HOTEL IN 2032

A FORWARD LOOKING OUTLOOK

NOESIS

Hotel Advisory
Redefined

www.noesis.co.in

FOREWORD

The stage is set for rebound travel making way for pre-covid levels. Asia-Pacific is forecasted to be the first region to recover from the pandemic in 2023. The past few years have forced businesses around the globe to step back and revamp their strategies to adjust to the new normal. However, the hospitality business is now gaining momentum. While the hotels are still recovering from this adversity, it is important to keep an eye out for the changes.

Guest expectations are constantly evolving, concepts like work-from-home have now become work-from-anywhere and businesses are discovering the value of technology in addition to the fundamental changes in ethos like being more environmentally conscious and sustainable business operations. As per our survey, Sustainable tourism is leading the way as the most prominent factor for travellers moving forward, with 88% of the hospitality leaders in agreement. There is a lot of opportunity in the hospitality sector, the travel and tourism industry is expected to create 126 million new employment opportunities between 2022 and 2032 from which 25.7 million jobs would be created in India. Both domestically and worldwide, hotels have immense potential for growth in the near future.

The hospitality business will always focus on delivering excellent customer service and connecting with people, even as new technology, evolving customer tastes, and new competitive threats alter the hotel experience. A human touch will still be required to create an unforgettable hotel experience for guests. In the future, hotels will be integrators with a new function: providing guests with a unique hotel experience tailor-made to their preferences for each visit.

In this report "Hotel in 2032" we have attempted to identify and understand the key changes in guest behaviour along with valuable insights from the leaders of the industry to highlight the trends we foresee in the upcoming decade.

Happy reading!!!
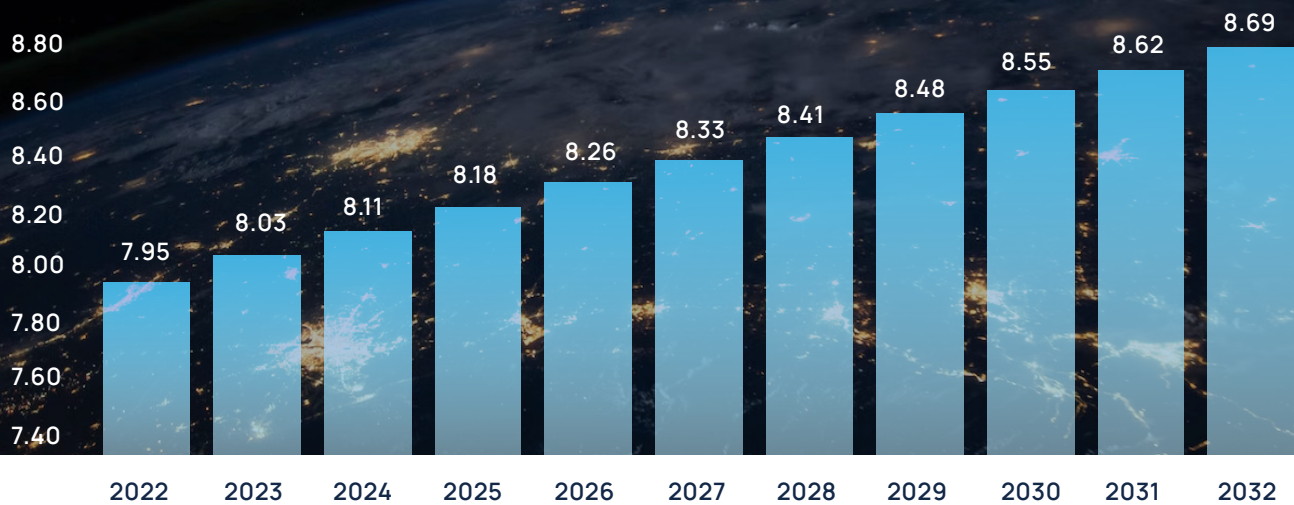
Founder & CEO
**Noesis Capital Advisors**

TABLE OF CONTENTS

OVERVIEW

World Population (in billions)

There is a 9.21 % growth in the population by the next decade, with a year-on-year growth rate of a frugal 1% but decreasing steadily. The **urban population** currently stands at 4.53 billion which consists of 57% of the total population and the projections showcase it to gradually increase to **5.32 billion which is 61% of the population in 2032.** India currently consists of 35.4% of the urban population while the **National Commission on Population (NCP)** in India predicts it to rise to **38.6% by 2036.**

Global hospitality market size

■ Market (in billions)
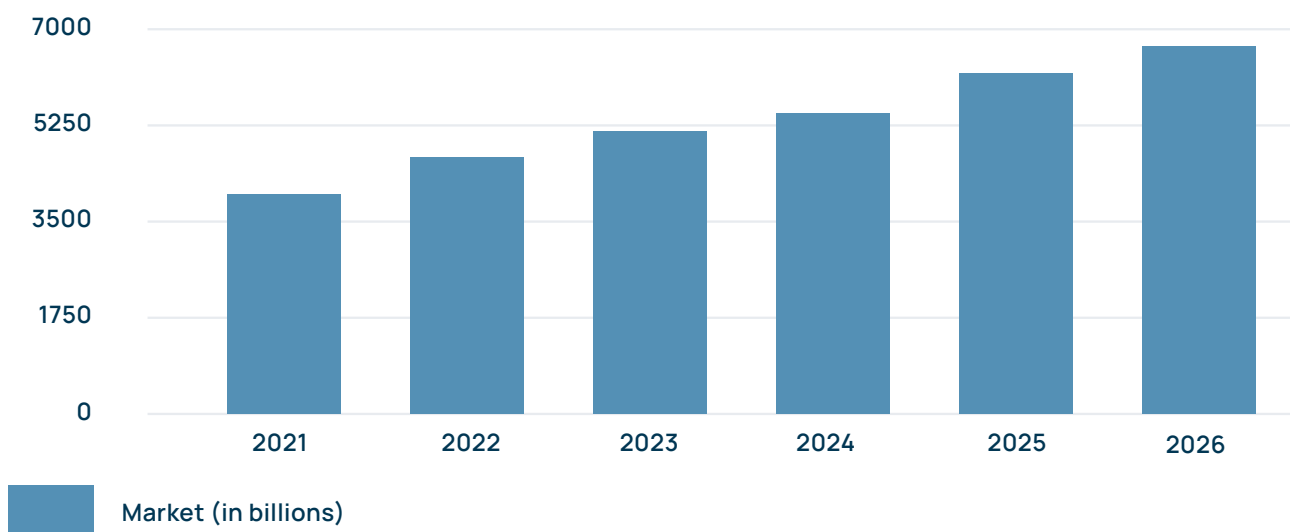
The **hospitality industry** is expected to grow from $3,952.87 billion in 2021 to **$6,715.27 billion in 2026 at a CAGR of 10.2%.** The hotel market was valued at $822.86 Billion in 2021 and is expected to reach **$1,663.82 billion by 2026, with a CAGR of 9.2 %.**

TRAVEL & TOURISM FORECAST[5]

Economy Rank		T&T Total Contribution to GDP (US$ bn): 2022-2032 CAGR	2032 Rank		T&T Total Contribution to GDP (USD bn)
1	Vanuatu	28.4%	1	China	3,915
2	Tonga	19.4%	2	United States	2,664
3	Solomon Islands	18.2%	3	India	457.1
4	Myanmar	16.9%	4	Germany	434.2
5	Fiji	16.6%	5	Japan	425.3
6	Anguilla	15.4%	6	United Kingdom	343.4
7	Ukraine	14.6%	7	France	290.2
8	Mongolia	14.4%	8	Mexico	260.2
9	Madagascar	13.4%	9	Italy	249.5
10	Cambodia	13.2%	10	Spain	245.8

Looking ahead, between 2022 and 2032, **travel and tourism's contribution** to the global economy is predicted to expand at an average annual rate of **5.8%,** which is more than double the world economy's 2.7% average annual growth rate. Whereas travel & tourism GDP in the **Asia-Pacific region** is forecasted to grow at an average annual rate of **8.5%** compared to the 4% growth rate for the regional economy.

It is estimated that the sector's performance in Europe could surpass 2019's level in 2024 when travel & tourism contribution to the region's GDP could reach 4.1% above the pre-pandemic scenario. **Asia-Pacific is forecasted to be the first region to revert to the 2019 scenario (in 2023)**, while all the other regions are estimated to recover completely in 2024

Travel and tourism's contribution to the overall economy is expected to increase by 71% by the end of 2022, reaching nearly US$ 2.7 trillion, supported by the return of international visitors and continued revitalization of domestic spending. Malaysia, Japan, and Australia are among the nations expected to see a significant increase in foreign tourist arrivals. As a result, the industry is expected to return to pre-covid levels in the region by the end of 2023. However, if major source markets such as China and Japan continue to place limitations on overseas travel, this might be compromised.

DIFFERENT GENERATIONS

	Millennials	**Gen Z**	**Gen Alpha**
Born in 2022	1981 – 1996 26 - 41 years	1997 – 2012 10 - 25 years	2013-2027 9 years (oldest)
in 2032	36 - 51 years	20 - 35 years	5- 19 years
	They are part of the transformation phase of extensive travel and digitalization.	Individuals with a high interest in new technologies. The first generation of "Digital natives"	Children of Millennials
	Today Millennials consist of at least 50% of all hotel guests	Gen Z makes up 26% of the global population	Born in a generation of smart technologies

Passing the baton from Millennials to Gen Z

Millennials continue to be the largest workforce and highest spenders in the world today, however, the tide is turning, and Gen Z is gaining traction as they grew up in the digital age and are widely known as the generation with an innate grasp of technology. Their online presence is unprecedented, and it is due to their highly developed technological skills. Guest's priorities, objectives, and travel preferences are shifting as a result of enhanced global awareness and upheaval in the technology sector. Travel is being re-evaluated by Gen Z, and it is important to recognize their distinct requirements.
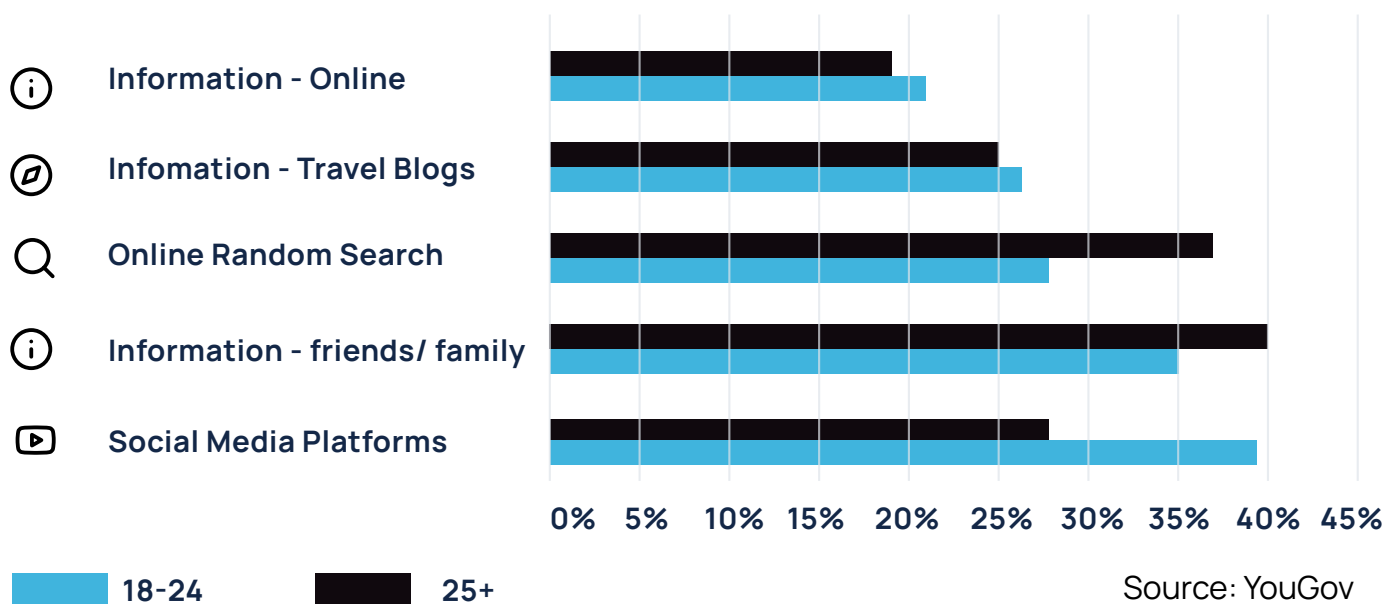
" The future of travel and hospitality will continue to be shaped by dynamic customer behaviour and travel patterns. It is thus imperative to develop a holistic hospitality ecosystem that will adapt to, innovate and embrace these changes. "

- Mr Puneet Chhatwal, MD & CEO, IHCL

Gen Z is the most socially apt generation which also seeks information via social media with 39% of people using this as a reference compared to only 29% of the other generations. 4 out of 5 most used methods to plan a trip are online-based channels and therefore also highlights the focus on the way the information is being consumed. There will be a transition from multi-channel marketing to an omnichannel methodology to make it more effective.

Methods used to plan the vacation

Information - Online

Infomation - Travel Blogs

Online Random Search

Information - friends/ family

Social Media Platforms

0% 5% 10% 15% 20% 25% 30% 35% 40% 45%

18-24   25+   Source: YouGov

Millennials travel 35 days per year on average, whereas Gen Z travels 29 days per year. 51% of Gen Z travellers are planning overseas travels, while 37% are planning domestically. Whereas half of the Millennials do not intend to go overseas. When it comes to international travel, there is a significant disparity between Millennials and Gen Z.

When it comes to health and safety regulations when travelling, Gen Z is likewise more adaptable. Millennials enjoy travelling, but they choose professional vacations over leisure travel. They cherish the option to visit different locations after completing their daily work
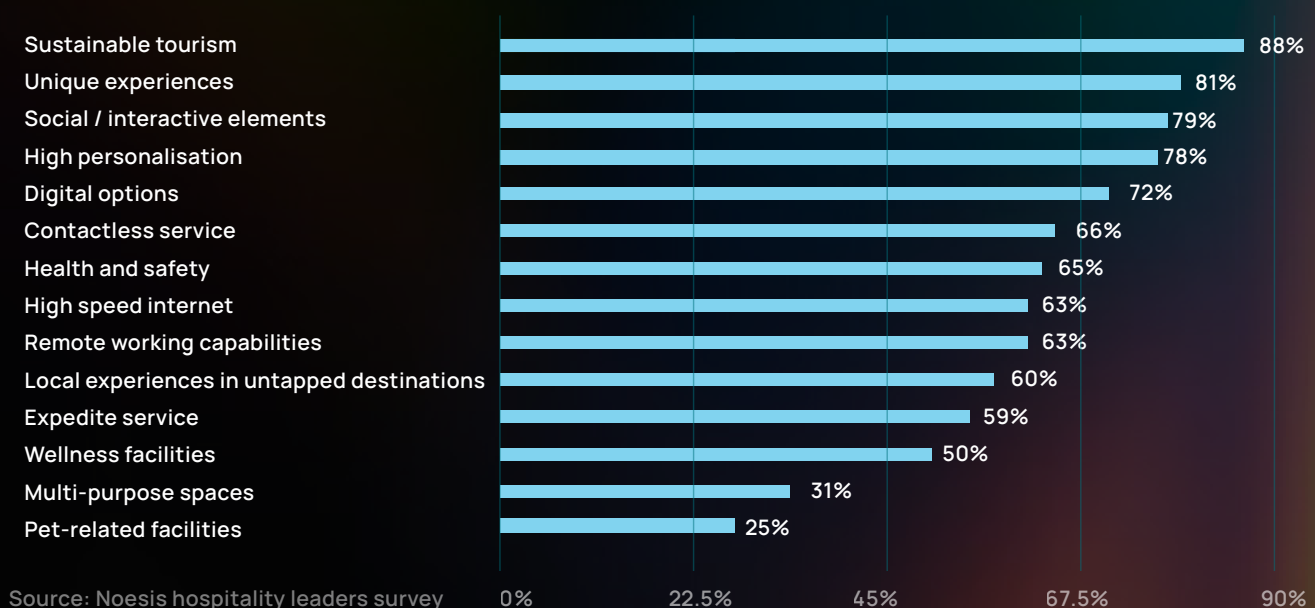
Choice of accommodation when on vacation

Source: YouGov

Legend: 18-24, 25+
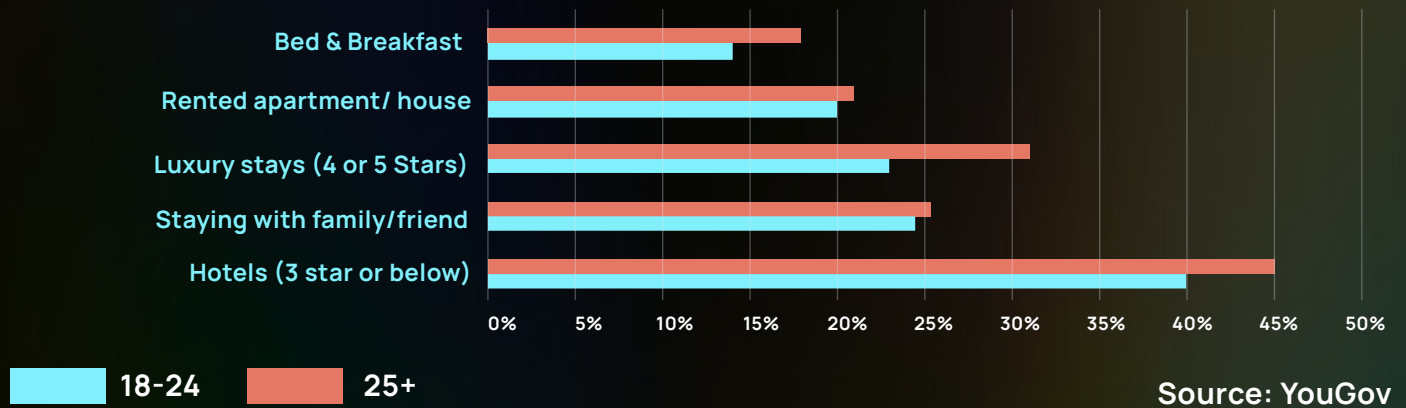
Almost half of Gen Z prefer midscale hotels whereas a sharp contrast in the luxury hotels can be noticed with 31% of the other generations keen to have a lavish experience, this can change as Gen Z enter the 30s and 40s age bracket which will increase their spending power.

There is an emphasis on affordable luxury along with experimental boutique hotels which will continue to carter the niche market.

What are the emerging guest preferences according to the hospitality leaders?

Preference	%
Sustainable tourism	88%
Unique experiences	81%
Social / interactive elements	79%
High personalisation	78%
Digital options	72%
Contactless service	66%
Health and safety	65%
High speed internet	63%
Remote working capabilities	63%
Local experiences in untapped destinations	60%
Expedite service	59%
Wellness facilities	50%
Multi-purpose spaces	31%
Pet-related facilities	25%

Source: Noesis hospitality leaders survey

Sustainable tourism leads the way moving forward, often referred to as ecotourism in India. This is evident with the majority of the hotels incorporating a few elements of this trend even today, with electric vehicle charging stations (EVCS) on the premises being directly influential for the guests. Social/interactive elements in the industry are also gaining momentum, this is coherent with the world coming out of restrictions and the technological developments add in a "Wow" factor for the interactive features they can offer. The guests are constantly looking for unique experiences with accommodations offering tailor-made service to their preferences.

As rightly shared by Mr Puneet Chhatwal:

" 'Experiences' is the new keyword among travellers and an increasing number of travellers will consciously seek brands offering authentic local and curated experiences. "
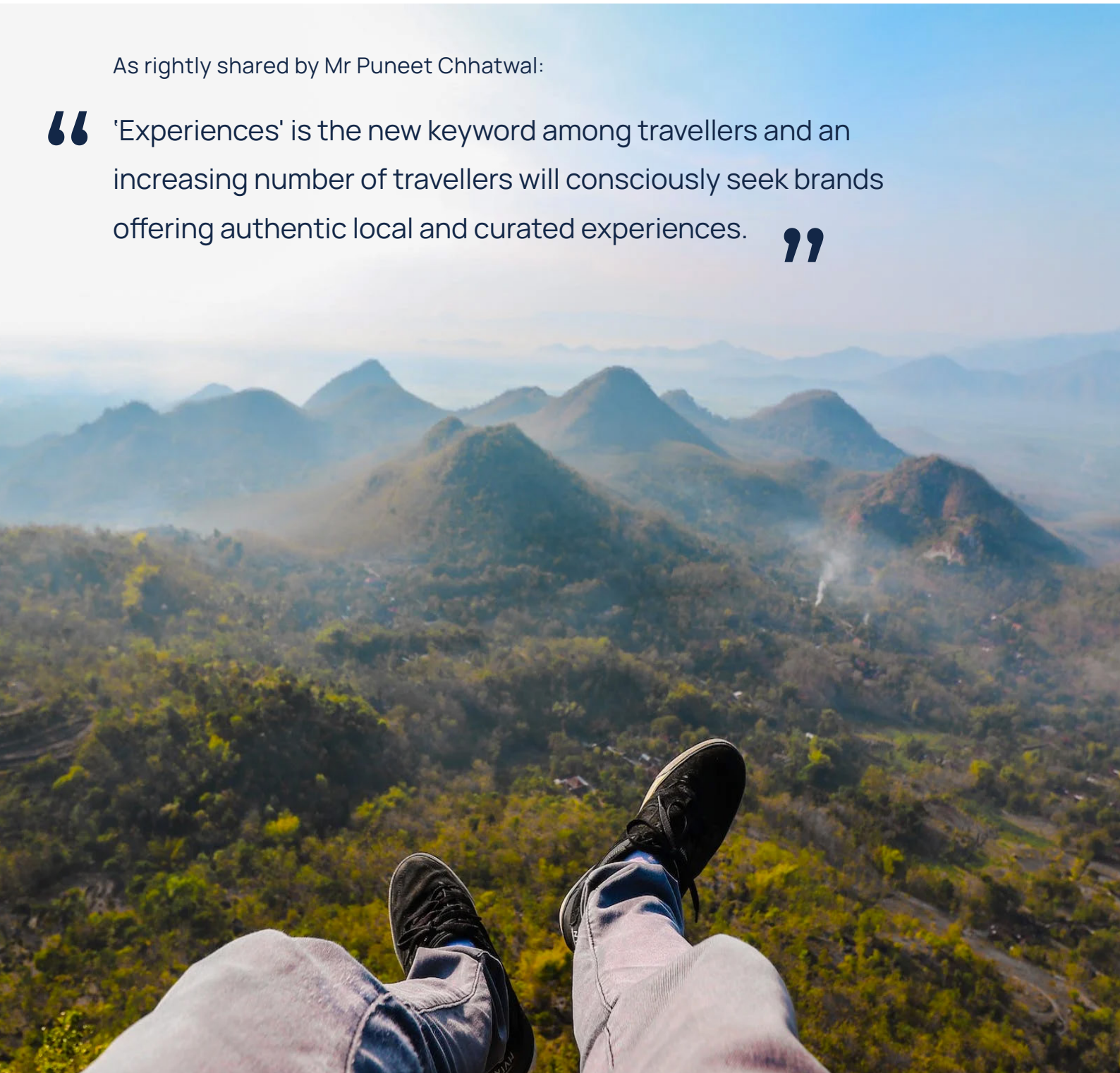
Key Attributes of Gen Z

- They are the first generation of digital natives.

- They search for work with flexible schedules that allow them to balance their lives.

- They are quite adaptive. Gen Z adapts much better to changes in their surroundings since they were born in a period where technological advancements occur at a quick pace.

- They appreciate innovative work culture and feedback from the leaders.

- They are impatient but self-reliant.

- They are self-taught. They usually learn through online tutorials, and many of them do their assignments and activities online.

- They are used to problem-solving and meeting personal demands.

- They like privacy. They've learned about the dangers and drawbacks of disclosing all of their personal information on the internet.

- They are compassionate. This generation is more supportive and dedicated as a result of having lived through periods of crisis and recession. Many participate in volunteer activities, are conscious of climate concerns, and want to improve the world by helping local communities.

- They communicate through symbols and icons.

TRENDS

Staycation

Staycation is a stay-at-home vacation; it consists of several activities one can do within the comfort of their home. It has also developed as a vacation that one spends in a nearby destination that doesn't involve much travel. This trend quickly emerged during the 2008 financial crisis with people facing a severe cash crunch, which was thereafter picked up by the European market and as a result, a noticeable trend here to stay beyond the pandemic's health and safety concerns.

> " Staycations and family travel will continue to lead the leisure industry towards recovery but what will solidify this trend is embedding consumer trust by consistently assuring reliability in terms of safety and hygiene. "
>
> – Mr Zubin Saxena – MD & VP of Operations, South Asia, Radisson Hotel Group.

A staycation is usually composed of common activities such as swimming at a backyard pool, visiting local parks and museums, and going to local festivals and amusement parks. Some individuals follow a set of rules to create the ambience of a traditional vacation during a staycation, such as setting a beginning and end date, planning, and avoiding routine activities. Staycations are **15% more economical** than traditional vacations involving travel. It can include transportation for local excursions, dining, and local attractions. This also helps eliminate some of the hassles of travelling, such as jet lag, packing, lengthy drives, and airport queues. As a result, **local businesses benefit** as they obtain customers from the area, this directly aids the

economy beyond the hospitality industry and is part of a larger eco-system of uplifting the designated community, bringing a sense of **"growing with the community"** which aligns with the values of the traveller of tomorrow. As per our survey of the leaders in the hotel industry, **84% foresee staycations as a recurring trend in the upcoming decade.**

What makes it attractive?

Staycation

CONVENIENCE

Booking closer to date

REASSURANCE

Health & safety at the heart of the service

FLEXIBILITY

Change of dates, re-visits and mobility

PLANNING & ENERGY

Less stress & planning

EXPERIENCE

Value or specific activities based service

RISK

Least affected due to external factors

Workation

The new work dynamics have created a new ecosystem that was unimaginable before the pandemic. The term "Work from home" has now been transformed into **"Work from anywhere"**. Working vacations are becoming a popular corporate travel trend as employees strive for a work-life balance. Consider handling a few emails by the pool in your swimsuit. As a result, the travel and tourism industry has generated a new source of revenue from a trend that is expected to continue for decades.

" Indian domestic market is dominated by leisure and corporate travel, other sectors like weddings and MICE are receiving a substantial amount of interest. Workcations are sought after as they are the perfect opportunity to combine both, work and leisure. "
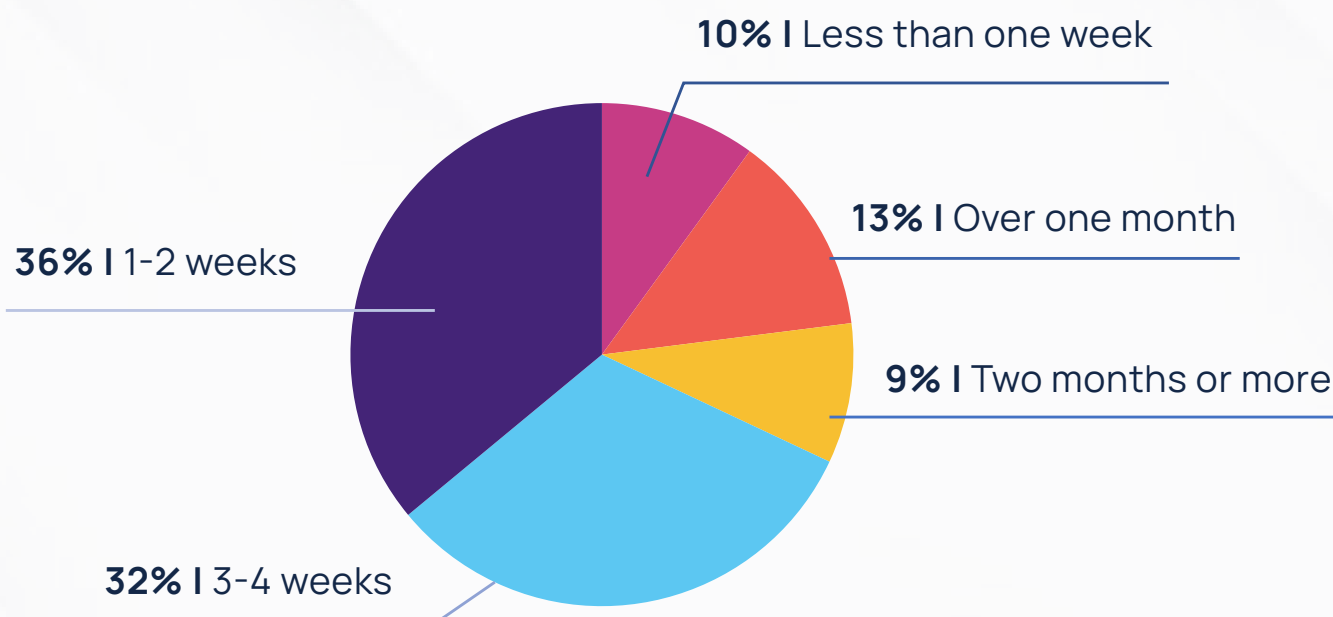
– Mr Puneet Dhawan - Senior VP – Operations, India and South Asia, Accor

Workations are considered a step up from the pre-lockdown "bleisure" travel where you could combine business trips with leisure trips[35]. In this mode of travel, guests would usually extend their stay an extra weekend or the following week after the business is complete, it could either be in the same location or somewhere nearby. Currently, with a reduced number of business trips, as the companies try to protect their employee's health, workations have taken precedence, however, we do see both elements in the near future as the business picks up.

Key differences[15]

	Bleisure	Workation
Dates	Depends on when a conference or business meeting takes place	Flexible
Location	In or around the conference/meeting location	Flexible
Accommodation	Booked by the company, usually a hotel	Booked by the employee, the choice can vary, often home rentals or apartments
Priorities	Nearby attractions, tours, workshops	Equipped with working essentials like Wi-Fi speed and connectivity
Length of stay	A few days	Can extend up to a month
Who's paying?	The company pays for travel and accommodation, Employee - for an extended stay	Fully paid by an employee

How long do workations last?

10% I Less than one week

13% I Over one month

9% I Two months or more

36% I 1-2 weeks

32% I 3-4 weeks

Facts and figures

A survey conducted by Owl labs in the U.S found the following:

- 59% of respondents indicated they would choose a job that offered remote work.

- 23% of those surveyed would accept a 10% pay cut to work from home full-time.

- Remote workers save an average of 40 minutes every day on commuting.

- Since the start of the pandemic, one-third (36%) of employers have improved their video meeting technology.

- 62% of workers feel more productive when working remotely.

- Working from home saves hybrid employees $19.11 each day.

Preferred working style by age:

Legend: Gen Z · Millenials · Gen X · Boomers

	Remote	Hybrid	In - Office
Gen Z	40%	38%	22%
Millenials	44%	37%	19%
Gen X	41%	34%	25%
Boomers	38%	30%	31%
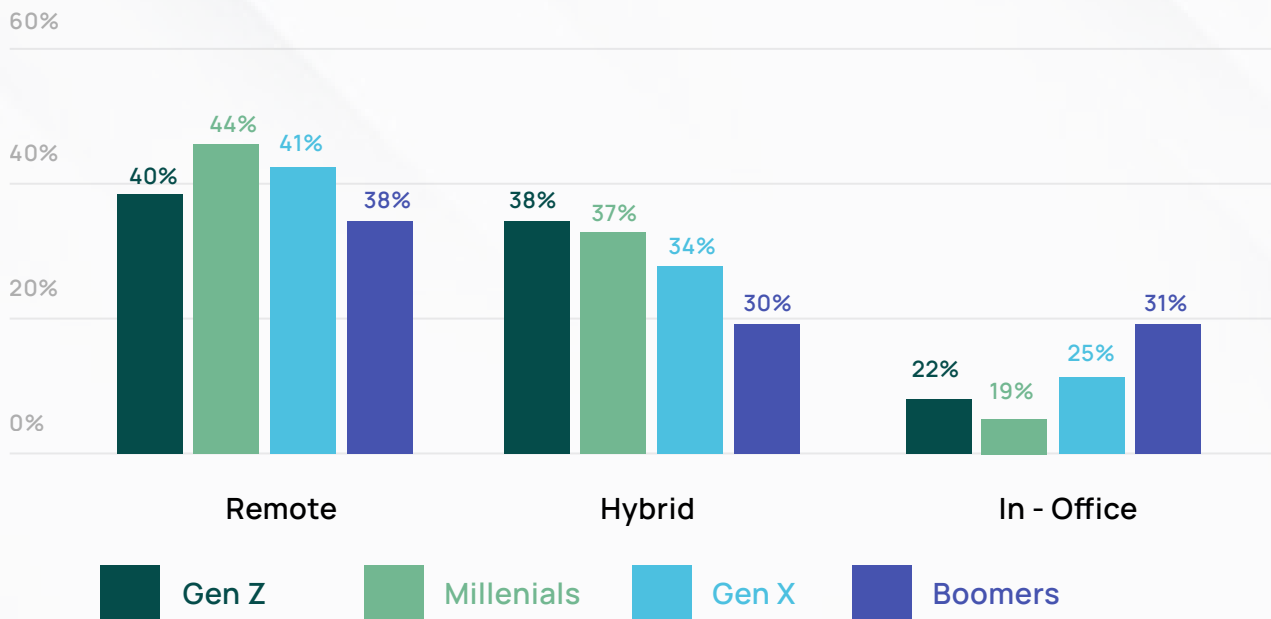
What are today's most popular workplace policies? Here's what companies are offering versus what employees are looking for:
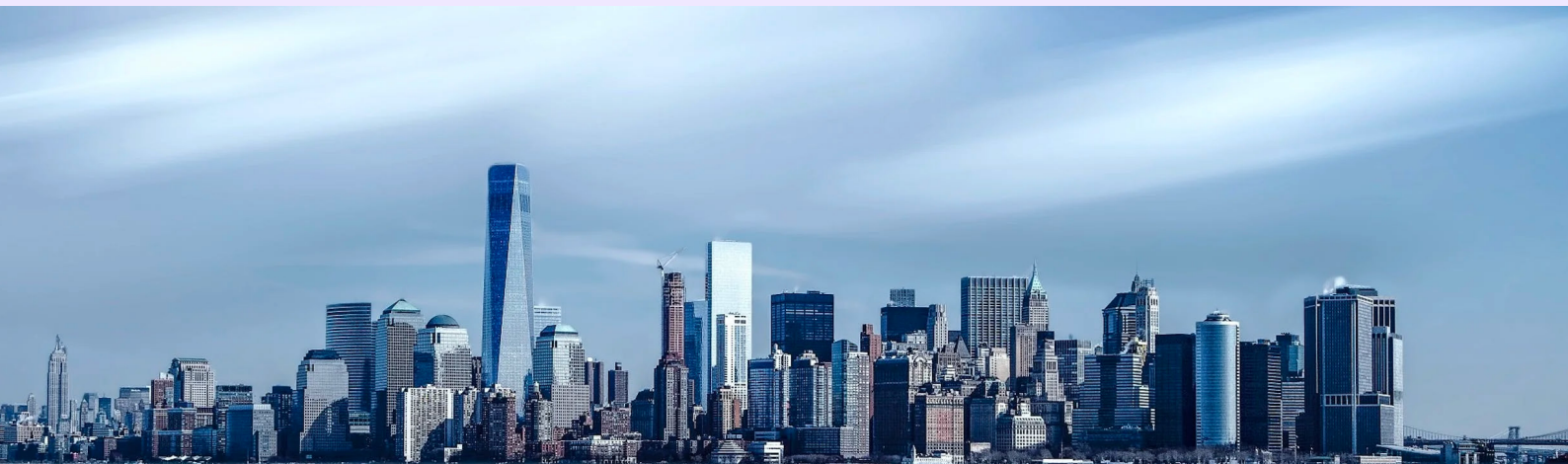

	Full-time remote	Full-time in-office	Hybrid (1-4 days in office)	Occasional remote work	Occasional in-office work
Company offering	31%	30%	29%	6%	2%
Employee preference	42%	22%	31%	2%	3%
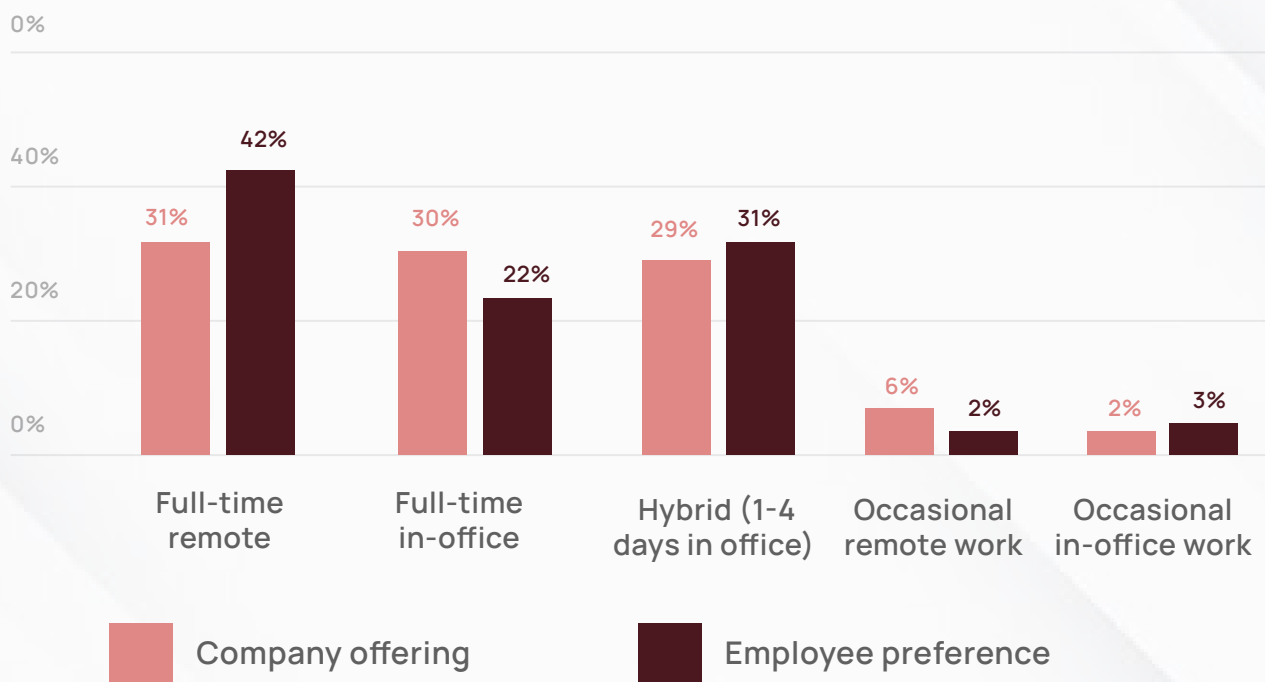
# The best cities in the world for a Workation[16]

Ranking	City	Country	Remote connection: Average WiFi speed (Mbps per second)	Co-working spaces: Number of co-working spaces	Caffeine: Average price of buying a coffee	Travel: Average price of taxi (per km)	After-work drinks: Average price for 2 beers in a bar	Food: Average cost of a meal at a local, mid-level restaurant
1	Bangkok	Thailand	28	117	£1.56	£0.82	£3.08	£1.54
2	New Delhi	India	12	165	£1.42	£0.19	£2.90	£2.90
3	Lisbon	Portugal	33	95	£1.56	£0.40	£3.42	£7.69
4	Barcelona	Spain	37	136	£1.59	£1.01	£5.12	£10.25
5	Buenos Aires	Argentina	17	67	£1.22	£0.47	£2.16	£5.15
6	Budapest	Hungary	37	40	£1.20	£0.72	£2.40	£4.81
7	Mumbai	India	23	152	£1.57	£0.22	£3.28	£2.90
8	Istanbul	Turkey	13	69	£1.23	£0.29	£3.34	£2.92
9	Bucharest	Romania	54	46	£1.78	£0.35	£2.78	£6.07
10	Phuket	Thailand	23	11	£1.73	£0.76	£3.92	£2.72

Co-working

A co-working space is a shared area that can accommodate employees from many companies or a group of independent individuals. It provides a shared infrastructure to several people or organizations at a far lower cost than typical offices. Co-working environments provide a sense of community, creativity, joy, flexibility, accessibility, and sustainability. The growth rate of the co-working space market is 14.8%, with an estimated value of $24 Billion by end of this decade.

Co-working Space Market

6.9 $ Billion — 2021
24 $ Billion — 2030
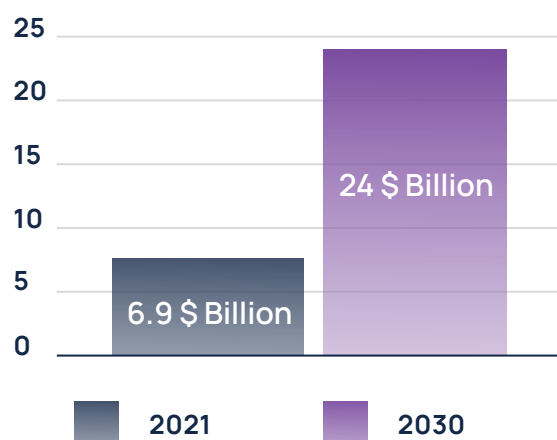
Source: researchandmarkets.com

Geographical Analysis

In terms of size, North America has the most co-working spaces, with an average of 9,799 square feet per location. The increased acceptance of flexible work methods, service offices and remote teams is fueling this massive demand for co-working space.

On the other side, Asia-Pacific is home to two of the world's most populous countries, China and India. These are both developing markets. Increased population knowledge of the enormous benefits of co-working space is generating a chance for this area to become one of the key co-working space marketplaces.

Co-working in hotels

Co-working is something one might not have envisioned in the hotel in the next decade, however as lifestyle requirements and technological developments change, more and more hotels are abandoning the conventional business centre model as they modernize to suit **the mobile employees**. Not only do these places expose hotels to new audiences and the community, but they can also **generate money by capitalizing on existing space** and triggering valuable economies of scale. As guests want to explore the facilities and stay under one roof, revenue flows to other parts of the hotel such as restaurants, lobby shops, cafés, and more.

Co-working spaces have qualities in common with the **"city hotel"** market. Hotels that are situated near city centres and transit hubs. They provide one type of **concierge/customer service.** They provide food and beverages to business travellers and have huge open areas with **strong WiFi infrastructure.** The majority of hotels and their lobbies are left unoccupied during the day, often from **9 a.m. until 5 p.m.** These facilities can be used much more efficiently by introducing co-working opportunities, which would **benefit both the hotel and the guests**. One such example is the Roseate Hotel and Resorts which has incorporated the co-working model.

> " There is a huge potential and we have seen a great response from our resident & even non-resident guests. We're doing this, gaining momentum, as this brings everything under one roof for the guests. "
>
> – Mr Kush Kapoor - CEO, Roseate Hotels and Resorts

There is less emphasis on the classification of the hotel as long as there is enough "leftover" space that can be used as a co-working space or converted into a working area during the day. Typically, three- or four-star hotels would incorporate a co-working idea in their foyer or MICE-related areas, however, five-star hotels operate on a distinct idea by catering to a different client base. The hotel concept and decor must complement the original idea as well as the co-working lifestyle. Boutique hotels and lifestyle hotels have even more possibilities for incorporating the co-working model.

Subscription-based service

The current buzzword of the decade is remote working, which has resulted in the introduction of hotel subscription services. Starting as a way for empty hotels to make some extra money and as a respite for those looking for an 'office away from home,' the hotel subscription model has quickly evolved into an endearing 'work-play' hybrid offer for digital nomads or a practical solution for part-time super-commuters and may well be gaining traction as an interesting business model for hotels long after the pandemic has passed. This is consistent with hostel/co-living company Selina acquiring Remote Year in 2020, a company that offered participants the chance to live and work in a new city each month. Selina has now expanded the concept offering various extended-stay programs and memberships, including its CoLive product.

> " We are at the end stages of launching our subscription program across the hotels, you can expect it to go live in the next few months. What I can share with you is, we will give our customers more reason to have a better experience now and today, rather than a computer system collecting points and giving them benefits after visiting 20 times. "
>
> - Mr Ajay Bakaya - MD, Sarovar Hotels and Resorts

The less commonly mentioned form of a subscription package, on the other hand, is one for leisure travellers - why not battle seasonality even further with offers that give subscription-style stays every off-season period? Having said that, implementing this new revenue model will need the experience of astute hotel and revenue managers to optimize earnings. It is also critical to analyze how this should fit into hotels' digital strategies. Consider having an all-inclusive app that has every detail - an intuitive booking platform for a subscription (and non-subscription) stay, redeemable loyalty perks, captivating AR experiences, virtual key cards, and so on; well-designed technology can keep your guests infinitely hooked for more and could be the ticket to securing an army of lifelong customers-turned-brand ambassadors.

Potential of food and beverage

The hospitality business is gradually recouping lost revenue during the last two years. Food and beverage have been critical to the revival of the hospitality industry. With ancillary services gaining prominence during the pandemic, one department that stood out was food and beverage. The hotel's F&B department played a significant role in recovering the hotel's lost spirit, from innovations like food delivery or making home-like meals to giving enormous savings.[12]

ATTRIBUTE	KEY STATISTICS [11]
Global growth rate (2022-2032)	9.8% CAGR
Online food delivery services estimated market value (2022)	US $ 38.2 Billion
Online food delivery services market projected value (2032)	US $ 97.3 Billion

Today, the F&B side of the business is becoming a proper customer acquisition channel for hotel companies, rather than merely an additional revenue source.

The market has become quite competitive and at the same time, the service often overlaps with one or many niche markets. **Subscription-based food service/delivery** is a massive market that the hotels can take advantage of, especially seeing the values of the upcoming Gen Z, who are digital natives and seek highly personalized service with a healthier and sustainable future as a whole. The previous few years have also spearheaded hotel companies to tie up with different delivery partners to logistically assist in the home-delivery ecosystem.

When volumes are compared, the revenue earned by subscribers exceeds the revenue generated by a single transaction. A subscription model would potentially generate good cash flow for the hotel as well as be mutually beneficial for the guest due to the lower tariff for each meal. Instead of an estimate, the business can be reasonably accurate and anticipate having the funds in hand. Due to the low investment required, a subscription-based food delivery strategy would be possible. It also has high operating efficiency due to set orders. Furthermore, if the amount of orders for each day is pre-confirmed, the delivery cost can be substantially reduced. This can be found in variations to deliver meal kits at the comfort of the home as well.

Mr Puneet Dhawan further shares some insight:

> " The focus is to bring the experience at home: meal kits do just that and are a wonderful bonding experience. The idea is to bring an in-restaurant experience at home. "

A 'Meal Kit' is any service that sends consumers pre-portioned ingredients and meals, typically as a subscription service. This allows the customer to create fresh, handmade meals without the hassle of preparing and hunting for supplies across various locations. The subscriber signs up for a certain number of meals/portions per week with all meal kit services. These programs are usually adaptable, allowing customers to vary the meals they order every week. The meal kit industry is estimated to reach $11.6 billion globally by the end of 2022 and has shown promise with a 250% increase in the last five years.

| ATTRIBUTE	KEY STATISTICS [10]
Market value based CAGR (2022-2032)	**15% CAGR**
Meal kit delivery services market estimated size (2022)	**US$ 14.63 billion**
Market projected size (2032)	**US$ 59.2 billion**

Dynamic Workforce

Numerous sectors have been significantly and permanently altered by the pandemic and the ensuing economic catastrophe. Positions are difficult to fill since they frequently call for a great deal of unpaid overtime and practically 24-hour availability. Additionally, it makes it difficult to address the problem that Gen Z's expectations are drastically beyond what learning a starting position in a hotel can provide. Lower wages along with unpredictable work hours and weekend night shifts, neither of which are particularly enticing to a new graduate. As a result, the supply is now insufficient, which only makes the talent shortage in the hotel industry worse.

As per the World Travel and Tourism Council, the long-term forecast between 2022 and 2032 the industry is expected to create **126 million new employment opportunities** from which the Asia-Pacific region is estimated to create **76.9 million new jobs** which would constitute 64.8% of all new Travel & Tourism related jobs globally.
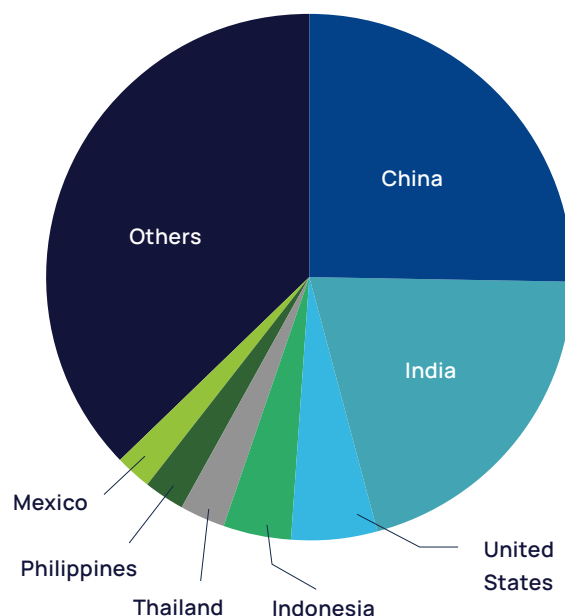
Where will 126 million new jobs between 2022 and 2032 be created?[5]
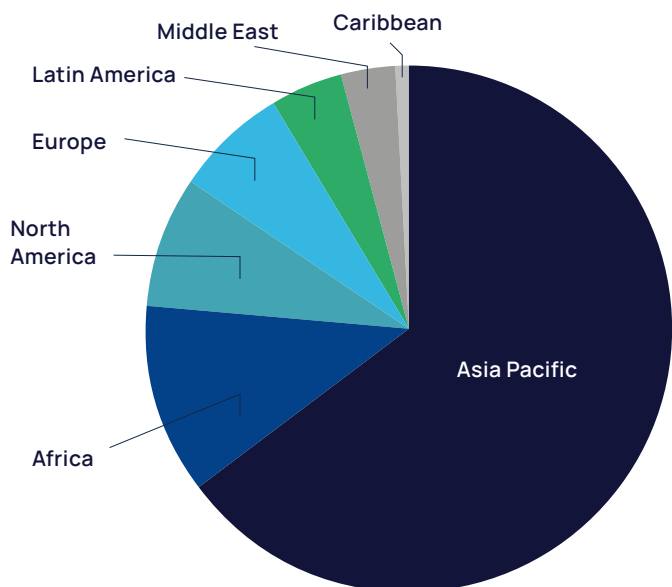
Region Rank	% of new T&T jobs Between 2022-2032
Asia-Pacific	64.8%
Africa	11.8%
North America	8.0%
Europe	6.9%
Latin America	4.7%
Middle East	3.1%
Caribbean	0.8%

Country Rank	% of new T&T jobs Between 2022-2032
China	25.5%
India	20.4%
United States	5.3%
Indonesia	4.2%
Thailand	2.8%
Philippines	2.5%
Mexico	2.3%
Others	37.0%

The most crucial issue affecting the hospitality industry is the employment and retention of staff. Currently, I think there isn't a shortage of 'talented' skilled workers, however, the recognition and supportive environment is lacking in the industry.

- Mr Chander Baljee – CMD, Royal Orchid Hotels

Incorporating flexibility (such as part-time positions, and flexible working hours within certain timeslots) would greatly affect the way employees perceive the working environment long term. A mutually beneficial development program would be one way to move forward. Fostering cross-departmental collaboration and giving opportunities for employees to gain multiple skills at the same time and work up the ladder can make a difference. The industry and educational institutions also play a vital role in addressing these issues in reducing the gap between academic and practical skills required in the industry.

Staff-to-room ratio in hotels[17]

Underdeveloped countries	2.5:1*
Developing countries	1.75:1
Developed countries	1:1

*2.5 full-time staff for every room available

To address the issue of worker shortages in the industry, policies and efforts must be prioritized and implemented. These include promoting labour mobility and flexible work, building a competent workforce, and recruiting talent by enhancing the sector's reputation, offering competitive employee benefits, and enabling decent work while using technical and digital solutions. Strategies can be aided further by financial incentives such as tax breaks and government subsidies. These policies will require multi-stakeholder engagement, involving the public and business sectors, as well as academics, to be successful. Furthermore, governments should identify the talents that their market requires to gain an economic advantage, examine the availability of these skills, and determine which present policies may need to be revised and/or new policies established to meet future demands.

Recommendations to Counter Staff Shortage[28]

1. Promote labour mobility

Enabling and supporting talent mobility inside and across borders is an effective strategy for addressing personnel shortages and closing a skills gap. Following COVID-19, countries will need to continue reducing travel restrictions and implementing technology solutions to provide a swift and efficient trip. Furthermore, countries must rethink migration policy, simplify visa procedures, boost regional markets, and handle tax treaty difficulties. The Association of Southeast Asian Nations (ASEAN) has taken a similar strategy, addressing skilled worker shortages through labour mobility provisions in Mutual Recognition Agreements (MRAs).

2. Enable flexible and remote work

Such a strategy can encourage people to return to work after the pandemic, including many individuals who care for children or elderly family members. Where feasible, part-time or contract-based options should be sought. Furthermore, flexible working is related to the implementation of shorter work weeks (and hence longer weekends), which has already won support from various governments and businesses. There is mounting evidence that reducing the working week while keeping pay levels increases productivity and well-being. Furthermore, shifting to an extended weekend will effectively hasten the recovery of all economic sectors, including travel and tourism.

3. Provide quality work and attractive employee benefits

To recruit and retain people, it is critical to enable and promote decent employment - work that is safe, fair, productive, and meaningful. Employers should strive to offer competitive pay packages and employee perks. Furthermore, authorities will need to assess and alter social safety nets and social protection measures to guarantee that no one falls behind. Businesses must already comply with the law that grants freelance employees job rights, such as access to minimum pay and paid vacations, in various regions of the globe.

4. Create and sustain a trained workforce

Training, reskilling, and upskilling programs aimed at providing one's workforce with new and improved skills to operate in the sector, such as enhanced digital literacy, will be critical to strengthening the readiness of the sector's workforce in the future and addressing the issue of talent shortages. It is critical that training be continuous and meets both presents and expected demands. As the nature of work and skills evolve, which has been accelerated to some extent by the COVID-19 pandemic, effective policies and public-private collaboration with the potential to support educational programs and apprentice-based training are critical to bridging skills gaps and developing a workforce that can help the sector thrive.

5. Increase opportunities inside the industry

Aside from training, reskilling, and upskilling, the industry must work on recruiting and keeping fresh talent by boosting the reputation of hospitality occupations as a viable career option. Employers should highlight the variety of opportunities available, which cater to a wide range of talents. They should also highlight the opportunities for advancement in the industry. This might be accomplished through awareness campaigns and exercises in career path mapping. Furthermore, stakeholders should emphasize the possibilities available to female and minority workers in the industry. Taking these steps is also vital to reduce the loss of experienced employees who are valuable assets to a company.

6. Improve collaboration at all levels

Public-private-community partnerships (PPCP) and collaboration at all levels of government, including multi-national levels, will be critical to addressing workforce shortages and achieving success. Improved multi-national collaboration and coordination can result in fewer constraints and more favourable visa regulations, facilitating worker flows across international boundaries. It can also help with cross-border recognition of workers' talents and qualifications. Mutual recognition of training and employee background records by authorities might speed up onboarding and decrease superfluous processes for certain positions, notably in the aviation industry, where training, re-training, and processes are time-consuming. Overall, more standardization and coordination will enhance performance, give greater work flexibility, and expand career prospects, while allowing the industry to swiftly adjust to changes in demand.

7. Make use of technology and digital solutions

Adoption of new technological and digital solutions can also assist to alleviate personnel shortages by boosting everyday tourist operations, mobility, and border security. This not

only relieves staff burden but also assures safe and seamless travel and an improved guest experience. Among the specific technology solutions are optimized digital experiences, cloud computing, and artificial intelligence. Hotel companies, for example, can use real-time data on current and prospective occupancy to prioritize which rooms to service first while also enhancing human resource management. Online room selection, kiosk check-in, and allowing guests to make service requests via their digital devices can help to relieve the burden on everyday operations.

Technology in Hospitality

Global Tech-Savvy Hotel Chain Market (in billions)
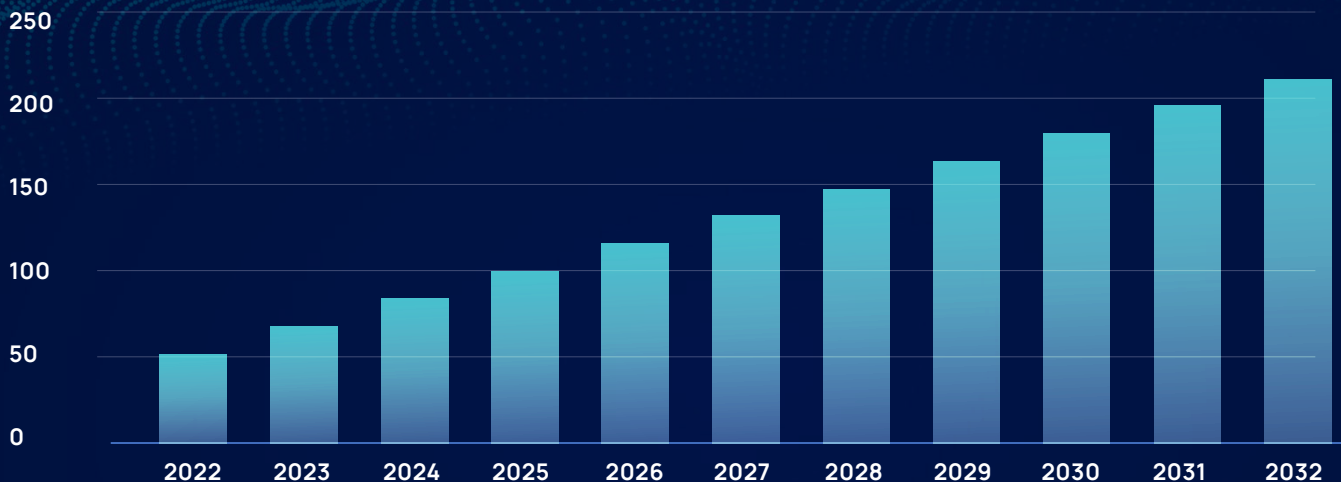
We can expect the tech-savvy hotel chains market appraised at **US$ 53.5 billion in 2022,** likely to reach **US$ 220 billion by 2032** with a **CAGR of 15%** during the forecast period (2022-2032).[13]

Hotel companies all over the world are quickly adopting technology advances that are creeping into the rapidly changing global hospitality environment. Several well-known hotel businesses have effectively incorporated technology into their everyday operations processes during the previous few decades. The long-term camaraderie has influenced the industry's overall growth. Because of the adept use of technology, service levels at some opulent hotels have increased throughout the years. As per our survey, **Artificial Intelligence and Internet-of-Things** paved the way forward as major tech-driven factors in the hospitality sector.

Big Data → Artificial Intelligence → Machine learning
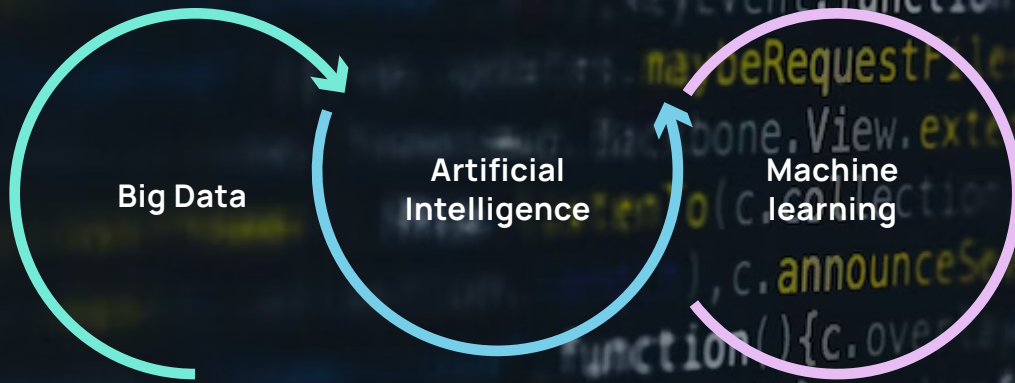
"Big data" is the term used to describe the large volume of structured and unstructured data that a business collects every day. Whereas artificial intelligence is becoming increasingly significant in hotel management, owing to its capacity to perform traditional human activities at any time of the day. Artificial intelligence assists in automating tasks while machine learning uses the development of computer systems that can learn and adapt without following explicit instructions, by using algorithms and statistical models to analyse and draw inferences from patterns in data

The amount of information gathered in this format is exorbitant and time-consuming, this is where artificial intelligence come in handy, they help in systematically understanding the information based on pre-defined parameters. This is further aided by machine learning which can learn and improvise the decisions driven by data. By analysing this big data, businesses can gain insights that lead to better business decisions, benchmark with competitors, learn about their customers in-depth, and grow strategically.

Chatbots - are without a doubt one of the most effective methods of giving excellent service. This also allows human resources to focus on other vital responsibilities. Chatbots can be utilized to answer commonly requested queries as well as manage concierge services and cleaning requests such as delivering more pillows or blankets to the room. These requests can not only be addressed more readily but also more swiftly; In our instant gratification society, being able to meet the demands of guests promptly is critical to providing exceptional service.

Improve the service to multilingual guests. – The ability to better serve guests from many nations and speak a range of languages by utilizing various AI technologies. Chatbots can be trained to speak many languages, or you can integrate a live translation tool into your website that adjusts to the audience using artificial intelligence. Having the technology to service a multilingual population in place will help the hotel to appeal to a broader spectrum of customers and reduce the need of recruiting multilingual employees.

> "
> In the aftermath of the COVID-19 pandemic, the rate of digital transformation in our country has increased further, pushing digital adoption to become the centre of growth strategy and operating model. "
>
> - Mr Nikhil Sharma, Regional Director for Eurasia, Wyndham Hotels & Resorts EMEA

Data has become the world's most valuable resource. Guest data help in understanding and anticipating guest preferences better, to increase the quality of service.

Using these technologies can improve[9] -
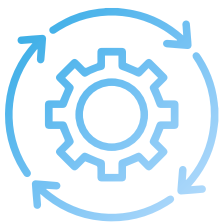
Revenue Management

Include previous occupancy rates, current system bookings, and many essential performance measures, as well as external data, such as information about school holidays and local events. Today, even with the best technologies, it needs manual oversight as the auspicious days keep changing year-on-year, however, this can be adjusted by machine learning.

Targeted Marketing

The guests are diverse, ranging from business travellers to families. Big data enables marketers to find the best prospects for their respective brands and target relevant demographics much more precisely, particularly through internet advertising.

Customer Experience

Customers are eager to have their voices heard but acquiring and analysing data from numerous sources can be difficult. However, once completed, it can help hotels identify what their consumers appreciate and where they can improve.
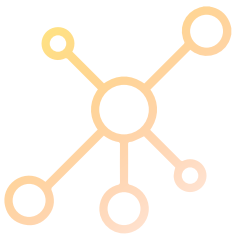
Additional Services

A hotel can opt to refurbish its gym if customers are regularly asking about machines, however on the online forum until the feedback is read, discussed and action is taken, it is time-consuming and can be delayed which would lead to losing customers. However, this can be tracked live with the help of these technologies.

Competition Scouting

A competitor is frequently complimented for their restaurant menu, or they are frequently chastised for a certain service. Knowing this information can benefit the company plan further.

Internet-of-things

IoT is an abbreviation for the Internet of Things. The term "things" may appear ambiguous, but it simply refers to any device that is linked to the internet to operate a process, collect data, or share information with another device. Gadgets such as Amazon Alexa or Google Home, as well as Igor-enabled smart lighting or usage of the thermostat by a device installed in an automated area, are examples of IoT devices.
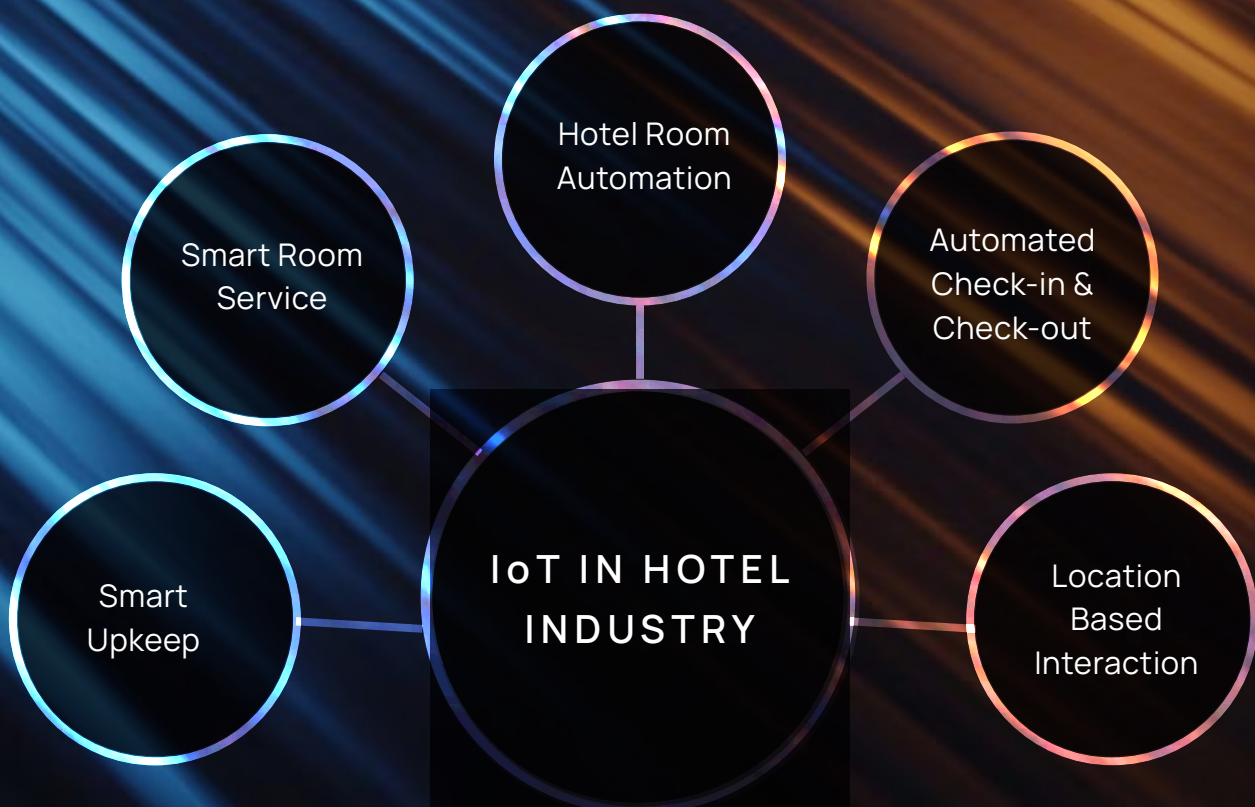
Application of IoT in hotel industry[14]

Smart hotels can utilize data obtained from prior guest stays to personalize the atmosphere in the guest's room. The hotel can also leverage IoT to implement eco-friendly management techniques on the property, including garbage recycling and reuse, energy conservation, and plant nutrient and maintenance. IoT installed in the hotel and around the town collects a considerable volume of internal as well as external information, such as guest location, availability of facilities required for guests, climate conditions, and air terminal traffic situation.

Sensors that can be used to improve hotel operations[14]

Position of Sensor	Type of Sensor	Operation
Within Hotel Property	Location Sensor	Provide food facilities or other facilities to guests anywhere within the hotel property
Storehouse	Inventory tag	Check the expiry date and par-stock level. Detect item profile and location
Outdoor of Hotel	Thermal sensor	Track outdoor temperature and manage power consumption
Hotel Guest room	Temperature Sensor, Light sensor, a voice sensor, door sensor	Provides guest-preferred experience within the room
Hotel Garden	Moisture Sensor	Check the moisture of the soil and automate the plant watering system

WiFi 6 for Smart hotels

While 5G is all the rage, WiFi 6 is far more important to hotels. WiFi 6 refers to the latest version of Wifi, a quicker, more efficient connection enabled by new technology. WiFi 6 is approximately 30% faster than our present WiFi network. This may not appear to be very great at first look, but when you consider how many gadgets we're adding to our WiFi networks, the speed gain is tremendous.

WiFi 6, like 5G, will have ramifications for guests who book and control their stay via their smartphones, however, hotels would require faster WiFi to power all of those streaming, tablet, and voice-activated gadgets. With WiFi 6, your hotel can use in-room technology to improve service, resulting in great guest reviews and repeat business. Smart thermostats, smart speakers, and smart locks will all work better when WiFi 6 becomes more widely used during the next five years.

Environment-friendly travel

The worldwide ecotourism market is predicted to increase from $185.43 billion in 2022 to reach **$299.03 billion by 2026, growing at a 12.7% CAGR**. Sustainable tourism, often known as ecotourism in India, is becoming increasingly significant.[1]

The preservation of a destination's cultural heritage is essential to tourism and hospitality. Natural resource conservation plays an active part in drawing tourists to a destination while also promising progress in the tourism business.

Certain tourist sites, such as the Andaman Islands, rely on crystal-clear water and clean beaches to attract visitors. As a result, tourism leaders must ramp up their cleanliness and sanitation efforts in and around tourist destinations. Sustainable practices also distinguish hotel companies from others. Organic and sustainable businesses are preferred by travellers, restaurant guests, and adventurers.

The Indian traveller

According to Booking.com, 94% of travellers agree that sustainable travel is essential to them, with 68% admitting that recent climate change news has impacted them to adopt more environmentally friendly travel decisions. Over the next 12 months, 91% of travellers say they wish to travel more responsibly. Over the last year, 80% of travellers reported staying in sustainable lodging. 64% of travellers agree that the sustainability initiatives of accommodation and travel companies influence their property and transportation selections, respectively. 88% of travellers said they would prefer to stay in a sustainable hotel whether they were seeking one or not.

Although 97% of travellers want to stay in a sustainable resort at least once this year, there is still work to be done to make more sustainable stay alternatives accessible to everyone. 28% confess that they do not actively look for a property's sustainability initiatives before booking, but if it is widely available, they will evaluate it, emphasizing the need of making this sustainability information visible and understandable for a broad audience of travellers.

The Growing Importance of Design

As hotel expansion and growth continue to reach record levels the market is becoming increasingly saturated and it often reaches a point where similar services are offered to the guests, additionally, they are competing fiercely for guests. Guests nowadays have higher expectations, with a deeper focus on their whole experience, and the ever-changing environment of travellers has brought about a host of changes within the hospitality business. Hotels are now redefining the appearance, feel, and appeal of their buildings, employing external and interior design as a means of creating distinctive experiences. Eco-consciousness, wellness, local, and smart-room technology are just a few of the most popular hotel design concepts being incorporated by both independent and chain hotels.

Interior design that is strategically planned from a commercial standpoint can produce a subtly compelling setting that assures the hotel's guests spend their money happily. From arrival and check-in, via guest and public spaces, to experiencing the rooms and dining options, each moment can make the entire visit an adventure that is delightful, memorable, and worth repeating.

Mr Anil Chadha - Divisional Chief Executive, ITC Hotels further shares his insights on the designing aspects of the hotel: -

"

Travelers today seek more than just a quality hotel stay. They look for meaningful experiences, particularly when travelling for leisure. The discerning traveller of the future will certainly expect quality service and minimum product standards; however, hotel design is set to become the differentiating factor between good hotels and great ones. As experiential travel gains popularity, hotel brands will need to embrace the power of well-designed spaces that balance efficiency and aesthetics in order to provide that extra appeal.

Sustainability is integral to good design and a priority consideration at ITC Hotels. Two simple words, though rarely found together, have become the bedrock of belief and commitment for ITC Hotels. Responsible Luxury. This is luxury most certainly, but luxury with a conscience. Responsible Luxury is world-class luxury experiences which address the needs of well-being and safety through responsible practices which are in harmony with the environment and society. Harnessing renewable energy, recycling water, treating solid waste, sourcing consumables locally, eco-sensitive architecture & design protocols, engineered/architectural solutions for indoor air quality, acoustics, lighting management and other sustainable features being the measures in the journey for a brighter tomorrow.

As such, Biophilic experiences (connecting indoor and outdoor spaces; closely to nature) and Sustainability shall continue to be the foundation of our architecture and design, manifested in iconic examples such as the ITC Kohenur, ITC Gardenia and ITC Sonar. We have found that basic design aspects such as architectural orientation, air quality, the availability of ample natural light and density factor for example allow our hotels to not only appeal to our Guests aesthetically but also give us efficient and sustainable buildings. Of course, learnings from the pandemic and post-pandemic experiences of operating hotels play a role in design dynamics and I truly believe that these efficiencies are here to stay in the coming decade as travellers become more aware of safety and hygiene. Therefore, hotel design today needs a good hotel architecture and interior design consultant who can create unexpected, unseen, unique elements that keep their guests surprised, engaged and comfortable throughout their stay.

"

LEADING DESIGNERS IN THE INDUSTRY – Q&A

Ms Paula O'Callaghan

Partner

Hirsch Bedner Associates (HBA)

How do you see the guest room transformation in the future?

I can foresee enhanced workspace in terms of ergonomics and connectivity; the disappearance of bathtubs altogether (except for in leisure-oriented hotels) but enhanced "experience" showers. The disappearance of wall-to-wall carpet – either hardwood or laminate wood flooring will become a standard. Natural stone will be replaced with man-made surfaces (quartz, tile, terrazzo). Increased use of reclaimed materials – wood, stone, metal. The "Hypo-allergenic" room concept, with enhanced HEPA filter technology within M&E will increase in popularity. Access to the fresh air ventilation. Reduction of closet space. Reduction of mini-bar sundries but increased appearance of built-in filtered water taps, with gas/non-gas options. Increase in robotic technology for housekeeping (ie: auto vacuum with UV sterilizer for corridors) and robotic room service delivery carts.

"Designers experience ever-growing pressure, from both developers and consumers, for environmentally responsible and 'resilient' hotels and resorts." Could you share your views on this change?

Global inward reflection during the Covid 19 lockdowns increased the world's awareness of just how fragile our existence on earth is and the design industry is not immune to this shift in perspective and regard towards mother Earth. As designers, we have a responsibility to adjust to moving trends but never before has this been more urgent and profound than now to sustainability. After all, this is not a mere aesthetic persuasion, but a conscious action to preserve our very existence and earth.

Unsurprisingly, there is currently a strong trend in hotel design to be more environmentally conscious in our design choices. For example, twenty years ago, Macassar Ebony was a sought-after wood finish in luxury design – preferably with a high gloss sheen. Today, it is the ID equivalent to how natural fur is regarded in the fashion industry – a taboo proposal reflecting one's indifference to the dwindling population of this decimated species of trees. In addition, the awareness of VOC emissions caused by high gloss lacquer application was not as prevalent twenty years ago as much as it is now. A peripheral trend is a biophilic design, as we look toward re-connecting with nature. By 2032, the application of natural materials will be relegated as a "luxury" design choice limited to but a few ultra-luxury projects, with the majority of hotels being designed with man-made, low-VOC products and/or recycled materials. Great emphasis will be made on green environments which can be naturally ventilated, lit, heated, and cooled. With the rising issues of food waste, there will be less focus on buffet restaurants as all-day dining venues, with algorithms generating guest profiles from online menu orders which will, in turn, inform operators on what menu offerings to prepare. Large operators may include a minimum percentage requirement for LEED/Green mark certified products to be specified in their design standards.

With the significant changes via technology being integrated into a hotel, how does this impact the designs within a hotel?

It impacts the functional aspects of hotel design which can be large or small. For example, there is no need for a large reception desk or even a reception area at all if technology permits guests to remotely check in and be electronically cleared for secured entry. Facial recognition technology means there is no need for a key card or proximity card hardware. Digital menus accessed by phone and online ordering/payment change the process of F&B servicing, which could result in dramatic changes to POS equipment and service stations. The integration of full wall LEDs in a ballroom dramatically impacts its design – one can imagine that ballrooms of the future will need only their ceilings and floors to be designed in the traditional sense, and even then, perhaps these planes will also be adorned with digital surfaces for an all-immersive experience. The increased demand for impromptu, hybrid meetings will necessitate solid wireless connectivity throughout the hotel. This means spaces will require better acoustical products/design.

Working remotely has gained much popularity, leading to comfortable spaces and an emphasis on incorporating social and communal elements in the hotel. Please share your insights for these in the next decade.

Even before Covid, there was an emergence of social co-work spaces within hotels. This trend will surely grow, encompassing co-work & dining spaces as a norm in ADD venues. Covid19 lockdowns have also created an emerging "gig economy" in all industries, with a growing interest in temporary "impromptu" and flexible work assignments. This will increase demand for long-stay/service apartment properties, possibly with integrated co-working office spaces. Already, this service model is embodied in Citadine's Connect product.

Is there a storytelling element to the design created in most of the hotels?

Yes, there is. Narration in design helps create interiors that are unique and context relevant. It influences end users by providing a sense of "place" during their stay. With the advent of Instagram, there is an increased demand for more profoundly "unique" experiences, and current hotel design responds to those needs. Hence, there is a heightened emphasis on narration and concept whereas 20-30 years ago, hotel design was more about just providing a luxurious residential experience.

Ms Ritu Bhatia Kler

Managing Director

Total Integrated Design (TID) International

What is the importance of multi-purpose spaces? Are communal spaces the next step?

i.   Communal tables have been around for a long time but were never popular in India but now we are seeing a come back and therefore with the younger generation and trends it should be gaining popularity

ii.   Multi-purpose spaces are practical and revenue-generating. Even guests won't mind being in a space being utilized by more people rather than seeing empty spaces. This trend is already starting and some brands have lobbies defined as family lounges or casual meeting places

Family recreation areas with an emphasis on the children have always been in the spotlight for resorts, is there scope for these in the newly defined bleisure market?

I don't think there is enough done for children indoors in hotels even in the leisure market in India so definitely attention is needed in Leisure and Bleisure! Even a room bay dedicated to a children's zone that can be used on demand can be planned in all hotels. Of course, in leisure destinations and larger hotels in 5-star segments or dedicated resort locations, larger spaces both indoor and outdoor, gaming activities like indoor sports, library zone, creche, indoor games, etc need to be planned. Rather than children zone, these should be called family zones. The Club Med and Mahindra Holiday Resorts do it well, but it can be done elsewhere too. Brands can even add it to their customer loyalty/membership program with incentives.

Has there been a change in methodology while executing a design for the hotel? Can it truly be online? Is the hybrid version of physical and online more suitable than traditionally being always present?

A hybrid version is possible to some extent. The initial site visit kicks off-stage have to be done physically but thereafter some design stages like concept presentations or interim discussions can be done online. Certain key milestones are always better in person so consultants can brainstorm across the table. Once the architectural shell is done then key milestone site visits need to be done. For eg checking guest room mock-ups and other furniture or light mock-ups, Some site queries can be sorted over video calls and this was being done pre-pandemic too. So, a hybrid works if done smartly and efficiently.

Is there an increased demand for the local materials than international for designs?

While it is always practical to procure locally but some materials need to be imported. The bigger concern is quality. The quality of guest comfort and durability for cost optimization is more important rather than where it is procured. The guest doesn't ask if a material or furniture is local or international. They remember the overall design ambience, ergonomics, and comfort.

By optimizing which space in the hotel, it will have the potential to make the most impact. How and why?

All Day Dining in city hotels is utilized mostly at breakfast and dinner and may not have lunch or in-between time crowds and yet they are open 24 hours. The planning should be subject to the cities. For metros where the lunch crowd may be less, create zones that can be closed off or used for group lunches or have partitions to create meeting zones. If it doesn't have a 24 hr potential then operate it till midnight and only have room service.

Preplanning by operations and designers can have a more effective space and hotel location and marketability play a role in this and not the star category.

Ms Vandana Saxena

Founder & Principal designer

Studio IV

The hotel rooms are being personalized to more work-friendly and cosy atmosphere for the guests. How is this bringing change in design?

a. Comfortable work seating, which is multi-functional
b. Less fuss and more functionality- furniture items and sockets which are easy to use
c. Enough switch points with greater compatibility
d. ability to mirror personal devices onto TV screens

Has there been a rise in style and aesthetics across the industry? What are the preferences today?

Style and aesthetics have to tie into an overall narrative of the property. Currently, the referencing to the local context is very minimal and largely limited to the artworks. The actual use of local materials and details and their integration into the core design might take centre stage in the future as people and communities look to differentiate and celebrate their individuality.

I think styling will become a mix of the modern and vintage- the trends would be more "revivalist".

How do you see the development in the banquets of the hotel?

"White box concepts" might evolve to be the norm as the market matures even in smaller cities. A fixed look and feel might not work. A shell that can tweak itself to customer demands and event type would offer greater flexibility. We might also see

much greater integration of technology in the event space zone with lighting/screens and videography enablement in design and spaces.

Is there an introduction of greening measures in the hotel to consider? How does "a sense of having a connection to nature" impact the design?

Traditionally, there was always a need to connect the indoors to the outdoors/ Somehow over the past few decades and with the mindless aping of trends, designers forgot to give enough weight to the local context. Integration of the inside and the outside through the correct design of spatial volumes, threshold spaces like verandas and terraces, and placement of fenestrations is key to good design. Spaces that integrate well with the outside create greater comfort for the guest. In such spaces, guests spend more time.

Does development in technology affect the designs? Could you share some examples?

a. Lighting in rooms based on the circadian rhythm- creating a more wellness-aligned room experience.
b. Mattress comfort controlled by technology- shifting between hard and soft depending on guest preference
c. Programmable shower experiences
d. Motion sensing technology to achieve reduced operating expenses- around lighting and other gadgets
e. Greater use of artificial intelligence to guide a customer
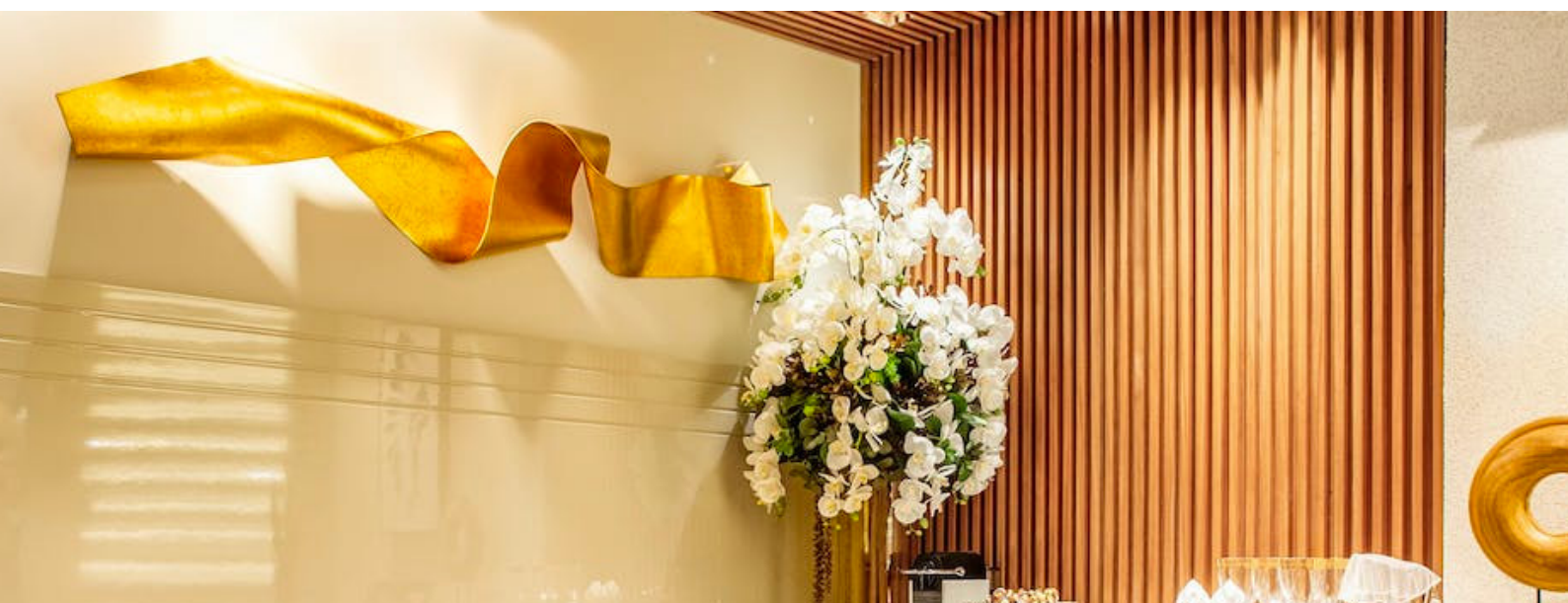
THE HOTEL OF TOMORROW

Smart rooms

The hotel would use 'smart' electrical devices that are driven by the Internet of Things (IoT). Because of IoT technology, former devices which could not connect to the internet, now have internet access, allowing them to transmit and receive data and successfully communicate with one another.

Smart-featured rooms will be the standard in hotels of the future. Voice or gesture control will be used to operate room amenities and features. Heating and cooling systems will adapt based on heat sensors in the space. You should be able to customize the lighting in your space with a single touch or command. The option to modify the colours of your room's lighting will aid in providing that customized, immersive experience. Room service and extras will be ordered using a tablet, touch screen, or voice commands. These rooms will be the epitome of personalization.
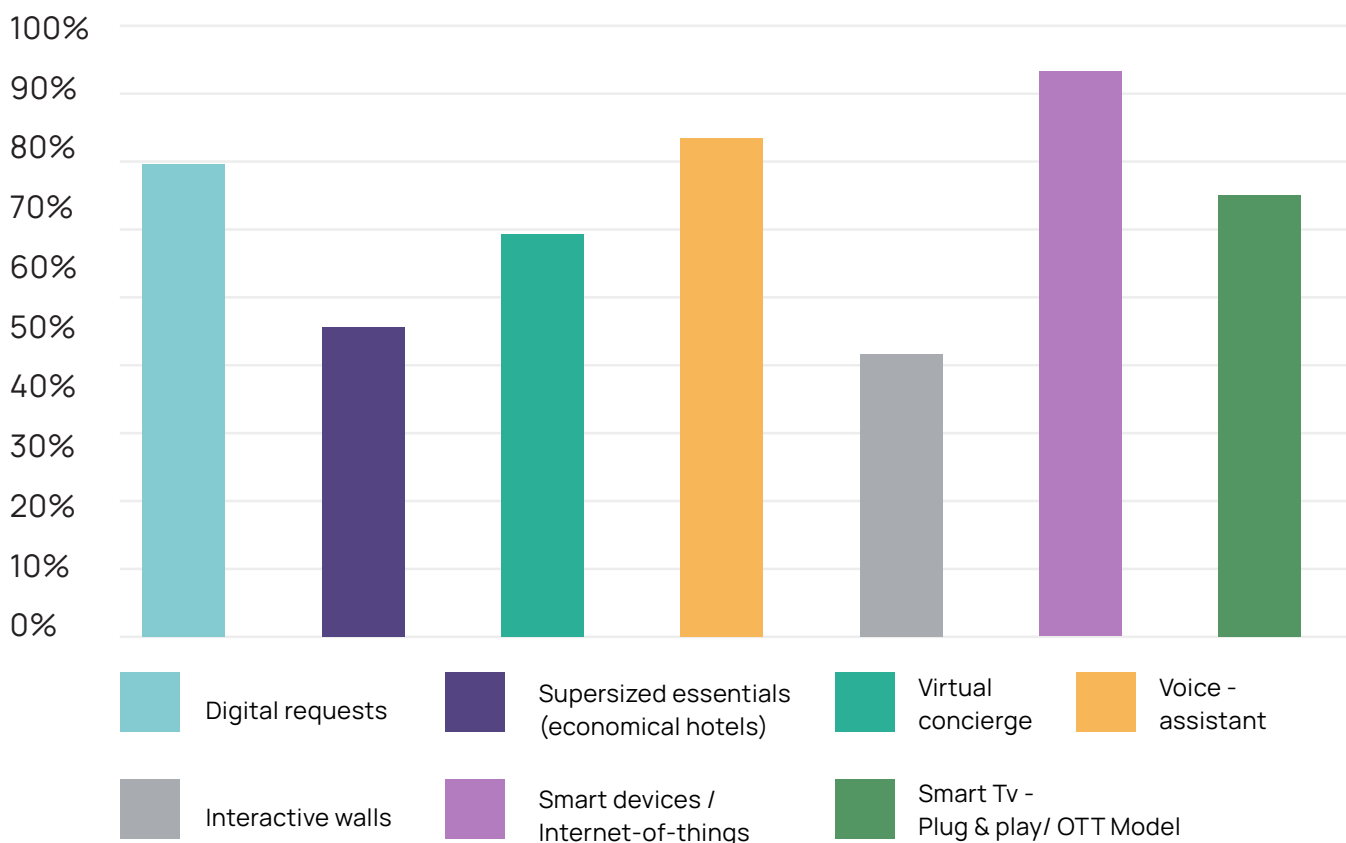
This also indicates that a smart speaker can handle several devices or that device performance can be monitored from a single hub.

Hotel rooms will also have a glass TV that remembers guest's favourite movies and an i-robot that delivers breakfast. The showers will adjust to the guest's body temperature, sensing the appropriate temperature using only heat levels from the person's fingertip.

According to the experts, the hotel room will include privacy glass that can be turned translucent or opaque via an app on the in-room tablet or voice control. Guests will be able to modify the room decorating to their desired style and colour, such as a video of beach waves or tropical dawn, thanks to the room's wall-length glass walls. They can also become opaque when someone is using the restroom.[18]

One prediction is that room service will be available via the built-in i-concierge and that it will remember when to turn out the lights so guests can sleep. Guests will be able to regulate lighting, room temperature, and music levels via AI or their smart pads, as well as a variety of sounds and fragrances to assist them in sleep. Wireless technology is also projected to replace plugs and sockets, and because TVs won't need to have outlets in the rear, they can be mounted wherever in the room.[18]

What are the transformational changes in the room in 2032?

Legend:
- Digital requests
- Supersized essentials (economical hotels)
- Virtual concierge
- Voice - assistant
- Interactive walls
- Smart devices / Internet-of-things
- Smart Tv - Plug & play/ OTT Model

Source: Noesis hospitality leaders survey

Food and beverage

The National Restaurant Association of India (NRAI) hosted India's first Cloud Kitchen Convention in 2022, which helps us understand the significance of these compact yet highly efficient kitchens, which has the potential to be incorporated into hotels.

"A cloud kitchen utilizes a commercial kitchen to prepare food for delivery or takeout only, with no dine-in customers. Cloud kitchens enable companies to expand an existing restaurant or start a virtual brand at a minimal cost."

The worldwide cloud kitchen market was worth $29.4 billion at the start of this decade and is expected to be worth $112.7 billion by 2030, increasing at a CAGR of 13.12%. The Cloud Kitchen sector is anticipated to be worth $2 billion in India by 2024 and can be a game-changer in the hotel industry which relatively has space to offer within the premises.

Meal Kits -

Guests had the opportunity to properly appreciate and comprehend food since the pandemic prompted individuals to cook at home more. They now have a better understanding of the value and are prepared to pay a premium for it, as well as a higher readiness to try new things. There is more focus on easy food while having a healthier/nutritional meal. Meal kits are sophisticated and more delectable ready-made meals that are being supplied by a variety of channels, including more convenient online grocery shops and food subscription boxes. There is no shortage of suppliers collaborating with meal kit providers, recipe sites, chefs, and gourmet and diet-focused companies. It is expected to be a dominant future trend in the food and beverage sector.

The impact of technology on service -

Nearly every single aspect of our life has been touched by technology. Every day, a new gadget enters the market with the promise of providing even higher levels of comfort, convenience, control, and connection. And it has drastically altered the culinary landscape. Guests can now do practically everything with their smartphones, including looking for restaurants, leaving reviews, booking tables, checking menus, placing orders, and paying via digital currency.
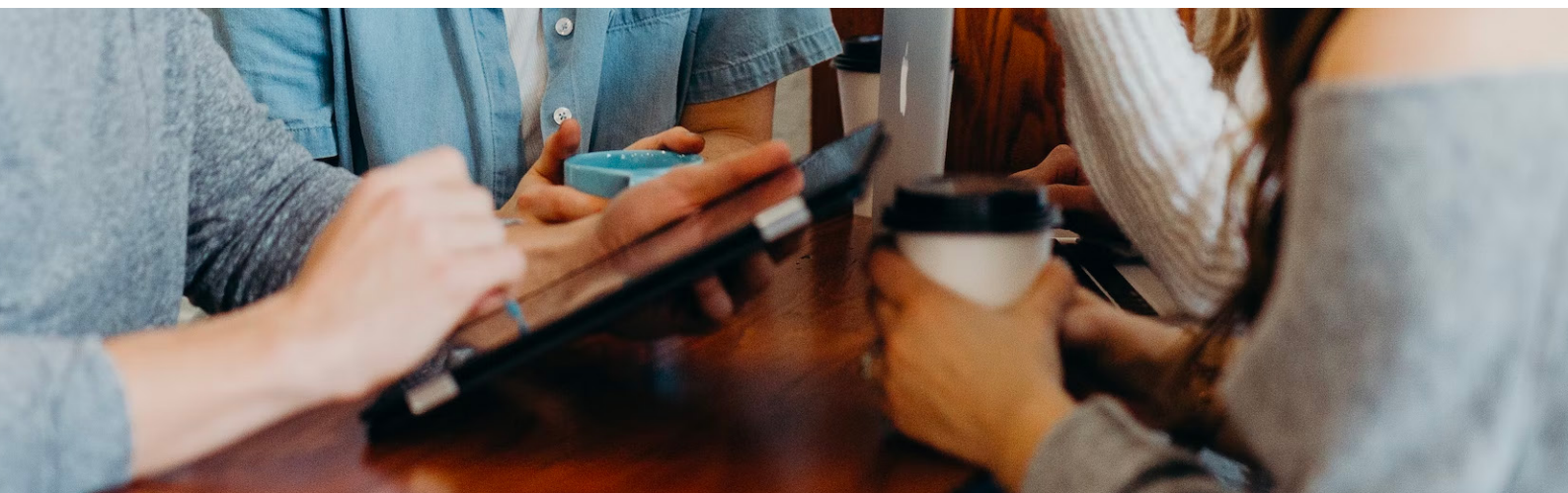
Cloud technology and machine learning algorithms can both dramatically improve the productivity of any restaurant business while also ensuring that offerings are best tailored to match the expectations of guests. Over the next several years, artificial intelligence will become increasingly widespread in the sector.

It will also significantly affect the home dining experience. As our lives become more frenetic and tougher to manage, convenience will trump cooking from scratch. Food delivery, on-the-go convenience foods and meal kits will all be in great demand.

Hotels will feature new high-speed ovens, sous vide techniques, and other versatile cooking equipment and ways to compete by simplifying cooking procedures, allowing for smaller kitchens, and needing less staff.

Recruiting quality employees would only become more difficult - notably in the mid to high-end segments. Younger generations do not wish to do physical work at odd hours for little pay. They would rather experiment with numerous online platforms or create a YouTube channel.

Sustainability and responsible sourcing efforts -

In today's world, there is a greater need for sustainable and responsible sourcing of materials; the previous two years have encouraged many people to reconsider their principles, and sustainability is more than a program; it is an all-encompassing concept.

The focus would be on waste reduction. To prevent food waste between the kitchen and the bar, chefs and sommeliers would need to work together. Composting and giving leftover food will be promoted, however collaborative waste reduction will be part of the ESG (Environmental, Social, and Governance) objectives.

Redefining the meaning of local -

Local used to be about product procurement and sourcing, while procuring ingredients locally would be sufficient, the upcoming Gen Z demands go above and beyond. When guests go out to dine, they want to be immersed in the local culture with the essence of the area, thus a genuine experience is essential.

Plant-based food -

The terms plant-based and vegan are commonly used interchangeably. However, there is a distinction between the two. Veganism is primarily growing as people become more concerned about animal welfare. The fundamental motivator for plant-based options, which are by definition vegan, is health and environmental sustainability. They both cater to the growing demand in the industry to provide meat alternatives in the menus.

Plant-based meat alternatives are expected to increase at an exponential rate in the future years, more customers will switch to plant-based foods.
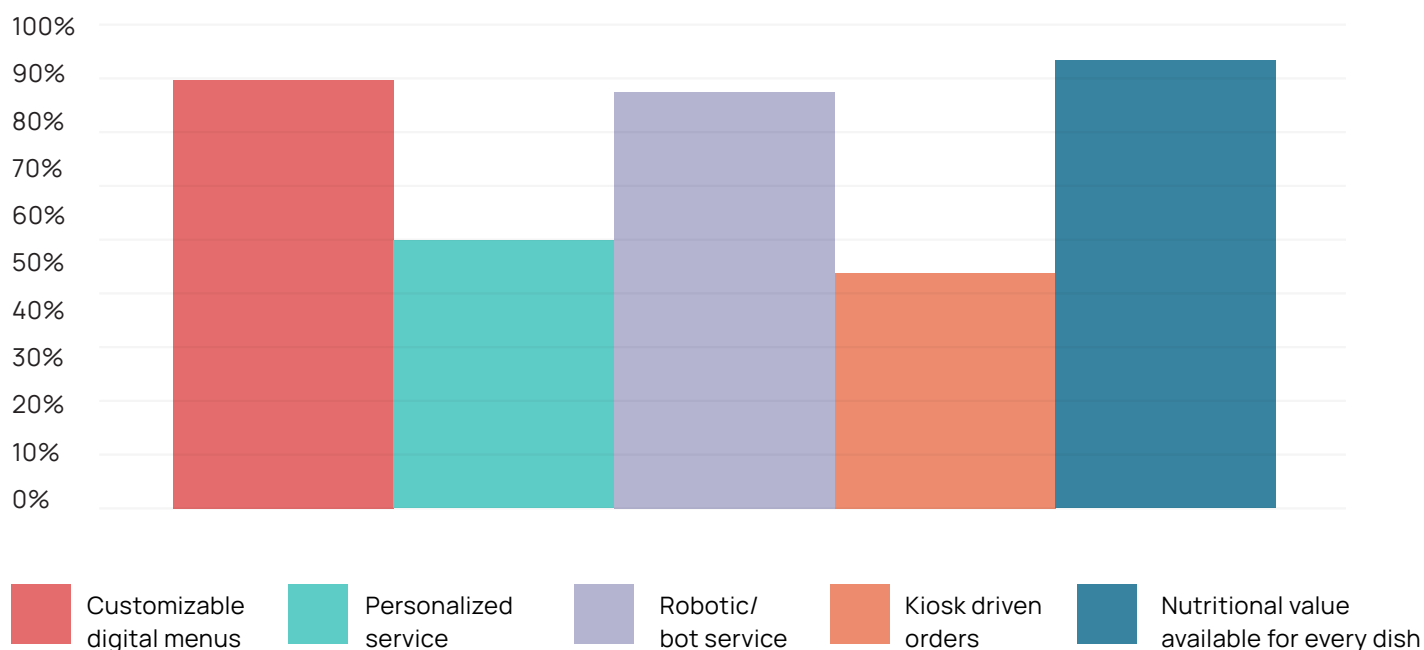
These are the individuals who are well-read and curious. They keep track of food-related innovations across the world. They have travelled extensively and personally witnessed the benefits of plant-based cuisine, which has grown popular in the western world. People between the ages of 20 and 35 are among the early adopters of plant-based alternatives.

Experiences can add value to food and beverage services -

While food and beverage services are the focus, adding more elements to the guest service enhances the experience. Providing more than just food and beverages can be as simple as hiring live music entertainment for the dining area. There can also be more, such as hiring a comedian to perform at events. Even a special happy hour event with creative cocktails can enhance the experience. A well-managed event can make any occasion memorable.

Restaurant norms

Legend:
- Customizable digital menus
- Personalized service
- Robotic/ bot service
- Kiosk driven orders
- Nutritional value available for every dish

Source: Noesis hospitality leaders survey

Banquet space

Revenue from banquets is critical to profitability. Offering additional services is an important strategy to boost income regardless of the season and to bring other revenue sources to the hotel by expanding the offer. Hybrid events are on the rise as it combines in-person and digital aspects, tailoring to each audience through effective channels for ideal experiences. Consider a live event that is simultaneously (or at a separate time) broadcast to a global virtual audience. That is precisely what a hybrid event strives to be: one event with two distinct experiences.

Banquet and conference rooms are set to become completely adaptable. They will grow into smart workplaces that can be configured for multiple-size gatherings. Companies across the globe are increasingly looking to introduce new products and technology to the market in order to gain an advantage. This results in a large number of trade shows, new product launch events, product exhibitions, and other large-scale events to facilitate interaction between potential customers and investors.

While the wedding segment leads the recovery phase, the MICE Industry (Meetings, Incentives, Conferences, and Exhibitions) is also showing signs of recovery, with budgets increasing and international incentive opportunities expanding, forecasting the global events market size to reach USD 2,194 Billion in 2028 at a CAGR of 13.48%. It emphasises the potential path to recovery and future growth for an industry that has been severely impacted by gatherings and travel restrictions in recent years.

Individual MICE business travellers spend an estimated 65% of their budget on hotel accommodation and food and beverage. The remaining 15% of their budget is spent on city restaurants, 10% on shopping, and 10% on local ground transportation.

Incentive travel is expected to grow the fastest of the four MICE event types, with a CAGR of 24.1%, while Meetings will retain the largest share of 45% during the forecast period.

Percentage share of the four MICE event types during the forecast period (2022-2028)

- 45% Meetings
- 25% Convention
- 18% Incentives
- 12% Exhibitions
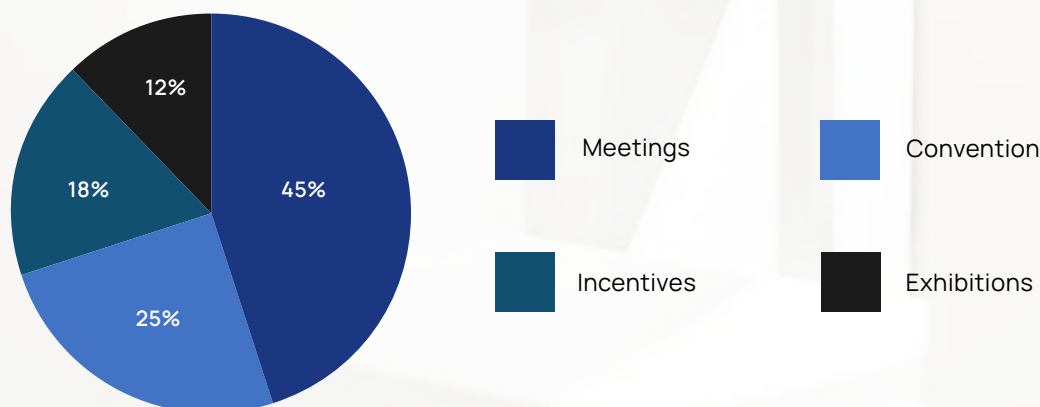
Banquet and F&B trends

- Multi-purpose/customizable spaces
- All-in-one tablet-driven control
- High-quality broadcasts/video-conferencing abilities
- Bento box/portioned food service
- Virtual Reality enabled technology for guests to scout spaces remotely

Guest and public areas

The arrival experience is all about making a statement and establishing the tone. There are rising design standards, and hotel public spaces are at the forefront of this. It must make an impact the moment a visitor walks through the door, if not earlier. In certain circumstances, the space must be translated to social media platforms, although in others, privacy and discretion are paramount.

There will be an automatic check-in process through facial recognition/expedited process via scanners, and the room key would be digitally downloaded to the mobile phone. Using these technologies is already a reality in the airline industry, for example, VirginAtlantic airlines have been boarding customers on flights via eye scanners. The hotels would move away from the traditionally large reception counters and utilize the space more profitably. Fabulous and distinctive design is no more the domain of the tiny boutique hotel, but is being blended into designs across the board as hotels move away from the brand standard approach.

Technology in public areas may generate disagreement and discussion; while some prefer a more connected and seamless hotel experience, others prefer a total break from the day-to-day demands of technology, which can be overpowering. It is undoubtedly a matter of balance in the public hotel sector. As hotels face seeming inconsistencies between technology and that all-important human interaction that may characterise a hotel experience, the balance between connectivity and connection is critical. These two points of view are not as diametrically opposed as they appear - although technology decreases the need for touch and may make things frictionless and even faceless, the flipside of a well-curated use of technology is the opportunity for an expanded room for actual public places. Instead of taking up a lot of room with what is essentially admin, this space may be utilised to engage with actual people in real time over a coffee or a cocktail, or, hopefully both.

Fitness centres will serve as a hub, with interactive screens assisting in planning and completing the routines. Temperature-sensitive swimming pools can be found which will automatically adjust the settings based on the time of the day and can be customized to the guest preferences. Hotels in the future will still include luxury spas with treatments designed to promote lifespan and wellness.

LEADERS OF THE HOTEL INDUSTRY: Q&A

Mr Ajay Bakaya

Managing Director

Sarovar Hotels & Resorts

Do you think part of the subscription plans can align with the trends like co-working or food & beverage?

If it's smartly done; yes, it definitely could. I think in the last 20-odd years, traditional hotels have strangled themselves in terms of Food & Beverage revenues. We've been so focused on rooms, room rates, average rates, revenue per available room, etc that we've forgotten the art and innovation of food. Standalone outlets, standalone restaurants whose survival depends on the food being good have been much more innovative than us guys or the typical hoteliers and we are slowly seeing the reversal of that because we have the spaces; the spaces that are not doing very much for us right now; they're going to again be more vibrant, be more dynamic, be full, be visible, so yes; the hotels have already started focussing on that area and we'll need to focus on that much more.

We seek answers to critical questions, for example, a higher quantity of goods purchased from the supplier decreases the cost, in the hotel industry, cooperation between 2 different hotels for the same inventory – do we see collaboration?

It's possible today; it was possible for the last 50 years - does it happen? Hotels of the same owner, work beautifully; for hotels of different owners, the moment you go beyond 2 hotels, it doesn't happen. The hotels are on different cycles - on finance, debt areas, and cashflows with a difference of opinion between owners. However, putting together inventories for collaboration has potential.

For example, if you have a large convention centre and I have another 100 rooms but without a convention centre. So when there is a large event in your hotel. I can benefit from what you're doing and vice versa. In these instances, definitely yes.

The last generation has been focused on standardization and now we have faced the complete opposite where we're going into experimental boutique hotels and away from those typical standard formats. Do you see this trend continuing in the future; all hotels trying to be unique?

I do see both trends continuing. If you have to build brands and communicate to the customer any expectation of a brand irrespective of whether he is an individual in the same country or a different country, you need to have a standardization; you can't do away with it. So, the brands which go into larger numbers will need to work with consistency. You see the top airlines, something like the Emirates is a great example. They are boringly consistent. You take 100 flights you get the same service but it is top notch, so you know exactly what to expect. But on one end standardization is here to stay, on the other end boutique hotels where the hotel offers better experiences; that's where the key crunch is. It's not so much in the artwork or the pillows, it's in what can you do to make my experience better. Food's a big factor and people are the single largest factor.

Which trends do you foresee in the hotel industry in the next decade?

I'll start from something that's not so obvious. First would be excellent presentations and ingenuity on food. Second – technology in terms of ease of coming in & out of hotels or payments. The third is for sure sustainability and the last I think if work from home picks up more and more you might have a trend of staycation where I find it very comfortable to go away and keep on working as long as my work doesn't require extensive travel, similar to workation.

Mr Anil Chadha

Divisional Chief Executive
ITC Limited - Hotels Division

"ITC Hotels has been among the first chain to mitigate single use plastic products." What are your initiatives in sustainability and where do you this is heading in the next decade?

For over a decade, ITC Hotels has been a trailblazer in Sustainability. ITC Hotels have pioneered the concept of Responsible Luxury – delivering luxury with planet positive experiences.

Salient Sustainability Initiatives are as follows:

- ITC Hotels is among the First hotel chain in the world to have all its premium luxury hotels rated LEED® Platinum, the highest rating awarded by U.S. Green Building Council (USGBC). Innovative steps have been taken towards realising a greener and more sustainable world. Continuous efforts in the areas of energy conservation and efficiency, renewable energy and green buildings, have put ITC Hotels in a league of its own.

- ITC Windsor, ITC Grand Chola, ITC Gardenia & WH Bengaluru are the World's 1st, 2nd and largest, 3rd & 4th hotels in the World respectively to achieve Net Zero Certification.

- ITC Hotels have already surpassed the 2030 emission targets with current level of 61 Kgs Per Over Night Guest Stay and 58 Kgs Per Sqm Per Annum against 65 Kgs and 129 Kgs respectively set as per COP 21 (UN Climate Change, Paris agreement – ITP Report) for hospitality industry (verified by a leading multinational assurance agency on Sustainability and Carbon Footprint)

- More than 57% of the Electrical energy is met through renewable sources, offsetting more than 50 million Kg of CO_2 emission annually.

- Entire waste water generated by the hotels is treated through an onsite STP (Sewage Treatment Plant) which is then utilized for other purposes. Maximum irrigation, flushing, and cooling tower requirements are met through treated effluent water.

- Excess treated water is shared with the neighbors and municipalities as part of community service. Further, significant part of fresh water consumption has been reduced in last few years.

- More than 99% of the waste generated is recycled/reused. All ITC Hotels have onsite organic waste converters and many properties also have Bio-Methanation plants which produces bio gas from waste which is used in kitchens.

- Presently, more than 40% of consumption in F&B is locally sourced.

- Also, as pointed out above ITC Hotels has initiated the industry into mitigating Single Use Plastic (SUP) items. These were identified and were either replaced with their respective alternative or discontinued altogether. In addition, Greening of Supply Chain was adopted to reduce the packaging materials. In line with ethos of "Responsible Luxury "(Delivering Luxury Responsibly), ITC Hotels have installed effective water purification and glass bottling plant within premises to produce international quality drinking water.

ITC Hotels – Sustainability Strategy

- Currently, 04 ITC Hotels have achieved LEED Zero Carbon (Net Zero Carbon) status, which is World's first of a kind achievement in hospitality industry. Going forward, we will endeavour to take the same journey for our other hotels.

- Solid Waste Management:

  - To maintain Solid Waste Recycling status of more than 99%.
  - To reduce waste generation by 25%.
  - To maintain the status for Mitigation of Single Use Plastic usage

- ITC Hotels aims at achieving maximum renewable energy share, significant reduction in specific energy and water consumptions.

How is remote working affecting hospitality?

With the back-drop of pandemic accelerating remote working, it is foreseen that the next decade shall witness an evolved framework to address its increasing demand. In the Hospitality industry too, it is gradually becoming a reality with Contactless & Hybrid work arrangements gaining preference to traditional models in practice.

It is important to understand that the term flexibility encompasses a broad spectrum of work arrangements - location independence, flexible shifts, compressed work weeks, options for sabbaticals/career breaks, care giving leave and similar aspects. For organisations exploring to adopt some of these practices, the immediate requirement would be the investment in technology and altered work systems supporting these. Fortunately, during the pandemic, most organisations have already made substantial progress in these areas.

Embracing Hybrid Work Environments

With shift to remote work, we have embraced technology in hiring our talent wherein the interview process is completed virtually for several positions. Portions of New hire training & onboarding is also being pursued virtually, also building in additional facility for employees.

Employee wellness, safety & support

Digital platforms of communication are proving to be highly effective resources for sharing wellness-focused webinars, updated safety guidelines and related efforts. Online Employee Assistance Programs are in process to address health and work life balance offering benefit to maximum employees. This not only supports employees in dealing with issues but also provides them with a range of self-help resources.

Continued Learning and Upskilling

Superior performance management is enabled by providing employees access to self-paced bite size on-line courses. The courses across various digital learning platforms are assigned based on the complexity of the roles handled by the

employees which saw an increase in utilization by over 200% in 2021-22 as compared to the previous year. Regular training programs now are part of upskilling employees on key technologies also leading to enhanced guest experience

The larger issue, however, is the impact on culture and productivity in the longer run. As new talent comes into the organisation, issues of assimilation into organisational culture, team work, co-creation will need to be dealt with. Industries where the primary nature of business is customer facing, will need to innovate systems which maintain or enhance the customer connect while moving from 'high touch' to 'high tech'. Even in these areas Individual Contributors will have a larger scope of working from remote than People Managers who will be required to be physically present.

The challenge before organizations is clear - the need to create flexible work systems which are iterative in nature, constantly being calibrated to balance productivity and culture elements. Second, to introduce policies which can be customised to individual requirements. Thirdly, align reward systems, especially incentives, to be more outcome driven. And lastly, institutionalise programmes which are aimed at changing established mindsets on regimented work practices.

Is diversification of the hotel brands on the rise? How is this beneficial in the near future?

Diversification and repositioning of brands is very much on the rise. It is always critical to change and adapt to the changing business climate and be on top of the guest needs. Operators are savvy to this dynamism and continuously evolve themselves to embrace the change. This also gives the competitive edge and first mover advantage in the niche segments capturing the gap that exists in these new segments.

Mr Chander Baljee

Chairman and Managing Director

Royal Orchid Hotels

What do you think of the shortage of talented skilled workers in the industry? How can we overcome this hurdle?

I would like to address the issue with a pronged answer. The most crucial issue affecting the hospitality industry is the employment and retention of staff. Currently, I think there isn't a shortage of 'talented' skilled workers, however, recognition and a supportive environment are lacking in the industry. The adverse impact of the pandemic majorly affected hospitality staff leaving them with no option but to explore careers in alternate fields. According to me, three major factors that make your skilled employee leave an organisation. Less Remuneration than market standards, lack of Recognition for hard work & no optimistic environment at work.

A piece of advice to youngsters aspiring to excel in hospitality is the industry today is at par with most sought-after industries. In the years before I started, it was my passion for the industry. Today, I would say if you have passion, it should also be dedication and hard work that are unreplaceable assets for any employee looking to succeed.
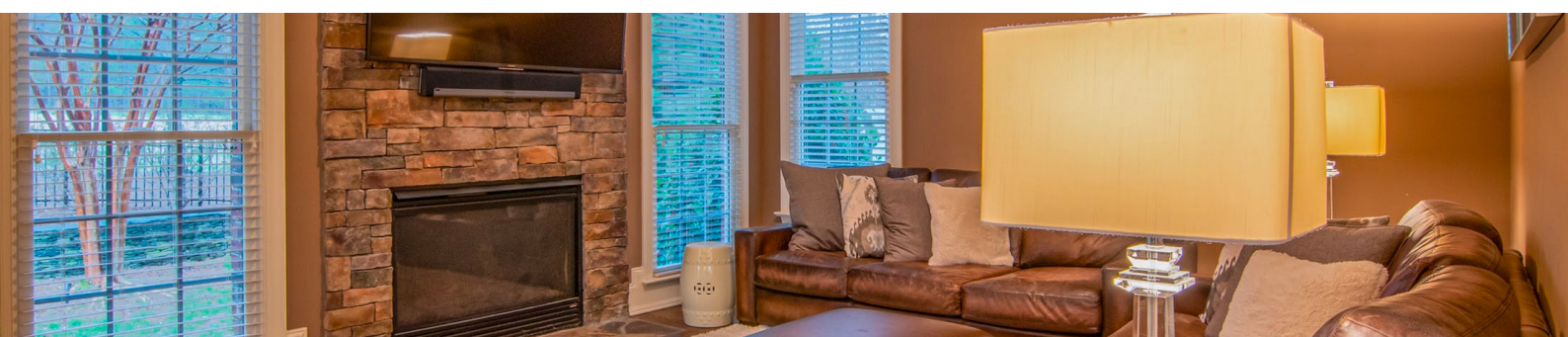
With an increase in domestic travel across the country, does home/farm stay catch on? Which trend do you think has potential?

The pandemic changed a lot of things and more importantly adversely affected Businesses. The hospitality industry witnessed a rough patch in the last two years. A result of which many hospitality establishment providers shut shop, and many managed to stay afloat and some have fully recovered. Now with normalcy returning, people have begun to travel but differently. Travel preferences have changed too with travel taking place more along the lines of staycations and weekend gateways, workations too have become increasingly popular among travellers today. It's not just the hotels that are turning to workations; hostels are also adopting this trend, especially to cater to those digital nomads who want to get away from the hustle and bustle of the city.

As companies have adopted work-from-home and virtual conferences on the rise, do you suspect corporate travel is being affected long-term and why?

We do not see this trend not going to affect for long term. Alternatively, as a chain, we have a range of properties catering to different experiences such as leisure, wildlife, and spiritual destination. It balances the business where we can fill our properties across all these destinations. We are always optimistic which trickles down the business resulting in positive results. But yes, if you see MICE plays a big part in terms of revenue to any hotel. As per some reports by 2025, everything gets back to normal and we can see more MICE business flow, It is not that MICE business is not there but compares to before the pandemic it is very less.

How are the guest's embracing wellness as part of leisure and travel?

The hotel industry has seen a big shift from corporate and group market segments to the leisure market segment. But the leisure market segment has a different set of needs in comparison to the corporate or group segments, and it is important to understand and cater to those needs.

Leisure travellers, value the overall experience of their travel accommodations. It is important to make the most of their time on-site and make them feel welcome and comfortable. One of the top requests from guests is accommodations for exercise and wellness. Offering new and unique ways to stay fit on the property could enhance your leisure traveller's experience and help put heads in beds.

Some of the activities we instated across our leisure destination hotels are:

- Yoga at the pool or beach side.
- Well-equipped gym.
- Nature walk.
- Night walk trails
- Jungle safari.
- Adventures activities.

Mr Kush Kapoor

Chief Executive Officer
Roseate Hotels & Resorts

Roseate hotels provide highly innovative and personalized services, with the introduction of a 24x7 breakfast concept, in which areas are there potential for innovations in the upcoming years and why?

Innovation is the key to success anywhere & anytime. Roseate as a Brand has always believed in Innovation. We have launched our Roseate Cookies, Roseate Chocolates, Roseate Candles, Roseate Fragrances, Roseate Incense sticks, Roseate Teas, Roseate glass bottled water with our own bottling plant. In next 3 months, we are launching Roseate Coffees, Roseate Wines & much more. In our Delhi resort, we have started generating water from the moisture in the air which makes The Roseate (resort) New Delhi as the 1st & the only hotel in the World to do so. We do lots of Guest engagement activities on weekends in our Hotels & Resorts to keep our Guest engaged & happy.

Would having tie-ups with non-hospitality brands for perks of hotel memberships/loyalty points have potential in the next decade? Why do you think so? Would guests be attracted to this?

Yes it does which also depends upon the Brands you want to partner with for your Guest. A guest will always prefer to deal with one partner where he can avail more benefits under one roof rather than moving in different zones to avail the benefits. Profiling of the guest and knowing their exact requirements with AI technology will certainly help bridge this gaps.

How are guest expectations changing? What are their preferences?

This is a great era of disruption on a positive side as Guest profiles & expectations are changing season by season which also keeps Hoteliers on their toes to make sure the Guest expectations are always met. Today's traveller is mostly the Younger generation (22- 45 years) who has a good spending power, however all they ask for is Personalisation & Innovation to be seen from the hoteliers. Paper free & desk free check ins on individual mobile, swift check outs, opening the room doors from their own mobiles, etc. are certainly expected from a good Brand today. In terms of food, healthy, organic, natural food has been introduced big time to cater to the needs of today's travellers.

How can new technology be implemented in hotels?

Technology with optimum utilisation of manpower will always win the competition. India is always been recognised as the most Hospitable country on Earth when it comes to the culture, Tradition, festivals, etc. Hence, introduction of technology with human touch will always be a game changer. The owner certainly needs to be careful on what technology is he spending & what is the vision since technology is changing every single day.

Mr Nikhil Sharma

Regional Director for Eurasia, EMEA

Wyndham Hotels & Resorts

Has there been a paradigm shift in developing hotels away from metropolitan cities? Why?

We have observed a positive consumer trend shift to remote locations in India. As the staycation trend has garnered greater attention during the pandemic, many visitors are eager to explore such places in the country. Besides metropolitan cities, Wyndham has properties in other areas (like Gangtok) to provide the best accommodations around the globe.

Would the MICE segment play a major role, as the generation is moving towards online platforms?

Since companies worldwide shifted to remote and hybrid ways of working, MICE has shown great potential and is considered a vital profit segment in the industry. In response to this trend, Wyndham developed a hybrid meeting concept to meet new demand for a more agile meeting solution which combines live-streaming and in-person participation to encourage greater attendance. As part of the Wyndham Business programme, we will soon launch the Meetings Collection across the EMEA region, which offers meeting planners new incentives in desired markets and streamlined multi-year bookings.

What do you think of Digitalization in hospitality? Is it a boon or bane?

The adoption of contactless solutions and digitisation has accelerated tremendously during the ongoing global pandemic, which will stay for the foreseeable future and has created a new outlook for the industry. As a guest-first organisation, we have introduced several measures to encourage flexibility and seamless experiences while ensuring the safety of our guests and team members.

To further support the demand for contactless solutions, Wyndham rolled out a new mobile app combining a best-in-class design with personal experiences, gamification, and more features by reimagining the user experience and adapting to users' real-time needs. Most recently, Wyndham announced the Road Trip Planner functionality, a first-of-its-kind offering from a major hospitality company, which helps travellers create, customise and book multihotel itineraries in one transaction based on their itinerary.

Do you envision more consolidation within the industry?

The global hospitality industry is constantly evolving due to changes in the external environment, customer expectations, and emerging trends such as technological innovations. Hotels must adapt to be highly competitive in the market as an internet presence, rating, and positive social media interactions have become the quality metrics. Therefore, a hotel franchise model is an excellent opportunity for hotel business owners who want to increase their visibility and competitiveness with an international hotel chain's support, scale, and expertise.
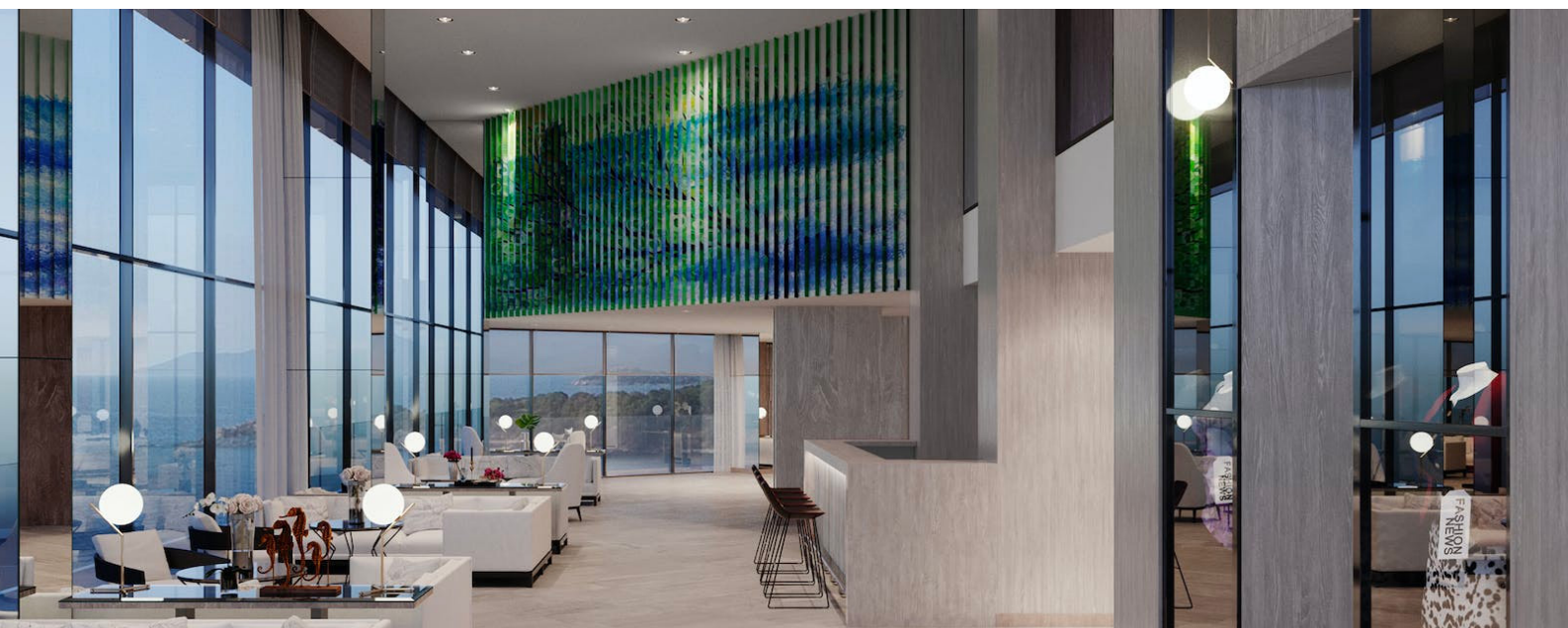
Mr Puneet Chhatwal

Managing Director and Chief Executive Officer
The Indian Hotels Company Limited (IHCL)

How are the brands adapting to the evolving customer trends?

- The travel and hospitality industry has undergone a paradigm shift in the past couple of years, and it has been fascinating to see evolving customer trends continue to shape new offerings and services at an accelerated pace.

- A renewed passion for travel among people post the pandemic has resulted in the rise of new trends, which will be relevant in the future too, including:

  - Driving holidays, staycations, bleisure holidays and workcations
  - A stronger preference for trusted brands with clearly defined service protocols and safety standards
  - While the frequency of trips has declined, the length of each stay has increased
  - Heightened focus on overall wellness and holistic retreats that rejuvenate body, mind and soul
  - Digital-first services accelerated by the adoption of technology across various aspects of life

- Given that constantly changing customer needs, preferences and travel patterns will carve the future of travel and hospitality, it is imperative to develop a holistic hospitality ecosystem and not a hotels-only business with a defined brandscape.

- Creating and developing distinctive brands that cater to varying market segments across price points will be key – the 'one size fits all' philosophy will no longer be relevant for the sector going forward.

- Today, customers are more discerning than ever and it is more important than ever to not only create sharper differentiation between brands while staying true to the core brand proposition, but to also help shape customer expectations accordingly through relevant and authentic brand positioning.

Could you share some insights on the expansion plans of IHCL?

- At IHCL we have a robust hospitality ecosystem with a house of brands structure consisting of our iconic luxury brand, Taj, which has been ranked as the World's Strongest Hotel Brand and India's Strongest Brand as per Brand Finance Hotels 50 Report 2022 and India 100 Report 2022, respectively; SeleQtions, a named collection of hotels; Vivanta, sophisticated upscale hotels; and Ginger, which is revolutionising the lean luxe segment.

- We also have a number of new innovative businesses including Qmin – IHCL's culinary and food delivery platform and 'amã Stays & Trails', a branded offering in the homestay market, which will be significant contributors to overall revenue.

- Currently we have a portfolio of over 240 hotels including over 60 under development. As per our long-term strategy that was recently announced – Ahvaan 2025, we are looking to expand our portfolio to 300 hotels by 2025.

- Taj is slated to grow to 100 hotels across the globe, and Vivanta and SeleQtions will scale to a portfolio of 75 hotels.

- Our re-imagined Ginger brand will be one of the most significant growth vehicles for IHCL and will scale to 125 hotels by 2025.

- amã Stays & Trails will scale to a portfolio to over 500 properties over the next couple of years.

- While we will continue to make strategic investments, overall growth will be fuelled by an asset light strategy driven through management contracts or operating leases and we aim to continue to create a balance between IHCL's owned/leased and managed properties with a 50:50 mix.

- Not just hotels, we are also expanding our key brands and services to global markets – such as the expansion of the re-imagined Chambers, our premier exclusive business club to key markets such as London, Dubai and soon – New York.

How is the evolution of F&B taking place? How is IHCL catering to this?

- F&B has always played a key role within the hospitality landscape – food not only brings alive different flavours and places on a plate but is a sensory experience that connects people.

- While the pandemic has definitely given rise to food delivery services with leading hospitality brands jumping onto the bandwagon to deliver favourites to the safety of guests' homes, dining out and alfresco dining will continue to be popular as people look forward to indulging in the overall experience that constitutes eating at their favourite restaurants – one does not need to overpower the other; co-existence is key.

- The key learning from the pandemic is that there will always be an opportunity to innovate, and brands need to be flexible to not just adapt but predict upcoming trends to keep step with evolving customer requirements.

- That said, maintaining distinct brand positioning and offerings will help target a larger audience across segments and price points.

- At IHCL, while our key F&B brands such as Shamiana, Golden Dragon, Thai Pavilion and Trattoria, Konkan Café among other continue to boast of a long-standing and loyal customer-base, our online culinary and food delivery platform, Qmin – established just three months into the beginning of the pandemic, caters to a varied audience.

- Today Qmin is a full-fledged business vertical addressing multiple segments of the market, present in over 20 cities across multiple platforms – be it the Qmin app for food delivery; Qmin Shops offering gourmet products; Qmin trucks and Qmin outlets.

- Qmin is slated to expand to 25 plus cities as per our Ahvaan 2025 strategy and will scale further to across our Ginger hotels, with the first having being launched at Ginger Panaji, Goa.

What would you say, would be the crucial elements to consider in a hotel moving forward?

- While being a key player in the hospitality industry is an amalgamation of a number of factors, the main decisive factor that charts a hotel's success is foresight. Foresight in terms of anticipating a market's requirements – not just in the here and now but in the long term.

- Organizations with a strong futuristic vision for the travel and hospitality industry, combined with a large offering of brands catering to different market segments are often in the running to become successful because they are ahead of their times.

- Maximizing returns stems from identifying the right brand fit for the right market, and this strategy of long term development is the key to sustained profitability and growth.

- The selection of services and offerings across a hotel will be based not just solely on the square footage available but is defined by a number of factors including – location, target audience, customer requirements and most importantly, brand positioning.

- It is important for hospitality brands to craft their hotel's proposition and offerings taking into cognizance all of the above factors and curate holistic experiences in partnership with relevant partners.

How can optimization shape the future of hotels?

- While a cultivated and robust hospitality brandscape caters to a varied customer segment – with each market often boasting of multiple brands – tapping into synergies when it comes to backend processes helps optimize resources effectively.

- While customer-facing, front-end services and offerings should definitely be curated and remain distinct to meet myriad customer requirements; sharing of resources for the back-end can, in fact, unlock time and resources and help reduce overheads significantly.

- Be it a cloud kitchen, common laundry services or common supplier base across all hotels within a designated area or region, a shared pool of resources helps in sharper turnaround times and better efficiency.

- Moreover, it also helps drive growth for existing and potential talent by creating opportunities that enable multi-skilling, offer larger portfolio responsibility and strengthen expertise.

Mr Puneet Dhawan

Senior Vice President of Operations,
India & South Asia

Accor

Accor is growing at an impressive rate in the country. Which new brands can we expect to be introduced, could you tell us the timeline?

We have a very robust pipeline and continue to work on various opportunities across the country. India is eager for premium and luxury brands and we are working on bringing them to the country. We look forward to growing our existing portfolio of Raffles, Fairmont, Novotel, Mercure, Grand Mercure and Ibis while introducing new brands such as Swissotel and Movenpick to the country.

How are guest expectations changing? What are their preferences?

We have witnessed a shift in guest expectations across categories. Major trends to watch out for in the upcoming year include the adoption of sustainability and responsible tourism, tech-savvy hotels, use of hybrid and technological models for various hotels operations, safety and hygiene as the new luxury, personalised experiences, staycations, wellness stays, and a heightened interest for local experiences in untapped destinations.
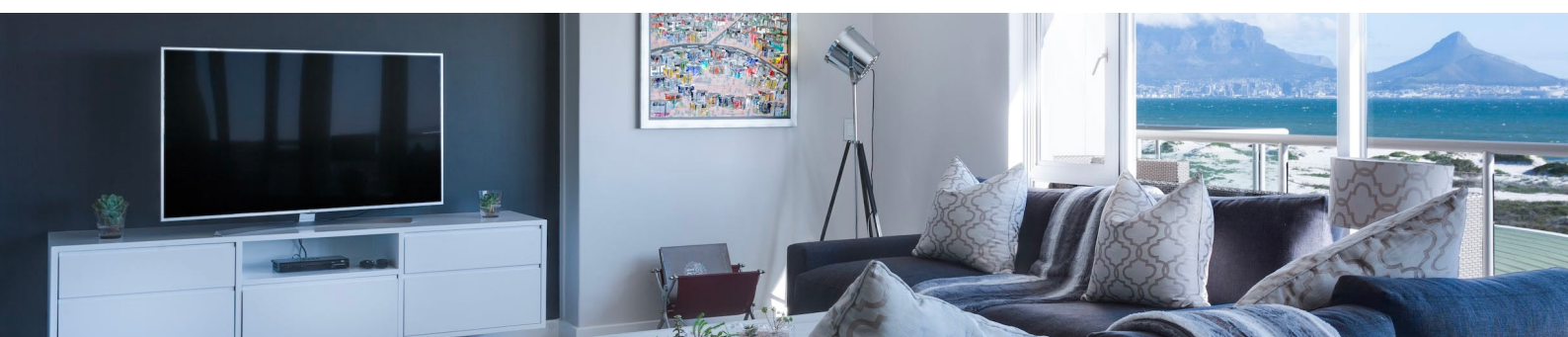
The F&B of hotels began home delivery to generate revenues during the pandemic, and the current trends direct towards subscription-based food service. Are you offering this type of service? Do you see this trend to stay?

The trend has seen a dramatic increase during the pandemic but it was becoming the norm before that. It has brought non-traditional players like upscale restaurants and hotels into the race to service customers seeking home deliveries.

The focus is to bring the experience at home: meal kits do just that and are a wonderful bonding experience. The idea is to bring an in-restaurant experience at home. We foresee a release of pent-up demand in several countries we have presence in and digital offerings are catering to just that.

Hotels predominantly have large lucrative real estate, fair moderately, in a revenue per square foot model or RevPAM, how can you optimise space to generate higher revenues and ROI?

The design of the hotels are evolving rapidly and our current area program and space planning are focused on optimising the spaces. Our economy brand - ibis is the perfect example for the per-square-feet yield in its segment.

How can new technology be implemented in hotels? Is Metaverse the future and where do you see this heading?

Traditionally, the hotel industry has been a slow adopter in the implementation of technology. However, this is changing rapidly with most hotels now focussed on enhanced technological advancement to cater to the new generations and make workflow efficient.

Accor recently launched its cloud migration initiative for the hotels, the focus is to open all upcoming hotels mostly with cloud technologies and progressively migrate existing hotels to the cloud.

How has the pandemic changed the domestic to international guest ratio, how do you see this proportion in the decade?

We expect significant growth in domestic travel over the next few years as domestic leisure travel▤staycations and workcations are in high demand. We believe domestic travel will yet again be a crucial driving force for not just Indian tourism, but markets globally. However, as the pandemic effect wanes, the guest ratio will revert to the old ratios.

How has government regulations affected hospitality business these few years, and how big a role do they play in the future?

During the pandemic, we monitored updates daily to stay abreast of the changing guest preferences and to make sure our action plans were in accordance with the travel restrictions. Of course, we always remain compliant with government regulations.

Is the concept of workcation growing? How are you embracing the trend?

While the Indian domestic market is dominated by leisure and corporate travel, other sectors like weddings and MICE are receiving a substantial amount of interest. Workcations are on sought after as they are the perfect opportunity to combine both, work and leisure.

How is the journey moving forward with Accor?

We at Accor are optimistic as our well-rounded portfolio of leading hotel brands across luxury, premium, mid-scale, and economy categories, including Ibis, Novotel, Grand Mercure, Fairmont, Sofitel, and Raffles, complement the multi-layered Indian market while supporting our long-term growth strategy. With our presence across 25+ cities, we have been able to capture our fair share of the market. We continue our foray into Tier 2 & Tier 3 markets as they continue to shine, as they did through the pandemic while leading recovery.

Mr Zubin Saxena

Managing Director and Vice President
of Operations, South Asia
Radisson Hotel Group

"Radisson Hotel Group plans to add 100 hotels in India by the end of 2025" The company is growing at a very aggressive rate. Which new brands can we expect to be introduced, could you tell us the timeline?

Leveraging the domestic opportunities present, our India expansion plan is set to more than double the current portfolio of 143 hotels (in operation & pipeline), to add another 148 hotels and resorts by 2025. Focus areas will include strengthening our domestic network by introducing hotels across tier III, IV, and V cities and furthering new market-relevant brands like Radisson Individuals Retreats and Radisson RED. We have a robust pipeline for the future and will continue our growth trajectory with 12-15 hotel signings and 10-12 hotel openings every year. Currently, we are present in more than 60 locations including all major metro and tier II cities. In fact, there is a Radisson hotel every 5 hours no matter where you travel across India.

How are guest expectations changing? What are their preferences?

Consumers today expect a hassle-free and convenient experience. At Radisson Hotel Group, we ensure that we constantly have a finger on the pulse of travelers and that we attentively listen to effect positive change. With their ever-changing expectations, creating exceptional customer service is an area we are heavily focused on. Travel is also becoming more individualized, and personalization will remain the most important way to deliver delight – long after the pandemic is behind us.

We know that integrated technology experience will be the face of hospitality going forward and all our hotels have seamlessly transitioned to adapt to the movement towards complete digitization. We introduced a slew of new service offers such as contactless check-in/ check-out, digital menus, a la carte services, individually packaged hygienic food, health care training and hybrid meetings, etc. to adapt to the 'new normal'. Most aspects of guest service, relationship management, and asset utilization have been reimagined and are being integrated with technology solutions.

Additionally, today's travelers, restaurant patrons, hotel bookers and shoppers care more than ever about sustainability. They want to know that the companies they give their business to follow environmentally, socially, and culturally sound practices. An overwhelming majority of millennials and Gen Z travelers will pay more for products and services that don't harm the environment, deplete natural resources, or negatively affect the lives of people or wildlife.

Another simmering trend that the pandemic brought to a boil appears to be the increase in pet-related travel facilities. Many hotels are evolving to provide safe and the most comfortable pet-friendly accommodations within their property. With the trend initially catching pay in the form of making pet snacks, beds, bowls, and toys available, holidaying with pets is a trend that has huge growth potential in the years to come.

How can new technology be implemented in hotels? Is Metaverse the future and where do you see this heading?

With AI ruling the globe, an increased inclination towards technology has been on the priority list of hotels. Technological advancements including contactless payments, chatbots, mobile check-ins as well as virtual hotel tours have simplified pricing, payment processing, and feedback mechanisms. So far technology has helped in cost-cutting, improving overall efficiency and a better customer experience in the hotel industry but in the upcoming years, this might see a tremendous rise. While today, hotels adopting the use of robots for welcoming guests and providing basic services like cleaning might not be a common sight, it will certainly become a norm in the future.

Touchless technology and innovations have been helping hoteliers to successfully transform ineffective and disengaged processes into workflows that are completely advanced, centralized, streamlined, and seamlessly integrated. Hoteliers are more productive because of the use of automated systems, which makes it easier for them to facilitate their routine, repetitive work. While this digital technology emphasis continues to persist, it results in a constant rise in the hospitality market. It is enlightening to see how our hospitality industry is moving swiftly and staying focused on understanding and quantifying the operating and economic impact on their operations.

Utilities are indisputably an expensive endeavor in the hospitality space. Higher spending and unsustainable practices deplete profit margins and jeopardize the property's financial health and long-term viability. With technological implementation such as smart equipment and smart sensors, the hospitality industry is quickly streamlining operations, optimizing costs through real-time tracking, and timely interventions in case of any challenges. From machines to food trays, the use of innovative technology can assist in managing assets and inventories in real time, all of which improve the visitor experience.

What do you think of staycation and bleisure? Will this trend stay for the long term and are we making any changes in design and amenities to attract the staycation & bleisure guests?

While the last two years have drastically changed the hospitality landscape, the emergence of hybrid travel as a major trend is an exciting opportunity for properties to regain momentum and expand the idea of what their best guest looks like. When courting hybrid travel guests, it is important to think beyond the single, remote-working traveler. For Bleisure travel in particular, many of these guests bring a spouse or the whole family along to upgrade the business trip to a family getaway. By embracing these travelers and making tweaks to already existing processes, we have created one-of-a-kind experiences that bring those guests back for future visits and transform them into loyal advocates for the brand.

Staycations and family travel will continue to lead the leisure industry towards recovery but what will solidify this trend is embedding consumer trust by consistently assuring reliability in terms of safety and hygiene. To leverage this, we kicked off multiple customer centric programmes such as WOW!, to add delight

factors to a guest's journey from check-in to check-out, 'India Road Trip' and the recently rolled out Safe Staycation offer to deliver a safe and hygienic travel experience.

We are also noticing a strong boost from MICE across our hotels. Weddings and Socials as a segment continues to support our hotels in tier 1 and Tier 2 cities.

Franchising has continued to grow from the last decade, is this the way to move forward?

We are a hotel management company and pursue an asset-light model with a significant portion of our portfolio being managed directly by us. We have a robust operations strategy as a part of our India Unification Plan (IUP)*, but we remain open for selective franchising.

We are happy about our long-standing owner relationships that have stood the test of times and they rely on our expertise to drive performance especially during crisis like Covid-19. A testimony of our management excellence is that we have converted some of our franchised hotels to managed and are gradually changing our portfolio structure.

* The India Unification Plan is our operational architecture to derive excellence and create value for every stakeholder. We introduced 20 initiatives across Operations, Guest Experience, F&B, People & Procurement and the swift implementation of this plan has worked very strongly in our favour during the pandemic.

How will Eco-hotels affect the destination and community?

Hotels can play a critical role in reducing carbon emissions, while empowering local communities. Sustainability with regards to hotels has evolved from being an abstract concept to being a set of practical measures which have the power to create impactful change, that will help secure a more positive future. Sustainability for us is all about optimizing processes and the systems we control, to align with our three pillars: Think People, Think Community, Think Planet.

At Radisson Hotel Group, we have informed management plans in place at hotels,

with the latest technology upgrades. We also train employees to ensure efficient use of resources. Our hotels have actively adopted water-saving technologies – we have been successful in engaging guests and employees in activities to shrink water consumption by considerable margins. Even our infrastructure supports natural cross-ventilation, thus reducing the use of electricity. Nature and architecture harmoniously coexist in our properties. The design language itself is a combination of sustainable practices and local art and craft.

Eliminating hazardous substances, supporting the health of employees using products that come from sources that impact employee health positively and ensuring that supply chains are eco-friendly are all good starting points. Utilizing products that reduce carbon emissions, recycling and reusing products and building toward a zero-waste goal goes a long way to satisfying the customer appetite to do it right. With the growth in sales of electric cars, the addition of charging stations makes financial sense during this time.

Food wastage is another key issue in the sector – it is estimated that 40 percent of all food is wasted globally.

When the routine processes of a hotel are streamlined to be inherently sustainable, they cumulatively make a sizable difference over the years. Sustainability – like the word suggests – has to be sustained! The measures must be consistent, and responsible business operations must become a core value.

Are the concierge services going to be completely digital? Would the face-to-face interactions reduce? What initiatives have been adopted by your brand to reduce its carbon footprint?

While we are already witnessing rampant digitization, hospitality – at the end of the day – is a people-centric business that requires the human touch and intelligence. We will see people and smart machines co-existing and supporting each other in the sector.

At Radisson Hotel Group, 450+ of our hotels worldwide are eco-labeled. We aim to set science-based emission targets and work towards a zero-carbon transition of our global operations. As part of our journey to carbon neutrality, we are constantly increasing the number of green hotels, including the Radisson Resort & Spa Lonavala in India.

We are proud to share that Radisson Hotel Group is the world's first hotel group to make meetings and events across 400+ hotels in its EMEA portfolio carbon negative.

We also have a renewable energy transition strategy in place. At present, more than 56 of our properties run 100% on renewable electricity. We also believe that our recent partnership with Sunfuel Electric to provide captive electric vehicle (EV) charging stations across our hotels in India, is a step in the right direction.

KEY TAKEAWAYS

Space Optimisation

The past few years has emphasized pricing models which take account of every inch of space and every second of time, overturning the traditional methods of measuring success. The pandemic has highlighted the hotel basing their business on revenue per available room which ignores much of the hotel and makes it less efficient at a time when every piece of income counts. Therefore, revenue per available square foot (or RevPAM) has gained importance. Hotels record 100% occupancy when a room is occupied overnight, whereas the real occupancy is not always the same.

Looking at the room/suite hourly, you can see how it could be used as temporary office space or conference room, increasing income. Counting every square foot or meter of the hotel enables a more holistic statistic that includes all other income streams and touchpoints, such as upselling, food and beverage, spas, parking, and conference spaces, and gives a guest-centric view of revenue. This varies on numerous factors such as location, facilities, category, brand and so on. However, it helps in the overall understanding of the property yield.

Understanding Human Capital

It is important to utilize the opportunity for cross-training employees while systematic development programs need to be incorporated. An adaptable and flexible work environment would be mutually beneficial for the hotel as well as the employees, with embedding forward-looking live technology and AI techniques within the workplace along with attractive remuneration is the way forward

Upgrading Technology

Technology is important in the hotel management sector for guests, management teams, and employees. Technology aids in the processing and speeding up of processes, which has a direct impact on the guest experience. Hoteliers must be aware of new technological possibilities and constantly adapt to the changing guest preferences in a highly dynamic and ever-changing industry.

REFERENCES

1. https://blog.tbrc.info/2022/05/global-ecotourism-market/

2. https://news.booking.com/en-in/2022-sustainable-travel-research-report-91-of-indian-travellers-say-that-they-want-to-travel-more-sustainably-over-the-coming-12-months/

3. https://www.maximizemarketresearch.com/market-report/hotels-market/47478/

4. https://www.thebusinessresearchcompany.com/report/hospitality-global-market-report#:~:text=The%20global%20hospitality%20market%20size,(CAGR)%20of%2015.1%25.

5. https://wttc.org/Portals/0/Documents/Reports/2022/EIR2022-Global%20Trends.pdf

6. https://www.apollotechnical.com/statistics-on-remote-workers/

7. https://business.yougov.com/sectors/travel-tourism/yougov-travel-tourism-report-2022-youth-of-today-travel-of-tomorrow

8. https://www.hotelmize.com/blog/gen-z-travelers-how-their-travel-behavior-compares-to-millennials/

9. https://www.revfine.com/big-data-hospitality-industry

10. https://www.futuremarketinsights.com/reports/meal-kit-delivery-services-market

11. https://www.futuremarketinsights.com/reports/online-food-delivery-services-market

12. https://restaurant.indianretailer.com/article/increasing-importance-of-fb-in-driving-hotel-revenue.14178

13. https://www.traveldailynews.com/post/tech-savvy-hotel-chains-market-is-estimated-to-reach-at-a-us-220bn-by-2032

14. https://iopscience.iop.org/article/10.1088/1742-6596/1969/1/012041/pdf

15. https://www.altexsoft.com/blog/business/bleisure-travel-how-to-capitalize-on-business-travelers-that-linger-for-leisure/

16. https://www.holidu.co.uk/magazine/the-best-cities-for-a-workation

17. https://www.hospitalitynet.org/opinion/4111859.html

18. https://www.lonelyplanet.com/news/hotel-room-of-the-future

19. https://nexttourismgeneration.eu/10-key-characteristics-of-gen-z-to-keep-in-mind-in-travel/

20. https://socialworkplaces.com/hotel-coworking-city/

21. https://blog.thehotelsnetwork.com/hotels-coworking-spaces

22. https://www.researchandmarkets.com/reports/5529481/

23. https://restaurant.indianretailer.com/article/should-you-consider-a-subscription-based-food-delivery-model.13838

24. https://foodboxmate.com/meal-kit-delivery-service-definition/

25. https://youmatter.world/en/staycation-definition-stay-vacations-sustainable/

26. https://www.alliedmarketresearch.com/cloud-kitchen-market-A06408

27. https://prenohq.com/blog/what-will-hotels-future-look-like/

28. https://wttc.org/Portals/0/Documents/Reports/2022/WTTC-Staff%20Shortages-August22.pdf

29. https://www.oracle.com/in/industries/food-beverage/cloud-kitchens/

30. https://restaurant.indianretailer.com/article/how-vegan-food-trend-is-disrupting-indian-market.14040

31. https://hoteloperations.com/hotel-fb-trends/

32. https://www.hellenic-hotels.com/2022/03/four-food-and-beverage-trends-that-are.html

33. https://hoteldesigns.net/industry-news/going-public-5-trends-that-are-shaping-the-design-of-public-spaces-in-hotels/

34. https://www.linkedin.com/pulse/mice-usd-219440-billion-global-event-industry-2028-forecast-marques/

35. https://drifttravel.com/workations-the-future-or-just-another-travel-trend/

36. https://passport-photo.online/blog/why-workations-are-all-the-rave/

Our People

Our team works with global network to ensure we are up to date on all market trends and best practice.

NANDIVARDHAN JAIN
Chief Executive Officer
+91 9223368382
nandivardhan.jain@noesis.co.in

VIJAY BHANDARI
Chief Operating Officer
+91 9910048637
vijay.bhandari@noesis.co.in

VIKRANT TAMBE
National Head – Transaction Advisory
+91 9920664006
vikrant.tambe@noesis.co.in

MUMBAI OFFICE
Kaledonia, A Wing,1st Floor, 19 Sahar Road,
Andheri (E) - 400 053, Mumbai, Maharashtra.
Phone: +91 22 6611 7926

USA OFFICE
1100 Frank E Rodgers Blvd S,
APT 270, Harrison NJ, 07029, USA
Phone: +1 (908) 485-8475

GURUGRAM OFFICE
Ground Floor, Platina tower,Mehrauli-Gurgaon
Road, A Block, DLF Phase 1,
Sector 28, Gurugram, Haryana 122002
Phone: +91 9872899977

AUTHOR : MITHILESH JAISWAL

Brand Search & Contract Negotiation | Corporate Finance | Consulting & Valuation | Transaction Advisory

NOESIS

Hotel Advisory
Redefined

www.noesis.co.in