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India is opening up slowly and returning to a new normal amid the coronavirus outbreak. Hotels, Food Courts, and Restaurants are opening doors to welcome guests in some places as India steps out of lockdown, slowly and cautiously. The coronavirus cases in the country have been on the rise since the unlock phase commenced. This has severely battered the hotel and restaurant guest's confidence, who are now overtly cautious about venturing into public places. This lack of confidence among consumers has negatively impacted the industry. It has become imperative for the hospitality industry to gain the confidence of their consumers to emerge victorious in the fight against corona.

THE LOSS OF FAITH

Putting human lives directly in danger, COVID has instilled deep fear and confusion that generation has never felt before, and, on top of this entire emotional conundrum, the physical confinement has aggravated the situation. According to Atul Upadhyay, Vice President Operations, Pride Hotels Limited the two major driving forces that had a huge impact on consumers' confidence has been the deep fear and confusion implanted by COVID-19 and the physical confinement associated with the virus.

Agreeing with the fact that there is a lack of confidence among consumers, Chandrakant Shetty, Group Director, Vitizen Hotels said, "Yes, we are definitely witnessing a decline in consumer



Rattan Keswani
Deputy Managing Director
Lemon Tree Hotels and Director,
Carnation Hotels



Raouf Razak Dhanani
MD
Sayaji Hotels Limited

footfall and the reason is quite evident, which is COVID. It has been five months now, and the cases in India are just not slowing down. The only thing that anyone listens and sees online or on television is an overdose of knowledge on the spread of COVID. Now, this has created so much fear, that people just don't want to travel. If the travel starts, I am sure the footfalls will increase."

Hotel stays or travelling come under the luxury wants of a common man which are deemed to be non-essential as compared to everyday needs such as, food items and medical supplies. People will certainly fulfil these everyday needs first before even thinking about the luxuries

HoReCa Bearing the Brunt of Declining Consumer Confidence

of travelling and eating out.

"Till the time people make themselves used to this new normal, consumer's footfalls will remain less. Also, transport services such as airlines, railways and buses have to come back to at least 50% frequency to see regular footfall levels across hotels. Right now, all sector flights are not operational and neither are long-distance trains plying regularly. The guidelines for travel are not clear, as every state has its own entry and exit policies for the public. People are desperately waiting for the much-touted coronavirus vaccine. Until the vaccine arrives, our industry has a tough time to cover," Shetty added.

While putting forward probable reasons for the decline in footfall, Upendra Shanbhag, General Manager, Toshali Sands Ethnic Village Resort, Puri said, "There has been a drastic decline in the footfalls due to, absence of clarity from the local authorities on the exact dates of the removal of lockdown, night, and weekend curfew, due to an unstable pandemic situation, which ultimately results in the loss of faith of potential travellers and diners. Moreover, the erratic frequency of flights and trains, and the inability of the general public to reassure

themselves that the danger period for avoiding travel is over, has also added to the fire.”

Rattan Keswani, Deputy Managing Director, Lemon Tree Hotels and Director, Carnation Hotels, shared some important details about the lack of customer confidence, “Citizens are afraid of stepping out due to the highly infectious nature of the virus, and its possible impact to themselves and their close ones, should they get afflicted. We live in a country where joint families are prevalent, and hence, many people would be hesitant to go out, lest they catch the virus and then pass it on to elderly parents/grandparents, who may live in the same house. Similarly, anyone with a young child at home would never want to put their child at risk, and hence, would be reluctant to visit hotels and restaurants, particularly for leisure. Hence, the likelihood is that people would hesitate to step out unless for work-related purposes, due to the perceived fear not just of the virus itself, but the repercussions of catching it and the effect it could have on those around them.”

REGAINING THE CONFIDENCE

As the relationship between a brand and its consumer begins with building trust, hence regaining the guest's confidence should be the first step in overcoming the crisis. Instilling a sense of safety in guests will play a huge role. It has become common knowledge that, in the post-COVID era, guests will give priority to contactless services and a safe & hygienic environment. For hoteliers and restaurateurs, there is no other way to move forward other than adapting to this common knowledge and re-skilling their staff to meet the new demands of their guests. Multiple webinars and forums have been echoing these new consumer demands in an effort to educate the industry.

Speaking on the same lines, Upadhyay said, “Strict sanitary and hygiene measures will need to be applied across the industry, with new practices put in place in order to monitor and control the environment in which the business takes place. Communication will play a leading role in reaching out to guests and reassuring them of safety during their travel. As an industry, we should be ready to adapt our approach towards the new travellers who are locked safely in the confines of their home at the moment.”

Keshwani suggested that the best thing the industry can do is set up best practices around safety and hygiene, as well as, showcase and communicate the processes to their guests. “Consumer confidence is driven by many other external factors such as the environment, clear and confidence-building measures by the government and cohesion between the Centre and States. We must just ensure that everything we do is focused on ensuring the health, safety and wellbeing of our guests and team members, by maintaining the highest level of hygiene across all touchpoints. As the economy starts to perform, confidence and happiness will enable travel,” he added.

ALTERNATE REVENUE STREAMS

Considering that the normal sources of revenue for hotels and restaurants have dried up in the wake of COVID-19, it is high time that the industry looked at alternate revenue sources to keep operating in the current climate. Many hoteliers had come forward and opened their doors for frontline COVID-warriors while a few of them offered quarantine facilities at very nominal prices. Innovation is the need of the hour, and the industry must put on its thinking hat to come up with

multiple and varied usages of its resources.

Keshwani informed that for the past few months, they have been supporting the national and state government needs for quarantining guests, and for hospitals to assist health workers. “This has created a revenue opportunity, albeit at very low rates. Also, this demand will change as the number of cases reduces, and government regulations regarding quarantine continue to change. One area where we have tapped into is day-use accommodation and work areas with business facilities, high-speed WiFi etc. for transient and short-stay guests.”

Some hotels have started delivering food to their patrons' doorstep by tying up with various food delivery platforms, “We have been quite proactive in our approach to look for alternate business sources such as corporate and domestic food deliveries,” said Raouf Razak Dhanani, MD, Sayaji Hotels Limited.

Shetty also shared the alternate revenue-generating approach adopted by his hotel by saying, “We have around nine F&B brands through which we have developed our Cloud Kitchen format where all our brands operate under one roof in a clean hygienic kitchen and dish out hot delicious food delivered to our guest's doorstep.”

ROAD TO RECOVERY

Recovering from the hard blows dealt by the pandemic will take time. This is something which is agreed upon by almost every industry expert. Although the pre-COVID levels of business will take time to get visible



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Vice President Operations
Pride Hotels Limited



Chandrakant Shetty
Group Director
Vitizen Hotels



Upendra Shanbhag
GM, Toshali Sands Ethnic Village
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on the balance sheets, it will not be invisible forever. Rigorous discipline, extreme attention to guests and staff, and continuous innovation will surely see the industry out of the storm.

Upadhyay commented, “We are expecting to see very low occupancies for the time being. However, in case the COVID-19 cases are controlled, and lockdown is lifted completely, then the industry is expected to revive itself by 50%. ARR could be marginally lower due to the slowness of demand. Also, MICE will take a little time to recover but once it does, then the industry will see higher demand as some of the international events will get shifted to India.”

Industry experts are optimistic about the market scenario getting better before the end of this year. “We have full confidence that hotels will definitely see around 40% rise in occupancy this November 2020, as the festive season starts. It will see a gradual growth after that. It won't be the same as compared to last year but much better than the last five months. Restaurants and banqueting will take some more time to recover, depending on when the Central or State government allows us to operate without restriction, as operating only on delivery and takeaways don't make our business viable,” Shetty concluded. ■

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