non-performing assets.

The Ministry of Tourism wants India to be the most favoured and most attractive destination. Many investor forums have been convened in important places of investment with a promise to support new investors. This has resulted in many international chains, along with Indian entrepreneurs, investing in unknown and lesser-known destinations. Even international and local airlines are looking to enter new destinations, facilitating the establishment of new projects and other amenities by providing employment and smooth and profitable operations.

The old or existing projects have to compete with new chains for increased revenue, affordable tariff, and modern facilities. They also get fiscal concessions from the government as

> **In the last four to five years, the cost of construction has gone up while supply has also risen. Hence, the pain in the hospitality space will be there for some time Hoteliers today are looking at consolidating their business**

well as banks s, allowing gestation period in the payment of interest.

Due to the stringent measures in the issuance of various licences to hotels and not being provided single-window clearance, a lot of energy and money gets wasted.

Both government and banks are not generous in providing funds for refurbishment of existing operations, thereby making such properties Non-Performing Assets.

CASE STUDIES

Nearly two years ago, Palladium, a five-star hotel at Mumbai's retail and commercial hotspot Lower Parel, underwent a transformation, re-emerging as St. Regis, a global hospitality brand owned by Starwood Hotels and Resorts Worldwide Inc., now part of Marriott Inc.

The ownership of the 390-room property remains with Pallazzio Hotels & Leisure Ltd, a unit of Phoenix Mills Ltd, but under Marriott management.

Such hotel deals— 'conversions' in industry parlance—apart from acquisitions of near-complete hotel projects, are gaining momentum in India, as large hotel chains seek to avoid long gestation periods and construc-

tion delays associated with building a new hotel from scratch.

Hospitality companies like Louvre Hotels Group, Wyndham Hotels Group and Samhi Hotel Ltd are looking for opportunities at conversions apart from scouting to buy existing properties, said executives from these firms.

According to an April report by global property consultant JLL, around 12-15 such hotel transactions are in the works.

AccorHotels, which has so far built its hotels on its own, is planning to add two hotels this year through the conversion route, said Lokesh Sabharwala, vice-president (development and special projects, India and South Asia), at AccorHotels. However, the company will continue to pursue greenfield projects, he added.

This year, Vadodara's Surya Palace will become Grand Mercure Surya Palace, and Goa's Donna Sylvia Beach Resort will be Novotel Goa Donna Sylvia Resort. Hotel operators such as Marriott Inc. and InterContinental Hotels Group (IHG) too, have gone for conversions in the recent past.

"Greenfield hotel development is slowing down and what we are likely to see is a lot of conversions—which means standalone hotels that are independent today but finding the competition tough and are now wanting to become part of the branded inventory," said Mandeep Lamba, managing director (hotels and hospitality group), JLL India.

According to Pavethra Ponniah, vice-president at ratings firm Icra Ltd, conversion is an easy entry strategy for a new operator into any market, through an established location and product. "Weak performance and markets often lead to a strain between the operator and the owner, triggering conversions," she added. Among prominent conversions of last year were Pune's Oakwood Premier becoming Marriott Suites, IHG's Crowne Plaza changing to Courtyard by Marriott, and Chennai's Fortune
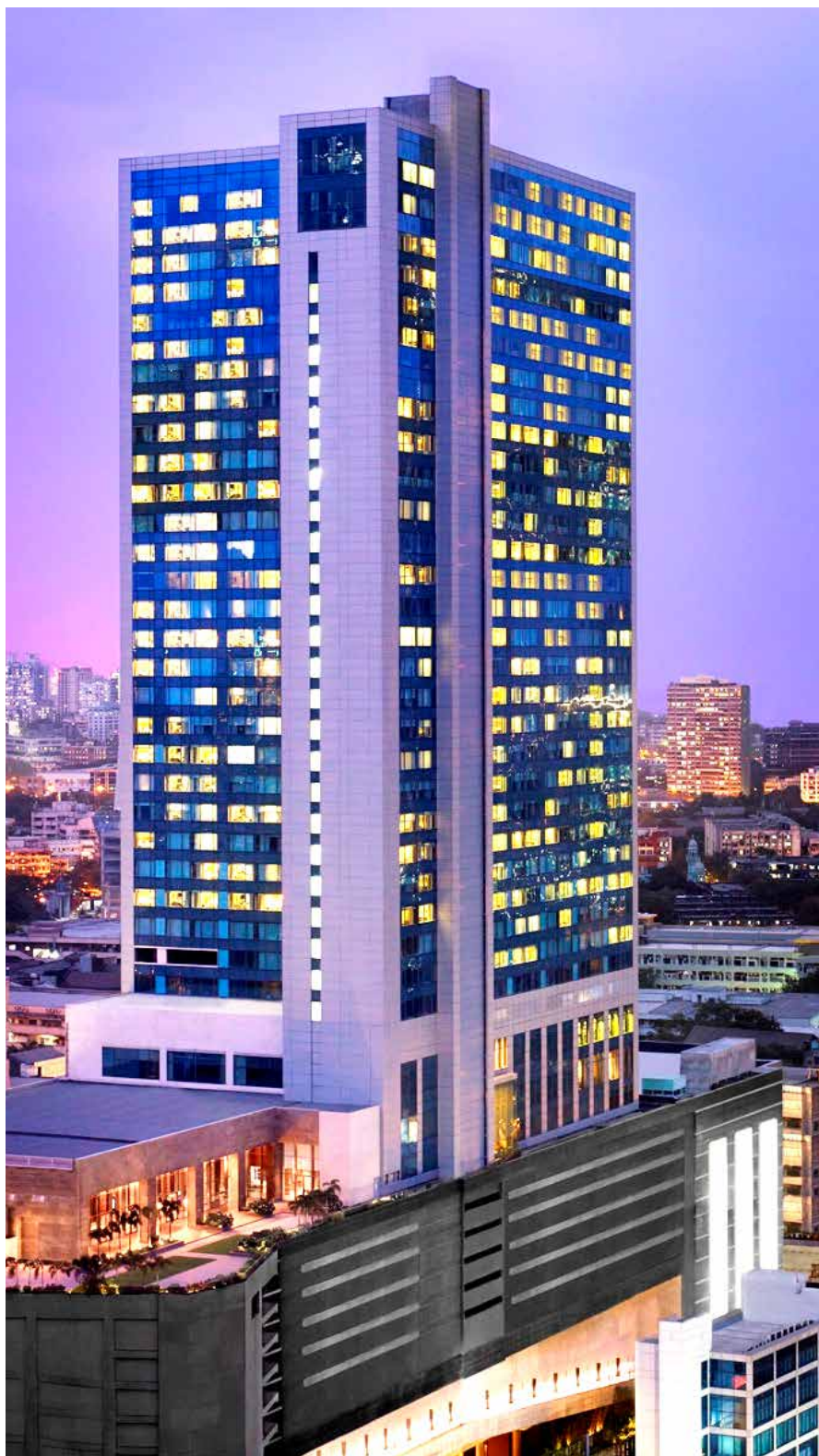
▶ **Greenfield hotel development is slowing down and what we are likely to see is a lot of conversions**

Select Palms changing to Park Plaza.

For US-based Wyndham Hotels, which operates brands like Ramada and Howard Johnson's, one out of every five hotels in India is a conversion. In the next few years, the company, which operates 28 hotels in India through franchise model, expects as much as half of its hotels in India to be converted ones.

"We prefer brownfield and conversion projects to outright greenfield projects as time to market these is significantly lesser. In India, challenges of greenfield hotel development are immense as it requires close to 200 licenses from commencement of construction to opening. This gets particularly difficult especially in case of one-time or first-time developers," said Deepika Arora, regional vice-president (Eurasia), Wyndham.

Ashish Jakhandwala, managing director and CEO at Gurugram-based Samhi Hotels, agreed there are huge opportunities to buy or re-brand local hotels.

"The best use of our capital for the foreseeable future is not to do new development but just acquire assets. We also do a lot of repositioning of local hotels into an international brand. We see that opportunity continue to grow," he said. The company operates around 18 hotels. Four to five hotels are lined up for opening this year.

Vimal Singh, managing director (South Asia), of Shanghai-based Louvre Hotels Group, said few builders now want to develop hotel properties because of the real estate slowdown. "We are not separated from real estate. We see more opportunities in the existing or brownfield developments. They will be the focus for the foreseeable future," he said. Earlier this year, Louvre Hotels bought a majority stake in Indian hospitality firm Sarovar Hotels Ltd, which operates around 75 hotels in India, for an undisclosed sum.

COURTESY: Mint and FHRAI

GRAB THE MICE PIE

Meetings, Incentives, Conferences, Exhibitions (MICE) is a fast growing travel segment. India can increase its share considerably in this area to improve the country's identity in the global marketplace

▶ **Unlike leisure hotels, MICE hotels largely differ in their design, size and magnitude**

THE MICE industry contributes 0.22% to the GDP of the country while it contributes 3.26% to the tourism industry in India.

Accounting to the fact that MICE events are mainly globally focused, eminent infrastructure becomes a pre-requisite to holding a MICE event. That is the reason, smaller cities or the cities lacking required infrastructure cannot hold such events. Not only do the cities need infrastructural potential but they also need to have touristic attractions. Since MICE events are aimed at mixing business and leisure, a city which isn't known for its tourism, cannot be a preferred MICE destination. As of now, the following cities are the top 5 names on the MICE map of India

India recently moved up to occupy the 31st position in the recent list of global ranking published by ICCA (International Congress and Convention Association) from 35th rank in 2014 globally. Chennai is also among the major cities that had hosted major events.

Last year, ICCA had placed India at the 35th position in the worldwide rankings and ninth position in the Asia Pacific region. Delhi, Hyderabad, Mumbai, Bengaluru, Chennai, Kolkata, Goa, Chandigarh, Jaipur and Cochin were the major cities that hosted the events.

As per industry estimates the global MICE market supports 4,00,000 conferences and exhibitions worldwide, making it an annual US $280 – 300 billion market.

The Asian market however accounts for US $ 60 billion market, but is growing at a significant rate of 38 % since 2006 while India accounts for a mere 0.5-1 per cent of the total market with current ICCA rankings hovering around 28th globally.

The Centre has set a target to

achieve 2 per cent of the global MICE market share by 2025.

Today, countries all over the world are putting their best foot forward to develop the MICE industry as a means to enliven national economic development. The MICE industry is considered to be a 21st century gold-mine by many.

India was not able to leverage the global MICE pie for many years because of shortcomings in the infra-structure front. The country was lagging behind in terms of convention and exhibition facilities, air connectivity and capacities, shortage of accommodation facilities and affordability, etc. However, there has been a phenomenal improvement on all these fronts in the last few years in all these areas, which has catapulted India into the reckoning for international MICE.

These rankings are definitely going to look up in the coming years with the kind of focus the governments are giving to infrastructural development in the country. The country has already set up world class airports in all the key metros and Tier II cities in the country. The government has come out with specific supportive policies to augment investments in convention venues in the last couple of years by including them in the harmonized list of infrastructure funding. Besides gateway cities of Mumbai, Delhi, Bengaluru, Hyderabad, Kolkata, secondary cities like Kochi, Jaipur, Udaipur, Guwahati, Bhubaneswar etc. has also have come up as MICE destinations in the last few years, combining the leisure potential these destinations offer to groups.

Unlike leisure hotels, MICE hotels largely differ in their overall design, size and magnitude, and service characteristics. It is not the convention space or banquet space alone that determines character of a MICE hotel. Many design parameters have to fall in place to call a hotel a MICE hotel.

▶ **Banquets are an essential component of MICE**

A convention hotel is a building or group of buildings designed, in most cases, for the purpose of conducting large scale seminars, various activities of PR, Marketing, institutional meetings, display, exhibitions etc.

When it comes to designing, the convention hotel needs more spacious area than normal leisure hotels, the lobby design for a convention should be more spacious because people come in large numbers to attend events at a time and it might be used for an entire day. It can be used for multiple things, like for registration, information; lounge and so on. In comparison to leisure hotels, the lob-

bies of convention hotels can be simple and easy to use; they need not to be decorative as other leisure hotels.

There should be a separate lobby / main entrance for the convention centre/ function halls. This should be planned to cater to large groups of persons gathering at the entrance lobby / foyer. The foyer design should be grand as this is the first impression of the guest. High ceilings and marble flooring are preferred to create that impact. Functional and practical requirements need to be a priority. Planning of good pre-function spaces for ease of movement of people and laying of buffet etc. There should be

▶ **MICE hotels focus on the needs of corporates**

ample toilets, tucked away yet not very far from the main halls. Planning of service has to be thought through by the facility planner in co-ordination of the Design Consultant i.e. access into halls or to pre-function so that service can be efficient.

The way we handle our MICE business is by creating an environment which is corporate friendly, Gen X oriented and allows ease of doing business. The new age corporate traveler is young, smart and aware, while they travel they require amenities to resume business of the day from the comfort of their room, thus Wi-Fi, in-room workstations , fully equipped

To achieve a great MICE hotel, the planning stage is very important in which all consultants co-cordinate be-fore the plans are frozen

▬▬▬

business centers are important.

Renaissance Mumbai Convention Centre is one of the largest convention centre in the city. The hotel offers an expansive spread of 230,000 sq.ft. Indoor and outdoor convention space. The hotel has 17 meeting rooms with dimensions ranging from 300sq. ft to 13000sq.ft and outdoor spaces ranging from 5000sq.ft to 38000sq. ft. The convention centre is complimented with state-of-the art conference facilities including WiFi and a fully equipped business centre.

At Novotel Hyderabad Convention Centre, we offer a unique combination of 287 rooms, which provide

modern comfort, a unique feeling of spaciousness and contemporary décor. The hotel is interconnected to Hyderabad International Convention Centre. HICC has a massive internal hall, which is an architectural wonder 6480 sqm. of pillar-less space that can accommodate 5000 delegate plenary and can be portioned into 6 smaller halls.

The design features of the hotel reflect its quiet and unobtrusive luxury, in minute details . A 24,000 sq ft pillar-less ballroom space, along with 5 smaller studio spaces make up for the meetings & convention centre, due to which our hotel can host meetings for 50 people and going up to 1500 people as well. The height of the ballroom and exhibition foyers too are a positive feature as a number of banquet setup styles can be used due to this.

Jaypee Palace Agra has large pillar less meeting spaces combined with excellent outdoor Venues to take up to 1500 persons. Our Meeting rooms are away from the Residential Area of the Hotel . The convention hall with a built-in stage, green room, an exceptionally large pre-function area and a seating capacity of 1500 in theatre style, is one of the biggest facilities in this part of the country. The elegant Business Centre is expansive and uncluttered, creating a professional yet relaxed environment for delegates to conduct serious business.

To achieve a great MICE hotel, the planning stage is very important in which all consultants co-cordinate before the plans are frozen. Input from Operator is also critical for which the marketing feasibility should be done in advance.

Nowadays the traditional 'boardroom-style' space is being replaced by an innovative approach where huge outdoor meeting spaces, smaller cozy nooks for limited gatherings and different kinds of seating are being requested. The focus is on creating conducive settings and it is no more

a surprising sight to see delegates assembled around a campfire or at a bar.

Rooms, F&B facilities, etc. are also needed to be designed to cater to demands and tastes of numerous kinds of guests drawn from different parts of the world in convention hotels. The in-room facilities at a MICE hotel need not be of a hi-end leisure hotel, assuming more guest occupants would be there for the convention there should be more twin bed configurations and the bathrooms should have privacy option and not be open bathrooms in this case. Another difference would be to have a 'female only floor'at a convention hotel or huddle areas at different floors near lift lobby or in areas of hotels for guests who may wish to have discussions in smaller groups after the conference is over. Sufficient and separate lifts for guest rooms so as not to crowd the hotel guest's lift, she opines.

What determines Convention space-Room Ratio in a location Internationally, there are hotels which offer meeting convention and exhibition spaces and guest rooms in one single unit, and there are hotels which function as a supporting entity alongside a large exhibition or convention facility. Marina Bay Sands in Singapore is one of its kind development with meetings and exhibitions space spread in 1.3 million sq.ft in five floors, and over 2,000 guest rooms spread in three towers. However, India is yet to see such mammoth developments in the MICE space. One needs to keep in view the infrastructure investment and development in the location by corporates and government alike, new projects coming up in next 10/20 years, promotional efforts by the state/city to bring in business to the city. Another important aspect is the infrastructure in getting to the city from local and international locations.

In a MICE hotel, the rooms' inventory is decided keeping in mind the percentage of business expected to

come in through that segment. Therefore, a calculation, of the number of rooms to convention center space and the location plays an integral part in determining this ratio.

The Ashok New Delhi was the first convention hotel in independent India. However, with the economic liberalisation and opening up of the economy for private investments, both foreign and domestic, towards the end of the last century witnessed a major corporate boom in the country. A major shift from leisure to business hotels happened over the years, especially in gateway cities. Over the years, business and MICE have become the mainstay of Indian hotels. In the recent years India has emerged as one of the most sought after MICE destination. We have seen demand from International markets for India as a destination which people want to explore. The last 24 months have seen a growth in the sector and the markets like Hyderabad, Delhi and Mumbai have shown consistent business improvement.

Jaypee Palace Hotel & Convention Centre in Agra is a major centre for destination weddings and international meetings and conferences. Destination weddings and Meetings are the growing trends in India, and Agra has been the much sought after destination for dream weddings due to the Taj Mahal. The property with its sheer size offers venues that city hotels can only wish for and this is definitely the factor that stands apart when event managers and organizers meet us.

MICE business is a vital pillar of any business hotel. MICE is a segment that not even leisure hotels can afford to overlook. The MICE industry in India is still at a nascent stage but very personalised, unlike globally, where it is very functional but lacking warmth. Technologically, Indian hospitality industry offers best and second to none and this is a trend that will ensure great growth and happy MICE travellers.

Eastern India is an untapped tourism market as compared to other regions of India

Souvagya Mohapatra can best be described as a man on a mission – and his mission is to make Mayfair Hotels & Resorts the leading hospitality brand in Eastern India. And he is well on his way to achieve it.

A commercially astute professional with an exceptional and consistent record of success in developing and quality managing prestigious hotels, he has built excellent guest relationships, improved the revenue, performance and profile of newly launched and more established hotels. He was included in the Power List of Hotelier India in 2017. He interacted with Mystic East in an exclusive interview. Excerpts here:

How did you turn the Mayfair group of hotels into India's most promising luxury hotel chains in Eastern India?

Team Mayfair is blessed with the leadership of our visionary C&MD Mr. Dilip Ray who has given us such wonderful world class properties that are spread out amid greenery all around with an ethnic touch having colonial style & local architecture and culture deeply incorporated in design. With freedom to introduce and adapt to new technology coupled with very personalized services that we offer has indeed made Mayfair unique in the hospitality industry. Our focus and emphasis is more on creating a "Wow" experience for our guests at all times.

I' am very fortunate to be associated with Mayfair since the last 25 years. I started my career with the Mayfair Group as Manager - Operations of Mayfair, Rourkela, which was the first hotel of the group and since then, it has been a growing and learning experience under the mentorship of our C&MD. Today Mayfair stands tall with ten boutique resorts at eight destinations and we are still growing with many projects in the pipeline.

Exceeding guest's expectations with excellence in personalized services through a set of fantastic and dedicated team play-

ers makes us the most promising luxury hotel chain not only in Eastern India but probably across pan India.

Where do you see the group in the next 5-10 years? Will it be a bigger national player with more hotels in other states?

As on today, we are operating ten luxury resorts in four states mainly in the eastern part of India. However, we are already in fast expansion mode and are adding three more 5-star deluxe properties. A 5-star resort overlooking a huge lake at Naya Raipur [in Chhattisgarh] with extensive conference and banquet facilities shall be our next addition by the end of 2018 which will essentially cater to MICE segment and shall be the wedding destination point for Central India.

At the foot hills of North East and on the outskirts of Siliguri, we are adding another 5-star deluxe property within the 1000 acres of tea garden. This new concept hotel promoting tea tourism shall offer a unique experience to our guests, both domestic and international.

We will target MICE segment and destination weddings at this hotel slated to open doors for guests by end of 2019.

Another 5-star deluxe property is underway at Kolkata which shall essentially be a one stop destination for Corporate and shall have extensive F&B operations including huge infrastructure for conference and banquets. We shall commence operations of this property by 2021.

Looking at the rising demand of Mayfair Brand, we have recently formulated a separate division of "Business Development" under which we plan to take over properties on franchisee module. Our team is already on the job & our Brand expansion through franchisee module has been initiated. Next ten years, we see ourselves as a 20-hotel strong Brand and of course a bigger national player.

What are the advantages of operating a hotel in Eastern India?

Unlike other regions of India which have already boomed to its optimum capacity in terms of no. of hotels, types of brands and number of room inventory, etc the Eastern India still continues to grow and can accommodate more hotels and brands for many more years to come. Due to lack of serious competition and availability of abundant natural resources, the operating costs are still lower in Eastern India as compared with other regions which generate healthy GOP.

▶ **Spectacular Mayfair properties at Gopalpur-on-sea (top) and Darjeeling**

All the state governments of Eastern India have proactive approach in inviting investors to set up Industries and invest heavily in their State which creates an atmosphere of ease of doing business and government support is assured under single window policy.

Eastern part of India is considered an untapped tourism market as compared to other regions thus it has huge potential to be a favourable tourist destination which in turn shall create excessive demand for hotel business.

The law and order situation in Eastern India is conducive which favours the ease of running hotels.

What are the challenges in the hospitality industry in Eastern India?
As such there are no major challenges but still few issues like air and train connectivity, transportation, roads, lack of tourist related infrastructure, etc, poses a bit of deterrent but all these issues are slowly and steadily being addressed by Governments directly or in collaboration with other stake holders under PPP module.

Difficult terrain of North East is another challenge which further gets disrupts vehicular movements due to bad weather at times and creates mobility problems.

Few state governments of Eastern India have delayed the amendments in Tourism Policy which is posing challenge but tourism Fraternity led by FHRAI, HRAEI, HAI, IATO, TAAI, etc are following up the matter aggressively.

Some State Governments should re-look into their stand on not so hospitality-friendly policies like liquor ban.

Do you think North Eastern India has a huge untapped potential in the hospitality sector? If so, what's your suggestion?
It goes without saying that North Eastern part of India has huge untapped potential for tourism industry which directly is related to hospitality sector. Hill stations of North East are now un-disrupted after civil agitation has been well contained. Thus, the old glory and popularity of these hill stations have been restored. Now they have again become major tourist attraction centers.

The cultural extravaganza of North East which has been well show cased by various tourism departments is now attracting more tourists than before. Abundance of natural beauty with a unparalleled flora and fauna attract nature lovers. These areas have absolutely pollution free atmosphere.

Varied religious sites, monuments, monasteries, churches and temples are very fast gaining popularity and these shall be major attractions for tourists in coming days, both for domestic and international travellers.

North East States has a lot of two and three tier cities which are now the main target space for hotels to venture into and these cities should be showcased by State Governments by offering lots of incentives to attract investors of the hospitality sector.

Which are the best three in your bouquet (Mayfair Hotels)? Can you please help organize their high-resolution pictures for our magazine?
All our properties are best in their respective categories, hence it is actually difficult to choose any three best. However in my personal opinion, the best three boutique resorts of are Mayfair Palm Beach Resort, Gopalpur-on-sea, Mayfair, Darjeeling and Mayfair Himalayan Spa Resort, Kalimpong.

▶ **They have often received a bad reputation when it comes to their loyalty to brands**

CATCH THEM
YOUNG

How Do Millennials Want to Engage with Loyalty Programs? Here are some tips

EVEN though loyalty is one of the most valued virtue, it's getting rarer and rarer these days. The age-old attribute is supposed to hold great relationships together and build long-lasting bonds in the society.

However, the millennials—a generation born between 1981 and 1997, or high school graduating class of 2000, the new millennium—are a new breed of consumers that take a new way of thinking to earn their allegiance to a particular brand. They have often received a bad reputation when it comes to their loyalty to brands, mainly because they have been approached

than only looking at what a guest has done in the past and assuming he or she will want to replicate that past behaviour, hotels over the next decade will become better and better at anticipating what each individual guest is likely to want. That anticipation of desires would be based not only on past stay behaviour but cross-pollinated with other data streams ranging from social media, to purchases at related companies, to tracked location activity via your phone, and more.

Companies across many industries are becoming better and better at leveraging diverse data streams to predict customer preferences. These predictive analytic techniques promise to help the hospitality industry move toward greater sophistication and personalization. The loyalty program of the future won't just ask travellers what they want, it will divine unanticipated and even unarticulated needs.

#2: SPIRIT OF THE BRAND

Given all the competition out there, expect loyalty programs to transition from simple cookie-cutter experiences (earn X points for Y reward) to more creative experiences that better reflect the spirit of the brand.

Consider the example of a high-end resort that positions itself as a place for fun and possibility. People go there to be in the mix, entertained and pampered, and maybe catch a glimpse of a celebrity. But its loyalty program was boring. Participation rates were low. They chalked it up to being a destination property.

Some hotels and resorts give members loyalty program such as the chance to play games online and at check-in to win surprise rewards like free hotel stays, tickets to swanky events, and discounts at the restaurant. These increase participation rates in the loyalty program and eventiually profitability.

#3: EASIER TO USE

There are different philosophies when

with the same advertising mindset that was used for their predecessors. Once marketing campaigns figure this out they have been able to grab attention of this new generation.

Four trends of Next-Gen loyalty

Loyalty programs have come a long way since Holiday Inn and Marriott launched the first hotel programs back in 1983. Across all industries, it's estimated that there are more than three billion loyalty program memberships in the U.S. alone — although the majority of folks don't actively participate in their memberships.

These programs have grown to become an expected perk of many travelers, and yet many in the industry see an uncertain future when it comes to loyalty. A recent survey found that just 14 per cent of millennials in the US belong to a hotel loyalty program. As millennials become more prevalent in travel, hotels are scrambling to

find new ways to build relationships with this all-important demographic.

#1: PREDICTION & PERSONALIZATION

The hospitality industry has been talking for years about moving from broad tier-based systems to experiences that are tailored to the individual. In this new paradigm, you receive a reward not because you're a Gold member, but because you're YOU. One loyalty club member might want ultra-high speed Internet included with the room, while another person might want a reservation at the best sushi restaurant in town, and another might want Starbucks coffee in the room. Creating hyper-customized loyalty experiences isn't easy, but it is possible, and more programs will strive to achieve this level of personalization in the near future.

What comes after personalized analytics? Predictive analytics. Rather

▶ **One can try to transform old-fashioned rewards into smarter, dynamic rewards**

it comes to reward redemption. Some loyalty programs are straightforward, such: "Collect 10 nights, get 1 free." They want people using the earned rewards.

Compare that to the complicated rules and arcane redemption policies of so many loyalty programs: blackout dates, expiring rewards, continually degraded value of the points, etc. These businesses often pay lip service to wanting to encourage redemptions, but in practice they want to discourage them.

Annoying customers in an age of virtually unlimited choice is shortsighted at best. According to Rosetta Consulting in the US, consumers that feel engaged buy 90% more frequently, spend 60% more per transaction, and are five times more likely to indicate it is the only brand they would purchase in the future.

Collinson Latitude reveals that 78% of consumers want the ability to redeem their rewards more easily.

Over the coming decade, annoying redemption processes won't fly. People will increasingly abandon programs that are a hassle.

4: NEXT-GEN REWARDS

Rewards themselves will become far more sophisticated and effective. Today, most rewards are static; you get a reward for, say, a free night that expires next year.

One can try to transform old-fashioned rewards into smarter, dynamic rewards. Such rewards are actually tiny software programs that can continually alter themselves even after being distributed to become ever-more appealing to our customer.

Imagine rewards that, if they go unused, can evolve into something else the consumer is more likely to find appealing. Imagine a guest earning a reward for something she doesn't like, but then having the chance to trade it

for something else she prefers. Imagine allowing guests to combine multiple little rewards into one far bigger reward. Imagine a guest who can't use a reward reassigning it to a friend with the touch of button. Imagine tracking all these interactions to better understand patron preferences in real-time.

It's the next step in the evolution of rewards, and it will change the hotel loyalty landscape dramatically

How Much Can Loyalty Programs Benefit Independent Hotels?

How much can your hotel get out of a successful loyalty program? The benefits are practically endless.

Let's run the numbers. Cornell's Center for Hospitality Research, one of the most respected institutions in the hospitality industry, studied loyalty programs for independent hotels in "Assessing the Benefits of

▶ **Annoying customers in an age of virtually unlimited choice is short-sighted at best**

Reward Programs: A Recommended Approach and Case Study from the Lodging Industry".

According to Cornell's study, the following occurred for the independent hotels in their study when they brought in a loyalty program:

"While ADR for the loyalty program guests increased modestly, the number of annual room nights for each guest increased by nearly 50% for both hotel groups, increasing total revenue per year per enrolled guest by a similar amount." That's a phenomenal amount of growth.

Cornell's case study compares loyalty programs for two chains of independent hotels. The hotels were distinctly different classes, and targeted very different customer bases.

How did they benefit from the loyalty program? One important question is how hotel guests acted before the loyalty program was in place. In other words,

were loyalty programs merely capturing guests who spent and stayed more often? The question has two parts:

Is the program merely attracting people who were already the hotel's best guests? If it is, is it changing their behaviour so they spend more? The answers are both yes.

A properly-developed loyalty program gives your hotel measurable gains in direct bookings and revenue

Both hotels found that guests who eventually joined the loyalty program were more valuable than other guests.

To figure out if these already-valuable guests spent more when they became loyalty members, Cornell took a look at historical data. They found that the loyalty program did increase revenue among members: loyalty programs changing behavior

The numbers were remarkably similar for both hotel groups. Stays per year, nights per year and revenue per year all increased by an average of 50%.

The data doesn't lie: membership makes a difference for guests. A properly-developed loyalty program gives you hotel measurable gains in direct bookings and revenue, and increases the lifetime value of your guests drastically.

What's the key? A properly set up loyalty program that offers great incentives but keeps overhead as low as possible.
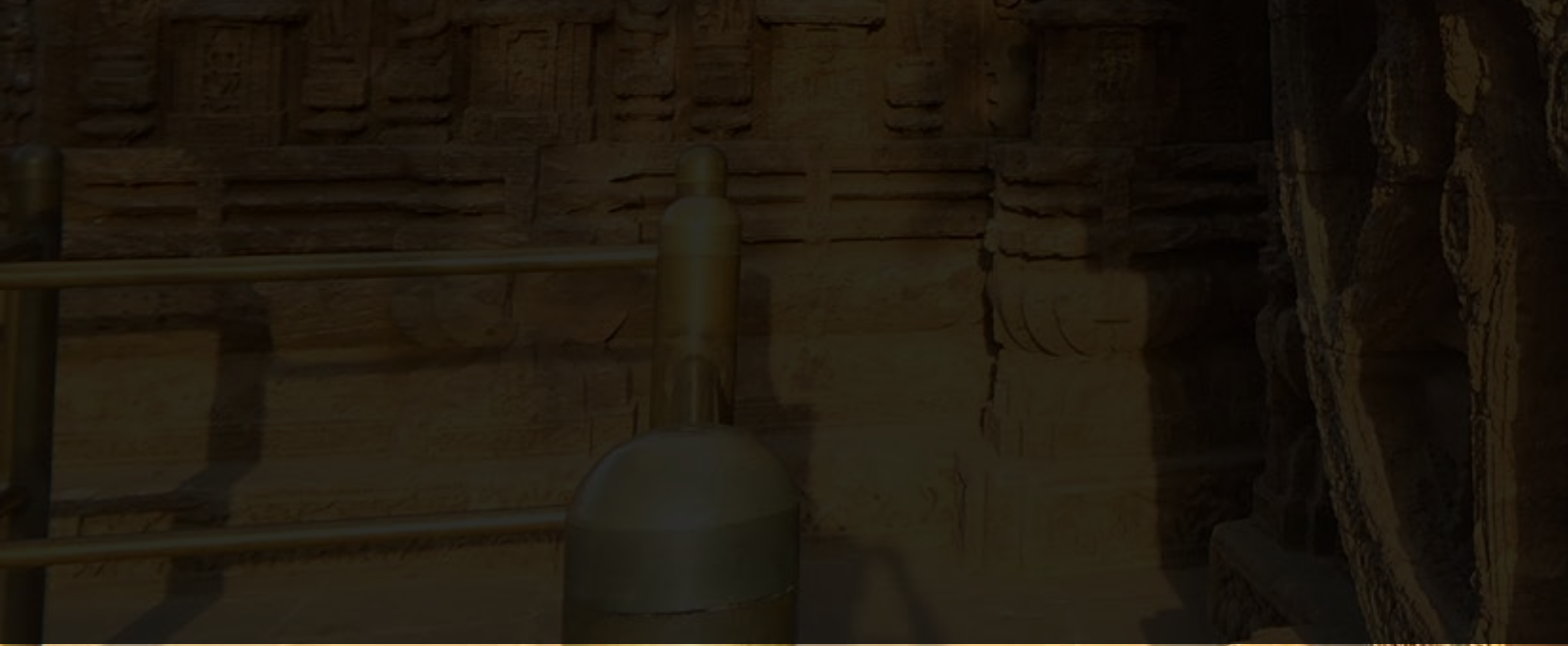
THE SOUL OF INCREDIBLE INDIA

The new tourism policy has turned Odisha into a potential territory for hospitality investments

▶ **The 12th century Sun Temple at Konark is a UNESCO heritage site**

THE state of Odisha has tremendous potential in tourism sector, because of its golden history, strategic geographical location, diverse demography and profound bounties of nature. Puri, the shrine of Lord Jagannath, one of the oldest pilgrimage centers, famous for the Car festival, attracts lakhs of pilgrims round the year. The world famous Sun Temple, a UNESCO heritage sites at Konark (12th century), the temple city of Bhubaneswar (9th century) & Puri (11th century) are widely popular as the golden triangle

Odisha is bestowed with profound bounties of nature. It is India's bridge to her own golden past and a resurgent present

which draws tourists, both domestic & international in hordes.

Odisha has a long tradition of Buddhism starting from 1st century BC. The Golden Casket containing the Buddhist relics, excavated Buddhist Stupas, Monasteries & Viharas discovered at Lalitagiri, Ratnagiri & Udayagiri are famous, all over the world. The Ashokan rock inscriptions of 3rd Century BC at Dhauli where the historic war of Kalinga was fought is the testimony to the existence of strong Buddhist tradition in Odisha. In addition, as many as 200 Buddhist

▶ **Odisha has a number of fascinating sea beaches**

heritage sites have also been identified in different parts of the State.

In other words, the State is bestowed with profound bounties of nature. Odisha is India's bridge to her own golden past and a resurgent present. The grand scenic beauty of nature, historic monuments, exotic sea beaches, luxuriant forest, majestic mountains, captivating wildlife, mystic waterfalls, beautiful handicrafts, vast water bodies, famous classical and folk dances, enchanting music and most importantly, its hospitable people are the wonders that make the

State as the supreme tourism destination of the world.

Despite all these tourism assets, the State has not been able to gain full benefit out of it so far for various reasons. A large chunk of tourism that happens in the state is still related to religious or pilgrim tourism. As the state remained off limit from international travelers itineraries due to issues related to accessibility, etc., there hasn't been much interest for major hospitality brands to set up their shops in the State. Hotel industry in Odisha , therefore, has been

largely dominated by domestic or local brands. However, with the introduction of a new tourism policy is bringing out change.

Supply-demand

In the absence of major demand drivers, notably inbound travel, Odisha's hotel business is largely depend on corporate, government and to certain extend to weddings and banquets. However, there is dearth of quality accommodation in the State, especially in the famed Golden Triangle of Odisha Tourism – Puri, Bhubaneswar and Konark. All the three places are in short supply of quality rooms. Puri does not have more than 200 rooms in 3-star plus category. Bhubaneswar is far behind in 5 star categories with even less than 200 rooms. Konark still does not have a star hotel yet.

As per the current demand-supply scenario, Odisha needs a minimum of additional 5000 rooms across the state particularly in the key tourist destinations of Odisha to attract more foreign as well as domestic tourists to the State. The State Govt. has been identifying lands at different eco tourism zones, major tourism products like Shamuka project, Chilika lake and Bhitarkanika etc., to develop good numbers of hotels in each tourist destinations.

Although there is shortage of quality accommodation in the State and at key destinations, because of meticulous planning, especially in Bhubaneswar, enough quality accommodation is available within a small radius of conference and convention venues. Currently Bhubaneswar, the capital, focuses largely on corporate movement with a slightly lesser mix of leisure. However, credit should be given to the planning of the city and the fact that you can get over 800 three star and above category rooms within a three kilometre radius of two of Eastern India's largest conference venues. The leisure market is likely to

▶ **The tranquility of the Chilika lagoon can draw millions of tourists**

pick up soon with the connectivity of airlines that have been addressed and also the Bhubaneswar airport being declared international.

However, some hospitality experts believe that except for Puri, the other cities do not have the high level of hotel occupancies. The other destinations are mostly covered by a day trip. Destination like Bhubaneswar is not able get the appropriate occupancy as there are not much of business travel happening.

Opportunities for investors:

Although the state has immense potential for prospective investors to invest in tourism products, including setting up hotels, the momentum is yet to pick up to new investments, the industry watchers say. Connectivity with other cities of the country is a major issue the state has been grappling with for a long time. The state government has been pleading with the Ministry of Civil Aviation and

Odisha still is a virgin destination as far as investments are concerned as barring Puri and Bhubaneswar, there is hardly any proper infrastructure available for tourist at any point

airline companies to improve air connectivity.

Odisha still is a virgin destination as far as investments are concerned as barring Puri and Bhubaneswar, there is hardly any proper infrastructure available for tourist at any point. Even in Puri, where there is an inflow of more than 25,000 tourists every day, there is no other tourist friendly infrastructure available, other than the hotels. What has probably withheld investors into the state is lack of information and availability of free hold land for development of large hospitality projects. However, the State government has recently developed some tourism land bank of 1,000 acres at identified potential places such as Daringbadi, Rayagada, Jeypore, Damanjopdi, Satkosia and Dhamra.

The government and its agencies are in the process of creating the basic infrastructure and work closely with stakeholders of the industry "with

▶ **Proper facilties of water sports can attract foreign tourists**

accountability" to build confidence in the minds of investors.

The new Tourism policy of the Odisha Government is "most advanced" one in the country, that can catapult Odisha into the forefront of tourism in coming years. Incentives never heard before have been incorporated into the new tourism policy which would produce huge inflow of investment in the tourism sector. The Odisha Tourism Policy, 2016, has offered capital investment subsidy of 20 per cent for investment up to Rs 50 crore and maximum Rs 15 crore for those above Rs 50 crore. Besides, incentives in form of additional and interest subsidy, stamp duty exemption, reimbursement of land conversion charge, VAT, entry and entertainment taxes and exemption of power duty have been offered.

To increase tourist footfall, the government's new policy is meant to woo investors to set up tourism-related projects such as heritage hotels, resorts, heath farms, health and wellness spas and adventure sports. The policy has been attracting investors as the state as an attractive investment destination. The state government, which has formulated a new policy to woo investment in the tourism sector, has set up a special single window clearance committee to expedite clearance of investment proposals.

"The government has approved proposals for 34 new hotels since 2015," said tourism minister Ashok Chandra Panda recently in a press conference. Of these 34 projects, the special single window clearance committee has cleared 25. Besides, the state-level single window clearance authority had approved nine more hotel projects, he said.

Support system:
While there has been a realization on the part of the state agencies of late on the innumerable opportunities that tourism can bring to the state economy, the industry in the state does feel that the state has to do a lot more in terms of publicity, marketing, etc. on the domestic and international platforms in order to gain visibility for Odisha. One of the important things Odisha Tourism must do in order to unshackle the tourism potential it has is ensure it stays relevant and visible to the domestic as well as international markets. Though Odisha has a huge potential to attract tourists and footfall has increased over the years, only one lakh foreigners have visited the state. This is only 0.98 per cent of the all-India figure of 1.01 crore.

It needs to build awareness, especially about the Buddhist circuit, to draw more international tourists from the South East Asian countries. To attract devout followers of the religion from these nations there should be international standard facilities.

▶ **Satkosia Gorge Wildlife Sanctuary is an ideal tourist destination for adventure lovers**

Proactiveness of the government and the state agencies, could lift tourism and hospitality in the State. The state government in recent times has been quite proactive for growth of tourism in the state. They now have a proper Tourism policy in place with long term road map for development. With sustained promotion and world standard infrastructure, Odisha can become a hotspot in Indian's tourism map.

The prospects of Odisha tourism are very bright. What the destination wants is little more thrust on publicity and attention on upkeep and hygiene at beaches and other tourist destinations. The State definitely holds the potential to become one of the most important tourist destinations of the country. The State is pollution free, peaceful and people with the attitude that go all out to welcome tourists. No other state in the country can boast of such rich tourism potential.

Tourism policy 2016: Excerpts

1.Land: Department of Tourism shall indentify & earmark suitable land parcels in important tourist locations for development of tourism projects. The detail land schedule reserved for the tourism projects shall be available in Departmental website which will be allotted to private sector investors through a transparent mechanism after studying techno-economicfeasibility & employment generating potential of the concerned projects.

2.Road Transport: Department of Tourism shall identify important state highways, roads connecting important tourist destination and recommend the appropriate department for widening, beautification & high-quality maintenance of these roads. The Government shall encourage private sector for providing tourist amenities centre like public convenience, parking, cafeteria, souvenir shop, medical facilities etc. alongside important roads. The State will encourage private sector investment for boosting the transport service for various categories of tourists.

3.Air Connectivity: The State Government shall endeavour to have direct air connectivity to important cities and major tourist destinations of the country. State Government shall encourage developing small air strips inside the state on PPP mode. Thrust shall be on providing more international air linkage, to Bhubaneswar by alluring Airlines through underwriting of tickets/ incentives or any other mode as may be necessary to increase foreign tourist arrival in the State.

4.Quality Power Supply: Department of Tourism shall endeavour to ensure 24 X 365 power supply in important tourist destinations. The grid & Lilo line shall be strengthed to ensure quality power supply in important tourist destinations.

5. Civic Amenities: Highest priorities shall be accorded to ensure healthy & sanitary conditions in all important pilgrim centres & tourist locations beaches through direct intervention by the Tourism Department, Urban Development Department, Public Health Department, Local Bodies, Non-Government Organisations & Corporate Bodies. Beach cleaning authority will be created to oversee the cleanliness of major beaches.

6. Accommodation: Efforts shall be made to encourage private sector investors to create Star category hotels, convention centres, heritage hotels, eco camps by granting different fiscal incentives, single window clearances facilities, marketing supports, media campaign etc.

7. Ease of Doing Business: For speedy clearance of Tourism Projects single window clearance authority has been created which will issue deemed approvals as provided in Odisha Industries Facilitation Act, (OIFA) 2004. The Single Window Clearance Authority shall be made more effective, robust and more investor friendly. Right to service has been implemented in the state and the Department of Tourism shall rigorously implement the Right to Service Act for quick clearance of the projects.

8. Capacity Building: Capacity building in hospitality sector shall be the topmost priority to build highest form of professionalism to create a strong ambience of comfort, confidence and communication among the tourists. Department of Tourism shall encourage private sector investment in Tourism & Hospitality Sector Institutes for capacity building to ensure availability of more skilled manpower required in tourism sector. Efforts shall be made to synergize all government schemes and private sector initiatives to develop skill in Tourism and Hospitality sector.

**An invitation to become a member of
Hotel & Restaurant Association of Eastern India**

Yes, the benefits are
Royal

- Immediate information of all changes/amendments in laws, bye laws and statutory orders relating to the hospitality industry
- Regular updates of happenings in the industry
- Participation in conventions, seminars and symposia
- Speedy accreditation of star category by the Government of India
- Redressal of day to day problems and grievances of members
- Receive complimentary issue of HRAEI bi-monthly magazine Mystic East
- Access to membership of FHRAI
- Two 20% and 30% discount cards for use at any member establishments of HRAEI and FHRAI, respectively

For more details contact : Atikram Gupta - 8585015172

HOTEL & RESTAURANT ASSOCIATION OF EASTERN INDIA
18A/1 Everest House, 18th floor, 46C, Chowringhee Road, Kolkata - 700071
Phone: +9133 2288 1742, e-mail: info@hraei.co.in

PRESSMAN