

## STAYWELL HOSPITALITY GROUP - Rohit Vig, Managing Director – India, Staywell Hospitality Group

Tuesday, January 06, 2015, 11:00 Hrs [IST]



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### Shift from upscale to midscale development:

The 'inverse pyramid' with a higher number of existing hotels in the luxury and upscale space, symbolic of India's organised hotel industry for years, is seen tilting with more midmarket and budget hotels being planned across the country (almost 66% of the proposed supply). The 2013/14 fiscal saw luxury and upscale hotels account for only 30% of the total proposed supply, in keeping with a subdued domestic business sentiment during the last three financials.

October wasn't a great month for the industry due to the various festivals. But we have seen major recovery in November and are hoping that continues for the rest of the year. While hoteliers do expect some improvement in their business in the fourth quarter as well, they feel any significant improvement in overall business activities in the country will depend on measures announced in the next Union budget. The decision to introduce e-Visa has been touted as being revolutionary for the travel industry as it supports making travel in India hassle-free for especially foreign tourists and hence facilitates in boosting the sector overall.

### Rapid expansion

We are actively targeting tier I, tier II and tier III cities. In the first phase we will cover Hyderabad, Greater Noida, Thane and Goa. Each hotel will have multiple facilities, eg. Leisure Inn Hyderabad will house a revolving restaurant overlooking Banjara hills and Greater Noida would have 192 serviced apartments catering to long stay guests. While the Goa property will be under Park Regis brand, which is our four star luxury segment, the other three will be under Leisure Inn brand, which is our three star brand. We are about to sign another Park Regis in Jaipur soon and we should open doors in the next 3-4 months. Other destinations for which term sheets have been signed are Mumbai, Chandigarh, Indore and Pune. We are also looking at Bengaluru, Chennai and Kolkata for expansion. We are targeting middle segment domestic travelers in India. With a rapidly growing middle class with disposable income the market is very huge.